

MANAGING

A Former Reporter Spans the Globe to Aid Small-Business Owners

William M. Abrams

Age: 53

First professional job:

Staff reporter, *The Wall Street Journal*, New York

Current job: President, Trickle Up, New York



NAJLAH FEANNY, FOR THE CHRONICLE

William M. Abrams says his organization provides small grants rather than loans to aid entrepreneurs because “we reach people who microfinance doesn’t reach, people who are too poor or too rural.”

When I was 13 years old, my mother recognized I didn’t have any athletic ability, and, because my two older brothers were jocks, she said, “You should go get on the school newspaper. I think you’ll enjoy that.”

So that started me on a path to journalism. I worked as a reporter for *The Wall Street Journal*. I worked for Capital Cities/ABC in several different positions. At ABC News in the 1990s, I helped put them on the Internet and developed a very successful business producing documentaries for cable. After I left ABC, I took a fling at the dot-com world, like a lot of people. It didn’t succeed, like most.

Then I went to *The New York Times* and ran a division that produced public-affairs documentaries for public TV and cable. We made fantastic programs and won all kinds of awards. But it didn’t make any money, so we closed down New York Times Television.

The day after I had the difficult task of telling 100 people that they’d be losing their jobs, a friend of mine who runs a homelessness nonprofit group called me and said, “Here’s what you should do. There’s a big foundation going through a lot of change and they’re probably going to need a chief operating officer.”

It was sort of like I saw a burning bush.

While I didn’t pursue his specific suggestion, I decided at that moment that I wanted to reroute my career into the nonprofit sector. I wanted to take the management skills and leadership skills I’d developed and put them to a different purpose. I’d always done volunteer work, but I’d never worked at a nonprofit as a career, and now I was at a place where I could do that financially. It was one of those rare moments in your life where you really have a lot of clarity. And that was it.

I suppose that part of my motivation was the result of September 11. I live very near the World Trade Center, and saw the devastation firsthand and knew three people who were killed. It’s a cliché to say that changed your life, but it did.

Even though I didn’t know it at the time, my dream was Trickle Up, which provides small grants to help people in the United States and 13 very poor countries in Africa, Asia, and Latin America take the first steps out of extreme poverty by starting businesses. It was a midsize organization full of potential looking for new leadership and doing something very important in the world.

I had no direct experience in microenterprise before I joined Trickle Up. I had never heard of Trickle Up until last July, when I got a phone call from a recruiter. But I had been interested in the field. I thought, “Wow, if I could be somehow a part of reducing extreme poverty around the world, what an amazing thing that could be.”

There are interesting similarities and differences between the nonprofit and corporate worlds. People always say

nonprofits should be more businesslike, but I don't buy that. I've seen a lot of businesses. I've seen strong ones, weak ones, and mediocre ones, and I'm sure there are all stripes of nonprofits as well. What everyone needs is strong and decisive and farsighted leadership.

I'm amazed by the creativity I see in the nonprofit world. There are thousands of nonprofits; the proliferation is amazing. And while arguably there are too many, the creativity and the way people come to interesting solutions to a problem is a good argument in favor of smaller-scale, nimble, innovative nonprofits.

When Trickle Up started in 1979, microfinance was really in its infancy. The founders of Trickle Up, Mildred and Glen Leet, had been involved in international work all their lives. They were on vacation in Dominica and saw all this appalling poverty alongside affluence. A relative had left them \$1,000 in a will. They had this idea that if you gave 10 people a \$100 seed capital grant, they would be able to make something of it. They asked a local women's group to spread the word, and of course they found plenty of willing entrepreneurs. That's how Trickle Up got started. It's very direct, very modest, but very powerful.

Things have changed over the years. Grants are still the centerpiece, but now the training we provide entrepreneurs is also very important. One hundred dollars is a meaningful amount of seed capital in a poor country, but the training is what stays with you the longest. We also help people form savings groups, to provide them with future capital for expanding their businesses and insulating them against bad weather, illness, and other shocks that buffer the poor.

A lot of it is confidence building. A hundred dollars sounds small to us—it's the price of dinner for two in Washington or in New York—but that's a lot of money in some places. It buys tools, a sewing machine, a hog.

One of the questions we get asked a lot is why we provide grants, not loans, because loans repay. The reason is very simple: We reach people who microfinance doesn't reach, people who are too poor or too rural or too remote from a microfinance office, people who are very often scared of incurring debt. Sometimes they've had loans that have gotten them into trouble, and they've had to choose between paying off their loan or feeding their children.

One of the remarkable things about Trickle Up that's absolutely blown me away is how strong the entrepreneurial gene is. We work with people who have no education, no role models, and no capital, and the only hurdle they can't get over is access to capital. They do amazing things with the resources that Trickle Up provides.

I recently met some amazing women in Honduras who worked in the chip business, making plantain chips. A hundred dollars was enough to buy some frying equipment. They now have a chance to sell their chips to the local school. They had to get their sanitation certificate and make the business legal, so they did that. Now they are beginning to get large and successful. When I was there visiting, the phone rang and she took an order, and when she hung up, she said, "We just got that phone six weeks ago, and now we get orders over the phone."

—AS TOLD TO CAROLINE PRESTON