

# **Resource Mobilization**

## **A Practical Guide for Research and Community-Based Organizations**



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**Resource Mobilization:**

A Practical Guide for Research and  
Community-Based Organizations  
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## Foreword

The International Development Research Centre (IDRC)'s mandate is to "initiate, encourage, support, and conduct research into the problems of the developing regions of the world". The Centre is concerned with funding flows to research for development and the financial sustainability of its research partners. Both remain a challenge for developing country partners, and dependence on project funding can undermine an organization's ability to pursue strategic research priorities and weaken overall organizational capacities. For these reasons, IDRC has encouraged the implementation of the Capacity Building in Resource Mobilization (CBRM) program that helps research partners plan strategically for their sustainability.

Following pilot workshops in Thailand and Peru in 2003 the program was officially launched in 2004. The objectives of the program were to provide training and advisory services on resource mobilization based on the needs of IDRC research partners and networks; to develop and test training tools; to link organizational strategic planning to resource mobilization; and to promote the development of Southern expertise in resource mobilization.

Between 2004 and 2009, some 480 individuals from over 370 partner organizations and networks based in Asia, Africa and Latin America have participated in the CBRM program. Through training, mini-grants, advisory services and mentoring, many researchers have developed resource mobilization strategies and tools that have helped improve their partnering and management practices.

Since 2004, IDRC worked in close collaboration with Venture for Fund Raising, a non-profit organization based in the Philippines, to design and deliver several workshops throughout Asia. IDRC is proud to support the publication of the *Resource Mobilization: A Practical Guide for Research and Community-Based Organizations*. The book is the result of several years of field-testing and incorporates feedback, and ideas from IDRC partners and colleagues. It complements training material, cases studies, and other resources produced under the CBRM Program ([www.idrc.ca/pbdd](http://www.idrc.ca/pbdd)).

Special thanks to Vivien Chiam and Katherine Hay from the IDRC regional offices in Asia, who co-developed and led the Asia CBRM program, through which this toolkit was developed. We would like to thank IDRC's senior management for their vision and continuous support, and Lisa Burley and Nicole G  n  reux for their work as the Program's coordinators.

We hope that the Resource Mobilization Guide will also be useful to the many research and development organizations around the world striving to attract the resources they need and to establish financial sustainability.

**Dani  le St-Pierre**

Director, Donor Partnership Division  
International Development Research Centre (IDRC)

Ottawa, September 2010

## List of Acronyms

<b>3C</b>	Connection, Capability and Concern
<b>ADB</b>	Asian Development Bank
<b>ANSAB</b>	Asia Network for Sustainable Agriculture and Bioresources
<b>ASRO</b>	IDRC Regional office for Southeast Asia
<b>AusAID</b>	Australian Agency for International Development
<b>CBO</b>	community-based organizations
<b>CBRM</b>	Capacity Building in Resource Mobilization
<b>CIDA</b>	Canadian International Development Agency
<b>CIP</b>	Centro Internacional de la Papa
<b>DDEC</b>	Dambulla Dedicated Economic Center
<b>DPD</b>	Donor Partnerships Division
<b>FAO</b>	Food and Agriculture Organization
<b>FRLHT</b>	Foundation for Revitalization of Local Health Tradition
<b>GEF</b>	Global Environment Facility
<b>GF</b>	GREEN Foundation
<b>GGS</b>	Govi Gnana Seva
<b>ICIMOD</b>	International Center for Integrated Mountain Development
<b>ICT</b>	information and communications technologies
<b>IDRC</b>	International Development Research Centre
<b>IFAD</b>	International Fund for Agricultural Development
<b>IPGRI</b>	International Plant Genetic Resources Institute
<b>ITTO</b>	International Tropical Timber Organization
<b>JICA</b>	Japan International Cooperation Agency
<b>KADO</b>	Karakoram Area Development Organization
<b>LEAD</b>	Leadership for Environment and Development
<b>LI-BIRD</b>	Local Initiatives for Biodiversity, Research and Development
<b>LRC-KSK</b>	Legal Rights and Natural Resources Center-Kasama sa Kalikasan
<b>NABARD</b>	National Bank for Agriculture and Rural Development
<b>NEN</b>	North East Network
<b>NGO</b>	Non-governmental organization
<b>NORAD</b>	Norwegian Agency for Development Cooperation
<b>ODA</b>	official development assistance
<b>PAA</b>	Rainforest Action Network's Forest-an-Acre Fund
<b>PARFUND</b>	Philippine Agrarian Reform Foundation for National Development, Inc
<b>SARO</b>	IDRC Regional office for South Asia
<b>SEARICE</b>	South East Asia Regional Institute for Community Empowerment
<b>SGP-PTF</b>	Small Grant Program for Operations to Promote Tropical Forests
<b>SHG</b>	self-help group
<b>SIDBI</b>	Small Industries Development Bank of India
<b>SWOT</b>	strengths, weaknesses, opportunities and threats
<b>UNDP</b>	United Nations Development Programme
<b>UNICEF</b>	United Nations Children's Fund
<b>UPWARD</b>	User's Perspectives with Agricultural Research and Development
<b>USAID</b>	United States Agency for International Development (USAID)
<b>WHO</b>	World Health Organization

# Introduction

The development research community faces interesting times. The changing tides of Official Development Assistance leave some regions of the developing world with less assistance, others with more. According to Canada's International Development Research Centre (IDRC), research partners put themselves in a precarious situation if they insist on relying on one or two funders, since their accustomed sources are, or will no longer be reliable. Donor scoping studies commissioned by IDRC in 2004 and 2008 showed that multilateral and bilateral agencies are now more focused on large-scale, sector-wide funding, awarding bigger grants to fewer organizations, with less money available for medium to small groups. As IDRC observes, dependence on international funding is proving to be insufficient, and compromises financial sustainability.

The viability, or survival of development research groups depends on the organization's ability to adapt to changing donor trends, and the willingness to explore alternative sources of funding.

This situation is not unique to the world of development research. Non-profits, non-governmental organizations, and foundations from all sectors that have long enjoyed the patronage of a few benefactors now find themselves wondering where next year's budget is going to come from, or how a particular program is to be sustained over the long haul, or how staff development can be funded when grant monies are restricted to programmatic work. Increasingly, non-profits and NGOs realize that they need to wean themselves away from once-reliable sources, and learn how to cast a wider net to draw in a bigger variety of donors.

## Why a Guidebook?

The advantage, though, for organizations that provide direct services to communities is that there is a plethora of material and training on resource mobilization strategies and techniques, and these have been further customized for non-profits in developing countries. But there is virtually no material for featuring customized methods to access funding for development research organizations.

Thus the birth of this practical guidebook, with the distinct feature of addressing the resource mobilization needs of community-based development research organizations, contained within their South and Southeast Asian contexts.

The large range of organizations engaged in development research — from international think tanks to universities and community-based groups — makes it impossible to generalize the challenges they face sector-wide. However, there are shared concerns:

- ◆ First, the 'case' for supporting development research work is quite difficult to articulate and scientific research findings or reports, often the immediate outputs of research projects, have a limited direct audience. There needs to be significant repackaging of these to produce the desired social impact;
- ◆ Second, development research is seen by many as a tool or component in development work. As such, the funding for development research activities is not that apparent;
- ◆ Third, grants are generally restricted, leaving no room for development research organizations to establish and maintain their own research

agendas, and as a result undermines efforts towards local empowerment; and

- ◆ Lastly, and true for other non-profits as well, is the over-reliance on restricted project funding from grant making organizations. While not undesirable in itself, restricted grants usually leave too little room for funding organizational core costs such as staff development and marketing expenses.

This guidebook shows that sustainable resource mobilization is a strategic process that is grounded in effective organizational management, brought to life by creative communication, and maintained through nurturing stakeholder relationships. This reinforces the assertion that resource mobilization should be considered a core institutional function, rather than just a string of ad-hoc activities. The guidebook provides a collection of information and activities that can help development research non-profits to:

- ◆ Plan resource mobilization in a strategic, mission-driven — as opposed to donor-driven — manner;
- ◆ Build skills in proposal writing, handling face-to-face meetings, and communicating key messages;
- ◆ Design, implement and monitor resource mobilization activities; and
- ◆ Learn how other development research organizations in the region have addressed resource mobilization challenges.

## Partners in the Development of the Guidebook

The people and organizations that worked together on this guidebook are strong believers in the role development research organizations play in society.

For close to 40 years IDRC, a Canadian organization, has helped developing countries use science and technology to find practical, long-term solutions to the social, economic, and environmental problems they face. Support is directed toward developing an indigenous research capacity to sustain policies and technologies that developing countries need to build healthier, more equitable, and more prosperous societies. Through its Partnership and Business Development Division (PBDD), IDRC initiates, builds and maintains long-term relationships with like-minded donors and institutions. The PBDD's regional program, Capacity Building in Resource Mobilization (CBRM), provides targeted, timely, and relevant capacity building strategies to various partners in Asia. CBRM recognizes the need to re-direct resource mobilization strategies to different, public and private, local, regional, national and sub-regional sources of funding and through new and different strategic partnering and resource mobilization techniques.

Venture for Fund Raising, a Philippine-based non-profit organization, is one of the CBRM project implementers, facilitating the resource mobilization training activities. Venture has for the past nine years provided training, consulting, and research and public information services to over 800 non-profits in 15 countries, enabling organizations to raise the resources they need to fulfill their mandates.

This guidebook documents some of the training and capacity-building activities supported by IDRC and implemented by Venture for Fund Raising, with the invaluable input of experts on topics such as negotiations, financial management, proposal-writing and communications. The seeds of this practical guidebook were sown in a pilot resource mobilization workshop held in Bangkok in 2003, and were further nurtured in succeeding workshops and consultations, up until the most recent follow-up workshop held in Manila in September 2006. The practical guidebook itself evolved out of a writeshop process that brought the Venture team together in Cebu City, and helped distil from the team's storehouse of knowledge the concepts, models, activities and case studies appropriate to the development research sector.

Therefore, the content of this practical guidebook has been inspired by the experiences and ideas of many:

- ◆ Katherine Hay, IDRC Regional office for South Asia (SARO) and Vivien Chiam, IDRC Regional office for Southeast Asia (ASRO) – guiding members of the project team;
- ◆ The worldwide team of the PBDD, earlier headed by Alain Berranger, and currently by Danièle St.-Pierre;
- ◆ Various IDRC partners who participated in the following resource mobilization workshops: the 2003 pilot workshop in Bangkok; December 2004 workshop for the Asian Model Forest Network in Madiun, Indonesia; February 2005 workshop for the partners of the Medicinal and Aromatic Plants Program in New Delhi; May 2005 workshop for IDRC's Asia-wide partners; February 2006 workshop for IDRC's agricultural biodiversity partners in Colombo; May 2006 for the members of the Global Knowledge Partnership, also in Colombo; and finally, a follow-up/ monitoring workshop in September 2006 in Manila.
- ◆ Resource persons Melanie Billings-Yun of Global Resolutions, Mr. Harsha de Silva of the Govi Gnana Seva Project in Sri Lanka, Nalaka Gunawardene of TVE Sri Lanka, Liz Fajber, Sarah Earl and Rana Auditto of IDRC, and Jeremy Chermas of IPGRI.
- ◆ Featured organizations: Chaitanya, International Center for Integrated Mountain Development (ICIMOD), Foundation for Revitalization of Local Health Tradition (FRLHT), Asia Network for Sustainable Agriculture and Bioresources (ANSAB), eHomemakers, Ngao Model Forest, Govi Gnana Seva, GREEN Foundation, User's Perspectives with Agricultural Research and Development (UPWARD), LEAD India and North East Network (NEN).
- ◆ The team from Venture for Fund Raising, headed by Executive Director Mayan Quebral.
- ◆ Joy Caminade, for re-packaging, editing and desktop publishing much of the training material into this practical guidebook.

## How to Use this Guidebook

This practical guidebook supports and promotes new and creative thinking on resource mobilization for development research, and can be used by organizations with different levels of skills and experience.

Part A discusses the three major concepts that set up the framework for resource mobilization: organizational development and management, communicating and prospecting, and relationship building.

Part B is divided into several chapters, each chapter presenting at length a step in the resource mobilization process, with one step building upon the other. Throughout each chapter, the reader may find:

- ◆ Case studies of Asian development research organizations that have applied the concept or technique, which validates the practical application of the practical guidebook. Users of this publication will be able to draw on the successes and avoid the pitfalls of the featured cases;
- ◆ Key findings from various surveys on the giving trends of institutions and individuals across Asia;
- ◆ Articles or workshop presentations by resource persons that elaborate on particular topics;
- ◆ Tools and templates that can be freely used within an organization in order to apply the concepts discussed

Both Venture and IDRC firmly believe that although resource mobilization is a big challenge, various on-the-ground projects in capacity-building have shown that development research organizations can become adequately funded. This shared belief has made developing this practical guidebook such a gratifying learning experience.

Organizations are dynamic systems, and must adapt in order to continue on. The days of receiving funding from a single source are numbered. All non-profit organizations, including development research institutions, need to arm themselves with the tools, techniques and strategies to shift from dependence to independence, very much a maturing process. To face up to the challenge, an organization must never underestimate its capacity to change and transform. This practical guidebook hopes to provide organizations not only with the information and tools, but also the confidence to make that transformation happen.

*Venture for Fund Raising*



## Understanding Resource Mobilization

Part A contains two chapters. The first one, *Looking Beyond Just Raising Funds*, discusses resource mobilization and fund raising, and the three major concepts that set up the framework for resource mobilization: organizational development and management, communicating and prospecting, and relationship building. It also talks about the Pareto Principle as applied to non-profits, and the three major characteristics that donors look for in organization they wish to support. The second chapter, a case story entitled *Rallying Support, the Chaitanya Way*, features the inspiring efforts of the Indian organization Chaitanya as they learned to engage their various stakeholders to meet their goal of raising over US\$50,000.

### Looking Beyond Just Raising Funds

Most development research organizations have had, up until recently, a comfortable, sheltered life. In order to access funding for an applied research project, a board member, executive director, program officer or some other staff member would write up a grant application addressed to one, two, or a handful of institutional donors. They would get part or all of the funding required; implement the research; then submit midterm and final reports to the donor, documenting results, and meeting financial reporting requirements. Projects would have to meet donor requirements, and their successful implementation could mean more money for another project cycle. In some cases, the grant application is just a token gesture because funds are assured anyway.

A few organizations may have other, smaller sources of income: training and consulting services, sale of organic products and traditional medicines produced by local communities, a random rummage sale or participation in a bazaar. But the income generated from such activities is rarely substantial. The bulk of the organization's funding would still be from one or two funders.

Now that funding from aid agencies has become less reliable due to shifting donor trends and preferences, many research organizations are left with unfunded programs, and may even begin to wonder about their survival. More grant making institutions require counterpart funding, and token grant proposals just to meet paper trail requirements don't work anymore. Non-profits actually have to earn their keep! As the non-profit sector comes face-to-face with the reality of declining funds from the international donor community, non-profit leaders are left with two options: close shop, or aggressively and creatively look for alternative funding sources to fill the gap.

The latter poses as a challenge for non-profits that have been used to writing up grant proposals to secure funding. Board members, executive directors and non-profit managers must now learn to diversify funding sources and come up with creative resource mobilization strategies to ensure survival.

### The Importance of Diversifying Funding Sources

A diversity of funding sources provides protection against fickle donor trends. Other than grants, income sources include gifts and earned income. The characteristics of each are found in the table below:

#### Different Funding Sources

SOURCES	CHARACTERISTICS	EXAMPLES
<b>Grants</b>	Usually restricted, project-based, time-bound, short-to-medium-term funding	Governments, foundations, associations, multilateral and bilateral agreements
<b>Gifts</b>	Unrestricted, can lead to endowments, medium-to-long term funding	Individuals, groups
<b>Earned Income</b>	Unrestricted, short-to-long term funding, for-profit operation, needing different management skills	Sale of products, fee for service, interest income

Rather than focusing all energies towards bagging large grant amounts from big funders, there is value to develop a following made up of individual donors, corporations and groups with various degrees of affinity for the organization's programs. Their support may come in the form of large or small gifts, could be unrestricted, could be one-time donations, or could lead to long-term funding. An organization in search of unrestricted funding would do well to expand their base of individual givers. There is also value in professionalizing existing earned income activities to the point where they could significantly impact an organization's financial viability.

This alternative approach encourages a healthy mix of funding sources, thereby spreading the risk in the event that one source dries up.

### Building Constituents

The call now for development research organizations is to make the shift from dependence on grants to building their own constituencies and mobilizing local support through other strategies.

Raising resources from a local base has direct implications on the relevance of an organization's reason for being. A community willing to support the organization's research efforts, financially or otherwise, suggests that it shares the objectives of the program, understands them, and aspires to see them realized. This becomes an endorsement of the organization's mission, and serves as an indicator of how wide and deep the organization's impact is on its constituents.

In addition, more grant giving institutions, foundations and corporations are using the level of community support as a criterion for funding. Developing a base of support should thus be a part of an organization's resource development plan.

The task then falls on the organization to identify who these people are in the community, find a way of talking to these people, offer them opportunities for support, and have systems in place that assure these supporters, or donors, that their donations are directed towards the projects for which they were intended.

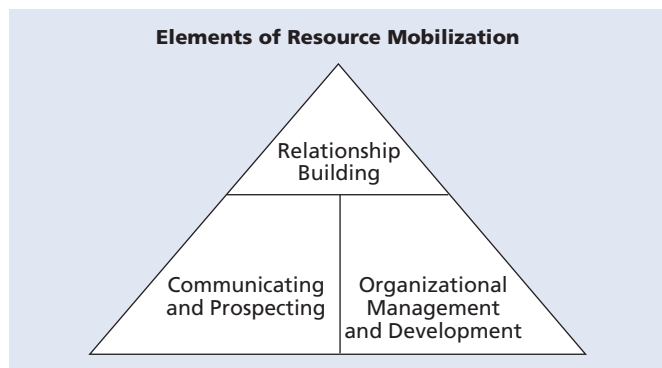
To accomplish the above requires more than just the technical skills of resource mobilization. It involves the complex and delicate task of building relationships with other people who share similar values and goals, and upon whom the organization can rely for support.

## Defining Resource Mobilization

Thus resource mobilization may be defined as:

a **management process** that involves identifying people who share the same values as your organization, and taking steps to manage that relationship.

Looking closely at this definition, one can see that resource mobilization is actually a process that involves three integrated concepts:



The key concepts are: organizational management and development, communicating and prospecting, and relationship building. Each concept is guided by a number of principles which are further elaborated in the forthcoming chapters.

## Organizational Management and Development

Organizational management and development involves establishing and strengthening organizations for the resource mobilization process. It involves identifying the organization's vision, mission, and goals, and putting in place internal systems and processes that enable the resource mobilization efforts, such as: identifying the roles of board and staff; effectively and efficiently managing human, material, and financial resources; creating and implementing a strategic plan that addresses the proper stewardship and use of existing funds on the one hand, and identifies and seeks out diversified sources of future funding on the other.

This concept covers the following principles, elaborated throughout the practical guidebook:

1. Resource mobilization is just a means to the end, the end being the fulfillment of the organization's vision
2. Resource mobilization is a team effort, and involves the institution's commitment to resource mobilization; acceptance for the need to raise resources; and institutionalizing resource mobilization priorities, policies and budget allocation

3. The responsibility for the resource mobilization effort is shared by the board, the president or the executive director, and the resource mobilization unit
4. An organization needs money in order to raise money
5. There are no quick fixes in resource mobilization

## Communicating and Prospecting

Once an organization has achieved a certain readiness for resource mobilization, it must then take on another challenge: ensuring its long-term sustainability by acquiring new donors and maintaining a sizeable constituency base. The art of resource mobilization entails learning how to connect with prospective donors in a manner and language they understand, and finding common ground through shared values and interests. It also entails discerning the right prospect to approach, and matching the appropriate resource mobilization strategy to the prospect.

This concept is governed by two principles:

1. Resource mobilization is really FRIEND raising. Financial support comes as a result of a relationship, and not as the goal in and of itself.
2. People don't give money to causes, they give to PEOPLE with causes. People give to organizations to which they have personal affiliation, in some shape or form.

## Relationship Building

And thus the courtship begins: once you identify your donors, the objective then is to get closer to them, get to know them better, very much the same way as developing a casual acquaintance into a trusted friend and confidante. As the relationship deepens, this increases the chance of donors giving higher levels of support over time, intensifying commitment and enlarging investment. As cultivation techniques become more targeted and personal, a donor may become more involved in the organization. Initiating new relationships, nurturing existing ones, and building an ever-expanding network of committed partners is an ongoing activity, embedded as a core function of the organization. This requires the dedication of board members, staff and volunteers, and in order to build enduring relationships, the following principles should be remembered:

1. Donor cultivation means bringing the prospect to a closer relationship with the organization, increasing interest and involvement
2. Start at the bottom of the resource mobilization pyramid to get to the top

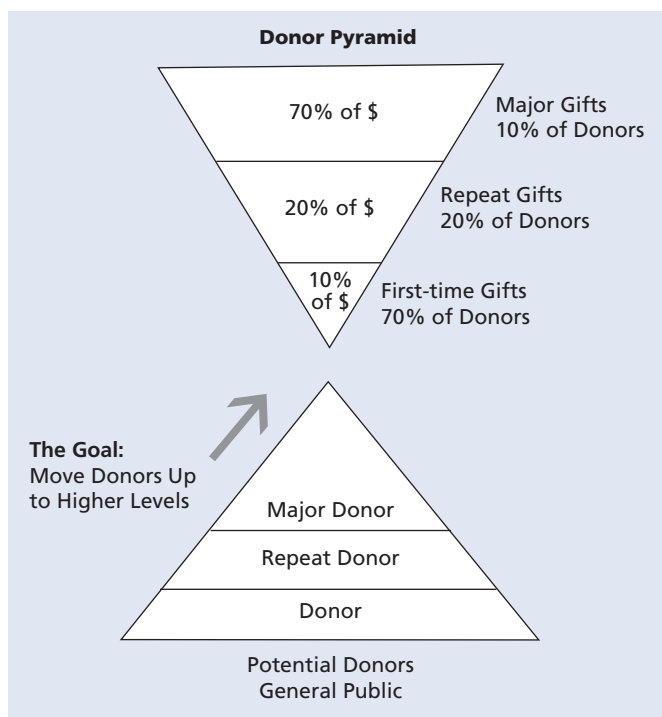
## The Resource Mobilization Pyramid and the 80–20 Rule

The resource mobilization pyramid is a graphic depiction of the proportion of an organization's supporters vis-a-vis their level of involvement in its activities:

Major Donors make up only 10% of an organization's support base, but contribute 70% of total donations received.

Repeat Donors make up 20% of an organization's support base, and contribute 20% of total donations received.

First-time Donors make up 70% of an organization's support base, but contribute only 10% of total donations received.



The pyramid reflects a concept called the Pareto Principle, also known as the 80-20 Rule, which states that a small number of causes (20%) is responsible for a large percentage of the effect (80%). In one business application, it can mean that 20% of the customers generate 80% of the sales, or that 80% of merchandise comes from 20% of the vendors.

In the non-profit application of the Pareto Principle, it can mean that 20% of an organization's funding comes from 80% of its donors, forming the base of the pyramid. Majority of the supporters are involved in a smaller capacity. Further up the pyramid, individuals with greater involvement become fewer, and the apex is the smallest group of supporters who contribute the most (80% of the funding coming from 20% of its donors). The percentages per se are not as important as understanding that the higher the gift or donation, the smaller the number of donors who have the capacity or interest to give it.

The donor pyramid serves as a model to envision the resource mobilization strategies that are appropriate for each level. An entry-level strategy such as a special event or a direct mail campaign can be used to draw in donors to an organization (the base of the pyramid). As a donor's capacity to give increases over time, other strategies, such as face-to-face solicitation, are then implemented to draw them up the pyramid, providing them with successive giving opportunities that may cultivate a deeper commitment and interest in the organization. Generally, only a few from the larger pool of donors move up into the next level. There are of course exceptions, and a major donor can surface at any level.

## What Donors Look for

It would seem then that advocating for a good cause is not enough to attract local funding. In a seminal study conducted by the Asia Pacific Philanthropy Consortium, *Investing in Ourselves: Giving and Resource mobilization in Asia*, which covered case studies of how various non-profits and NGOs mobilized funds for financial sustainability, it was observed that in rallying for support, the nurturing of personal and community relationships was more critical than the espoused cause itself. It further stated that these relationships were based on three major characteristics that an organization needed to have in order to attract support: legitimacy, transparency, and accountability.

### Legitimacy

Different countries have different terms and requirements for recognizing the legal existence of organizations. But however diverse these requirements are across the region, each state still exercises a degree of control over the incorporation of non-profit organizations. Only those that have been established according to their country's civil laws and traditions are considered to be legitimate. Such organizations are more likely to gain donor support because they have achieved some level of compliance with government standards, and are less likely to be suspected of being fronts for underground political movements or "fly-by-night" operations.

### Transparency

This refers to open communication with internal and external stakeholders regarding an organization's financial and management health, and is a characteristic of organizations that disclose information about their programs, activities, and even financial transactions and investments to stakeholders and anyone who wishes to know more about the organization. It is a criterion that is highly regarded by prospective donors and partners, as transparency assures them of an organization's trustworthiness and commitment to its constituents.

### Accountability

This refers to an organization's ability to stand up for its mission, and to be guided by sound management and financial principles. An accountable organization is one that responsibly services its community, properly manages its resources, and is able to report back to donors regarding the use of donated funds. Such organizations are also likely to gain public support, as quite a number of donors now expect to be updated on how their funds have been used by their beneficiary organizations. Moreover, it is not uncommon for donors to request visits to project sites to be sure that their monies are being used in the best way possible.

If there is only one message to take home from this chapter it is this:

In building a base of donors, the focus is less on resource mobilization, more on friend raising. The funds come as a by-product of the relationship, and not so much as an end in itself.

## Case Story:

### Rallying for Support, the Chaitanya Way

#### The Organization

Chaitanya is an organization in India that aims to mobilize the backward and underprivileged in society, especially women, and assist in the overall social development through formation of self-help groups (SHGs), clusters and federations.

Chaitanya facilitated the formation of the first SHG federation in Maharashtra, the Grameen Mahila Swayamsiddha Sangha with the objectives of creating a habit of savings and credit among group members, generate external resources and provide a forum for exchange of information and experience to large groups of women.

## The Resource Mobilization Context

In 1995, Chaitanya became a lead training agency of NABARD, India's apex bank for rural development in a project funded by the International Fund for Agricultural Development (IFAD). The project aimed to promote SHGs and ensure availability of mainstream financial services to the poor through SHGs.

Towards the end of the project, it was agreed to continue the capacity building program after the withdrawal of IFAD from the State, through construction of a Women's Training and Resource Center. IFAD and NABARD supported the proposal and sanctioned Rs.2,800,000 (US\$65,116 at US\$1 = Rs.43) towards infrastructure. The design proposed was low-cost in keeping with the rural ambience within which it was situated. It included a training hall, library and residential facilities for 30 persons with a total built up area of 6000 sq ft.

Though the land was acquired in 2001 through a donation from one of its trustees, there were legal problems involved in the land-use conversion that ultimately led to government authorities confiscating the land for the training center.

An alternative site was found six months before the closure of the IFAD project: an entire floor of 6000 sq ft, fully constructed and ready for sale. However, the cost was almost double the grant amount. The floor itself was Rs.3,500,000 (US\$81,395) and with interiors and all sundry expenses the cost shot up to a little more than Rs.5,000,000 (US\$116,279). Within the grant amount, only half the floor space i.e., 3000 sq ft. was available which was not in accordance with the original plan.

With this situation, Chaitanya was left with two choices — let the grant amount lapse or take up the challenge of raising the remaining funds for the building.

## Chaitanya's Resource Mobilization Capabilities

Chaitanya had no prior experience of raising such large amounts of funds and never even wrote a single proposal with the aim of actively seeking funding from organizations or individuals. NABARD therefore stated that the grant funds would only be released after a resolution from the Board was drafted taking full responsibility for raising the remaining funds. With Chaitanya committed to set up the center, the Board decided to take on the massive responsibility of raising nearly Rs.2,500,000 (US\$58,140). The builder agreed to receive only a partial payment and wait for one year for the balance of funds, interest-free. But after one year the builder would charge an interest of 16% on the outstanding amount. In effect Chaitanya had only one year to raise the requisite amount to avoid the additional burden of paying interest. In early 2003, the International Development Research Center (IDRC) organized a resource mobilization training which was attended by the program coordinator of Chaitanya. The training could not have come at a better time. It gave the organization a new perspective

as well as confidence to look beyond the usual donors. Since there were very few funding organizations that provided support for infrastructure development there was a need to devise innovative strategies for raising money.

## Resource Mobilization Strategies

The challenge that the organization faced was shared among the staff as well as the office bearers of the federation. Everyone knew what the available amount was from IFAD, and the amount needed to be raised. Suggestions were invited to decide the best course of action. Each area where the programs of Chaitanya were being implemented took up the responsibility of raising some amount locally.

1. A pamphlet in Marathi on the contributions of Chaitanya, and receipt books in the denominations of Rs.50/- 100/- and 500/- were printed and distributed to the staff and few of the SHG leaders. The older SHGs decided to contribute some money from their own funds and the others decided to approach the village leaders for contributions.
2. So far Chaitanya had not seen the need to reach out to other people beyond the development sector to talk about its programs. However, the center provided this opportunity. In the absence of materials for publicity purposes, a five-minute film was prepared in English as well as in Marathi, highlighting the achievements of Chaitanya. Brochures were also prepared and revised (at least five times between 2001–2004) to make its design and layout more attractive.
3. A local oil company Chakan Oil Mills as well as the multinational company EATON Corporation agreed to support the training center.
4. Chaitanya was governed by a Board of Trustees appointed for a lifetime (unless they resigned). However, two members with time commitment and innovative ideas on raising funds were included in the Board as advisors. Their involvement greatly enhanced the resource mobilization efforts.
5. An organization experienced in raising funds through cultural events was approached for assistance in resource mobilization. A cultural night was organized in which a leading Indian classical artist — Shubha Mudgal was invited to perform. The management of the program was conducted by WISE and it gave Chaitanya a platform to talk about its activities and impact on the rural communities.
6. Chaitanya also decided to develop comprehensive grant proposals on the programs of the Center. This marked a first in Chaitanya's history because in the past, proposals were written only when there already was assurance that the funds would come in. This time, Chaitanya had to actually apply for grants. IFAD decided to provide partial support to meet the core costs, and Small Industries Development Bank of India (SIDBI) gave support for documentation.
7. The status of resource mobilization became a regular agenda in staff meetings.

These strategies made Chaitanya reach its target of raising Rs.2,500,000 (US\$58,140) for the training center, and in addition, Chaitanya received a grant from SIDBI for documentation and IFAD for conducting training programs and preparing training material at the center.

## Development and Management of a Resource Mobilization Program

This section discusses the major steps in resource mobilization planning:

- ◆ Reviewing the organizational strategic plan
- ◆ Determining resource mobilization targets
- ◆ Identifying constituencies and broadening stakeholders
- ◆ Developing key messages
- ◆ Reviewing and selecting resource mobilization strategies
- ◆ Gearing up for resource mobilization

Ideally, these steps are to be performed in successive order, and you will notice that they build upon each other to create a full understanding and appreciation of the resource mobilization planning process. Throughout the succeeding chapters, we have provided case stories, studies, tools and exercises you can use in your own planning exercise.

### Reviewing the Organizational Strategic Plan

This section starts with the importance of revisiting your Organization's Vision, Mission and Goal statements, accompanied with an exercise that can be used in reviewing or refining existing statements. The section on Situational Analysis discusses the merits of going through this exercise, and how this can be used to determine the strengths and weaknesses of your resource mobilization capacity, as well as the opportunities and threats to the organization (SWOT Analysis).

Accompanying this section are guidelines to Planning for a Situational Analysis, and an excerpt from the SWOT analysis of eHomemakers. Also included are case stories of FRLHT, ANSAB and KADO, as well as excerpts from a Donor Scoping Study commissioned by the IDRC.

### Bringing the Future into the Present

#### *Linking Resource Mobilization with the Vision and Mission*

Most established non-profit organizations possess an articulated Vision and Mission and engage in a regular strategic planning exercise. Ideally, at the end of each Strategic Plan cycle, the members of the organization engage in a review of its collective achievements, challenges faced, and current realities vis-a-vis its Vision, Mission and goals, in order to plan for the next cycle. A similar process is employed when developing a Resource Mobilization Plan, since your organization's Vision, Mission and Strategic Plan are the bases for its formulation.

The nature of a non-profit is to fill its funding gaps from sources other than its beneficiaries. In an organization's constant quest for resources, it can be tempting to develop a project just to match a donor's requirements and criteria. In some cases, an organization's good intentions can lead it to decide to serve this or that beneficiary, without taking into consideration its financial limitations and available resources.

Many non-profits are born out of the fiery goodwill and intentions of an individual or a group of individuals who identify social needs that are unmet and seek to find solutions to those needs. In the early years of the non-profit, operations run informally, almost intuitively, and the initiator or prime advocate sets the direction of the organization. However, as your organization grows, more complex programs will require more formal systems, and stakeholders would like to have greater influence in the running of your organization, it is easy to lose sight of why the organization was formed in the first place.

The vision and mission statements are what keep an organization on track. A non-profit without a vision statement is like being on a boat with no compass, flailing at the changing winds of a funder's, or a founder's, preferences.

#### *The Vision*

There are as many definitions of a "Vision" as there are organizational development consultants, but in the simplest of words, an organization's vision is the "shared hopes, dreams and images of the future." Much more than a statement of identity, your vision is a proactive, public declaration of how your organization sees the ideal future in the area in which it works.

#### **THINK ABOUT THIS:**

A vision is the "shared hopes, dreams and images of the future." Vision is unchanging, and timeless.

The forward motion of your organization depends on the clarity of your vision. Your vision statement is your prescription for pointing you in the right direction. All other documents and tools – your mission statement, strategic plan, marketing plan, business plan, and even your fundraising campaigns – are the means to reach your destination.

When your vision is internalized by all the members of your organization, all of your work leads you towards accomplishing this. Because you know your vision, you believe in it, and you all live it.

As you begin to plan for resource mobilization, it is time to put on a resource mobilization lens and analyze your existing vision statement using the following criteria:

- ◆ Is your vision powerful?
- ◆ Does it capture the organization's image of the future?
- ◆ Can members of the organization relate to it and be motivated to achieve it?
- ◆ Do they live the vision in their daily lives and passionately share this vision with others – with potential donors and with the community?



The International Center for Integrated Mountain Development (ICIMOD) has a clear, to-the-point vision statement:

... ICIMOD is committed to a shared vision of prosperous and secure mountain communities committed to peace, equity, and environmental sustainability.

The Foundation for Revitalization of Local Health Traditions (FRLHT) has an even shorter one:

... to revitalize Indian medical heritage.

The example below clearly illustrates the link between an organization's vision and its resource mobilization activities:

#### **The Foundation for Revitalization of Local Health Traditions (FRLHT): A Case Story**

FRLHT was set up by founder Darshan Shankar in 1992, with the original vision and mission of conservation and sustainable use of medicinal plants over three states in southern India. Initially funded by a single development agency, the Danish International Development Agency, FRLHT has over the years expanded its focus to include demonstrating contemporary relevance of theory and practice of Indian systems of medicine, and revitalization of local health traditions.

The geographic scope has also widened to include several more states throughout India. The interdependent themes of conservation and revitalization, as well as geographic expansion, have thus attracted several more donors and partnerships with government and private corporations.

FRLHT has also attracted support for its endowment fund, and has started providing technical and consultancy services armed with the reputation of being a pioneering foundation in championing the causes of both conservation and revitalization. The strategic refining of the original vision and mission has gained for FRLHT national and international recognition and support.

When clearly crafted, an organization's vision is unchanging, and timeless. A well-thought out vision statement attracts donors that share common aspirations. It discourages your organization from force-fitting program elements that have nothing to do with your vision, which may have only been created to meet the requirements of a particular donor.

Staying focused on vision-driven vs. donor-driven programs will address real, and not perceived needs within beneficiary communities. Conversely, it helps your organization determine the prospective donors to approach and as a result, moves you forward to its achievement.

#### **The Mission**

An organization's mission statement is a brief expression of why it exists – its reason for being. It states your organization's purpose, with and for whom your organization works, how your organization will go about fulfilling its vision, and the values that your organization adheres to.

A mission statement ...

- ◆ Is clear, concise and understandable
- ◆ Expresses why the organization does its work or the organization's ultimate purpose

- ◆ Is broad enough for flexibility but not too broad to lack focus
- ◆ States with and for whom the organization works
- ◆ States the organization's distinctive competence or the difference the organization will make for those it serves
- ◆ Serves as an energy source and a rallying point for the organization

The following example of the mission statement of FRLHT captures the organization's focus:

#### **To demonstrate the contemporary relevance of Indian Medical Heritage by designing and implementing innovative programs related to:**

- ◆ Exposition of the theory and practice of traditional systems of medicine;
- ◆ Conservation of the natural resources used by Indian systems of medicine; and
- ◆ Revitalization of social processes for transmission of the heritage on a size and scale that will have societal impact.

The mission statement of the Indian Institute of Forest Management clearly states its intended outcome, as well as its particular area of focus:

To provide leadership in professional forestry management aimed at environmental conservation and sustainable development of ecosystems.

Such mission statements provide a guiding star to help an organization stay on track and keep its activities well-focused.

When applied to resource mobilization planning, your organization's mission becomes the anchor by which you will communicate your cause to your potential donors, why you are deserving of support, and how you will prioritize your limited resources. As a result, your mission statement also gives you a sense of your organization's resource gaps. Which, ultimately becomes a major component of your resource mobilization plan.

#### **Goals**

When the vision or dreams for the future have been defined, those who will benefit from that vision have been identified, and how to go about making that a reality has been fleshed out through a mission, your organization's goals now shape the targets towards which plans and actions are directed.

A framework that is most useful for setting goals is the S-M-A-R-T goal framework:

**Specific** – what is required is clearly stated

**Measurable** – results are quantifiable

**Attainable** – targets are realistic but challenging

**Relevant** – goals have an impact on intended communities

**Time bound** – a clear timeframe is defined

SMART goals ground the vision and mission, and help your organization carve out a niche for the services you render. The goals distinguish your organization from others within the sector.

Vision, mission and goal statements have the power to hold your organization together, and thus, present a consistent image to your publics.

These keep your organization on track with what you would like to accomplish, and provide a yardstick to measure your present performance against your future plans.

The example below illustrates the link between ANSAB's Vision, mission and goals, and how these direct its resource mobilization efforts:

#### **Resource mobilization for a Clear Purpose: The ANSAB Story**

The Asia Network for Sustainable Agriculture and Bioresources (ANSAB) was founded in 1992 by EnterpriseWorks (previously known as Appropriate Technology International), the Government of Nepal – Ministry of Agriculture and Asian country representatives to help improve peoples' livelihoods. According to Bhishma Subedi, Executive Director, ANSAB is committed to enterprise oriented solutions to biodiversity conservation and economic development. ANSAB has a vision of rich and productive biodiversity for prosperous communities. Rich, healthy, and productive ecosystems are actively managed and used by local communities who are capable of addressing threats to biodiversity and advancing sustainable resource management. Focusing its services at the grassroots, national, and regional levels and collaborating with key stakeholders and clients, ANSAB integrates and builds on local and scientific knowledge systems, innovations, perspectives, and opportunities for ground level tangible impacts and wider replications.

The organization started with a US\$200,000 project budget with three staff members, and now has grown to over 60 staff members and 200 partner organizations implementing seven to eight projects per year. Dr. Subedi cites the following strengths of ANSAB – the capacity to design projects well, credibility, having unique tools, and persistence, which he further explained to mean not always following what the donor wants. "We always want to stay in the practical level, and what [donors] want us to do may not always be in the general direction." He adds, "ANSAB has various types of donors, those who support environmental conservation and those interested in livelihood improvements and community development. This twin focus helps to increase the pool of interested donors. However, it is still a challenge to find donors who are interested in both." In ANSAB, the Executive Director leads the resource mobilization. Board members, a loose committee and program managers are also involved in identifying project opportunities and proposal writing. When asked about what others can learn from ANSAB's experience, Dr. Subedi says, "My tips to other organizations are (1) to choose a focus and to stay focused; and (2) to choose good programs first before looking for funding opportunities."

Your vision and mission statements are your organization's guides in creating programs. In the process of identifying possible funding for your programs, you will come across those that fund activities in your area of work, but do not match your existing programs. This does not mean that your organization develops a program because there is available funding. Rather, you need to look at how your project can be modified to meet the donor's requirements. If there really is no fit, there is no need to force the issue!

## **Crafting Vision-Mission-Goal Statements**

How do you go about crafting your vision-mission-goal statements? There are a number of ways:

1. Choose representatives from all the units of your organization to form the Vision-Mission team. They then draft the statements, which are then presented to the general body for feedback.
2. Have an individual draft the statement, then present to general body for feedback.
3. Contract an organizational development consultant to facilitate the process within a workshop setting.

The key is to use a participatory process involving all the stakeholders of your organization, including your beneficiaries. Especially for non-profit organizations, the days for top-down dictation of vision, mission and goal statements are long gone.

### ***Developing Your Organization's Vision and Mission Statements: Vision Statement Exercise***

In a vision-mission planning process:

1. Individually, have each participant list ideas of the ideal future vision for the organization five years from now:
2. Have each participant share their individual list with either a subgroup, or directly with the entire planning team.
3. After all have shared their statements, have each group create a bullet list of common concepts from all the statements.
4. Have each sub-group share common concepts with the larger group. On behalf of the entire group, one person writes down the list of common concepts.
5. As a unified group, create a short, positive, and inspiring vision statement that has the consensus of all.

### ***Mission Statement Exercise***

1. Individually, answer each question below:
  - ◆ Why does our organization exist? What is our purpose?
  - ◆ Whom do we serve?
  - ◆ How do we achieve our purpose?

Steps 2 to 5, follow the same steps as with Vision Statement Exercise

### ***Procedure for Revising Your Vision and Mission Statements***

When board, staff and volunteer leaders take the time to regularly examine and measure organizational achievements and its current challenges and realities in relation to its vision, long-lasting benefits can be realized.

The organization's Vision and Mission electrifies and directs its efforts. On some occasions, there will be a need to revise the organization's Vision and Mission statements, in light of major shifts in its environment, a need to change the organizations programs due to increased demand for specific services which fall within its expertise, or decreased support for existing programs.

There is one crucial question that will spur the need to revisit your Vision-Mission statements:

Are the current vision and mission statements clear and on-target in today's operating environment?

If the answer to this question is a "No", the following procedure can be adopted:

1. Define your organization. What is the end result of your efforts? Of what value is this end result to your stakeholders?
2. Solicit the opinions and impressions of your external stakeholders on why your organization exists, what it has achieved, the quality of your programs and what are the emerging needs, if any, of these external stakeholders. These inputs can be used to help define your organization's reason for being.

Steps 3 to 5, follow the same steps as with Vision Statement Exercise.

It is important at this point to remind you to ensure that your original organizational purposes are not diminished in the revised statements.

## Knowing Where You Are Before Getting To Where You Are Going: Situational Analysis

Development organizations come up with methodologies and technologies that contribute to the viability and sustainability of the communities with which they work. But does your organization “walk the talk” of sustainability? Do you have enough funding to see your own projects through? Is there a strategic plan in place that allows you to see resource gaps, and create action plans to close the gap? Who decides on funding targets and priority projects? What are the targets and timelines? Is there a participatory system in place to elicit from various program units their resource mobilization needs and concerns?

In short, what are the prevailing factors affecting your organization's ability to raise resources? The answers to these and many more questions stem from situational analysis tools.

This chapter discusses the rationale of going through a situational analysis using a resource mobilization focus, and introduces a method often used in both for-profit and not-for-profit settings.

### Why Do a Situational Analysis?

A situational analysis is conducted for many different reasons, including assessing organizational performance, capacity in various skills and knowledge areas, motivation and environmental influences on its performance.

This process can likewise be utilized to assess the resource mobilization capacity of your organization. It is all very well to have high hopes and dreams for long-, mid- and even short-term programs, but if passion is not matched with the infrastructure to make dreams a reality, then at the end of the fiscal day, your organization will be staring at many unfunded proposals in the face.

The process involves the undertaking of a SWOT Analysis to determine your organization's strengths and weaknesses to your resource mobilization capacity, as well as opportunities and threats to your resource mobilization efforts.

Revisiting this process while using a resource mobilization lens presents a clearer, realistic view of what particular programs to generate resources for, the particular constituency groups you wish to target, what resource mobilization strategies will appeal to this targeted group, and what systems and structures must be present within your organization to be able to generate resources efficiently and effectively, and ultimately, fulfill your vision and mission.

### What Information Can You Get From a Situational Analysis?

A situational analysis report has the potential to determine what are the internal factors, or factors within the control of your organization that contribute or hinder resource mobilization efforts. In addition, a situational analysis report can also identify the responses of your organization to external factors, those that are beyond your control, that similarly contribute to or hinder your resource mobilization efforts.

For the following internal factors, a situational analysis may:

- ◆ Affirm resource mobilization successes to date
- ◆ Provide a sense of history and present the organization's evolution in its responses to changes in the funding environment
- ◆ Present a “reality check” on where the organization is at currently vis-a-vis the achievement of its vision, mission and existing strategic plan goals
- ◆ Validate funding targets over a set period of time, identify available funding and resource gaps
- ◆ Indicate gaps in administrative systems such as Finance and Accounting
- ◆ Indicate gaps specific to resource mobilization skills and systems such as proposal writing, implementation of other strategies, donor acquisition and upgrade
- ◆ Establish ownership of resource mobilization functions
- ◆ Open new doors or widen perspectives on prospective resource providers
- ◆ Determine buy-in, or lack thereof, of various stakeholders to organization's funding priorities and resource mobilization strategies
- ◆ Establish resource mobilization policies and code of ethics anchored to the organization's core values
- ◆ Review the relevance of the organization's existing key messages
- ◆ Determine the organization's capacity to invest in a resource mobilization program

A situational analysis may also reflect your organization's response to the following external factors:

- ◆ Funders' priorities and changing trends
- ◆ Demand for your organization's services
- ◆ Technological innovations related to your area of work
- ◆ Legislative and regulatory changes
- ◆ Competing grantees
- ◆ Prevailing political, social and economic conditions

The situational analysis therefore, is a powerful process that keeps you grounded in the current realities existing for your organization. When you are able to see things as they are, and have increased awareness about what is going on within and outside your organization, you are then able to set realistic resource mobilization targets. Knowing where you are in the present maps out a clearer direction for where you are going in the future.



## How Do You Do a Situational Analysis?

One of the most popular frameworks used by organizational development consultants in conducting situational analysis is to determine the Strengths, Weaknesses, Opportunities and Strengths (SWOT) in the achievement of an organization's mission.

Each area is defined as follows:

- ◆ **Strengths** – attributes/factors internal to the organization, which it can manage or control, that support or aid in the fulfillment of its mission
- ◆ **Weaknesses** – attributes/factors internal to the organization, which it can manage or control, that act as hindrances to the fulfillment of its mission
- ◆ **Opportunities** – conditions external to the organization, which it cannot control, that may contribute to the achievement of the organization's mission
- ◆ **Threats** – conditions external to the organization, which it cannot control, that may hinder the achievement of the organization's mission

During resource mobilization planning, these areas are examined once more in the context of their impact on the organization's resource mobilization performance, as well as its potential.

### Some Things To Remember About SWOT:

1. The SWOT tool does not exist in a vacuum or in the abstract. The tool is used towards achieving a holistic view of a current situation, with the intention of deciding what the next appropriate step is. A desired end result must first be determined.

For example, your organization can use the tool to determine if it has the capacity to generate a total of US\$50,000 from a minimum of four sources within the next three years.

2. SWOT questions must be able to draw out answers that point to factors relevant to the desired end result, and not count aspects that do not have any connection to the desired end result.
3. Opportunities are sometimes interpreted as strategies. However, opportunities are conditions, and strategies are actions.
4. One organization's opportunity may be another's threat, and vice versa. This also applies to its strengths and weaknesses. A SWOT map is very specific to an organization: one size DOESN'T fit all!

Answers are then placed on a matrix like this:

I N T E R N A L	Strengths	Opportunities
	Weaknesses	Threats
		E X T E R N A L

Once the matrix has been filled out, you can then formulate resource mobilization goals, and choose strategies that match your organizations resources and targeted constituency groups. It would be ideal if you consciously take into account your organizational Strengths to ward off or reduce vulnerability to Threats, or use Strengths to generate strategies to take advantage of Opportunities. Conversely, you see the Weaknesses that need to be overcome to pursue Opportunities and parry Threats.

The SWOT is constructed primarily through a series of questions specifically formulated to draw out answers that cover the four areas. There are various methodologies to conduct SWOT interviews, and once a methodology is decided, a list of interviewees or participants is drawn up, making sure that there is a mix of respondents to provide a multi-dimensional view of the organization.

## Planning for Situational Analysis

### Data Gathering Steps

1. Determine the focus, goals and overview of the Situational Analysis (SA) Process.
  - ◆ Focus: Desired end result as determined by the organization
  - ◆ Goals: To assess systems, skills, personnel, resources in place in terms of effectiveness, relevance and usefulness in support of the desired end result
  - ◆ SA Process Overview: Determine appropriate methodology for information gathering (meetings, focus group discussions, one-on-one interviews)
2. Identify who will be the sources of information or who will be interviewed.
3. Decide whether the situational analysis is to be done by external reviewers (those that have no direct involvement with the organization such as consultants) or internal reviewers (those involved with or employed by the organization).
4. Work on a common definition of terms to be used by all reviewers.
5. Review existing relevant publications, documents, web sites, etc.
6. Handle logistics: set time, date, venue of interviews.
7. Prepare interview guide questions.
8. During interview process, present objective of interview to participants.
9. Conduct interviews.
10. Review notes between interviews and check for accuracy.
11. Transcribe interviews.

### THINK ABOUT THIS:

There is much value in a participatory situational analysis where your organization takes ownership of the process and analysis, rather than outsourcing to a consultant. However, a loosely structured review by internal stakeholders may be laced with vested interest and hidden agendas. A consultant, on the other hand, will bring objectivity to the evaluation, but of course, at a (possibly) price!

### Sample List of Interviewees

- ◆ Founder or founding member
- ◆ Chairperson
- ◆ President
- ◆ Head of resource mobilization (RM) at Board level
- ◆ Treasurer
- ◆ Incoming or relatively new Board member
- ◆ Executive Director
- ◆ Resource Mobilization staff
- ◆ Funding agency
- ◆ Individual donor
- ◆ Corporate donor
- ◆ Government donor
- ◆ Former donor
- ◆ Beneficiary
- ◆ Volunteer
- ◆ Program staff – 1 from each Unit
- ◆ Administrative Staff – Human Resources, Operations, Finance

### Procedure for Analyzing the SWOT

1. Organize answers according to SWOT matrix.

Answers are then placed on a matrix like this:

I N T E R N A L	Strengths	Opportunities
	Weaknesses	Threats
		E X T E R N A L

2. Analyze the SWOT on the basis of the following:

Strengths and Weaknesses refer to factors that are internal and within the organization's control. Opportunities and Threats refer to factors that are external and not necessarily within the organization's sphere of influence.

### Objectives

- ◆ To evaluate the organization's capacity to mobilize resources
- ◆ To identify factors in your organization's internal and external environments that affect its ability to mobilize resources.

### Guide Questions for SWOT Analysis

We suggest that you use the following framework in doing your analysis:

#### Resource Mobilization History

- ◆ What are our organization's resource mobilization strengths and weaknesses
- ◆ What opportunities does our organization see in the near future?
  - Is there a growing demand for our services in other localities?
  - Is there a forecasted economic upturn within the year?
  - Is our cause "top-of-mind" for the general public?

- ◆ What possible threats could be looming on the horizon?
  - Is there a shift in terms of funding interests?
  - Is the flagging economy affecting us in a way?
  - Is there a negative political situation in the country?
- ◆ Resource Mobilization Priorities – Where do these priorities fall in relation to our strategic plans?
- ◆ Fund targets – What are our financial goals? What is the annual cost of our current operations and programs?
- ◆ Resource mobilization methods – How effective are these methods in achieving our resource mobilization target?
- ◆ Fund Sources – What are our past and current fund sources? What other fund sources can be tapped or are unexplored?

#### Governance

- ◆ Do the members of the Board:
  - Devote time, talent, treasure and trust to the organization?
  - Represent various sectors in society?
  - Understand the organization's programs? Are they involved in the organization's activities?
  - Share the responsibility of networking, researching prospects and raising money for the organization?

#### Stakeholder Development

- ◆ Who are our current donors?
- ◆ What are the current practices in building stakeholder partnerships?
- ◆ What stakeholder groups are largely untapped?
- ◆ What other opportunities for giving can be presented to our stakeholders?

#### Marketing and Communications

- ◆ Brand – What is unique about our organization?
- ◆ Program track record – What are our successes that can be communicated to the public?
- ◆ Positioning opportunities – How can we position our organization in order to meet the needs of our potential donors?

#### Organizational Systems and Structures

- ◆ Is there full-time staff devoted to resource mobilization?
- ◆ What are the roles of our Board, staff and volunteers in relation to resource mobilization?
- ◆ What resource mobilization systems are in place within our organization?
  - Donation receiving and processing systems
  - Donation acknowledgements
  - Donor /Stakeholder profiles or records/reports/tracking
  - Prospect research procedures and records

- ◆ How effective were they in achieving our resource mobilization target?
  - ◆ Do we plan our resource mobilization campaigns/activities in advance? Or are they done haphazardly?
  - ◆ Does the resource mobilization unit have:
    - An allotted budget every year?
    - Necessary equipment (computer, software calculator, etc.)?
    - The support of the Board, staff and volunteers?
3. Create a narrative report with the following elements:
- ◆ Executive Summary
  - ◆ Background
  - ◆ Methodology
  - ◆ Findings and Analysis
  - ◆ Recommendations
  - ◆ Conclusion
  - ◆ References and Appendices
  - ◆ Sample Interview Guide
4. Present these to relevant Board and staff members

**Questions were summarized from the following sources:**

International HIV/AIDS Alliance. 2002. Raising Funds and Mobilising Resources for HIV/AIDS Work: A Practical guide to Support NGOs/CBOs. United Kingdom.

Lusthaus, C., M. Adrien, G. Anderson, F. Carden and G. Montalván, 2002. Organizational Assessment: A Framework for Improving Performance. Washington D.C.: Inter-American Development Bank and Ottawa: International Development Research Centre.

Situational Analysis Process Organizational Interview Approach Facilitator Manual <http://preventionplatform.samhsa.gov/MacroHQ/54curricula/vol05/ORGAN-1.SAP.HTM>

**Sample SWOT Analysis: A Workshop Output**

eHomemakers is a community network that promotes working from home, teleworking and running of businesses through the use of information and communications technology. It's members are from South East Asia and its postal address is in Kuala Lumpur, Malaysia.

**SWOT Analysis of eHomemakers**

STRENGTHS	WEAKNESSES
1. Positive publicity from media. 2. Regular and consistent ground and cyber activities to promote organization's mission and vision. 3. Physical infrastructure in place for efficiency (virtual office, ICT equipment). 4. No competition from other local groups as this is the only local network to promote the cause of working from home and teleworking in Malaysia. 5. Recognize the need for passive and active income to keep the organization's activities ongoing. 6. Always seek feedback from members on how to improve further. 7. Membership 9500, web hits 350,000 on average. Able to draw advertisers to website. 8. A unique trading platform for home workers. 9. Have gained reputation after 8.5 years. 10. Successful advocacy moved into government and public.	1. No full-time fund raiser. Therefore, lack funding to carry out implementation of ideas generated by team. 2. Still new. No business model to follow. 3. Membership, web hits and page downloads not high enough for advertisers — web and print publications. 4. Women centered — not attractive to ICT private sector in partnership and sponsorship. 5. Unable to meet members' demands for new services such as work at home job matching. 6. Service/goods exchange platform too static — meeting competition from profit ICT entrepreneurs like Go Freelance and Jobstreet who wants to job match. They have more resources than we do. 7. Not in the typical profile of government assistance. 8. Social enterprise — neither here nor there.
OPPORTUNITIES	THREATS
1. Receive support from other NGOs. 2. Make use of ICTs to network with foreign organizations. 3. ICT is the development momentum now. 4. Women and e-entrepreneurship gaining recognition. 5. Included in Pan Asia to meet potential partners and also exposure. 6. Local political sectors like MIRC beginning to recognize good work, want to help in opening door to ICT sector. 7. More men joining us. 8. More disadvantaged asking us for help. 9. Being known more initially so have a wider network of contacts for info, easier to find R/O to connect dots.	1. Unreliable technical partners and sub-contractors in the business sector. 2. Dominant political partner. 3. Racial politicization by political parties. 4. Initial donor funding even scarcer. 5. ICT sector — taking away database, cheating on work done. 6. Business sector — very bottom-line minded.

The SWOT table above can now be used by e-Homemakers to formulate its resource mobilization goals, to reflect on which constituency groups to target, and the resource mobilization strategies that match its existing resources. For example, due to the high viewer statistics of their website, the organization may want to pursue resource mobilization by including a solicitation page on their website for contributions from viewers through credit cards. In addition, the organization may need to include the identification of a designate, a resource mobilization officer among its tasks, who will oversee its campaigns which will maximize its large membership base and wide network, and develop its growing male constituency.

## Determining Resource Mobilization Targets

This section focuses on the importance of Setting Realistic Targets as a part of a well-grounded resource mobilization plan. It starts off with key Considerations in Determining Targets. The section ends with a Resource Timeline tool, a grid that can be used to identify current resources, gaps, prospective funding sources, and projections.

### Finding Out How Much You Really Need

After assessing your organization's capabilities and peripheral factors affecting performance, it is time to find out how much money you really need to raise and what are the resources you need to mobilize in order to continue the work you do.

Setting goals is one of the most essential factors in the success of your resource mobilization undertaking. It cannot be overemphasized how crucial this step is as it requires that you:

- ◆ Make an inventory of your current resources, both financial and in-kind; and
- ◆ Project the needs that your activities may still require to achieve fundamental results.

Not only do determining resource mobilization targets allow you to plan for the future of your programs, i.e., where you want to be and what you want to accomplish given a specific timeframe, but it also gives you a clearer picture of what you can do here and now.

### Advantages of Setting Resource Mobilization Targets

There are some scenarios common to development research non-profits. In some cases, an organization may seek resources only when the need arises, or when the end of the grant period draws nearer. In this scenario, there's a tendency to fall into the trap of being fund-driven: a program exists only when there's funding.

It often is the case that funding targets are set without consideration to real needs. For example, a non-profit may set a target of US\$50,000 just because it is their 50th anniversary. They dream of building a training center to have a space of their own, without considering the costs of building maintenance. By determining realistic resource mobilization targets, you are able to check if the goals are actually linked with or rooted in your organization's strategic plan and your current programs, and see if the time and effort you exert are well worth it.

### Key Considerations in Planning

- ◆ A review of the organization's current resource situation is important to be able to plan resource mobilization activities realistically.
- ◆ The resource target should be based on the programs you are implementing at present and the activities you are planning to execute. It is pragmatic to always go back to the organization's strategic plan to determine which programs or activities must be pursued that would make possible the realization of your organization's mission.
- ◆ Financial management and strategic budgeting are of high importance in planning your resource mobilization program. These contribute to getting the most accurate and updated budgetary figures, as well as in helping determine the best strategy for closing the resource gaps.

- ◆ A Resource Timeline becomes a very important tool in determining targets as it provides you with sufficient lead time to ensure the sustainability of your programs. If carefully laid out, it helps you visualize what your current resource situation is and enables you to see how long your resources can sustain your programs.

## Identifying Resource Needs Using the Resource Timeline

The resource timeline is a tool used to identify the existing resources, both financial and in-kind, that are currently available with your organization, as well as to project the program requirements for the immediate future. This tool will help you identify the total amount of funds and resources that need to be mobilized in order to sustain the programs of your organization.

Essentially, information on funding targets and resource needs puts your resource mobilization program in a proper perspective as it guides you in determining which strategies will work best in filling resource gaps.

### Objectives

- ◆ Review current resource situation
- ◆ Determine program areas in need of funding and resources throughout a three-year period by using a resource timeline
- ◆ Identify the funding gaps or resource needs

### Mechanics

See the table on the following page.

1. In column 1, list down programs that your organization is implementing at present and the activities you intend to pursue over the next three years.
2. In column 2a, indicate the funding and resource needs of your activities/programs. This should reflect the sum of monies and the equipment your organization ought to have in order to achieve the programs' key results over a three-year period. It is best to consult with your finance unit so as to show the most realistic projections.
3. Among the requirements presented in column 2a, specify the amount of funds and in-kind resources that already exist with your organization. Again, confer with your finance unit to get the most updated figures.
4. Column 3 should be able to show the variance between column 2a and 2b in terms of funds needed, as well as present a listing of items and equipment. These are the resource gaps, which would be the resource mobilization targets and the basis of developing your resource mobilization program.
5. In column 4, indicate the sources of your available funds and resources. Include individual contributors, donor agencies and funding partners, other non-profit organizations, resource mobilization strategies, etc.
6. Draw an arrow in column 5 to show until when the money and resources will be available.
7. The last column must indicate if the available funds in column 2b are restricted, i.e. to be used only as proposed or how you have committed it to be spent/utilized, or unrestricted, i.e. to be utilized freely, when you want to or whenever it's necessary.

Table name goes here

1. Activity /Program	2. Resources		3. Resource Gaps/Needs	4. Resource Providers	5. Timeline			6. Resource Classification
	2.a. Requirement	2.b. Available			Yr1	Yr2	Yr3	
			TOTAL RM TARGET					

### Points to Ponder

- What is your organization going to raise money for in the next few years?
- What will the funds accomplish?
- What does the timeline say about your organization's financial situation?
- Why is it important to distinguish between restricted and unrestricted funds?
- Why is it important to identify resource gaps?
- What will happen if the funds are not received?

### Sample Resource Timeline: Outputs from Select Workshop Participants

#### Resource Timeline of eHomemakers (RM = Malaysian Ringgit)

1. Activity /Program	2. Resources		3. Resource Gaps/Needs	4. Resource Providers	5. Timeline			6. Resource Classification
	2.a. Requirement	2.b. Available			Yr1	Yr2	Yr3	
1. English Website	a. RM10,000 b. Tech partner	RM 10,000	Tech partner					Restricted
2. Salaam Wanita	RM7,000 monthly + 5,000 hosting per year from 2006-2007		Funds Buyers of SW products	Pan Asia	→			
3. Core Team	RM15,000-20,000				→			
4. Chinese and BM Website	RM6,000 monthly + RM5,000 hosting per year from 2006-2007	RM 43,000/4			→			
5. Printed Newsletter	RM25,000 per issue							
6. Production of eHomemakers Video	RM100,000							

#### Resource Timeline of Ngao Model Forest (Thai = Thai Baht)

1. Activity /Program	2. Resources		3. Resource Gaps/Needs	4. Resource Providers	5. Timeline			6. Resource Classification
	2.a. Requirement	2.b. Available			Yr1	Yr2	Yr3	
1. Awareness campaign	50,000 Baht	3,000 Baht	Money (47K)Staff	TAO	→			Restricted
2. Guidelines development for forest management	20,000 Baht		Money (20K)Staff		→			
3. Effective coordination system development	15,000 Baht	Money (15K) Staff Technical support			→			
4. Research & development for SFM	15,000 Baht	Money (15K) Staff Technical support			→			
5. Forest carrier group promotion	35,000 Baht	Money (35K) Staff			→			



## Identifying and Broadening the Stakeholder Group

Building relationships with your community is at the core of resource mobilization planning. This section discusses how to Identify and Define your Community Using the Constituency or Stakeholder Map, and how you can use the 3Cs — Connection, Capability, Concern — in qualifying prospective donors and partners. Also featured are insights from SEARICE (Philippines) as it engages its stakeholders. The Case Stories of the Govi Gnana Seva Project (Sri Lanka) and GREEN Foundation (India) show the wide network these organizations have used to implement their initiatives. Then you'll find a summary of the findings of the seven-country research project, *Investing in Ourselves: Giving and Fund Raising in Asia*. The study affirms the belief that philanthropy is alive and well in Asia, and explores the giving attitudes of individual givers across Asia. The section closes with an exercise on Identifying your Stakeholders using the Stakeholder Map.

## Looking Beyond the Usual Sources

### *Stakeholder Development in Resource Mobilization*

While the tendency to pursue grants still prevails among nonprofits, more organizations are realizing the need to broaden their base of support beyond the usual sources of funds. Nearly every door in the global donor community now puts out a welcome mat only for organizations with self-sustainability and long-term viability of programs and projects.

For several years now, counterpart funding and exit strategies have become necessary components in grant proposals. Exit strategies include activities and programs that ensure a non-profit organization's sustainability beyond the grant period.

A few grant-giving institutions have included resource mobilization training as part of their exit strategy. Donors want to ensure that their grantees know how to raise resources after the donors have pulled out of a country or program. They need assurance that the organization they have funded will work to raise resources and not just be dependent on funds provided by them or by other funding institutions.

#### What Stakeholders Give

- ◆ Money
- ◆ Volunteer time
- ◆ Goods/Products
- ◆ Assets
- ◆ Equipment
- ◆ Technical Assistance
- ◆ Seconded Staff
- ◆ Sponsorships
- ◆ Joint promotions/cause related marketing

### *Golden Lessons on Broadening Stakeholders*

The first golden rule, then is that development research organizations need to move on from dependence on grants to diversifying funding sources. The second is that this can happen only when your organization seeks to build its own constituency by mobilizing local support through other strategies. Raising resources from a local base implies that an organization has the mandate from the community to continue its programs.

Assuming that your organization has elected to work on a valid cause (whether it's conducting research on local health traditions or providing alternative livelihood to underserved communities), what you do benefit more people than just the direct beneficiaries. Defining your "community", also known as constituents or stakeholders, helps you determine whether

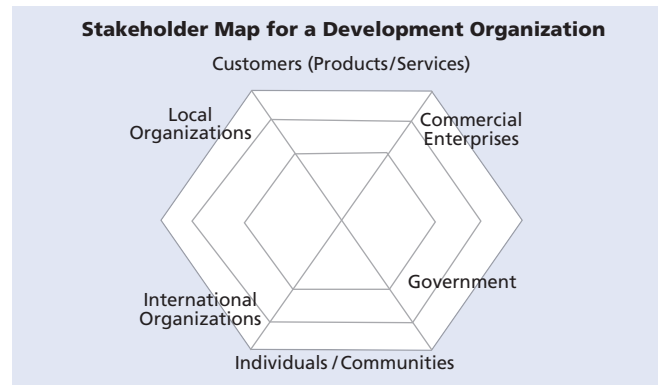
what you are doing is relevant or not, and helps you identify possible linkages and partnerships beyond the obvious.

It makes sense then to begin by identifying who are the individuals or groups that are directly served or influenced by your organization's mission, and whose needs shape the strategies your organization undertakes. These people have an intrinsic connection to your organization, and have a stake and interest in the continuing existence of your organization. Stakeholders could consist of members of your general assembly, past and present consultants and contributors, past and present participants of trainings or seminars or other projects that you've run, institutional donors, corporate donors, local NGOs, cooperatives, community leaders, local government units, academic institutions, your staff, their families, beneficiaries, and volunteers as well as other similarly-inclined people and institutions who have been involved with your work in various capacities.

The rationale behind focusing on these groups, as opposed to the more typical route of going after grantmaking foundations and large benefactors, is that if you're able to inspire people that are closest to you to give or give of themselves, then it may become that much easier to get those remotely connected at least interested in knowing more about your organization.

### *Developing a Stakeholder Map*

To visualize the environment your organization finds itself in, you can use a tool called a constituency or stakeholder map. The map is a simple diagram made up of a series of concentric hexagons containing the people most connected to your organization. Each level indicates their degree of participation, with those at the core having the most involvement, and those in the outer levels with the least. People with similar interests and general donors are placed on the outer layer, while major donors, the board, staff, and loyal supporters, regarded as key movers, are in the inner circle.



As you go through the exercise of drawing your own constituency map and filling it with the names of individuals, organizations and other groups that matter most to your work, you will find that you can create a picture of the mix and degrees of commitment represented by your current set of constituents. The map not only provides baseline information from which you can assess the health of your organization, it more importantly allows you to qualitatively measure the impact of your work as it requires you to deliberately identify your constituency.

The map forces you to address core questions such as:

- ◆ What is the range of services you provide, and what types of people and organizations are both directly and indirectly serviced by what you do?
- ◆ Which individuals and communities would suffer or have their lives disrupted if you were to cease operations or pull out of a geographic area?
- ◆ What are the possible confluences of interest that could induce greater participation among those situated on the fringes of your map?
- ◆ Is your work inadvertently imposed upon by a small core that has failed to establish genuine ties with those at the grassroots, who in turn feel that there is no place for them within your mandate?

Looking into these concerns allows you to determine who may be receptive to your overtures for either fresh or higher degrees of support, who among your constituents you need to woo and which openings or leads you can explore as you seek to harness resources waiting to be tapped and mobilized. Over and above this, the stakeholder map helps you determine if you already have the right mix of supporters or if you need to bring in new people with other competencies.

The stakeholder map is a graphic device that not only serves as a barometer of your relationships but also helps you define your sphere of work in resource mobilization. While the map allows you to identify the types of individuals and organizations that you should target as you broaden your reach as an organization, it also helps you figure out how you can deepen the level of participation of those who are already close to the core, but not as close as they could, or should be.

### ***Fund Raising is FRIEND Raising***

The goals are then first, to draw in people from the larger universe to the periphery of your map; and second, to bring those at the outer levels of your map closer to the center, where a greater level of participation and commitment, financial and non-financial, can be expected. This is the primary objective of “friend raising”, as opposed to mere fund raising. Friend raising emphasizes the development and nurturing of relationships both within and outside your immediate spheres of influence. Fund raising, on the other hand, may tend to be more like one-shot, take-the-money-and-see-you-around approach.

While drawing on old reserves of resources, you need to be constantly enriching and enhancing what you already have. This may entail your board members, staff and close volunteers examining even the most mundane of personal connections, and doing your homework as you research for prospects. In order to determine whether a prospective individual or organization would make a good donor, ask yourself the following questions, based on the 3Cs:

- ◆ **Connection.** Do we have a connection to the donor? Do we know anyone who can introduce our organization to the prospect? Is there anyone among the board, management or staff, contributors, consultants or volunteers who would be received more warmly by the prospect than someone from the fund raising staff?
- ◆ **Capability.** Can the prospect afford to donate to the organization? If not, can the donor still be able to contribute to the organization in other ways? How small or large are the amounts that this prospect has contributed in the past? Is this a good time to ask, or has she just had a major expense recently? How's he doing at his job or business?
- ◆ **Concern.** Are the prospect's values and interests aligned with those of your organization? Is this donor someone who will genuinely care about the welfare of the organization and its beneficiaries, and not only worry about its impact on his personal reputation or standing in society? What are her pet causes? Who have been his beneficiaries in the past? Does she have roots in the community you serve?

#### **Bringing stakeholders closer to your organization: What's in it for them?**

- ◆ Personal sense of satisfaction
- ◆ Result/impact to which they are contributing
- ◆ Information, contacts, public recognition to enable them to maintain or expand their interests
- ◆ Economic returns on their social investment

Once you have satisfactorily answered the questions posed by the 3Cs, move on to learning more facts about the prospective donor, his donation pattern (i.e., incidence of having donated to other organizations, the frequency and amount of the donations, etc.), and specific interests. This will help you see how your own programs can match the prospect's needs, and vice versa. A good prospect is one who meets the criteria of all 3Cs. As the goal of resource mobilization is to cultivate lifelong relationships, you must ascertain that this relationship starts out on the right foot, and with both parties clearly understanding the responsibilities involved in a partnership.

## **Engaging Stakeholder Support for Resource Mobilization**

### ***Two Case Stories from the Field***

#### **Context**

This chapter discusses two cases adapted from various workshop presentations on resource mobilization: the Govi Gnana Seva (GGS) Project, Sri Lanka, and GREEN Foundation, India.

Adapted from the workshop materials prepared by Harsha de Silva LIRNEasia

#### ***The GGS Intervention: Making Prices Known***

This section will show you how the Govi Gnana Seva (GGS) Project used a multi-stakeholder approach to help generate more resources for the farmers in Sri Lanka.

The GGS project used information communication technology (ICT) to give farmers timely information on the buying and selling prices of various agricultural products at the marketplace. The effort hoped to increase the farmers' income and reduce dependency on middlepersons. The GGS

experience taught participants to consider the economic viability of their projects as it is the key to sustain implementation beyond donors' funding.

The GGS project was a pilot study done at the largest agricultural market in Sri Lanka, the Dambulla Dedicated Economic Center (DDEC). The project was of the 150 applications chosen for testing the e-Sri Lanka initiative which seeks to use ICT to develop the economy of Sri Lanka, reduce poverty and improve the quality of life of the people. The key advantage of this site was its location, which was in the middle of the country, easily accessible by anyone.

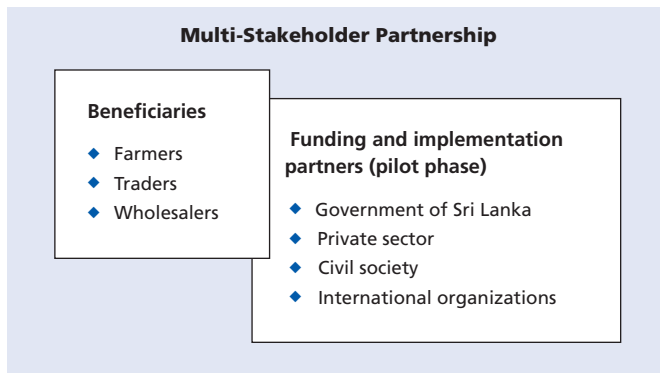
The primary purpose of the project was to reduce volatility of farmers' income by providing them with the most updated information on the selling prices of goods, through the use and aid of ICT. This way, they would be able to automate the dealings with a large number of buyers and not just concede with the buyers'/traders' demands.

Overall, the GGS had the following objectives:

- ◆ If produce is already brought to DDEC market, help farmer get best possible price.
- ◆ If produce is harvested, but not yet brought to DDEC, help farmer decide whether to bring to DDEC or not.
- ◆ If produce is just about to be harvested, help farmer decide whether to harvest today or tomorrow or day after.

### Forging Partnerships with Various Sectors

The project employed a multi-stakeholder approach by forging partnerships with various groups from the Government of Sri Lanka, the private sector, civil society organizations in Sri Lanka, and a few international organizations.



The various collaborators had the following roles:

#### Government Partners

- ◆ **The Information Communication Technology Agency of Sri Lanka.** Selected GGS on a competitive basis to be piloted under the e-Sri Lanka initiative and support it through initial funding obtained from The World Bank.
- ◆ **Dambulla Dedicated Economic Centre Trust.** Provided accessibility to the hub of the country's agriculture produce trade to establish and operate GGS.
- ◆ **The Ministry of Rural Economy.** Supported the establishment of GGS at DDEC and promote GGS with other Government agencies.

#### Department of Agriculture, Provincial Government Authority

- ◆ The Central Bank of Sri Lanka. Provided data submitted to them (by mandate) on all forward sales contracts on agricultural produce authorized by all banks: both state and private.

#### Private Sector Partners

- ◆ **E-development Labs.** Conceptualized, designed, developed and implemented the project
- ◆ **Interblocks Limited.** Provided technology and software
- ◆ **Dialog Telekom (Malaysia Telekom).** Provided dedicated leased line for the internet to disseminate live price data limited time and worked on access to GGS on 2m+ Dialog mobile phones.
- ◆ **CIC Agri-business.** Provided large screens and projection devices for the dissemination of information at DDEC. It also provided private funding.

#### Civil Society Partners

- ◆ **CARE International.** An informal partner (never met officially!) and coordinated by extension officers in bringing groups of farmers to DDEC to introduce them to GGS. CARE also provided mobile phones to enable GGS to access rural farm organizations.
- ◆ **Seva Lanka Foundation.** Worked on bringing together farmer organizations in remote areas and equipping them with telecom facilities.

#### International Organization Partners

- ◆ **World Bank.** Provided initial funding grant of US\$90,000.
- ◆ **USAID.** Provided limited funding for business plan development and supplementary operation and maintenance costs.

### Insights from the Experience

The key to the success of the project was the multi-stakeholder approach used in its implementation, with the different sectors and partners bringing in their institutional expertise. The project indeed offered solutions to some of the farmers' pricing problems, imparted significant realizations on the openness and interest of farmers to such highly modern mechanism and opened the probability of doing the same to other poor farmers' communities.

The biggest challenge now is how to scale up GGS to provide essential, yet costly, information to poor farmers more widely. And the even bigger challenge is how to build on existing pilot stakeholder relationships.

### Building a Diverse Funding Base: GREEN Foundation

GREEN Foundation is a community-based with a vision of conserving agrobiodiversity for poverty reduction and for sustainable development of the small and marginal farmers in the semi-arid regions of South India. GF, with an integrated and participatory approach, has grown from process to product in revitalizing the cultivation of multipurpose local seed varieties for ensuring food security and enhancing the biodiversity to sustain the livelihood system of resource-poor farmers.



## Strategies for Diversifying Funds

### Utilization of Resources

- ◆ **Tapping Personal Resources.** A managing trustee utilized her personal resources to keep the organization on its feet. A Consultancy had to be operated to generate funds to manage the organization.
- ◆ **Efficient Utilization of Human Resources.** GREEN Foundation has a small but resourceful and committed team. The team works with very little resources, limited budget and modest salaries.
- ◆ **Efficient Utilization of Financial Resources.** In 2004, GF was awarded the Equator Initiative Prize by UNDP for its outstanding initiatives in poverty reduction through conservation of biological diversity. The award money was deposited in the bank as a collateral security for procurement of loans of self-help groups. It was also utilized for purchasing land and construction of the office premises for the federation of seed banks.

### Small Funds — Big Impact

- ◆ **Building a Federation.** A federation of seed banks has been formed to bring about stability to the seed bank program, which is to procure indigenous varieties of crops. Self-help groups have been created to empower women socially and economically. The Federation is supported in part by a revolving fund provided by the Seed Savers Network, Australia.

**Documenting and Standardizing Traditional Practices.** A project called COMPAS aimed to document, standardize and validate traditional agricultural and cultural practices under the concept of "Endogenous Development". "Endogenous Development" was funded by ETC-Netherlands.

- ◆ **Strengthening of Local Information Systems.** In collaboration with the Association for India's Development, an audiomagazine was produced and aired weekly by the government-run All India Radio, increasing mass awareness.
- ◆ **Traditional Seed Storage Experimentation.** Funded by CIPUPWARD, Manila

### Networking

- ◆ **Networking with other NGOs.** To spread the concept of seed conservation a network was established with 11 other NGOs. The intention of collaborating with other NGOs was to minimize both time and finance, and the programme was funded by NORAD.
- ◆ **Networking with Government.** The Govt. of Karnataka, decided to implement the organic farming concept in one village in each district of Karnataka by involving NGOs. GF has significant contribution to the development of organic farming policy of the Government.

### Participatory Technological Interventions

- ◆ **Conserving diversity with farmer participation.** An integrated farming system through participation and involvement of farmers was a means to bring about a remarkable change in the farmers livelihoods. The project covered about 74 villages in Kanakapur Taluk of Karnataka and Denkanikottai of Tamil Nadu funded by USC Canada.
- ◆ **Participatory Plant Breeding.** The concept of participatory plant breeding was initiated to improve the quality of crop varieties, the first step being seed purification. The project was funded by IDRC at the

initial stage. The programme has continued without any fund and this has been possible only with involvement of the community.

- ◆ **Increasing Community Participation.** The formation of the Community Seed bank was the product of the community's wholehearted participation. Increasing involvement is a main strength of GF. When seed bank members faced difficulties in managing the bank, a fund received from Wild Gees, Netherlands helped build the infrastructure. Contribution from the community came in the form of labor and locally available materials were used.

GF's philosophy lies in initiating programmes through community participation. At every stage, right from identifying problems to finding solutions, the communities are made the stakeholders. GF's achievements are attributed to the community's wholehearted participation in all the initiatives. The commitment of the team and community's involvement has translated the vision into a reality.

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## Identifying Stakeholders Using the Stakeholder Map

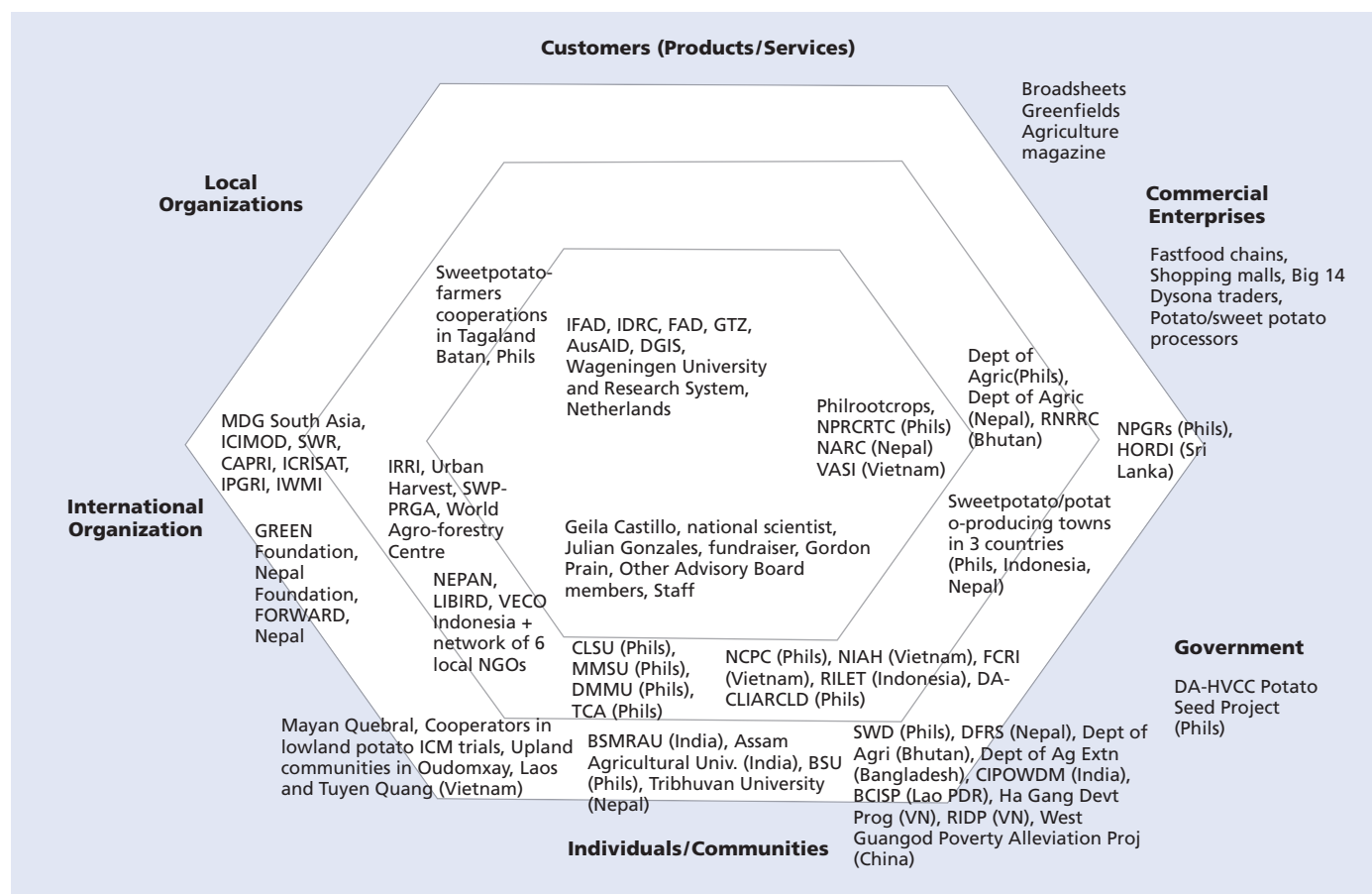
The stakeholder map is a tool used to identify current and potential supporters and partners. These stakeholders are classified into six categories: customers (people who avail of their products and services), commercial enterprises, local organizations, international organizations, the government, and individuals and communities.

### Activity Mechanics

Identify the different stakeholders, both current and potential, for your organization. Plot them on the map according to the three Cs — Connection, Capability and Concern. The higher their CCCs, the closer they should be to the center of the map. For example, if the prospects that you have identified have 3 of the 3 Cs, then they should be put in the core of the map. Create a pattern so that prospects with 2 Cs are placed in the outer layer next to the core of the map while those with just 1 C are placed in the outer layer of the stakeholder map.



## Stakeholder Mapping Sample: User's Perspectives With Agriculture Research and Development (UPWARD)



User's Perspectives with Agricultural Research and Development (UPWARD) is an Asian network of scientists and development specialists working to increase participation by farmers and other users of agricultural technology in research and development. UPWARD used the stakeholder map to identify and plot their various stakeholders in the map based on

the level of resource support and program influence that they provide. Stakeholders with the highest involvement and contribution to UPWARD are placed in the core or inner section of the map while those in the outer layers of the map were perceived to have the least involvement with UPWARD.

## Developing Key Messages

Communicating your organization's vision and mission effectively is an important element of resource mobilization planning. Not only because communication is a means to achieve an end (i.e. the need to convince external stakeholders to gain their support), but also because communication is an integral part of everything organizations do. Simply put, an organization won't be able to fulfill its vision and mission unless it could inspire, instill a sense of urgency, and harmonize the efforts of both its external and internal stakeholders.

This section emphasizes the importance of developing a strategic key communication message for one's resource mobilization efforts, therefore, focused on its target right audience and media channels. At the end of this section, there is also a template you may use in developing your organization's communication plan.

## Making Your Organization's Cause Known Developing Key Messages

In resource generation efforts, knowing who to approach for financial support, or donor identification, is the first step. You also need to know what motivates and prompts your donor prospects to give so you could effectively communicate to them why they should support your organization. In resource mobilization, the clearest and most direct and concise phrase, sentence or sentences to address those is called a key message.

A key message is not a short treatise of your organization's vision and mission. It isn't supposed to make your audience ask more questions but rather to find quick answers why your message is relevant to them. For example, if your organization's mission is environmental protection, your key message should concisely state why your cause is urgent, why you offer the best solution to that particular problem and why they, your target audience, should respond to you.

Your organization's various communication efforts should all be anchored on your key message. All your interactions, whether with your external or internal stakeholders, and communication materials like brochures,

websites, annual reports, press releases, newsletters, posters, etc. should, therefore, consistently convey your key message. Having a key message doesn't mean you would be saying the same exact words over and over again (though that isn't always such a bad idea). Slight variations and minor deviations, of course, couldn't be avoided because your organization has various types of audiences and face varying circumstances. Having a key message simply means making a commitment to consistently communicate the most important message you want to say to your most important external, as well as internal, audiences.

### Tips on Developing Your Key Message

- ◆ Don't use "jargons." A jargon is a terminology specific for a particular group or profession. People who are not part of the group will most often feel left out since they do not understand the meaning and background of such words. Examples often used by non-profits or development organizations are "capacity-building," "transformational development," "participatory approach," etc. People first need to comprehend what the causes and issues are in order to support them. The simpler the words are, the higher the chance a prospective "lay" donor can support.
  - ◆ In resource mobilization, a key message must ideally be:
    - Inspiring (it drives the audience to act in your organization's favor)
    - Memorable (it stays in the minds and hearts of the audience)
    - Positive (it gives hope)
    - Attention-grabbing (it gains the interest of the audience)
    - Clear (it is easily understood)
    - Taken from experience (the organization can illustrate its meaning)
  - ◆ It should also be stated in the form of a case statement. A case statement states the main reason why your organization deserves your audience's support. It may tell prospective supporters how their resources would be used and who would benefit from the programs and services.
- A good case statement clearly promises the kind of satisfaction your prospective donors want from your organization in exchange for their support. It therefore implies that your organization should always be ready and proactively show how it has fulfilled, is currently fulfilling and would fulfill those promises to its current and prospective donors.

### Elements of an Effective Communication Strategy

There are various ways to develop an effective communication strategy but, like roadmaps, the simplest ones are easiest to follow. The following are the basic elements your communications strategy, whether for a specific project or for the entire organization, should have:

1. **Objective.** What do you want to accomplish from your communications activity or activities? State it in a manner that is specific, measureable, achievable, realistic and time.
2. **Target Audience.** To whom do you really want to talk? The general public is never the target audience of a strategic communication effort. Identify the audiences with whom you need to communicate to achieve your organizational objectives. The best audience may not always be the most obvious one, and targeting the media may not always help achieve your objectives. Everyone would like a higher media and political profile, yet activities aimed towards this may ultimately be self-serving and may only be communications driven, with no wider impact. There can even be a negative effect if you divert limited resources towards mass-based media when these resources could be otherwise directed towards communicating with your key stakeholders.
3. **Key Message.** Strategic targeting and consistency to one's key message plays an important role in developing an effective communication strategy. The key is to have a well developed key message in a case statement form and identify its various inflection points for different audiences.
4. **Media Channels.** Identify channels through which messages will be delivered, either print, broadcast, the Internet (web, email), direct mail, etc. Remember that face-to-face dialogs, phone calls, plays, text messages, bulletin boards, etc. are also communication channels which may only be more accessible, but more effective too, in reaching out to your target audience.
5. **Resources, Timelines and Person/ Unit in Charge.** Specifics on logistical, systems and staff requirements, the length of time needed before results may be expected and who is going to be responsible managing the various process and achieving the goals. Without these, the communication would most likely remain a mere intention.

### Sample Communications Plan Grid Template

Communications Objectives	Target Audience	Key Message	Media Channel	Resources, Timeline and Person/ Unit in Charge
To raise \$100,000 from individual donors within 12 months for the building of a training center for women in rural areas.	25-35 year old working women who have at least a college degree and whose average annual incomes is \$40,000.	A lot of rural women do back-breaking work for virtually slave wages. The Training Center for Women will teach them much needed skills to give them access to better livelihood opportunities and to improve their lives and the welfare of their families.	Direct mail package	<ul style="list-style-type: none"> <li>- \$5,000 for the development, production, printing, mailing and development of communication and evaluation collaterals and donor service scripts for the response and fund collection systems of the direct mail campaign;</li> <li>- 45 days (15 for development, 15 for production and printing, 15 for mailing and development of communication and collaterals and donor service scripts for the response and fund collections systems;</li> <li>- Resource mobilization unit.</li> </ul>

## Selecting Resource Mobilization Vehicles

After identifying your community, setting your targets, and developing the appropriate key messages, you now need to look at the best way to get your messages through. This section describes various Resource Mobilization Strategies, Techniques and Vehicles available to development research organizations such as Grants, Special Events, Direct Mail, Earned Income, Other Innovative Acquisition Strategies, Major Gifts, Capital Campaign. In addition to helping you match the right strategy to the right audience, a healthy mix of resource mobilization strategies moves you away from risky over-dependence on one or two funding sources.

## Selecting the Right Mix for Your Organization

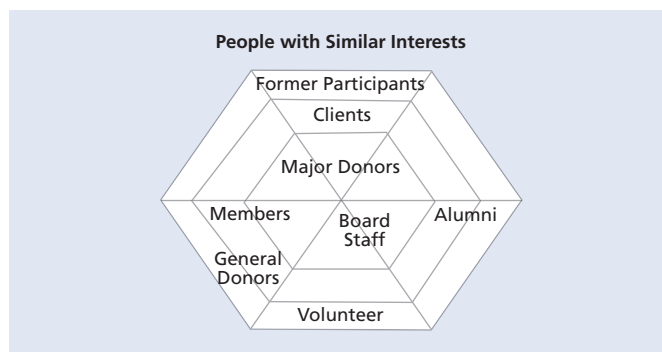
### Exploring Various Resource Mobilization Vehicles

The agenda of this practical guidebook is to get your organization to be less dependent on one or two funding sources by engaging your larger community and constituents. The constituency map shows that you will have in your universe supporters with varying levels of involvement, necessitating that you talk to these different audiences in different ways, and approach them by using different strategies. This also means that you must match the appropriate resource mobilization strategy to your resource mobilization objectives.

Below again is a sample constituency map.

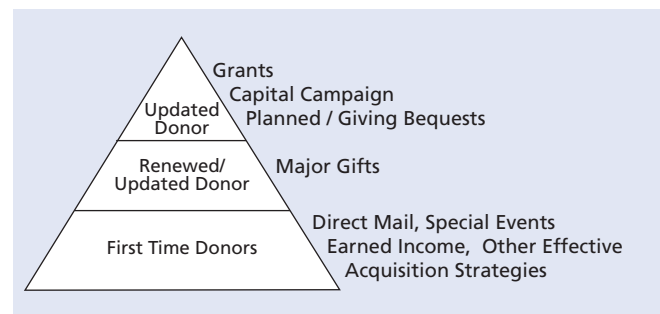


Below is the Resource Mobilization Pyramid, discussed previously on p.5 to demonstrate the Pareto Principle or 80-20 rule at work, shown within the constituency map.



Note how the Pyramid has at its apex, also the core of the map, individuals and institutions that have the largest stake in your organization. According to the Pareto Principle, this group of people will probably be the source of 80% of your funding or resources. Conversely, those at the bottom of the pyramid, or the fringes of your map, will account for about 20% of your resources.

Now look again at the resource mobilization strategies best suited for each level:



The figure above shows two major resource mobilization strategies:

- ◆ **Acquisition strategies** that are intended to bring in new donors to the organization. Such campaigns are characterized by a high volume of donors and low average gifts. Their objectives may also be to raise awareness, raise visibility and branding of the organization, advocate for a cause and gain public support, build a large volunteer, membership or grassroots base. These include special events, direct mail, earned income, cause related marketing, e-mail marketing, direct response advertising, among others.
- ◆ **Nurturing or cultivating strategies** that will bring existing donors to higher levels of giving. The objective is to develop partnerships, invite investors, secure long-term institutional funding, build endowments. These include major gift resource mobilization, capital campaigns, planned giving or bequests.

### The Gift Range Chart

Another tool that you can use to determine the appropriate resource mobilization vehicle is the Gift Range Chart. This is a useful tool in determining resource mobilization strategies appropriate to obtaining target amounts and attracting donors of various giving levels. The chart provides an indication of the gift levels, the number of gifts needed per gift level, and the number of prospects the organization should seek for each gift level.

For example, in the table that follows, an organization sets out to raise a total of \$300,000. In order to reach that target, the organization should seek at least one major gift of \$45,000 often estimated at 10-15% of the total target. And in order to land that one lead gift, the organization should have at least three to five prospects for this level of gift, as it is certain that not all three to five prospects will agree to give at this level.

The chart then proceeds to identify lower level gifts (the column marked "Gift Range"), the number of gifts needed at that level ("Number of Gifts"), and the corresponding number of prospects in order to land the right number of gifts ("Number of Prospects"). This particular chart reveals that in order for the organization to raise \$300,000, there needs to be a total of at least 1,301 prospects identified, and each gift level has its own target amount and target number of prospects. Each gift level also

Gift Range	No. of Gifts	No. of Prospects	Range Total	Cumulative Total
45,000	1	3–5	45,000	45,000
30,000	1	3–5	30,000	75,000
15,000	2	6–10	30,000	105,000
10,000	6	18–24	60,000	165,000
5,000	8	24–32	40,000	205,000
2,500	10	40–50	25,000	230,000
1,500	15	60–75	22,500	252,500
1,000	20	80–100	20,000	272,500
100	275	1,000	27,500	300,000
<b>Total</b>	<b>338</b>	<b>1,301</b>		<b>300,000</b>

determines the appropriate resource mobilization strategy to use in order to successfully obtain the targeted amount. In this example, a gift level of \$100 from 275 donors may be obtained through a special event or direct mail strategy. But a donation of \$45,000 can only be cultivated through high level nurturing, and personal, one-on-one attention through Major Gift Solicitation.

The Gift Range Chart is a more specific method of reflecting the Pareto Principle at work, where 20% of your donors will account for 80% of your funds, and vice versa.

The Gift Range Chart is dynamic, and is adjustable based on the target amount as well as the giving history of an organization's donors. An organization that has never successfully solicited a lead gift of \$45,000 may not see the numbers listed on the table as realistic. The lead gift should then be adjusted and lowered, so with the succeeding gift levels in accordance to what is appropriate to the organization.

Depending on the objectives of your resource mobilization campaign and the audience you wish to reach, you can then choose a mix of strategies to achieve your overall targets. Each of the strategies will be discussed at length in the sections that follow.

## Resource Mobilization Vehicle 1: Grants Cultivating Working Partnerships

A non-profit organization uses resources provided by interested philanthropic stakeholders to fund projects and services that meet a social need within a sector, a community, or a geographical area. Those who directly benefit from these services, or beneficiaries, are not expected to pay the non-profit for those services.

### Sources of Grants

One of the ways in which these resources come in is in the form of grants, which is a financial donation given to a person, organization, project or program. Grants are usually given by the government, or by an entity that comes in many forms and names: funding, donor, aid or development agency; benefactor, philanthropist, or grantor; grant giving or grant making foundation or institution. The receiver of the fund, or grantee, is not expected to return the money received, but is expected to use the resources in the manner which the donor had intended. In that sense, these funds are restricted.

Below are the different types of grants, according to source:

Source of Grants	
Governments	<p>Bilateral official development assistance (ODA) agencies are government agencies set up to channel assistance to other countries. Typically this assistance goes directly to the government. The largest agencies come from North America, Europe and Japan.</p> <p><i>Examples:</i>  United States Agency for International Development (USAID)  Canadian International Development Agency (CIDA)  Japan International Cooperation Agency (JICA)  Australian Agency for International Development (AusAID)  Norwegian Agency for Development Cooperation (NORAD)</p>
Foundations	<p>Foundations are established with the principal purpose of making grants to unrelated organizations or institutions or to individuals for scientific, educational, cultural, religious, or other charitable purposes. Most of the funds come from one source, whether an individual, a family, or a corporation.</p> <p><i>Examples:</i>  The Ford Foundation  Aga Khan Foundation  Bill and Melinda Gates Foundation  Toyota Foundation  Nippon Foundation</p>
Multilateral agencies	<p>Multilateral ODA agencies are composed of member governments established by an international treaty or convention. These agencies have a wide variety of objectives and interests of which development assistance may or may not be one. Those that provide ODA include many United Nations agencies such as the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), and the Food and Agriculture Organization (FAO). Other multilateral agencies are the World Health Organization (WHO), the Asian Development Bank (ADB), the European Union, and the Global Environment Facility (GEF)</p>

## What Grants Fund

Grants are provided to encourage development or growth in a particular area. This area may be a geographical one or may be for particular areas of research and development, rural reconstruction, social services, education, livelihood development, poverty eradication, etc. Grant projects typically involve the implementation of specific components of a project designed to tackle specific problems.

Grants are indispensable resources for development researchers because their work does not always provide the capital return required to sustain their projects. Recognizing that researchers, among others, provide services vital to the success of larger social, economic and political objectives, grants of many kinds are made available to fund that work.

Grant making institutions support organizations whose mission and programs complement their own. They look for signs of good governance of which legitimacy, transparency, and accountability are key criteria. Many grantor-grantee relationships have evolved beyond the grantee being mere project implementers to a manifestation of a working partnership, where counterpart or matching funding is also expected from the grantee. Grant making institutions are concerned about their partners' efficiency as they themselves have to account to their principals for the grants that they award.



### Major Grants Documented

- ◆ **Rainforest Action Network's Forest-an-Acre Fund (PAA)** provides grants directly to organizations and communities in rainforest regions. Telapak Indonesia received \$5,016 funds for their NO TO ILLEGAL LOGGING advocacy.
- ◆ **The International Tropical Timber Organization (ITTO)** has funded more than 600 projects, pre-projects and activities valued at more than US\$250 million. Recently funded projects are in China (\$259,956); Malaysia (\$343,440); Philippines (\$630,907); and Thailand (\$765,140).
- ◆ **The Small Grant Program for Operations to Promote Tropical Forests (SGP-PTF)** provides small grants (\$26,092-\$260,920) in South and Southeast Asian countries to enable civil society organizations at country level to implement small forest related projects, which promote sustainable forest use by local stakeholders.

## Securing a Grant

Some grants are solicited, meaning a grant making institution may issue a "Call for Proposals" for the implementation of a specific project or program. The "Call for Proposals" invites prospective grantees to submit an application following strict guidelines for content and presentation. Solicited proposals may be competitive or noncompetitive, and a grantor may then select the best from among the applicants, choose several depending on monies available and quality of proposals received, or not make any selection at all. Other grants are unsolicited, and the prospective grantee, or proponent, proactively approaches a grant making institution with an idea. In either scenario, in order to secure the grant, the proponent must explain their particular strategy for accomplishing the task. They must simultaneously develop and demonstrate how their proposed program presents innovative solutions to particular problems, as well as how methods are designed to achieve those objectives in reasonable time and at reasonable cost. This is all typically communicated to a grantor through the grant proposal.

For many development research organizations that have established long-standing relationships with their institutional donors, applying for grants sometimes become just a token procedure. The funds are guaranteed, and the proposal, which may not be very comprehensive or well-written, merely fulfills paper trail requirements. But as grant awards become more competitive, organizations are forced to go beyond their comfort zones and look at other donors. As these organizations are not automatically entitled to funding from new donors, their chances of being noticed and being awarded the grant increase with the submission of a well-thought out, thorough, and organized proposal are slim. Such a proposal stands out from among the myriads received.

But even before an organization sends in a grant proposal, it's important to do a little research on the kinds of donor agencies to approach.

## Resource Mobilization Vehicle 2: Special Events

### The Fun Way to Raise Funds

A common strategy to raise funds is the special event. For staff and board members averse to asking money outright and equate that to begging, the special event provides a graceful way to make the ask. In exchange for money, you sell tickets to an event.

A special event is also an effective strategy to acquire the names and contact information of new donors. It provides the opportunity to build an organization's "house list", or database of individuals that may later be used as the basis for a direct mail campaign (discussed in the next section).

Some examples of special events are:

- ◆ Art/music festivals, auctions, bazaars
- ◆ Charity or gala dinners, balls, pageants, fashion shows, street parties
- ◆ Concerts, musicals, plays
- ◆ Conferences, exhibits, trade fairs
- ◆ Book launches
- ◆ Bingo socials, raffles, garage sales
- ◆ Sports tournaments/ exhibitions, walkathons, marathons/fun runs

### The "Signature Event"

Some organizations have what is called a "signature event". This is an event done regularly, and is a recognizable brand and uniquely associated with the organization. The "signature event" fulfills multiple objectives: e.g. to acquire new donors, build loyalty among current supporters, etc. In the long term, it becomes a profit center for the organizations.

Special events are public occasions to achieve one or more of the following objectives:

- ◆ Raise money
- ◆ Make the organization's cause known
- ◆ Enhance group's cohesiveness
- ◆ Offer something for the spirit

## Making Special Events Work for You

### Planning an Event

Running a special event entails careful planning and attention to details. The length of time to plan a special event depends on the experience and capacity of the organization in executing one. If you are doing it for the first time, six months to one year of planning is needed. But if you have been organizing events often, three to six months may be enough.

In planning a special event, the most important step is identifying ONE PRIMARY OBJECTIVE. For example, do you intend to raise resources? Or do you want to generate awareness for the organization and its programs? Do you aim to thank to donors and friends? Or educate constituents?

Based on the primary objective and goal, you need to set your targets. You should be able to answer the following questions:

- ◆ How much will the event raise? e.g. \$5,000 or \$50,000
- ◆ Who is the target audience? e.g. business executives, youth, women, etc.
- ◆ What impact will it make? e.g. the audience recall the name of the organization and associate it with a certain cause (brand awareness)

In choosing the right special event, you must consider:

1. If it is relevant to the organization's mission, cause and project;
2. If it is highly appreciated by the target audience;
3. If the timing of the event is appropriate;
4. If the event is unique from other events done in the past;
5. If there are legal requirements and restrictions for staging the event, and
6. If the event's required costs are within the organization's range of resources, i.e. money and personnel.
7. If a mechanism can be put in place to gather names, addresses and contact information of participants (such as registration forms, raffle stubs, sign up sheets, or collection bowls for business cards).

#### **Some points to consider:**

- ◆ It is good for acquiring new donors
- ◆ It generates awareness
- ◆ It enhances teamwork
- ◆ It is cost-, time-, and labor-intensive
- ◆ It is vulnerable to the presence of factors beyond control (e.g. weather, political rallies)

### **Relevance of the Event to the Organization's Cause**

Many non-profit organizations hold special events to create publicity and at the same time, generate support from their publics. However, some conduct events that are not related or appropriate to their mission. For example, would it be relevant to stage a beauty pageant for an organization that provides cultural activities towards inter-faith peace building? Would it be more appropriate for the same organization to organize an exhibition and auction of works of well-known artists from different faiths?

#### **Choosing a Relevant Event**

A special event that aims to convey the organization's cause to the public is deemed successful if the cause and the event are strategically linked and the audience is able to see and understand the connection.

### **The Significance of Perfect Timing and Target Audience**

Non-profit organizations conduct special events to commemorate significant occasions in their history e.g. Foundation Day/ Anniversary, or a day that celebrates the advocacy of an issue or cause related to the organization's mission, e.g., Earth Day or Women's Month.

There are also certain times of the year when non-profit organizations can draw out better results through special events. Some organizations stage events that suit a specific season in their countries. For example, in the Philippines, resource mobilization events are most often held in the last quarter of the year (October to December) as people tend to be more generous and charitable the closer it gets to Christmas. The rainy or typhoon season is considered the worst time for special events as most people avoid spending more during this season.

#### **Choosing the Right Event**

Choose the right event for the kind of audience you are targeting. For example, don't expect seniors to attend your resource mobilization event featuring young pop singing sensations! Of course there are exceptions. If you are targeting a more mature crowd, try a benefit dinner, or a concert of classical artistes. Targeting the right people can make all the difference in achieving the objectives of your event.

### **Availability of Resources**

Selecting the right event to help raise the money you need is also dependent on your current resources such as money and people. There are events that require more time from the staff and more funds. You must assess yourself if you have enough staff, volunteers, and capital to organize a specific event.

Pre-event requirements likewise include identifying the roles and responsibilities of your board members, staff and volunteers. Staging a special event is a team effort. Clarifying what each person needs to do for the event will help ensure its smooth implementation, and prevent overlapping and confusion.

It is also helpful to form committees and conduct regular updates and meetings in the planning stage. Committees can function in various ways. They can be responsible for getting sponsorships for the event, managing logistical needs, ensuring there are enough volunteers, and developing the event's program.

When planning a special event, create a timeline. Begin with the end in mind, and chart out activities with corresponding deadlines starting from the day of the event and working your way backward to the present day. This will give you an idea of how much lead time you have in planning the event, or if you already are critically delayed in some of your activities. You can also use a planning tool called a GANTT chart to show you at a glance what you need to have accomplished at any given point in time. List down all the activities on the left column, and use the grid to the right to shade off the number of weeks within the month to accomplish the task. Categorize the activities, so that you can then assign committees or members of your team to take on a block of tasks, such as Logistics, Publicity and Promotion, Program, Sponsorships and Booths, Registration or Ticket Sales, Finance and Administration.

## Sample GANTT Chart

		Pre-event Preparations (January 15 – February 29)					Homestretch Activity (March 1-29)				Event	
Month		January		February				March				
Week		4th Wk	5th Wk	1st Wk	2nd Wk	3rd Wk	4th Wk	1st Wk	2nd Wk	3rd Wk	4th Wk	5th Wk
<b>PROGRAM</b>												
Program Development												
Finalize list of speakers												
Invite speakers												
Follow up invitations to speakers												
Finalize program with speakers and topics												
Get speakers profile and materials												
Coordinate with speakers for presentation materials												
Package gifts with speakers												
<b>SPONSORSHIPS</b>												
Finalize packages												
Write sponsorship kits												
Send out all sponsorship kits												
Follow-up sponsors												
Final list of sponsors												
Get sponsor materials and logos												

As special events are a means to reach out to your target audience, making a publicity plan helps to promote the event to your publics and eventually, get their support. There are various ways in which you can promote your special event:

- ◆ Tri-media promotions e.g. radio plugs, press releases, advertisements, TV plugs and interviews, etc.
- ◆ Web-based media e.g. text messages, email, website, etc.
- ◆ Promotions in schools, villages, other communities and networks

### The Essence of Sponsorships

Because special events can mean substantial expenses, non-profit organizations find ways to lessen the burden of bearing all costs. One of these ways is tapping individuals and corporations as donors and partners.

Individuals can support your event by:

- ◆ Buying tickets or event merchandise
- ◆ Sponsoring tables, seats or souvenir program advertisements
- ◆ Volunteering time, talent and skill
- ◆ Endorsing the event, if he/she is a celebrity or a famous personality

Special events can also give corporations the means to get involved in a good cause. Commercial enterprises become event sponsors for different reasons:

- ◆ They share the same values as the non-profit organization
- ◆ The event gives them the opportunity for publicity
- ◆ It is something unique and offers media mileage
- ◆ It is a way to have people sample their products
- ◆ It gives them the means to reach other audiences as special events, in general, cater to “niche” markets.

### Finding the RIGHT Corporation

- ◆ One with a mission similar to yours
- ◆ One with a promotional budget looking for something ‘different’
- ◆ One where you know someone from the ‘inside’
- ◆ One who works in your own backyard



Non-profit organizations can get corporations to give their support in various ways.

- ◆ Underwriting either the full costs or a percentage of it
- ◆ Exchanging services instead outright cash outlay, e.g. you need computers for a conference. Instead of paying for the rental fees, a computer store in your community can provide the equipment in exchange for a booth space where they can promote their products during the conference.
- ◆ Giving in-kind resources e.g. provision of mineral water by a water supplier during a fun run

Non-profit organizations need to consider applicable government requirements for conducting events in their communities. These may include entertainment tax, local government agencies permits, and notification of local police for traffic and security purposes.

When dealing with suppliers, sponsors, talents, artists, and donated merchandise, make sure that contracts are drafted and the terms are mutually understood and accepted.

### ***Determining the Costs of the Event***

In planning an event, do some preliminary cost research to help you prepare a more realistic budget. You should identify budget categories e.g. personnel, venue, tax/permits, promotion, emergency purposes, etc. Budget has two classifications:

- ◆ Direct costs (e.g. venue, artists, production company); and
- ◆ Indirect costs (e.g. staff costs, organization letterhead, fax and telephone usage, postage expenses).

#### **Tips for Costing**

- ◆ Consult with financial records of previous events
- ◆ If you have a bankable product or event, sell tickets/tables/seats at higher prices
- ◆ Overestimate expenses, underestimate revenues

Setting up record-keeping systems help you keep track of all costs incurred before, during and after the event. Always ask for receipts or vouchers as proof of services rendered and purchases made.

### ***Executing the Event***

The day of the event is here. It is the culmination of all hard work and labor. Following a detailed plan and schedule can help ensure that everything runs smoothly from start to finish. However, contingency measures must be in place to handle emergencies. There is nothing wrong to always be prepared.

In giving appreciation to sponsors and volunteers, most non-profit organizations give thanks during the event. They specifically acknowledge each sponsor and volunteer for the support and tasks they provided.

Keeping track of everything that is going on is also important for the organizers to do as the event unfolds. This is a way of documenting the things that have gone right and areas that need improvement. This will help you in your evaluation after the event.

#### **Treat your Sponsors and Guests with Care**

- ◆ If applicable, provide car passes
- ◆ When doing shows, make access entry/ exit doors available for artists to prevent commotion
- ◆ Monitor your sponsors' seating, meal preferences, and other needs

### ***Evaluating the Event***

It is customary to thank all sponsors and volunteers after the event. Try to send "Thank You" letters to your sponsors within five days after the event.

There are ways of saying thanks and making your results known. You can do this by the public approach (e.g. press releases, feature articles, souvenir programs) or by the personal approach which is used by most organizations (e.g. personalized letter, gifts and tokens, picture of the event with the sponsor)

When evaluating the event, the first step is to see if you have achieved your PRIMARY OBJECTIVE.

#### **Why do Special Events Fail**

- ◆ Costs are too high (i.e. the need for front money)
- ◆ Prices are too low (i.e. setting prices below what it cost you to run the event)
- ◆ Not enough tickets are sold
- ◆ Expectations are unrealistic

### ***Post-Event Tasks: Be Objective***

- ◆ Conduct committee meetings to evaluate event and team performance
- ◆ Do consultations with donors, volunteers, staff and committees for event assessment and feedback
- ◆ Document everything for future reference such as report for archiving and coverage materials including pictures, videos, collaterals on file

#### **Special Events Documented...**

- ◆ **Local Initiatives for Biodiversity, Research and Development or LI-BIRD** in Nepal mobilizes resources through establishing four different awards to facilitate innovative farmers and farmer groups. The organization organizes the awarding ceremony and gives the following: Best Innovative Farmer Award, Best Innovate Female Farmer Award, Best Innovative Farmers Group Award and Best Innovative Biodiversity Conservation and Farmer Breeder Award.
- ◆ **Chaitanya** in India, has raised funds and advanced its advocacy through organizing events such as a cultural night that featured a leading Indian classical artist named Shobha Mudgal.

### ***Can't Organize a Special Event? Be an Event Beneficiary***

Non-profits with very limited human and financial resources to organize a special event can instead become a beneficiary of the proceeds raised through a special event. The event itself could be organized by a group of individuals, a corporation, an association, or other such entities. It helps if someone from your organization has a connection with these groups so then your organization can be identified as the beneficiary. Organizers of such events look for non-profits that have a good reputation of delivering services, or those with which they have some involvement whether as an individual or corporate donor, an alumnus or volunteer. There is minimal

cash outlay on your part, and publicity and promotion are taken care of by the organizer.

Be wary though of unscrupulous organizers who use your organization's name as beneficiary in order to generate more ticket sales, and who do this either without your knowledge, or based on a verbal commitment. Many non-profits never get to see a cent of the proceeds. Protect your name by insisting on a written contract that makes as a condition that regardless of amounts raised, some funds are assured to you, in return for the use of your organization's name.

## **Resource Mobilization Vehicle 3: Direct Mail**

### **Bringing Donors Closer to Your Organization**

In the United States, individual Americans donate more than a hundred billion dollars to non-profits. Some write small checks for a few dollars, others make contributions in the millions. But regardless of the range of donation amounts or types of givers, they may share one thing in common: each may have made a first gift in response to a letter they received asking for support in some form. For organizations — even new ones which haven't yet had the chance to establish their reputations — that letter represents the opportunity to begin developing a dependable source of funding. And for donors, it offers a way to belong, and help in finding solutions to a problem.

That letter would have invariably been part of a direct mail package.

How do those letters transform total strangers into the loyal friends whose generosity supports your organization? That's what direct mail is all about!

### **What Is Direct Mail Resource Mobilization?**

A direct mail strategy can provide your organization with loyal supporters and a cost-efficient means of communicating your organization's programs. This program can include funding appeals, membership renewals, and special appeals, amongst other things. It allows you the ease to solicit again from previous donors, and has the potential to provide you with a constant stream of unrestricted funds.

A direct mail program can systematically identify the people capable of making the large gifts on which so much of your group's future success depends. Through cultivation of your direct mail donors, you identify those who will become a little more involved, those who may become volunteers and even board members, and those who will make major financial commitments to your organization. It's a strategy that can pull in people closer to the core of your constituency map, or push donors up the resource mobilization pyramid.

This broad base of support — acquired, cultivated, and upgraded by mail — will also help you raise more money from other sources including foundations and corporations. A broad base of support says to the world that there is a real need for your services. And there is nothing more compelling to a potential major donor than that.

Resource mobilization letters, or solicitation letters as they are sometimes called, are a vital source of information. By describing the social problems and urgent realities that your organization is trying to address, you give people the opportunity to share in your cause and to make it theirs as well. It allows you to communicate with thousands of donors whom you can't meet otherwise through personal contact. Many of the prospects may

not give outright but in the process of reading your mail, your "cold" prospects become aware about your cause. It can encourage citizen participation and action that can lead to creating stronger political voice for your cause. It is a valuable means to create the right public image for your organization. Direct mail is also targeted: you can send different messages at different times to different groups of donors or prospects.

## **Getting Started**

Take simple steps rather than be overwhelmed with sophisticated direct mail strategies.

1. Start with an attractive newsletter published four to six times a year. Delivering the mails on a schedule helps sustain your relationships with the donors.
2. Enclose a return envelope to give your readers and prospective donors the ease of sending a cheque in response to your mail.
3. Send thank you letters to those who will respond with contributions. A reply envelope enclosed with a thank you letter sometimes yields an additional contribution, even without mentioning another request for funds.
4. In your January mailing to your donors, you can send a report on their contributions during the previous year. Many donors who receive this report, along with another letter of thanks and appreciation, may yet send another gift. A portion of the funds generated from this modest initial direct mail program can then be set aside to launch a more systematic direct mail resource mobilization program.

## **The Direct Mail Package**

There are four basic items in a direct mail package: the letter, the outside (or carrier) envelope, the response device and the reply envelope.

### **The Letter**

Here are winning tips in crafting the letter.

1. Personalize the letter. Do not write something like, "Dear Friend," or "Dear Prospect," when you can easily personalize the letter through mail merge and laser printing technology. Make sure that you have the gender correctly encoded. Do a random check as the letters are printed out.
2. Write with strong feelings and emotions and back these up with facts. People give not because your organization needs money, but because they are touched or angered or saddened or made hopeful and they want to do something to help!
3. Do not overwhelm your reader with the board of directors listing on the side of your letter. This is an old style for resource mobilization letters and there's absolutely no need for this. Besides, it is distracting and visually heavy. Your letterhead will do well with just the name, address and logo of your organization. Keep your readers focused on your appeal.
4. Do not bore your readers with the merits of your organization. Rather, write about the people that your organization serves. Tell stories. Give the people names — real people, real names.
5. Fund raisers used to be advised to keep their appeal letters to short one-pagers, and traditionally enclosed a separate brochure with

photographs and further descriptions of their cause. Today's trend is quite the opposite. Two-, three-, four-page letters without brochures work better. If your story is interesting, compelling, well-constructed, and nicely laid out, you can capture and maintain your reader's attention. Once your prospect is committed to reading your letter, you have dramatically increased your chances of receiving a contribution. Your long letter provides your prospective donor with more information and more reasons to help.

6. Ask for a contribution. Specify the amount of the desired gift and explain what it will do. Do not wait until the last page to mention money. Give payment options like the use of credit cards or checks.
7. Make your appeal personal. Imagine that you are writing only to one person. Use conversational language. Do not use big words or jargon.
8. Create attention to pertinent phrases or paragraphs through indented copy blocks, check marks, bullets, giant quotation marks, color, paragraphs or drawings. Do not overdo the underlining or printing in boldface.
9. Sign your letter. Give your printer a specimen signature and have it printed above your name.
10. Finally, P.S. wisely. A postscript has the highest readership among all the contents of a mail package, so do not let your P.S. just take up space. Use it to give the prospective donor another push to send in a gift. Usually the P.S. repeats the "offer" or the benefit offered to the donor prospect for their donation.

#### Remember, your letter should:

- ◆ Create INTEREST
- ◆ State the PROBLEM
- ◆ Arouse EMOTION
- ◆ Offer HOPE
- ◆ Offer PARTICIPATION
- ◆ Induce RESPONSE (ask for the gift)
- ◆ Offer THANKS

### The Outer Envelope

It is hard to go wrong with a simple envelope, but it is very easy to go wrong with fancy artwork and a fancy teaser copy. So in designing the outside envelope, you must ask two very important questions:

1. Will it call attention to my envelope and get it opened?
2. Is the envelope message appropriate to the enclosed letter?

**Remember that the carrier envelope is a 10-second decision point. It is at this point where your prospect decides whether or not to open the package.**

### The Response Device

The first purpose of the response device is to provide a record of the donor's name and address. But a more important purpose of the response device is to stimulate the contribution. A lack of a response device will likely stall your prospect's intent to give to your cause.

Your response device allows your prospect a simple and easy way to respond to your appeal. Your response device should tell your prospect:

- ◆ A brief statement of what his or her contribution will accomplish
- ◆ Your vision statement
- ◆ Suggested gift amounts
- ◆ Payment options
- ◆ How to send his or her donation
- ◆ Name and address of your organization

### The Reply Envelope

It is an absolute must to include a reply envelope pre-addressed to your organization to make it easy for your donors to respond. Depending on the purpose of your mailing the enclosed reply envelope can be postage-paid or without prepaid postage where the donor pays for the return postage. If your organization is striving to acquire new members or more donors (acquisition mailing) or you are embarking on first time (pilot) mailings, it is wise for your organization to invest in business reply envelopes with first class postage.

#### Good time to send out mailers

- ◆ Around festivals and commemorative dates
- ◆ Away from heavy expenditure months like: school tuition time, rainy season and tax season

### Is Your Organization Ready for Direct Mail?

In the context of countries in the South, direct mail has some hurdles to overcome. It is not a reliable strategy in areas where the infrastructure for postal services is not in place. Also, limited payment options, such as non-availability of the credit card option, may inhibit responses. Direct mail entails significant investment, organizations that use direct mail should not expect to see high response rates and return on investment in the short-term. However, the biggest advantage of direct mail in this region is that because it is used so infrequently, it is still a novel mechanism, unlike in the United States where the volume of direct mail is so immense it has come to be considered a nuisance. In Asia, for example, response rates vary from 1 to 2%, compared to 0.5 to 0.7% in the United States.

So how do you know if your organization is ready for direct mail? Ask yourself and your resource mobilization team some basic questions to help you make the right decision:

1. Has your organization acquired credible name recognition and a demonstrable track record?
2. Does your organization deal with specific issues rather than abstract ideas? Aside from being specific, are these issues timely, compelling, and of concern to a broad public?
3. Is your mission clear enough for you to package your program for a wider public?
4. Does your organization serve or help specific constituencies (for example, tribal minorities, abandoned and abused children, endangered species, coastal communities, the elderly)?
5. Are there organizations serving the same constituency as yours? If so, can you effectively distinguish how your organization is unique? Do you

intend to respond to a critical issue in a dynamic or radical way that can distinguish you from other organizations similar to yours?

6. Does your organization have an existing “house list”? A house list is an updated, accurate database of names, addresses and contact information of current and prospective donors, and individuals interested in your cause. These names may have been derived from the networks of staff, board members, and others connected to your organization. They may also come from events set up by your organization, or from directories of participants at conferences and conventions.
7. Does your organization have enough staff and resources to handle the back-end work of putting together direct mail packages, processing contributions (cashiering and accounting), ensuring the security of your receipts and mailing lists, and keeping your list accurate and up-to-date?
8. Does your organization have enough staff or volunteers to serve the demands of the donors acquired through your mailing campaign?
9. Is there a threat to the organization, to those it serves, or to its traditional funding sources? Said in another way, is there a crisis or an urgent issue or an emergency to be dramatized?
10. If yours is a membership organization, do you have tangible membership benefits to offer? If yours is a cause-oriented organization, can you show your donor how his or her gift will make a difference?
11. Do you have the investment money for a test mailing?
12. Would your organization be able to survive a financial loss of 40% or more of its investments should your test mailing or direct mail campaign fail to recoup costs?
13. Do you have the patience to wait between two to four years before realizing net income? In short, is your organization committed to direct mail resource mobilization for the long haul?

If you answered NO to three or more of these questions, then your organization may not be all that ready to begin a direct mail resource mobilization strategy. But if you answered YES to at least 9 questions, then count direct mail as one of your more important strategies to raise funds and grow a large donor base.

These questions were adapted from:  
The Fund Institute. 1991. *Dear Friends: Mastering the Art of Direct Mail Resource mobilization*, 2nd Edition.  
Lautman, Kay Partney and Henry Golstein, and Mal Warwick & Associates. Maryland, USA.

#### Direct Mail Documented...

- ♦ The Legal Rights and Natural Resources Center-Kasama sa Kalikasan (LRC-KSK) in the Philippines implemented a direct mail campaign where a total of PhP 100,000 was raised from 110 acquired donors. The direct mail pack highlighted indigenous people's rights and the role of law and legal service providers in upholding and protecting them.
- ♦ The Philippine Agrarian Reform Foundation for National Development, Inc (PARFUND) in the Philippines implemented a direct mail campaign entitled “A Child in School, A Ray of Hope.” It is a scholarship project for children of landless farmers and farm workers. They were able to acquire new donors through direct mail, wherein 62% are individuals and 38% are various institutions.

## Resource Mobilization Vehicle 4: Earned Income

### A Showcase of an Organization's Collective Expertise

Earned income is the monies received by a non-profit from the sale of products or services rendered. This is also income received from interest generated by endowments and other investments.

The concept of earned income poses a dilemma for some non-profits who equate it with a for-profit activity. The exchange of goods and services for cash is considered by some to be a compromise of non-profit ethics and the organization's mission, particularly when the mandate and nature of a non-profit organization is to provide services to their communities and beneficiaries for free. The idea of charging fees is unthinkable for some. In some countries this may also cause legal problems if there is little understanding of the parameters of income tax laws. For example in the Philippines, in order for the income earned to be tax-free, the income-generating activity itself must be directly related to the mission and programs of the non-profit as stated in its legal papers of incorporation. But if the use of the profit stays within your country's laws that distinguish not-for-profit from for-profit enterprises, then the ethical problem is minimized. More so if the organization remains focused on why it was founded in the first place — mission first, survival second.

Earned income is also a donor acquisition strategy. It allows people not normally within your organization's universe of constituents to get to know your programs. Many donors shy away from giving outright donations, regarding them as dole-outs. They like the idea of getting something for the money given, knowing that in the process they are contributing to the mission of the organization.

In response to your organization's pressing need to raise funds, you will find that a host of options are in fact open to you in this area. Not-for-profits' earned income may originate from any or combination of the following options:

Income from Merchandise	Income from Professional Services	Income from Endowments
<ul style="list-style-type: none"> <li>◆ Publications</li> <li>◆ Ticket sales</li> <li>◆ Stationery</li> <li>◆ Arts and crafts</li> <li>◆ Clothing</li> <li>◆ Mugs, key chains, desk accessories.</li> <li>◆ Food products</li> </ul>	<ul style="list-style-type: none"> <li>◆ Clothing</li> <li>◆ Exchange or transfer of information</li> <li>◆ Training workshops/ programs</li> <li>◆ Consultancy engagements</li> <li>◆ Technical assistance</li> <li>◆ Legal assistance</li> <li>◆ Performances of art groups</li> <li>◆ Hosting of conferences, forums, discussions</li> <li>◆ Micro-credit and learning programs</li> </ul>	<ul style="list-style-type: none"> <li>◆ Interest income generated from investments: time deposits, stock dividends, and sale of shares of stock</li> </ul>

Zeroing in on possible income sources requires you to look into what your organization does well. You will need to take stock and spell out your menu of services (e.g. publications, design, media networking, workshops, training experience). You will need to ask yourselves – what can we offer and make available for a fee? And to whom shall we offer these?

Earned income can provide a reliable stream of funds for the long-term. The proceeds of funds raised from these projects meet financial requirements of programs to fulfill the organization's mission.

However, managing earned income activities requires a certain level of business expertise in order to be a truly viable income stream. Instead of plunging headlong into uncharted territory, it is good to come up with a business plan. A business plan:

- ◆ Helps you identify the amount of capital you need, when you will need it, and how income will be generated.
- ◆ Allows you to assess the situation as a business manager would.
- ◆ Enables you to commit to paper a well-organized strategy, which in turn improves your ability to manage the business. This covers costs, marketing strategies, target markets, identifying customers, pricing strategies, distribution systems, cash flows and competitors.

A business plan challenges you to flesh out beforehand such key elements as quality management, timetables, capital and human resources requirements, product development and positioning, pricing, and promotions. It may be well worth it to hire a professional business planning consultant who will study the feasibility of a business idea, identify the niche and target market for your particular product or service, recommend systems and procedures, and possibly assist in initial stages of implementation. None of this will be produced in a vacuum so you will also need to check whether your organization's institutional culture, management and investment capacity are up to taking this on.

Do not neglect the expertise of your board or the experience of other non-profits that have already taken this route. Consumers aren't going to be buying your products out of compassion. Once you're out there and your business is up and running, the rules of the market, supply and demand govern.

### A Case Story: LEAD-India's Client-Based Services and Training Program

Leadership for Environment and Development (LEAD) International is a global network of individuals and non-governmental organizations, committed to sustainable development. LEAD's mission is to create, strengthen and support networks of people and institutions promoting change towards sustainable development – development that is economically sound, environmentally responsible and socially equitable.

**Programs** – Continue flagship training – now fee-based

**Project** – Strategic thematic areas funded by donors

**Clients** – Consultancy and training by marketing core competencies and talents of LEAD fellows and network members

#### Earned Income Plan

- ◆ Based on competencies, identify potential clients and their needs
- ◆ Develop marketing collateral – capability statement
- ◆ Disseminate through network and personal contacts
- ◆ Provide client-based services – value for money
- ◆ Follow up with clients for value-added services at little or no cost
- ◆ Establish client-provider relationship – personalized
- ◆ Self evaluation for diversification of portfolio of services
- ◆ Expand network to broaden client database
- ◆ Innovate to meet clients' changing needs
- ◆ Institutionalize services to create niche area
- ◆ Important to link earned income to overall program area for coherence i.e. Program – Project – Client
- ◆ Client services should remain relevant to the LEAD Mission

#### Earned Income Documented....

- ◆ Gami Seva Sevana of Sri Lanka offers practical training and consultancy works on technologies such as biogas, rainwater harvesting techniques, solar drying and ecological pest management.
- ◆ Lok Sanjh Foundation provides trainings to their partners for the reduction of poverty, enhancement of food security through strengthening local democracy, empowering women and sustainable use of natural resources.
- ◆ ANSAB (Asia Network for Sustainable Agriculture and Bioresource) in Nepal offers services through their membership. They bring together professionals and organizations and offer them opportunities to network, access to their resource center, subscriptions and many more.



## Resource Mobilization Vehicle 5: Major Gifts

### Quality over Quantity

Major gifts are donations given to an organization that are significantly higher than its average recorded gift. They take time to mature and may be given as a one-off donation or a periodic, regular gift. They may be given by individuals, corporations, informal groups of people with common interests, or foundations.

Major gifts usually come from happy and satisfied donors, and will require time and effort to cultivate and nurture.

Major gifts may come in the form of cash; capital such as land, a structure or vehicles; in-kind donations such as audit services from accounting firm, or legal services from a law group.

### Why Should You Seek Major Gifts?

Unlike grants, which are restricted, major gifts are unrestricted. Non-profit organizations seek these gifts to fund regular programs and services, upgrade existing programs, purchase office equipment, pay for staff training and development, subsidize scholarships, and fund recurring operations costs. Many of these items, particularly related to administrative and operational expenses, are not funded by grant making institutions.

Major gifts provide the organization with substantial funding from among its base of donors. These gifts provide a way for donors to move from mere awareness of the organization to that of commitment, and investment in the organization. While it may be easy for donors to give small contributions without considering the use of the funds, it takes more thought and dedication for a donor to allocate a substantial amount for an organization that is seeking donations. It implies a vote of trust and confidence in the long-term relevance of an organization.

### Steps for Major Gifts Solicitation

#### Identifying and Qualifying Donors

The first step involves reviewing the organization's donation history to find out if there are donors who have already been giving repeatedly, and to qualify if these donors are ready to move up the Resource Mobilization Pyramid by giving larger amounts. This step also entails scoping prospective donors according to the three Cs: Connection, Capability, and Concern, as discussed in the chapter on identifying stakeholders. It suggests that time and care be taken to understand the different motivations of individual givers, what their personal advocacies are, what their financial capacities are.

#### Development of a Timetable and Strategy

It's important to figure out how much in monetary terms you need to raise through major gift solicitation. Once the prospects for major gift solicitation have been identified, you can then now use the Gift Range Chart to strategically determine the right amount to ask, taking into consideration their giving history.

Depending on amounts being asked, accordingly the appropriate board or staff is called upon to "make the ask". The donor targeted to make the lead gift will take a high level of nurturing and cultivation.

### Cultivation

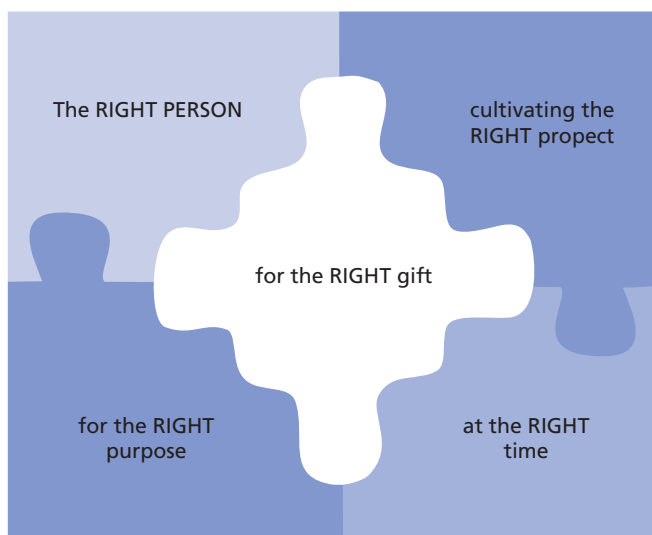
Cultivating donors is the same as cultivating friendships. Staff and board must work towards developing sincere service, which includes fulfilling requests for information and assistance, keeping donors abreast with your organization's work, and helping them achieve their own philanthropic missions by supporting yours. Developing an individualized plan for each major donor helps in making the donor feel that they are truly contributing to solving the problem at hand. Donors also set the pace of the relationship, and your organization, as the recipient of the donation, is obligated to honor their choice of gifts.

### Solicitation, Follow-up, Acknowledgement and Renewal

The solicitation step is the culmination of the major gift strategy where the organization formally asks for the donation from the prospect. The key to soliciting major gifts is the right person cultivating the right prospect, for the right purpose, for the right gift, at the right time.

While there may still be disagreement in resource mobilization circles on the indispensability of face-to-face solicitation, personal contact is regarded as the most appropriate way of asking for major gifts. In determining the right gift size from a particular donor, consider the following: ability to give, perception of your organization's mission importance, resource mobilization goals, what others have given, who will do the asking and the prospective donor's opportunity for recognition.

### Five Rights for Major Gifts



It is also important to know why people choose not to give at all. Here are some of the more common reasons:

- ◆ The wrong person asked
- ◆ The case was not strong enough
- ◆ No one suggested an amount
- ◆ No one suggested alternative ways of giving (e.g. installments, stocks, in-kind donations, consulting services, etc.)
- ◆ No one followed up the pledge

Preparation is key to successful asking.

After a donation, donors must be recognized and thanked. The menu of options to convey gratitude is endless: plaques, awards, book acknowledgements, shop discounts, gift certificates, personal thank you notes or phone calls. The point is to inculcate a gratitude system and a donor recognition protocol into an organization's operations.

In fact, the act of thanking is an opportunity to ask again, priming donors for the next ask. Some may find it uncomfortable to follow up or renew gifts. There are certain considerations which can help you do follow ups. Ask yourself if this is the right time? What will your approach be? Who should follow-up? Are you prepared to offer alternatives?

#### Major Gifts Documented...

- ◆ The German life sciences 5 Prime has donated \$500,000 worth of molecular biology technologies and reagents to the International Rice Research Institute in the Philippines.
- ◆ The Bill and Melinda Gates Foundation partnered with the Rockefeller Foundation to enhance agricultural science and small-farm productivity in Africa making an initial \$100 million investment matched by Rockefeller's \$50 million contribution to the Alliance for a Green Revolution in Africa (AGRA).

## Using the Gift Range Chart

The gift range chart is a tool used to give a projection of the number of gifts, arranged by size or amount in descending order (major gifts, upgraded gifts, general gifts) so as to achieve a particular resource mobilization goal.

### Prerequisites

- ◆ Total resource mobilization target – can be derived by accomplishing the Resource Timeline
- ◆ Constituency – output from activity on Identifying Stakeholders

### Objectives

- ◆ To determine the number of prospects and the respective gift levels to which they are willing and able to give, in order to reach your resource mobilization goal.
- ◆ To assess if your constituency map is realistic and if your prospect and current donors will be able to support your resource mobilization campaign at the levels to which they may be asked to give.

### Activity Mechanics

1. Identify your resource mobilization goal for the year.
2. Divide your resource mobilization goal into specific gift range amounts. It is suggested that you consult your organization's donation history to find out the amounts your current donors are giving. This way, you will be able to present reasonable gift levels and not estimates or inflated figures.
3. Project the number of prospects that you can tap and who can possibly give that particular amount. Then, from the prospect range, determine how many will likely agree to give at that level.
4. The column on cumulative total in the table below must show the full amount of successful gifts in every range. Formula: gift range x no. of successful gifts.

Gift Range	No. of Gifts	No. of Prospects	Range Total	Cumulative Total

5. The cumulative total is the sum of preceding range totals. For the first gift level, cumulative total is the same as the range total. For the second gift level, cumulative total is the sum of the first and second range totals, and so on and so forth.

### Gift Range Chart: A Sample

The Gift Range Chart will help you answer the following questions

- ◆ Is the resource mobilization target realistic given the organization's resource mobilization and giving histories?
- ◆ How many prospects does my organization need to achieve the resource mobilization target?
- ◆ How many donors does my organization need to achieve the resource mobilization target?
- ◆ What are the giving levels that my organization should solicit at to achieve our resource mobilization target?

## Face to Face with a Major Donor

The face-to-face donor meeting simulations give participants an opportunity to practice making a pitch to a variety of donors.

1. Divide yourselves into two groups. Each of you will have a chance to practice meeting a major donor in a role-play. The partners will have to choose among themselves who will play the organization representative and who will play the funding agency staff.
2. For the organization representative, assume that the funding agency donated to your organization last year. Early this year, you sent a letter along with a proposal requesting for a bigger gift.
3. Have a 15-minute meeting with the funding agency staff. The objectives of the meeting are to:
  - ◆ Present your case;
  - ◆ Discuss any questions they may have; and
  - ◆ Request for funding.

## Role Playing Exercise: A Sampler

During the IDRC-SEEDs Workshop, the role-playing exercise was aimed to enable the participants to apply previously discussed sessions on negotiations, communications, donor research, and many others, and to ultimately build their confidence in clear and effective communication and listening skills. It was also a 'reality check' for the participants with regard to how well they knew their organizations and its programs and services. This is significant information that must be in the heart and mind of every staff in dealing with people outside of their organizations at any given time.

Based on the simulation, these are the donor's comments.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"><li>◆ Knowledge of project and organization</li><li>◆ Rapport</li><li>◆ Story</li><li>◆ Mention past, links</li><li>◆ Passionate!</li><li>◆ Preparation – way ahead</li><li>◆ Pick-up on clues</li><li>◆ Pleasant</li><li>◆ Staying on track</li><li>◆ Enthusiasm</li><li>◆ Well-prepared</li><li>◆ Had "materials" to give</li></ul>	<ul style="list-style-type: none"><li>◆ Simplify message</li><li>◆ Did not always address the questions</li><li>◆ Inability to present impact of project</li><li>◆ Research on donor</li><li>◆ Give the card; get the card!</li><li>◆ Follow-through</li><li>◆ Ready to pitch story</li><li>◆ Listen actively/pick-up on offers for referrals</li><li>◆ Summarize next steps</li></ul>

These are the participants' feedback on the simulation.

- ◆ Know who you are addressing
- ◆ Adjust according to clues
- ◆ Do not show surprise if you are offered a completely different alternative
- ◆ Learned skills from the exercise – how to behave in front of donors
- ◆ Be on time
- ◆ Be confident
- ◆ Avoid nervousness
- ◆ Be specific
- ◆ Pitch with enthusiasm
- ◆ Adjust opening line to fit the person you are talking to; then link your project
- ◆ Do not be too engrossed in your project
- ◆ Make no assumptions
- ◆ Avoid jargon
- ◆ Match your program to the interest of your donor
- ◆ Be ready to explain your cause in simple ways
- ◆ When engaging a journalist, do your homework. Make your story interesting without embellishing it.
- ◆ Be upfront with journalist

## Capital Campaign

As your organization matures, you may start to consider setting larger resource mobilization targets for long-term, enduring projects. Among all the resource mobilization campaigns, the capital campaign is most suited for financing big expenditures.

### What is a Capital Campaign?

A capital campaign is a carefully organized, highly structured campaign for specific needs (e.g., a training center, an endowment fund). Focused on a large goal set against a deadline, it is the ultimate test of an institution's resource mobilization skills.

## Characteristics of a Capital Campaign

- ◆ Carefully-planned goal, with its corresponding rationale, theme, structure, plan, budget and name
- ◆ Defined, intensive time period, usually two to seven years
- ◆ Well organized development office
- ◆ Focus on the quality of gifts as opposed to the quantity of gifts

There are three types of capital campaigns:

1. **Bricks and Mortar.** The object of the capital campaign is the construction of tangible assets such as buildings, renovations and equipment.
2. **Endowments.** The object of the campaign is to raise resources that will enhance future funding for programs and general operations through increasing the principal revenue base of assets to be invested. The organization can draw interest earnings from the investment to fund its future operations.
3. **Comprehensive.** The objective of the campaign is for both bricks and mortar and the endowment fund.

## When to Launch a Capital Campaign

Your organization must first determine the feasibility of the intended campaign as well as the ability of the organization to implement such a campaign. You can do this by asking the following questions:

1. Is there a pressing need for the object of this campaign? Do you really need that endowment? That new structure? Can you share the resources with other non-profits for now rather than building your own structure?
2. Have you validated your financial targets? Was there a business plan? What was the basis for setting the target? Have you factored in operations and maintenance costs for buildings and renovations?
3. Have you set aside funds to raise funds? Have you calculated the working capital you will need to develop communications materials, to hire and train staff, purchase supplies, travel and transportation, meals at donor meetings and gatherings, and other expenses?
4. Is your staff ready and experienced enough to do the resource mobilization work? Have they been engaged in smaller resource mobilization activities? Are they familiar with donor nurturing and donor acquisition strategies?
5. Are your major donors ready to back you up? Is your board in agreement with the object of your campaign or are there loud dissenters? Do you have a history of high giving levels from your donors?

## A Note on Endowments

Often, an endowment is seen as the long-term solution to a non-profit's financial sustainability. Recent trends, however, suggest that an endowment must be studied in the light of your organization's unchanging values. These values and long-term planning may justify the need for a large amount of money to be set aside and used only as principal. This must be balanced with the preference of some donors who would like to see immediate results from the programs they fund.



## Steps for a Capital Campaign

- Ensuring organizational readiness and testing for readiness.**  
(Two or three years before a campaign is publicly launched.)  
This step involves getting the organization primed for the capital campaign. Trainings and resources necessary to ensure institutional preparedness are implemented and set aside. A business plan has been created, and the closest constituents have been approached and have committed to the campaign.
- Pre-campaign activity. (One or two years before public launch.)**  
This involves preparation of materials and prospectus for the capital campaign. It also includes researching on possible donors from among those in the database of the organization.
- Beginning in-house phase. (Six months to one year before public launch.)**  
This phase identifies potential lead gift donors and getting their reactions to the campaign. Their commitment is crucial to establish the momentum of the campaign.
- Advanced gift phase. (During the year of the launch.)**  
By this time, commitments and gifts received should be around 40% of your target.
- Public phase involves the commonly seen “Ground Breaking Ceremonies” or the launch of the “Endowment Fund”.**  
The purpose of the public phase is to inform and solicit from the broad group of donors about this special campaign that the organization is implementing.
- Wrap up is often the most difficult phase since this terminates the entire capital campaign.**  
It is making sure that the final thousand dollars is already committed and collected. Very often, the list of potential donors would have already been exhausted and the final amount has yet to be raised. Once the total amount is committed though, the campaign is formally brought to a close and reports audited and shared with the organization's stakeholders.

## Useful Rules of Thumb for a Capital Campaign

- Use the Gift Range Chart to determine your lead gifts and gift levels. Whether cash, capital or in-kind, the largest gift will usually account for 10-20% of your goal. Because the focus in a capital campaign is the quality as opposed to the quantity of gifts, having a lead gift of this magnitude will set the tone for the selection of strategies to implement.
- The top ten gifts will account for 50-60% of your total goal. Strategies to be implemented must bring in higher levels of gifts from fewer donors who are already predisposed to giving to the organization.
- The Pareto principle is applicable to resource mobilization through a capital campaign. 20% of your donors will account for 80% of your target.
- Before going public, make sure you already have at least 40% of your target. The success of a capital campaign is contingent on building the momentum to get the entire amount within the designated time period.
- In the event that the capital campaign is intended for construction of a building, consideration must be given to the cash flow requirements and maintenance costs.

- Inflation is also a prime consideration especially for campaign that will be conducted over several years.

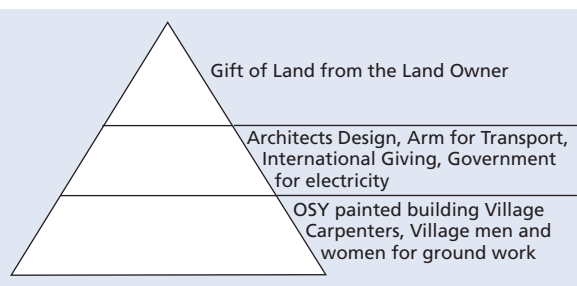
### North East Network (NEN) Capital Campaign: A Case Story from India

The North East Network (NEN), a women's organization, is committed to the progress and peace of the north east region of India with its focus on gender justice, and with the goal of changing the region's social and development perspectives from needs to rights. NEN was set up in 1995, in response to the preparatory process of the Fourth World Women's Conference in 1994 held in Beijing.

In November 2002, NEN brought up the issue of starting a Centre at one of Nagaland's remote villages, Chizami. NEN and the community decided that the Centre would be for young people to bring about positive thinking, develop intellectually and learn practical skills. The objective of the Centre was to progress through local initiatives, enterprise, and creativity. By providing rural youth with urban facilities, it was hoped that this would give them a level playing field and incentive to stay on instead of flocking to the cities.

It was decided that there needed to be some kind of infrastructure equipped with urban amenities in order for it to be fully functional. Shortly after, land was donated by a local village person. That started off the momentum for the project. A young architect designed the Centre. NEN networked with friends all over the world and explained the idea behind the Centre, seeking to raise funds from Indian nationals living overseas. Donations were collected by linking with these overseas donors through relatives residing in India. A combination of concerts and advocacy meetings were implemented to support the capital campaign. Through the variety of activities, NEN was able to reach overseas donors, the youth sector and even artists who provide their talent for free. Donations came to about Rs. 800,000 (US\$18,605). The cost of the building, furniture, fixtures and fittings was Rs. 15 lakhs (US\$34,884).

With complete involvement of the community, the Centre was built. Out-of-school youth painted the building. Local carpenters and those from neighboring villages helped too. Young men and women were hired from the village to do the ground work. The army was contacted to transport raw materials from the city of Dimapur to Chizami. The General Reserve Engineer Force, tasked with maintaining roads in the northeast border, helped in making pathways for the Centre. Individuals belonging to the government at the district level helped in providing electricity connection a few days before the inauguration of the Centre in October 2005. The Governor of Nagaland inaugurated the Centre. In addition Dr. Syeda Hameed, Member, Planning Commission of India gave the keynote address: “It is a centre for village youth where they can work, learn, play; where they can get involved with village development – from health and education to food processing and handicrafts. No magic mantra, just simple common sense of engaging young men and women in development, giving them a sense of ownership and responsibility.”



The gift of land from a landowner is considered the lead gift for NEN's capital campaign. This led to gifts of architect's expertise, government and army contributions and international contributions.

## Exploring Other Effective Resource Acquisition Strategies

### Going Beyond the Usual

This chapter explores less common resource mobilization such as:

- ◆ Direct Response Marketing
- ◆ Cause-Related Marketing
- ◆ Employee Giving
- ◆ E-mail/Internet Resource Mobilization
- ◆ Diaspora Resource Mobilization

### Direct Response Marketing

Direct response marketing is a strategy that enables the public to respond to an advertisement or a commercial by:

- ◆ Returning a coupon
- ◆ Making a phone call
- ◆ Sending a fax
- ◆ Using other technological means like cellular phone SMS or email.

### Comparing Direct Response in the Philippines: TV and Print

	Television	Print
Expenses/Cost	High – \$3,482.00 30 seconds primetime TV	Low – \$353.00 1/8 page broadsheet
Audience	Broad reach	Broad reach
Backroom	Extensive	Manageable operations
Advocacy	TV as an effective, INSTANTANEOUS medium	Print as a valuable, LONG LASTING medium
Return on Investments	Low	Low
Others	– Entertainment value – 20-35% bad calls	Secret of the scissors

### Cause-Related Marketing

Cause-related marketing refers to a commercial activity where private companies or corporations and non-profit organizations form alliances to market an image, product, or service for their mutual benefit.

This strategy provides good publicity for the company and the non-profit at minimal or zero expense for the non-profit. It also provides the company with an opportunity to reach an alternative audience.

While there are benefits to such a relationship, there is also the risk of the non-profit being associated with the values of the sponsoring company and the partnership may be misconstrued.

### Examples of Cause-Related Marketing

**The Coca-Cola Pushcart Project**, a partnership between The Coca-Cola Company and the Vietnamese Women's Unions, was launched in October 2002 in response to the government's poverty alleviation program. Two thousand women selected by the Women's Unions in Ho Chi Minh City and Hanoi were given opportunities to build sustainable livelihoods with custom-built pushcarts to sell a selection of Coca-Cola beverages, chewing gum, snacks and confectionery to provide the women with opportunities to expand their businesses.

**Savour Nature '04: WWF Philippines** held a month-long fundraiser in cooperation with some of Makati City's finest restaurants and bars. A percentage of restaurant proceeds went to WWF's conservation program. In 2003, PhP1 million (US\$19,600) was raised from 12 participating restaurants.

**Change for Conservation: Dragonair** collected loose foreign currencies from passengers. These donations went to The Nature Conservancy to create a system of protected areas in northwest Yunnan, China. Dragonair reported collections of HK\$2 million (US\$128,000) in 2004, exceeding its target by 100%.

### Employee Giving

With employee giving, donations are made through payroll deductions upon the consent of the employees. Non-profits need only to link up with the corporation and provide an orientation about the organization's vision and mission.

### Examples of Employee Giving

**Children's Hour.** Children's Hour is a Philippine organization that raises funds by calling on individuals and companies to donate an hour of their earnings in support of programs committed to the welfare and development of children and youth. Since 1999, Children's Hour has raised over P65.6 million (US\$1.29 million) in cash and services.

**Earth Share.** Earth Share partners with employees and employers across the United States to support hundreds of environmental groups through efficient and effective payroll deduction giving.

### Email/Internet Resource Mobilization

Internet resource mobilization can enhance and extend an organization's reach, with no geographical constraints. Unique information is made directly available to one's constituents, subscribers, and members. It is dynamic and has personalized content that is able to generate a revenue stream through online pledges, credit card gifts, online auctions, games and digital cash. It also provides intensive tracking details.

### Email/Internet Mobilization

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>◆ Low cost, high response: 10-12% (more than direct mail)</li> <li>◆ Information and involvement-rich</li> <li>◆ Donations made with the click of a button</li> <li>◆ Benefits of interactivity</li> <li>◆ Broadcast ability through e-mail and search engines</li> <li>◆ Younger respondents</li> </ul>	<ul style="list-style-type: none"> <li>◆ Very limited audience</li> <li>◆ In Asia, this is not yet fully developed as credit card online transactions are not widely used</li> <li>◆ Fails to attract more mature/aged donors</li> </ul>

## Diaspora Resource Mobilization

Remittances or donations to fund development projects given by expatriates or immigrants to their “native” countries are categorized under diaspora resource mobilization. People who have left their countries permanently can be asked to donate or raise money overseas for a local organization.

### Ivory Charities Foundation

The Ivory Charities Foundation was formed with the goal to help the people of Butuan, a city in the southern part of the Philippines. More than half of the population lives below the poverty threshold. In the first three years, the Foundation had all but US\$2,686 in funds. With meager resources, the organization turned to the estimated 8 million Butuanons abroad. Eager to help their hometown, donations have built up to US\$24,070 in cash, plus materials, equipment and services.

### Membership

Currently, the Foundation has 52 volunteer members. Having established a connection with the fellow Butuanons abroad, a sister foundation was also organized: Butuan City Charities Foundation of Southern California, Inc.

### Mechanism

Donations from Butuan folk in the United States are channeled through Ivory Charities Foundation to the ultimate beneficiaries in the countryside. Administrative, incidental, and other expenses are borne solely by Ivory Charities Foundation. Donors are fully informed and pictorial reports of projects are sent to them. And when they come for a visit, they are taken to meet the recipients of their generosity.

### Projects

- ◆ Neurosurgery services
- ◆ Ultrasound machine donation to the City Hospital
- ◆ Donation of other hospital equipment, medicines and supplies
- ◆ Deworming project in city elementary schools
- ◆ Construction of artesian wells
- ◆ Microlending program
- ◆ Patriotism and values formation
- ◆ Barrio Klinik
- ◆ Ivory lecture series

## Monitoring Resource Mobilization Activities

After spending much time, effort and money in conceptualizing and implementing your resource mobilization plan, now you need to know if it worked, or if you need to make adjustments midstream. This section discusses Monitoring and Evaluation Concepts and Tools, and Success Indicators relative to the type of resource mobilization vehicles used. Sample Tools are also included, and can be used as templates for your own monitoring activities.

## Keeping the Focus on the Goals

### Resource Mobilization Monitoring and Evaluation

When planning your resource mobilization “mix”, you will see that the different methods, such as grant proposal writing, special events or product sales, have different capacities to provide numbers of donors and income. Some vehicles bring in large amounts of money from only a handful of people (major gifts), while other acquisition techniques such as concerts or direct mail campaigns bring in less money, but more first time

donors. It’s important to keep this in mind when determining whether a particular strategy was successful or not. The rule of thumb is that success is measured against the goal that was set out in the beginning, relative to a particular resource mobilization vehicle.

The goals are not just financial, though for many non-profits success in resource mobilization is measured in very broad sweeps, often answering only one question, “Do we have enough money to survive?” Indeed, for non-profits struggling to meet monthly cash requirements, that question is likely to be the only one they will care to answer, and understandably so. Short-term financial uncertainty does tend to eclipse other concerns.

### Financial and Non-Financial Indicators

But raising funds is not just about raising funds. Other questions need to be asked. Some are questions that measure financial performance: How much did it take to raise that amount? How much did it take to acquire donors and volunteers? Was the amount enough to cover the costs involved? What is the average donation per donor? Did we stay within budget? Financial measurements can tell you:

- ◆ How much money was actually raised as income (gross revenues less expenses), and whether there was any profit at all (gross revenues over expenses, or Return on Investment)
- ◆ How well the budget was managed (analyzing the variance between budgeted and actual expenses, planned and unplanned activities)
- ◆ How much it cost to mobilize resources (acquisition cost, or cost per dollar raised in a specific activity, or cost per donor acquired)
- ◆ What is the amount level that donors can be expected to support your work (average gift, which is the total number of gifts received over the total number of donors)

Other questions are non-financial: How many new donors or volunteers were acquired? Are we acquiring many donors who just give once and whom we never hear from again, or are we successful at getting repeat donors? How many donors are we losing per year? From the time we submit a proposal to a grantor to the time we get a response, how long does it take? Such questions measure performance in building the stakeholder base:

- ◆ Number of volunteers recruited (joining rate)
- ◆ Number of donors acquired over number of solicitations (response rate)
- ◆ Upgrade from volunteer to donor, or from one-time donor to repeat donor (conversion rate)
- ◆ Percentage of donors who do not renew gifts per year (attrition rate)
- ◆ Lag from proposal submission to donor response (turn around or response time)

### Performance Indicators

1. **Return on Investment (ROI):** allows you to find out whether a specific resource mobilization campaign made or lost money:  
(+) ROI: resource mobilization budget has been invested well  
(-) ROI: overspending
2. **Acquisition Cost:** helps you use your resources efficiently
3. **Response Rate:** provides feedback on the quality of your database as well as your campaign materials and skills
4. **Average Donation:** provides the mean figure at which current donors are willing to support your work; gives a starting point to draw up a realistic gift chart; tells if the current giving level of your active donors will be able to sustain your needs
5. **Attrition Rate:** gives you an idea of the number of new donors you need to acquire per year to compensate for those that drop out

### Why Monitor?

There are many benefits to monitoring resource mobilization:

- ◆ Current performance data obtained from monitoring efforts can alert you to problem areas such as overspending, so you decide how to adjust or modify your strategies
- ◆ Demonstrates your organization's commitment to accountability
- ◆ Continuous learning and flexibility contributes to improvement in results

### Developing a Monitoring and Evaluation Plan

#### 1. What to monitor

- ◆ Identify your indicators. Indicators are qualitative and quantitative measures that show to what extent you are achieving your goals. There are short-term and long-term indicators as well as process and results indicators.
- ◆ The indicators you choose should be relevant to the goals set. If the goal is to get funding to do a Phase 2 of a current successful project, monitor donor response to funding proposals, NOT publicity for your good results.

#### 2. Determine when you will monitor

- ◆ The timing depends largely on the indicator you set, and the result or process you are checking on. For example, when would it be realistic to expect responses to a direct mail pack? Factor in the efficiency of your local postal system.

#### 3. Determine how you will monitor and who will do it

- ◆ What will be your sources of information? Who will provide it?
- ◆ What tools or methods will you use to obtain the information? Consider interviews, visits, finance reports.
- ◆ Who will put together the monitoring report? What framework will be used?

#### 4. Make sure monitoring is done

- ◆ Communicate the benefits to users. Many people find it a challenge to both implement and monitor. It does mean additional work but will be well worth it because what you learn from monitoring information is invaluable for future projects.
- ◆ Do not always think you need to reinvent the wheel; use staff meetings or other already existing processes to report on progress.

### Monitoring Tools: Some Samples

#### Proposal Log: Monitors Approval Status of Funding Proposals

You can use the Proposal Log to measure on average how long it takes from the time a proposal is submitted, then revised, and finally (you hope!), approved. You can then determine the pattern of turnaround or response time of each donor. This information will help you time your proposal submission better, so that you not only attend to it when cash flow problems are looming. It makes for better time management as well. If you also track the proposal 'authors', you will also be able to see which staff member produces proposals that are most often approved. If project development is a performance indicator among your staff, this is one of the ways you can evaluate their results.

If you had this Proposal Log, how would you use it? Who would be in charge of periodically summarizing the information and reporting it to the rest of the team?

Proposed no.	Date submitted & by whom	Title	Submitted to whom?	Status	Remarks (value, project duration, etc.)
001	(date? name of staff?)	Study of the extent and profile of women-headed households in rural Maharashtra	IDRC-SARO	Approved (date?) Declined (date) For revision (date)	RS. 2.88 million 36-month project

Summarizing the data, you can measure on average how long it takes from the time of proposal submission to revision and approval. If you know that it takes donors on average so many months to respond, you can then time your proposal submission better. It makes for better time management as well. If you can also track the proposal 'authors', you will also be able to see which of your staff members produces proposals that are most often approved. If project development is a performance indicator among your staff, this is one of the ways you can evaluate their results.

If you had this proposal log, how would you use it? Who would be in charge of periodically summarizing the information and reporting it to the rest?

The type of a chart (opposite page) indicates how much lead time you have in planning your event, or if you are already critically delayed in some activities and need to make adjustments.

## Income and Expense Table: Monitors Budget Variances\* and ROI for a Special Event

Activity/Task	Key Personnel	Resources Needed	1	2	3	4	5	6	7	8	9	10	11	12
1. Update mailing lists	Sustainability Officer	Office supplies	x	x	x	x	x	x	x	x	x	x	x	x
2. Consulting/meeting	Program Director													
3. Printing of tickets	Sustainability Officer	Funds for the supplies			x									
4. Sorting – out donors for mailing/personal delivery	–do–					x								
5. Addressing envelopes for mailing	–do–						x							
6. Distribution of tickets	–do–						x							
7. Follow-up for the payments	–do–							x	x	x	x			
8. Acknowledge of checks and cash payments (preparation of official receipt and thank you card)	Sustainability Officer Secretary Administrative staff										x			
9. Meeting/planning for the program during the event	Program Director								x					
10. Actual conduct of the event	Board & staff											x		
11. Acknowledgement of payments	Sustainability Officer Administrative Officer											x	x	x
12. Evaluate the result in the Board meeting	Program Director/ Board Member												x	

### Return on Investment

Actual Gross Income over Actual Expenses

$$4,273 / 2,220 = 1.9$$

### Targeted Net Income

Target Gross Income less Budgeted Expenses

$$5,400 - 3,468 = 1.932$$

### Actual Net Income

Actual Gross Income less Actual Expenses

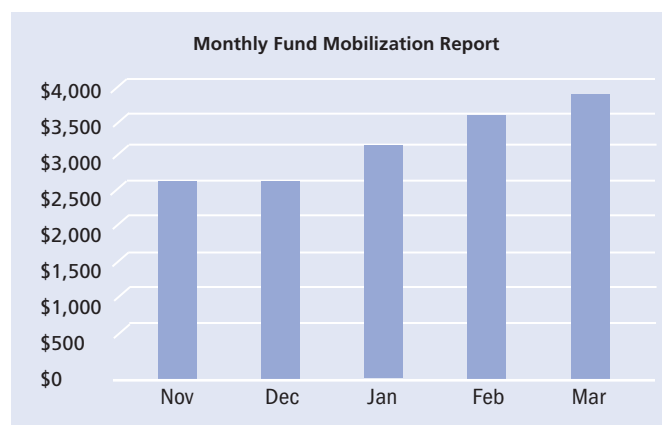
$$4,273 - 2,220 = 2,053$$

Variance: +6%

In the hypothetical example of a special event above, was the event successful, or unsuccessful? It depends on the measures you use. Even with a variety of income sources, this event didn't meet its targeted income, grossing 21% less than the target. Yet not only did it register a positive ROI, even more important, it exceeded its net income target by 6%. The event was able to achieve that by keeping expenses low. In fact, actual expenses turned out to be 36% less than the budgeted amount. On the other hand, keep in mind that regularly over- or underestimating budgets by very large variances is not a good management practice.

## Cumulative Monthly Chart: Monitors Funds Raised in a Capital Campaign

Example: Total Funds Raised by Month  
(Capital campaign/major gifts monitoring)



This type of chart helps you determine the progress of amounts raised over a period of time. It indicates the rate of increase per month, and can also suggest seasonal patterns of giving, or times of the year that yield higher amounts than others. A variation of this chart can indicate the accumulated number of donors over a period of time.

\* a variance is the difference between the expected amount and actual amount, expressed as a percentage of the expected amount. A positive number indicates the variance is over the expected amount, a negative number indicates that it is under the expected amount.



## Gearing Up for Resource Mobilization

Now it's time to commit to the tasks at hand. This section shows what it takes to institutionalize the resource mobilization process: Identifying the Key People Involved, the indispensable Role of the Board, Systems that Need to be in Place before a single cent is collected, and Setting up a Database System that supports the goals of your resource mobilization plan.

## Ensuring People and Systems Are In Place

Right from the beginning, this guidebook has asserted that resource mobilization is a management process. This means that such activities cannot operate in a vacuum within your organization, cannot be accomplished or implemented by one person, and cannot be absorbed by a unit probably that is probably already overburdened with other functions.

Financial resources are your organization's lifeblood, and your leaders need to institutionalize systems that make your organizational environment conducive to resource mobilization and partnership building. Before anything else, the members of your organization must acknowledge the need for resource mobilization, and must forge a commitment to undertake this task. With the decline in foreign aid, and hundreds of thousands of non-profit organizations competing for limited resources, your organization must demonstrate a certain level of dedication to the resource mobilization process in order to work toward achieving the urgent goal of financial stability.

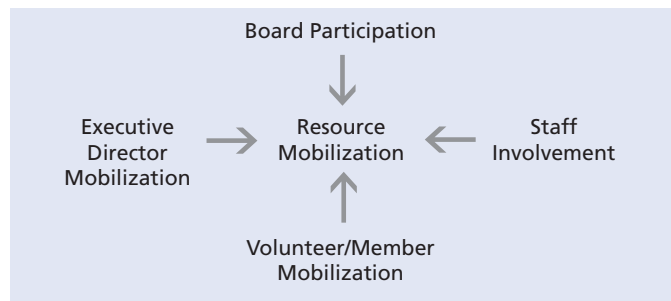
Your organization must make this commitment to resource mobilization operational through the establishment of clear policies, procedures and systems, and you must also be ready to invest a commensurate amount on human, technical or material resources to make your activities more efficient. Examples of policies would be the setting up of clear guidelines from whom to raise resources and how to politely refuse donations from individuals or organizations whose values may conflict with those of your organization. Likewise, examples of investments would be allocation of a budget specifically for setting up a database, hiring a development or resource mobilization officer, producing communication materials, and so on.

## Who Will Do It? Resource Mobilization as a Team Effort

Resource mobilization is often seen as the sole responsibility of the organization's fund raiser. But a review of the tasks shows that everyone in the organization has a role to play:

- ◆ Stewardship is the task that the Accounting and Finance Departments assume. This entails clearly listing down monies that have come in and supplying the requisite receipts and certifications.
- ◆ Prospect identification can be done by anyone in your organization as you deal with your respective communities. The Administrative Officer may be in contact with suppliers who may be able to give donations to your organization. The Program Officers may meet funding agencies and corporate representatives as they go about your program work.
- ◆ Engagement and solicitation remain the role of the resource mobilization and communication teams in partnership with management and the board.

Resource mobilization is a team effort. Everyone in your organization should be trained to participate in the process. In order for resource mobilization to be successful, it needs the leadership of the Executive Director, the involvement of the resource mobilization director or officer and staff, the commitment of the board, and finally, the mobilization of the volunteers.



An organization's commitment to resource mobilization is reflected in its acceptance of its need for resource mobilization, the establishment of institutional resource mobilization priorities and policies, and the allocation of resources to support the human resources, systems and structures necessary to achieve its long term resource mobilization goals.

## The Resource Mobilization Team

The resource mobilization team is often composed of the Executive Director, Resource Mobilization Director or Officer and the Resource Mobilization Committee at the Board level.

### The Executive Director

The team effort requires a captain who directs and encourages all team members to do their part. Although everyone in an organization should participate in the resource mobilization process to some degree, it is also inevitable for the Executive Director of the organization to uphold certain responsibilities, which is primarily to make operational and implement policies, recommendations and mandates formulated at the board level. Most often, the Executive Director is the "face" of the organization, and is the lead person in meeting with major donors and funding organizations.

### The Resource Mobilization Officer

The resource mobilization or development team is ideally led by the organization's Resource Mobilization Officer. Having this position in the organizational chart is an indication that the organization is committed to institutionalizing its resource mobilization functions.

The tasks of the resource mobilization team include:

1. Planning for resource mobilization
2. Managing the resource mobilization process
3. Reviewing donors' histories
4. Reflecting ideas and vision of the board members
5. Assisting in major gift solicitation
6. Leading staff and volunteers
7. Serving as contacts
8. Suggesting prospects
9. Developing strategies

The team may be composed of staff dedicated to resource mobilization functions, or may be made up of special ad-hoc committee members composed of members of the organization, volunteers, and other involved persons.

The team's duties may or may not include doing the actual asking, but they do provide technical support. This team is primarily responsible for tasks such as managing a direct mail campaign, sending donor recognition materials, preparing presentation kits to be used by board members when meeting with prospective donors, and other tasks that lay the groundwork for donor communication. The development team oversees the donor management process, moving in tandem with the Executive Director, the board, and other staff not directly involved in raising funds.

#### What Makes A Good Fund Raiser?\*

- ◆ Impeccable integrity
- ◆ Ability to listen well
- ◆ Ability to motivate
- ◆ High energy
- ◆ Concern for people
- ◆ High expectations
- ◆ Love of the work
- ◆ Perseverance
- ◆ Presence, and
- ◆ A quality of leadership.

## The Value of a Working Board

An organization's board members are usually its champions, as most of these individuals have acquired a certain status in society, and have a wide network of friends and partners who may be willing to support your development research organization. However, it is still inevitable for some charismatic personalities in the board to take on more of the "frontline" responsibilities, as others are comfortable providing valuable advice and contacts.

The board's roles and responsibilities include responsibilities for:

- ◆ Maintaining the legal existence of the organization
- ◆ Representing the organization in the larger community
- ◆ The proper stewardship of the organization, to include creating and maintaining the vision and mission, overseeing programs and defining policies, planning goals, objectives and strategies, hiring, evaluating and firing the Executive Director/President, and securing and managing adequate resources
- ◆ Evaluating its own composition and performance

## Resource Mobilization Policies

An organization embarking on instituting resource mobilization programs must discuss and decide on resource mobilization policies and restrictions at the board level. A useful exercise is this sentence completion activity:

- ◆ Our organization will partner with...
- ◆ Our organization will not partner with...
- ◆ Upon receiving financial or in-kind contributions, our organization will...
- ◆ The funds raised by our organization will be used for ...
- ◆ Our organization will acknowledge our stakeholders by ...
- ◆ Formulating our organization's resource mobilization policy is the responsibility of...

\* "Born to Raise" by Jerald Planas, a survey of 2,700 professional fund raisers

#### Remember...

UNICEF: is unable to accept donations from infant formula companies, arms manufacturers, tobacco and alcohol beverage companies and companies that employ children

GREENPEACE: only accepts contributions from individuals

SALVATION ARMY: uses only up to 30% of each donation for administrative and overhead expenses

ASIAN INSTITUTE OF MANAGEMENT: thanks the donor within seven days from receipt of the donation.

## Board Development for Resource Mobilization

Boards also go through an evolution. Some organizations are borne out of the vision of an individual, who may have put together a board purely to fulfill legal requirements. Board members may not be expected to have any real responsibilities, and are thus just "paper boards" at the inception of an organization.

Other start-up organizations may have boards composed of friends wanting to make a difference in the sector. Quite frequently, they are practitioners in the same field and are more inclined to look at the programmatic aspect of the organization. These board members tend to perform all the daily functions of the organization, often setting aside their governance role and focusing on short-term goals.

Through time, the board then evolves to becoming a more representative, or "intermediate" board. This is characterized by a more diverse representation at the board level. Practitioners no longer constitute the majority of the board and sectors not represented in the past are invited to provide expertise and advice in other areas of concern such as banking and finance, marketing, human resource development, media relations, and the like.

A "mature" board is one that actively participates in policy formulation, strategic planning, and resource generation. At this point, discussions remain at the policy level and no longer at the basic, operational, implementation level, the latter largely left to the Executive Director and the staff. The board focuses on the organization's long-term sustainability issues, not on daily management issues, and truly leads the organization toward the fulfillment of the vision.

In recruiting Board members best suited for the organization, it is suggested that the 4Ts are considered:

- ◆ **Time:** You want board members who are willing and able to spend time with the organization. At the very least, board members are expected to be able to attend the mandatory meetings indicated in the organization's by-laws.
- ◆ **Talent:** You want board members with a variety of expertise and talent to come into the organization. Depending on the needs of the organization at the time of recruitment, experts in these fields can be brought in. A lawyer will be able to provide legal advice for transactions and contracts. A celebrity will be able to put the organization in the limelight. An investment banker will be able to advise the organization how to make their money work.
- ◆ **Treasure:** You want board members who bring in resources to the organization. It may be their own resources, or they may have access to people or entities with resources.

- ♦ **Trust:** You want board members who believe in your organization. A board member who contradicts the very advocacy of the organization will not be a useful ally.

#### Remember...

- ♦ Boards are constituents. They need to understand the roles and responsibilities related to resource mobilization.
- ♦ Planning and preparation spell out the implementation of the campaign.
- ♦ Guidelines must be in place before resource mobilization implementation.
- ♦ The pre-campaign work and “behind the scenes” tasks call for attention to detail.

A useful tool for assessment is the Board Grid. The Board Grid will reveal areas where there is under- representation at the board level and conversely, over-representation. It will also show the ability of the board to bring in and access resources, and show their commitment to and belief in what your organization stands for.

## The Board Profile Grid

The Board Profile Grid can be adapted to the specific interests of the organization. While it addresses the key elements and diversity needed by most non-profit organizations, your board may require other talents given its scope. These may include the medical background, artistic experience, etc.

The Board Profile Grid is a simple tool to guide organizations in assessing its board composition. Examples are presented below.

1. List board members by name and term of office, and place a check mark on the skills they bring into the organization. Once done, you can assess the areas of weakness and strength of the current board membership. The weaknesses will allow the organization to identify candidates for recruitment to provide the needed skill. Where there are many board members for a specific talent, the organization need not recruit a new board member in that area.

<b>TALENT (Skills and Experience)</b>	<b>John Up to 2009</b>	<b>Ahmed Up to 2010</b>	<b>Miriam Up to 2008</b>	<b>Lila Up to 2011</b>
1. Business and Planning	✓	✓		
2. Politics/Government			✓	
3. Media		✓		
4. Personnel Management	✓	✓	✓	✓
5. Law	✓		✓	
6. Community Groups/ Social Services	✓			✓
7. Financial Management		✓		
8. Religious Group	✓		✓	
9. PR/Marketing		✓		✓

2. Based on TREASURE, check each factor as it applies to a board member. While an organization would want that the board members all have personal wealth, there is certainly room for board members who have access to institutions and individuals with wealth.

<b>TREASURE (Resource mobilization)</b>	<b>John</b>	<b>Ahmed</b>	<b>Miriam</b>	<b>Lila</b>
1. Will make contribution	✓	✓	✓	✓
2. Will contribute services	✓			
3. Will help raise money	✓		✓	✓
4. Has access to individuals	✓	✓		✓
5. Has to access to corporations/foundations			✓	
6. Has personal wealth	✓	✓	✓	✓

3. Based on TIME and TRUST, rate each board member for each category as High (H), Medium (M) or Low (L). Ideally, the board must have more Highs (H) as opposed to Lows (L) in the board grid. If the organization’s board registers more Lows (L) in the Time factor, this would indicate a difficulty in achieving quorum during board meetings. In the same manner, the organization must seek out new board recruits that will balance the Lows (L) as opposed to adding to it.

<b>TIME &amp; TRUST (Rate the ff: H– High, M–Medium, L– Low)</b>	<b>John</b>	<b>Ahmed</b>	<b>Miriam</b>	<b>Lila</b>
1. Stature in community	M	H	H	H
2. Leadership potential	M	H	H	L
3. Will help raise money	M	M	H	H
4. Influence in community	M		H	H
5. Communication skills	H	M	L	L
6. Interest in program	H	M	M	M

## Volunteers

Volunteers can be excellent ambassadors of your organization’s mission and values. They lend credibility to the organization and are more likely to “raise friends” for the organization out of sheer faith and passion for your cause. They can also provide much needed help to augment overworked staff. They may come at little or no expense to your organization, but they are a priceless addition to your human resources.

## Systems Needed in Resource Mobilization

You now know who will do it. And then you need to know the systems that will show you how to do it. The following systems need to be put in place prior to asking for money.

**Tracking costs.** The process of properly recording all expenses as they are incurred, and not just at the conclusion of a resource mobilization campaign. Thus at any given time, you can be alerted if you are overspending on a particular campaign.

**Receiving contributions.** The system of setting up credit card merchant accreditation, having official receipts available, making arrangements with banks for efficient processing of deposit slips.

**Recording contributions.** The task, whether manual or automated, of listing all contributions as they come in. Once again, at any given time, updated, accurate and timely reports can be generated.

**Fulfillment.** The practice of sending out acknowledgment letters to donors within a set period of time. Many organizations have a standard operating procedure for sending a card or letter, and an official receipt to a donor within 7-14 working days.

**Analysis.** A system to analyze average gifts and cost per acquisition prior to actually raising funds.

## Using a Donor Database

A database is a collection of data that supports the requirements and requests for information of a specific group of users. A resource mobilization or donor database is a collection of names, addresses, contact information, giving history, contact history, and possibly other personal information relating to a donor. It can tell you how the donor was acquired, their average gift size, frequency of giving, and total gifts.

## The Functions of a Database

A well-managed donor database is not merely a mailing list of names and contact information for your direct mail campaign or special events participants. Depending on your organization's needs, a donor database can be designed to help you meet, in a strategic manner, your resource mobilization goals.

A donor database:

- ◆ Is a cost-effective and accountable marketing tool
- ◆ Has the ability to help you target prospects
- ◆ Equips you in sending the right message to the right person at the right time
- ◆ Helps you identify donors ready to move up the Resource Mobilization Pyramid, or prospective donors or volunteers ready to be converted to actual donors
- ◆ Helps you retain donors by nurturing relationships based on relevant information that you have about them

Your information needs will dictate the level of sophistication you will require from your donor database system. For instance, if you currently have only 12 donors, the amount of work to update the list will not require high-level software applications. A simple Excel or spreadsheet format will do. Other factors to consider are levels of security for those given permission to access the database, and your current hardware and software set up.

## Building or Upgrading your Database

As you seek to build or upgrade your database, take the following steps into consideration:

1. Determine how you want your system to function. What is the primary use of your database? To support your mailing requirements? To track and update information beyond addresses and phone numbers? Do you want to separate your donor database from other institutional databases, such as those set up for members, volunteers or suppliers? Who should be allowed access to the database?

2. Review resource requirements. Do you have enough knowledge to create a system in-house? To train staff to maintain and trouble-shoot? Do you need to hire a consultant? Will you need to upgrade your computer systems?
3. Design your system. What will each record contain? What are the fields needed? What kind of source data are you handling – manual records? Plain text? Spreadsheet files? How do you want to search your data – last names, organizations, birthdays?
4. Test or do trial runs. Does your system work? Can you sort and group data according to specific information, for example, all male donors that have donated \$100 or more at least once? Can you print out your data?
5. Load data. Establish data inputting conventions so that different data encoders follow exactly the same format.
6. Analyze and refine. Test and re-test to ascertain if you are able to generate exactly the kind of information you need.

## Database Requirements

Your database will require appropriate hardware (computer, memory, printer), software (donor management software), data (information about donors), staff (who encode the information), and processes (rules and procedures followed so that entries are recorded accordingly).

The rationale behind database management is to understand and respond to the explicit and implicit needs of your donors and broad constituents. It is an intensive and deliberate process of collecting, organizing and using this information to reach your vision. There are no shortcuts.

## In Closing...

In this guidebook, you have been provided with a framework that puts together the following steps:

1. Reviewing the Organizational Strategic Plan
2. Determining Resource Mobilization Targets
3. Identifying and Broadening the Stakeholder Group
4. Developing Key Messages
5. Selecting Resource Mobilization Vehicles
6. Monitoring Resource Mobilization Activities

Each of these steps has been designed to allow your non-profit organization to anchor your resource mobilization program on where the organization is now, how much you need to raise, who out there is interested in your programs, what difference your organization makes in society, what campaigns will work best in raising the resources needed, and how you will know if all your efforts actually worked.

You have also been shown several case studies from development research organizations all over Asia that have tried and tested some of these concepts. They have made mistakes along the way, learned from them, and this learning can be your springboard in launching your own programs, customized to your own needs. Working hard to raise resources is well and good, but working smart, with a strategy in place, will help you minimize losses, and maximize gains.

And if there's one message that may be the most important to take with you long after you've placed this guidebook on a shelf, it is this: Resource mobilization is really not about the money. It's about the mission, your commitment to it, and the steps you take to engage other people to support its fulfillment.

It is the earnest hope and dream of Venture for Fund Raising and IDRC that you take all that this guidebook has to offer, use it wisely and echo it to others, and continue making this world a better place to live in. The rewards of doing so will be priceless.



## Annex 1:

# Donor Scoping Study

*Adapted from workshop materials prepared by Vivien Chiam,  
International Development Research Centre*

## Introduction

A thorough resource mobilization analysis includes a review of external factors, such as opportunities and threats, that are beyond the control of the organization, and that can either nurture or hinder an organization's fulfillment of its mission. The following Scoping Study on Donor Funding for Development Research in Asia, carried out by IDRC, provides a good environmental scan of the funding aid situation. The study, completed in December 2004, is here presented in three sections: an overview of global trends; information specific to Asia; and implications of aid agendas on development research funding. A summary of the findings is presented here.

## The Research Methodology

Twenty agencies were contacted by email and phone with specific questions about their grant making procedure and priorities, and invited for interview by consultants. Three of these were interviewed by phone and four responded by email, and one agency was met personally. Assistance strategy/ strategic plans of several organizations were either downloaded from the web or hard copies obtained from the organizations. In the case of the European Union (EU), an extensive discussion with a London-based consultant who specializes in writing EU proposals for international non-government organizations, was a valuable source of information. Several books on aid and donor policies were used and referenced in appropriate sections in the original text.

## An Overview of the Global Scene

### 1. The development funding landscape is marked by a high degree of consensus today.

- ◆ A commitment to the Millennium Development Goals (MDGs)
- ◆ A consensus strategy on how to reduce poverty
- ◆ Use of Poverty Reduction Strategy Papers
- ◆ Sector-wide approaches
- ◆ Budget support
- ◆ Result-based management

### 2. Aid is generally guided predominantly by four political considerations.

- ◆ Security (against the rising tide of communism in the cold war period, and now 'war on terror' in the post 9/11 period). Foreign policy considerations influence donor countries to support certain states: e.g., Afghanistan, Iraq and Sri Lanka.
- ◆ Economic interests, primarily in opening new markets and developing captive suppliers of primary commodities. Promoting economic liberalization to 'open up' new markets.
- ◆ Domestic special interests, e.g., the farmers' lobby in the US and Western Europe which has been a strong supporter of food aid,

private contractor groups doing business with foreign governments, etc. Protecting domestic interests such as the farmers' lobby in the US and in Europe.

- ◆ Intervention in areas of conflict and the 'counter-terrorism' agenda is detracting from the MDGs and poverty criteria.

### 3. Aid trends

- ◆ Aid declined in 1990s, but rising since 2001
- ◆ 5% fall in aid to the Far East
- ◆ 5% increase to South and Central Asia
- ◆ 3% increase from 33% to 36% of aid to sub-Saharan Africa (likely to continue going up)
- ◆ Europe's share of aid has doubled from 5% to 11%

### 4. Aid to NGOs is Changing

During the 1990s, grants from bilaterals to NGOs increased substantially; but recent information suggests that this may now be declining (in real terms).

NGOs are seen as contractors for services. The nature of funding has increasingly moved away from the provision of grants for activities and ideas developed by NGOs to the tendering for contracts for delivering services that aid agencies want to provide.

- ◆ An increasing interest in directly supporting Southern NGOs. Northern NGOs compete with these Southern NGOs for funds
- ◆ Grants are getting bigger to fewer, larger NGOs. There is also a trend towards bigger grants to large and very large NGOs with less money available for medium and small NGOs. Most funding sources are becoming increasingly inflexible. The demands for increased planning, accounting, budgeting and implementation requirement are increasing exponentially, while there is a general lack of donor coordination around procedures.
- ◆ There is an increasing emphasis on sophisticated large-scale planning agreements and frameworks. The trend is towards developing increasingly sophisticated planning, management and accounting systems. The European Commission (EC) for example has developed a system whereby NGOs could present consortia applications for certain types of funding. This is a complex area requiring NGOs to draw up legal frameworks for such partnerships. A more positive approach to reducing transaction costs has been through flexible funding instruments.
- ◆ National NGOs as 'middlepersons'. A disturbing feature of emerging funding patterns has been that often the role of Northern NGOs has been transformed from being partners working in solidarity with Southern NGOs to being either intermediary in the sub-contracting chain or becoming themselves direct competitors of Southern NGOs for funds.

Donors are developing framework agreements with key international organizations, like the Partnership Program Agreements (PPAs) by the Department for International Development (DFID) and similar instruments like Framework Agreements by the Swedish International Development Agency (SIDA) and the Directorate-General for International Cooperation (DGIS)

## The Asia Scene

### 1. Overall decline in funds

There is an overall decline in funds for Asia and certainly for East Asia. If you leave out grant funding for Afghanistan, Sri Lanka and East Timor which are going through post-conflict transition, this research reveals that NGO funding in Asia has definitely declined as several major agencies have either reduced their funding (Gesellschaft für Technische Zusammenarbeit-Germany, Canadian International Development Agency, United States Agency for International Development, United Nations Environment Program, for example) or withdrawn from many countries altogether (DGIS, Norwegian Agency for Development Cooperation and SIDA).

It is expected that declining trend will accentuate in the future as the donor community focuses its aid in Africa.

Most of the foundations' (except Ford Foundation, Bill & Melinda Gates Foundation) operations in Asia are fairly limited in size and geographical coverage. Two of the foundations studied, namely, Kellogg and Hewlett Foundations, do not have any program in Asia.

### 2. Shift from 'project funding' to sector-wide/thematic program/country planning approaches.

Grant making for sustainable development has shifted from an individual project approach to what is called the sector-wide approach or is now based on Country Development Plans/Poverty Reduction Strategy Papers produced in partnership with governments.

### 3. Conflict and security issues gain a higher priority — thus increasing aid goes to Afghanistan, Sri Lanka, Nepal, Iraq and to Mindanao and Aceh.

Apart from major transition countries like East Timor, Afghanistan and Sri Lanka which most bilaterals are prioritizing, a few agencies have also focused on potential conflicts and internal disturbances in the region, namely, Mindanao, Aceh and Nepal. The Japan International Cooperation Agency (JICA), Australian Aid (AusAid) and USAID are cases in point: AusAid for example is supporting the Asia-Pacific Economic Cooperation (APEC) with funds for counter-terrorism activities.

### 4. Foundations have a narrow range of focus: reproductive health, HIV/AIDS, human rights and on very limited geographical areas. Bilaterals focus on a limited number of countries. Multilaterals have broader country/regional coverage.

Within Asia, there are at least three sub-regions in the lexicon of most donor agencies and different donors prioritize different sub-regions: East/Southeast Asia, South Asia and Central/West Asia. Bilaterals and foundations tend to focus on a specific sub-region of Asia as opposed to multilaterals, which have a broader focus and cover most of the countries in Asia.

The Norwegian Agency for Development Cooperation (NORAD), Swiss Agency for Development and Cooperation (SDC), Italian Cooperation, CIDA and Ford are focused on Bangladesh, Afghanistan, Pakistan, Sri Lanka, Indonesia, India and Nepal. JICA funds almost all countries though ten key countries are mentioned as a priority. Japanese foundations like Toyota, and the Rockefeller Foundation, focus more on Southeast Asia. Others like the Bill & Melinda Gates Foundation tend to focus on just one or two

countries — India and China. The Soros Foundation focuses on Indonesia and Burma.

## Funding for Development Research

Funding for development research must have a clear link to MDGs, country/regional priorities, and programs of agencies. There should be some relation with action-research institutions in 'home' countries. The issues prioritized are as follows:

Natural resource management, agriculture development	9 agencies
HIV/AIDS, tuberculosis and malaria	9 agencies
Environment	5 agencies
Social sciences, poverty policy, culture	5 agencies
National, regional/international policy and aid effectiveness	4 agencies
Reproductive health, primary healthcare and medicine	3 agencies

Although this research covered only seven of the top 25 US foundations, overall there is a trend that US foundations in particular are significantly increasing their investment in Asia. This is an opportunity for the future and needs more in-depth research.

- ◆ Grant policies and procedures change very fast these days.
- ◆ Building ongoing relationship is critical — even 'rigid' policies become flexible in many instances.
- ◆ Overall, US Foundations are substantially increasing funding in Asia-Pacific. In 2002, Asia received the largest share (23%) of overseas aid from US Foundations.
- ◆ Total US Foundation funding in Asia in 2002 was US\$195 Million
- ◆ Korea (US\$57 Million), India (US\$50 Million) and China (US\$22 Million).

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## Annex 2:

# The Culture of Giving in Asia

## Introduction

As organizations learn to widen their donor base, it helps to have an understanding of the factors that influence giving behavior and attitudes of individuals. The study dispels the myth that there is no spirit of philanthropy in Asia, or that Asians are not givers by nature. This summarizes the salient points of the study that involved two parts: exploring the dimensions of philanthropic giving through household surveys conducted in four countries, India, Indonesia, the Philippines and Thailand; and a documentation of approximately 16 cases of resource mobilization strategies used by non-profit organizations in seven Asian countries (the four above plus Nepal, Pakistan and Bangladesh), with a total of 112 cases featured. The project, Investing in Ourselves: Giving and Resource mobilization in Asia was conducted by the Asia Pacific Philanthropic Consortium (APPC) in 2000-2001.

## Philanthropy in Asia

In the survey, respondents were asked about their giving to voluntary or non-profit organizations, religious organizations, and individuals. The survey also contained questions about reasons for giving, methods of resource mobilization experienced by respondents and whether they had given in response to any of these factors. The study affirmed that philanthropy takes place everywhere, and in all cultures. In the four countries surveyed, it was established that almost all high- to middle-income respondents made philanthropic gifts in the preceding twelve months from when the survey was taken. Individuals were the main recipients of philanthropy, followed by religious organizations, then non-profit or voluntary organizations. In all four countries, 20 to 30% of all charitable giving were directed to non-profits, and in particular non-profits focusing on social services. In three out of the four countries, religious beliefs were cited as the main motivation or reason for giving.

Below are the similarities and differences in findings among the four countries surveyed:

## Similarities

- ◆ Almost all high- to middle- income households gave in the past 12 months preceding the survey.
- ◆ Individuals are the main recipients of philanthropy. Individuals were divided into those who have a direct relationship with the giver, versus strangers, such as street beggars.
- ◆ There is a uniformly high rate of giving to religious organizations. However, religious beliefs are not uniformly powerful motivators for giving.
- ◆ There is a uniformly high level of importance given to “feelings of compassion” as a motive for giving. All other motives and the various techniques used vary between countries.
- ◆ Socio-economic status has only a small effect on the number of households that have given, but has a greater effect on the average amount given.

## Differences

- ◆ Indians in socio-economic classes A and B give far smaller amounts than their Thai and Filipino counterparts.
- ◆ Giving to religion is highest in India, followed by Indonesia, the Philippines, and then Thailand.
- ◆ Giving rates and amounts for Indonesia, the Philippines and Thailand are as high, or even higher than countries in the northern countries.
- ◆ Social services are popular causes in terms of giving in India, Thailand and the Philippines; development organizations are more popular in Indonesia
- ◆ Education receives the highest amount in Thailand; social services in India and the Philippines.
- ◆ Thais and Filipinos more likely to give to a wider range of voluntary organizations from different sectors and fields.
- ◆ Religious beliefs are a very important reason for giving in Indonesia, India and the Philippines; while “returning the favor” or “passing the kindness” were more important reasons for giving in Thailand.

## The Culture of Giving in Various Asian Countries

With the exception of Malaysia and the Philippines, the following highlights giving facts and figures based on the four-country survey and the seven-country case studies. Malaysian figures were based on the information found on the APPC web site, and data from the Philippines is based on a more recent study conducted, the *2003 Survey on Giving: A Closer Look at Giving in Metro Manila*.

## Bangladesh

- ◆ Philanthropy a religious requirement, particularly around the Muslim festivals of Eid ul Fitr and Eid ul Azha
- ◆ Individual giving to NGOs is high
- ◆ Major reason for giving: response to religious and humanitarian causes
- ◆ Close to 90% of households in metropolitan areas and urban areas, and over 60% in rural areas, give to individuals and/or organizations
- ◆ Private companies do not have a defined policy, but fund charities, sponsor events and donate to third sector organizations as a part of their implicit social responsibility

## India

- ◆ Motive for giving: feeling of compassion
- ◆ Habit of giving for charitable causes is widespread: 96% of upper and middle class households in urban India donate to a charitable cause
- ◆ Giving to individuals is high followed by giving to religious organizations
- ◆ Socio-economic status matters in the amount given
- ◆ Long history of corporate philanthropy
- ◆ Religion provides strong link to philanthropy

## Indonesia

- ◆ Reasons for giving: sense of compassion, solidarity and part of religious teaching
- ◆ Over 80% give to voluntary organizations
- ◆ Social status is proportionate to amount given
- ◆ Supported NGOs: social service, housing and development, and organizations in schools
- ◆ Since the Asian economic crisis, corporate philanthropy has significantly increased in Indonesia

## Malaysia

- ◆ Indigenous giving permeates through religion and culture: *zakat* and *wakaf* giving
- ◆ Religion, specifically Islam, provides a universal context for giving, through *zakat ul mal* and *zakat ul fitr*
- ◆ The spirits of *gotong-royong* (groups to perform tasks for the maintenance and welfare of the village community) and *tolong menolong* (mutual help) are still very much evident in community services
- ◆ Chinese and Indian communities have been involved in exclusive ethnicity-based giving and volunteering
- ◆ Many corporations positively respond to appeals for donations for specific causes by providing cash and/or in-kind donations, and support

## Nepal

- ◆ People give from either entirely philanthropic feelings or to get a social reputation

- ◆ Acts of charity towards one's own are a promotion of "Nepaliness" or patriotism
- ◆ Most supported causes are women and children
- ◆ Majority are one-time givers
- ◆ The general public and business organizations when persuaded are willing to donate to causes

## Pakistan

- ◆ Individual cash giving is five times as much as foreign aid grants
- ◆ Pakistanis are largely spontaneous in their giving
- ◆ Religion, specifically Islam, provides a universal context for giving
- ◆ Giving attributed to religious faith and human compassion
- ◆ Most giving goes to individuals in need and to religious organizations

## Philippines

- ◆ Non-profit organizations already enjoy a significant level of awareness
- ◆ While over 80% had given to church organizations and received donations more frequently, non-profits received the highest amounts on average
- ◆ The primary attribute that givers look for in order to give to a non-profit is the latter's willingness to inform donors the use of the monies received
- ◆ The majority of those who gave to non-profit and government organizations did so because they see that these groups address issues of the socially deprived

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## Annex 3: Sending Key Messages through Appropriate Channels

*Adapted from workshop materials prepared by Jeremy Cherfas,  
International Development Research Centre*

The goals of communication are to give information, reduce uncertainty or change behavior.

Strategic communication, on the other hand, is changing the behavior of selected audiences by sending key messages through appropriate channels.

Strategic communication answers the following questions:

- ◆ What? — objectives
- ◆ Who? — audience
- ◆ How to change? — key messages

- ◆ How to communicate? — channels (direct mail, face-to-face, print, television, radio, etc.)

## Elements of an Effective Communication Strategy

Drawing up a communications strategy is an art, and there many different ways of approaching the task. The advice provided below is only a guide. Whether your communications strategy is designed for a specific project or for the entire organization, it should establish the following important elements.

Before you start communicating, allow two weeks to develop your strategy. Get advice, seek help!

## Objective

Clear objectives are the key to the success of your communications strategy. The communications activity is not an end in itself but should be aligned with your organizational objectives, or with the objectives of a particular project or resource mobilization campaign.

## Audience

The general public is not your target audience for strategic communication. Identify the audiences with whom you need to communicate to achieve your organizational objectives. The best audience may not always be the most obvious one, and targeting the media may not always help achieve your objectives. Everyone would like a higher media and political profile, yet activities aimed towards this may ultimately be self-serving and may only be communications driven, with no wider impact. There can even be a negative effect if you divert limited resources towards mass-based media when these resources could be otherwise directed towards communicating with your key stakeholders.

## Message

Strategic targeting and consistency is key to your organization's messages. Create a comprehensive case covering all the key messages, and emphasize the different elements of the case for different audiences.

Messages should not be a reworded mission statement. There should be no jargon.

To maximize impact you should summarize the case in key points that can be constantly repeated. Remember that communication is all about storytelling, therefore, use interesting narrative, human interest stories and arresting imagery.

## Delivery

Identify the tools and activities that are most appropriate to communicating the key messages to the audiences. These will be identified based on your audiences, messages, or a combination of the two. For example, an annual report is a useful tool in corporate communications whereas an email newsletter lends itself well to internal communication. Tailor your tools and activities to the level of time, human and financial resources available.

Tell good stories and tell them well.

Messengers are important.

People listen to people who care about people.

## Channels

Identify channels through which messages will be delivered, either print, broadcast, the internet (web, email), direct mail.

## Resources and Timescales

Deliver what you promise and never over promise. Use your resources and timescales to set legitimate levels of expectations and outline the case for more dedicated resources.

## Evaluation and Amendment

Consider performing a communications audit to assess the effectiveness of your strategy with both your internal and external audiences. You should use open questions with appropriate prompts and benchmarks and, if possible, get someone independent to do the work. Consider and discuss the results carefully and use them to amend your strategy.

The examples of audiences to consider are your staff, donors, stakeholders and the media. Questions you should consider asking are:

- ◆ What do you read/see/hear?
- ◆ What works/doesn't work?
- ◆ What do you want to see more of?
- ◆ What information do you need that you are not currently supplied with?
- ◆ How often do you want us to communicate with you?

While drawing up your strategy, you should involve your team, and on a larger scale, the entire organization. Feed the communications strategy into the organizational strategy to ensure maximum alignment and efficiency.

## Developing a Communications Plan Grid

### Objectives

- ◆ To develop communications objectives and key messages that will achieve your resource mobilization objectives
- ◆ To introduce the use of a Communications Plan Grid

### Instructions

1. Determine the organization's communication objectives
2. Identify the target audience for which the communication is intended
3. From the list of developed key messages, identify which is the best message for the target audience and will help achieve the communication objective
4. List all possible channels or media that can reach and communicate to the target audience
5. Identify the strategies and activities for communicating to the audiences

### Definition of Terms

**Communications Objective** — what you want to achieve

**Target Audience** — individuals or groups with whom you intend to communicate

**Key Message** — main points that you want your audience to know in order to meet your objectives

**Channel/Medium** — ways or means for your messages to reach your audience, e.g. TV, internet, newspapers, magazines, radio, etc.

**Activity** — what you will do to fulfill your objectives



## Communication Plan Grid: A Sample

Communications Objectives	Target Audience	Key Message	Channel/Medium	Activity
e.g. To recruit resource mobilization volunteers to help in raising \$100,000 for the training centre for women in rural areas	e.g. Youth (ages 18–30 years) Media Employees	e.g. The Training Centre for Women will broaden and deepen the organization's work in giving women in rural areas better opportunities to improve their lives and the welfare of their families	e.g. SMS Website Radio Print collaterals Posters, flyers	e.g. Coordinate with radio stations for announcements; distribute posters and flyers in schools and offices

## Media-Ready Checklist for Resource Mobilization

The Wilder Manual (Angelica, 2001) summarizes the steps you need to go through to be 'camera ready', or simply to engage more actively with the media.

### Organizational Assessment

- ◆ Does your organization have a media strategy?
- ◆ Is the media plan discussed as part of the overall influencing plan?
- ◆ Do you revise the media plan on a regular basis as your influence campaign evolves?

### Organizational Infrastructure

- ◆ Do you have a staff person who is responsible for carrying out the media plan and coordinating all the media efforts in your organization?
- ◆ Do you have a planning calendar of key political events?
- ◆ Has your organization identified its primary, formal spokespersons?
- ◆ Do your spokespersons need media training and preparation?
- ◆ Have your board and staff prepared a plan for 'rapid response' to an opportunity or a crisis that presents itself with little warning?
- ◆ Is the chain of decision-making for media statements clearly designated and understood by everyone within the organization?
- ◆ Does your public policy budget have a media component?

### Media Systems

- ◆ Are your media lists up-to-date, complete with names of editors, reporters or producers for all media outlets you plan to use?
- ◆ Do you know deadlines, work hours and preferred communications modes for key people who work on your public policy issues?
- ◆ Do your lists distinguish types of coverage: news, feature, editorial, columns, and calendars?
- ◆ Do you have a clipping file for all relevant media coverage and for a complete record of coverage of your organization's work?

- ◆ Are you in regular contact with the editor and reporters you have designated as key contacts?
- ◆ Is your information media ready?
- ◆ Do you have accurate, concise, interesting information about your organization – its mission, history, programs and services?
- ◆ Have you shaped a clear message and talking points for the policy issue you plan to raise?
- ◆ Have you held introductory meetings with members of the press who are likely to cover your organization and issues?
- ◆ Do you maintain an information base that is a valuable resource to the press, including a portfolio of data and stories, and a list of staff or others who are willing to talk to the press?

## Getting Your Message Published

Getting into the papers requires more than just having good relations. You cannot always hope that friendly journalists will find your issue newsworthy (often it won't be). The key is timing and linking your findings and message with breaking news. Jump on opportunities to publicize your message when your issue is already in the news because then you do not need to persuade them that it is newsworthy. You just need to offer them a story or photo opportunity that illustrates a new or local perspective, dramatizes a point of view, or advances the debate somehow. Acting fast is key; usually a day after the news has broken. Key 'news hooks' might include: a public hearing; court decision; passage of a bill; a natural disaster; a major speech; a nomination; a national holiday; a crime; or an anniversary.

If an issue becomes a major story, then the paper may run an editorial on it. These carry the most weight in policy circles and are a good way to bring issues onto the agenda, or state a position in an evolving agenda.

Publications, new projects, and high profile meetings or visits are all reasons organizations might try to make the news. There is protocol on writing press releases, but publications themselves can also be made more newsworthy.

### Tips for Getting an Editorial

- ◆ Familiarize yourself with the position of the newspaper.
- ◆ Identify the right person on the editorial team and get their email address.
- ◆ Explain your position in a short email and ask whether and how they would like to receive information (email, phone, meeting).
- ◆ If you don't receive a response in a couple of days, call. Persistence pays if you are accepted it's likely you'll go into the office to discuss the issues. Conduct a trial session first, practice difficult questions, and further familiarize yourself with the editorial position.
- ◆ Don't expect more than half an hour, and make sure anyone you take can explain his or her views simply.
- ◆ Ask what they need from you.
- ◆ Bring written material, even if you've emailed them in advance. Don't show videos.

- ◆ Send a follow-up email offering further information.
- ◆ Offer to submit an opinion editorial if they do not adopt your position.

Source: Salzmann, Ch 225, p.168

## Tips on Writing Press Releases

- ◆ Determine the main news angle you wish to communicate.
- ◆ Connect the report to a news hook.
- ◆ Check deadlines for local publications/television/radio bulletins to ensure the media release is received in time to be published before the event.
- ◆ On average, send releases two weeks before events, except to magazines that may have a two- to three-month lead time for publication.
- ◆ Keep the focus local, with local spokespeople, for local papers. Send only major capital city issues or statewide issues to state papers; only national issues, using national spokespeople, for national papers/magazines.
- ◆ First paragraph should have no more than 25 words telling briefly who, what, where, when and why about the event, issue or project.
- ◆ Use short and active sentences ('The group has decided', not 'It has been decided'). Avoid jargon and difficult words. Keep it simple. Make numbers more meaningful by making comparisons or breaking them down into familiar units.
- ◆ If using quotes in the body of the release, quote credible spokespeople and identify them with their positions in the organization.
- ◆ Keep information clear and unambiguous.
- ◆ Keep releases short, no longer than one page. If the media want more information, they will contact you.

- ◆ Include in the media release the date the release was written, and a contact name and phone number for someone who is easily contacted during office hours. Put the summary on your website and include the link in any press release. Check whether the media prefers email (most do now).
- ◆ If offering interviews, make it clear whether this is an exclusive for one media outlet (could be one print, one radio and one television, as these do not see one another as competing). This can encourage coverage of your issue, whereas a general media conference may not be well attended.
- ◆ Track coverage to see how and when your information is published.
- ◆ Be sure to write and thank the journalist to develop a relationship that may encourage them to work with your organization in tracking progress on the issue/project, and hence keep the community informed.

Source: Citizen Science Toolbox,  
see: [www.coastal.crc.org.au/toolbox/index.asp](http://www.coastal.crc.org.au/toolbox/index.asp)

Keep in mind that the manner of dealing with the media will vary according to country, state, city or community. The above are general guidelines, and you will need to familiarize yourself with the media context in which your organization operates in order to develop and maintain effective media relationships.

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## Annex 4:

### Selling Research to Donors

*Adapted from workshop materials prepared by Katherine Hay, International Development Research Centre*

#### Context

The author, Katherine Hay, generally sits at both the donor and recipient sides of the table: working for a funding organization who reviews proposals, meets recipients, and at the same time a part of a process for selecting and working with recipients. She spends about half her time working with recipients and the other half working with a team at IDRC that is tasked with managing its own resource mobilization and partnership activities.

## Tips in Selling Research to Donors

The following tips focus on selling research to international donors, which would be one part of any resource mobilization strategy.

### 1. Do Your Research

Find out which donors are most promising and working in your area. Try to find out the following about your donors:

- ◆ Geographic and thematic focus (where they work)
- ◆ New interest areas (donors are often attracted to projects in areas where their interest is growing and they do not necessarily have expertise or have existing partners)
- ◆ Buzzwords/how they use language (example: governance, livelihood)
- ◆ Funding modalities (how they fund, what are their mechanisms/modalities for funding)

The web can be a great starting point. Annual reports and local embassies can also be a way to get started.

Do not be afraid to ask questions. Many development organizations have a general enquiry address. After doing your own research and if you still have questions, email and ask for more information but try not to waste people's time. If there is a clear and detailed section in their website explaining the funding process, do not make them take the time to just point you to it.

Do not assume that all donors are the same! Try to understand their different motivations and approaches.

It is surprising how many requests IDRC gets and how many proposals received that are in no way linked to the organization's mandate.

For example, one NGO was very keen to work with IDRC. They mailed on several occasions, sent their annual report, and finally set up a meeting. At that meeting they made a pitch for IDRC to support a mobile crèche (nursery school). They had no research questions nor identified link to IDRC programs. When told this was not something IDRC funded, they said it was important and IDRC should fund it. This was a waste of their energy and time.

## 2. Get Started

**Don't let the research paralyze you — get started.** Get started with the one or two most promising donors. If you can get even one on board from an early stage, this is a big advantage.

- ◆ Mail or email them your concept note or proposal (MAIL ONE PERSON ONLY!!!)
- ◆ Visit (it may take a number of calls and letters to arrange but most will agree to meet you if you go to them) (e.g., IDRC requires a letter first to establish whether there is some purpose to meeting and also weeds out the less serious).
- ◆ Go to conferences and networks.
- ◆ Treat everyone you meet as a potential strategic partner until you have evidence to the contrary. This is especially true at conferences or other network events.

The author was once at a conference where a fellow participant had asked her if she was a student. She replied that if he was asking if she was there to learn, then definitely, yes, she was there as a student! Upon hearing this, the person then proceeded to brush her off rudely. Later in the day they were both on a panel together, and it turned out that the participant was representing an organization that actually had a concept note to be submitted to IDRC. Thanks to the participant who was unpleasant, it became a lost opportunity for that organization to make a positive connection with a potential donor.

## 3. Be Prepared... and Listen!

The people you may be meeting may know a lot about your proposal, your organization, and your region. Or, they may know nothing. Don't assume either. Come prepared to give them all this information in a clear and concise way but ask questions and listen to the answers so you know how to make your pitch. If you know who you are meeting, find information about them on the internet. This may come handy in your meeting.

Overall, expect that they are overworked and understaffed and that you will have to do the preparatory work. Be prepared for obvious questions that most donors are going to be interested in (e.g., gender equity, environmental impact, policy impact, etc). If you do not have an answer, avoid bluffing – just say you'll get back to them. This is also a good way to ensure follow up and a reason to maintain the contact.

Bring multiple copies of documents, including short summaries with all documents. All documents should have a concise executive summary. Make sure you get all names and contact information and try to leave the meeting on a clear action point.

Use the more influential people in your organization but use them wisely. Their name may get you the meeting but you need to give the pitch (or they need to be well briefed on it) to ensure it goes beyond a courtesy call. Work out ahead of time who is going to do what and think about your organizational dynamics.

## 4. Establish Local Partnerships

Establish solid local partnerships and be able to lay these out to donors. This would likely include the following:

- ◆ **Local universities/academics.** Think about how the project can benefit them and involve them in your pitch or in introducing you.
- ◆ **Involve well-known leaders from various sectors** (e.g., in steering committees, in workshops/donor meetings). In addition to adding to your project's overall objectives they can provide needed visibility and linkages.
- ◆ **Government/policymakers.** Formal involvement with national and state governments indicates that your project focuses on impact. This attracts those donors engaged in bilateral projects that are more comfortable with the application rather than the theoretical aspects of university research.

Most of these recommendations are not just about marketing – they are about increasing the quality of the project. Quality and strategic donor partnering are usually linked.

IDRC had so many potential recipients who refused to peg a dollar amount and it doesn't help. The grant seeker can always put forward two amounts – one the full cost of the initiative and another smaller amount to reflect a specific component.

## 5. Know What You Want

Know what you want from the relationship and be clear. Do you want technical support, do you want to use their networks, what else do you want on top of money?

This is true for general elements but also specifics such as how much money you want. You may be willing to take any amount you can get, but that is not a useful answer to a donor.

Donors need to know roughly how much money you want before they can even begin to consider your request. This affects which funding pot they could access/direct you to, which year you could be funded, etc.

## 6. Be Flexible but Focused

You need to understand where you have flexibility and where you do not. You may be able to allow for some room in some elements (e.g., sub-topics, involving other researchers, etc). This may allow donors more scope for getting involved given their own constraints.

But you can lose credibility if you jump to make major modifications to meet perceived donor interest. This may also mean you lose the interest of other possible donors.

## 7. Don't Stop at "No"

**Try to go beyond "No."** Make sure you are clear why they say no. If it is a question of money try to find ways of getting into the pipeline for upcoming years. If you get a rejection letter, follow up. Thank them. Ask a few more questions: was it a lack of funds, is this somewhere the donor might focus next year, should you re-submit?

You can also ask whether they have any suggestions about other funders who might be interested. If they feel your proposal is strong they may provide some of their own intelligence about other donors working in this area and even give you contact names or forward your proposal. They may not be able to provide this information, especially if they rejected the proposal because it was not in their area, but it is worth a try. Again, try to think of donors as part of your overall strategic partner network whether they fund you or not.

Keep them involved and informed. Try to keep other non-funding donors in the picture. Look at them as strategic partners who don't happen to be funding you right now.

## 8. Think Long-Term

**Think long-term and don't give up.** Many donors may not respond at first. We have many examples of that. Some donors move from emerging partners to forward planning partners to core partners.

Many may be interested and may engage with you in various ways but not actually fund you immediately. Building partnerships take time. Plan on a long-term strategy, around two to four years, not on immediate funding success. Think about incremental milestones.

## 9. Hang on to your Donors!

This is probably the biggest mistake that partners make. Whatever you do, once you finally get a donor on board, don't lose them!!!!

Don't risk losing them by putting all your energy trying to engage other donors. Don't think that your work is over because they have signed a contract, otherwise it may be the last one they do sign with you! Give them short but detailed and frequent reporting and visit them when possible. Try to be open to their inputs even though they may be frustrating to work with at times! Meet your deadlines and deliver what you say you will deliver. Don't let your professionalism start to wane as you get comfortable in the relationship.

This also applies to individual donor contacts you may have. Through your networks you will probably find that you have personal contacts working in various donor agencies. Use these contacts wisely. You still need to do all the steps, such as research, plan, and focus. The contact may get your foot in the door, but you now have to perform even better than your competitors since many donor agencies will want to avoid any semblance

of favoritism. Also, it is hard to recover if you do take this relationship too casually, make a poor pitch, or present an under-researched proposal. Use your contacts wisely.

## 10. Don't take it Personally

You need to have persistence and a sense of humor. Try to look at your resource mobilization as a way of expanding your strategic network. You will definitely get a lot more rejections than acceptances so do not let it discourage you. Expect it will take time and look at it as long term and ongoing and linked with your overall research planning at all stages from development to dissemination.

A final suggestion: most of the time you'll be offered a cup of coffee or tea. TAKE IT!

The next section presents the elements of a good proposal, as discussed by Liz Fajber and Katherine Hay of the International Development Research Centre.

*Katherine Hay is a Senior Program Officer in IDRC's Regional Office for South Asia (based in New Delhi, India). She is experienced in social and gender analysis, participatory monitoring and evaluation, and project management and she is also a skilled trainer and facilitator. Katherine facilitates strategic partnering and dialogue with international agencies, foundations, governments, and the private sector, to promote development research and improve donor coordination.*

## Annex 5:

# Writing a Winning Proposal

*Adapted from workshop materials prepared by Katherine Hay and Liz Fajber of the International Development Research Centre*

The following tips and ideas on proposal writing are based on experiences of IDRC's Liz Fajber and Katherine Hay. They suggest that the grant proposal writing process begin even before anything is written down, and discuss how thinking through the proposal as the very first phase. Then they give practical tips on the actual writing of a proposal, defining each of the components that can be found in more generic ones, and points to consider when creating content. The writers do not claim to be writing experts but have substantial experiences to share from reviewing proposals.

## Overall Strategy and Your Proposal

Proposal development is part of an overall resource mobilization strategy, and is linked with all the other elements of financial sustainability planning. As such, remember to:

- ◆ Know your organization (SWOT, track record, accountability)
- ◆ Engage in strategic planning (mission and vision)
- ◆ Develop a resource mobilization strategy
- ◆ If your organization's strategy includes targeting donors: understand your donors (what kind of agency? what person? goals?)
- ◆ Develop a proposal
- ◆ Sell your proposal to donors
- ◆ Follow up with donors

## Phase 1

### *Before Writing, Plan Your Project Proposal*

It is very important to take the time to think out ideas BEFORE writing out the whole proposal. This could entail discussing the overall objective of the proposal with relevant team members, then developing an outline. The important part is you think through the following elements first:

### *Define Your Project Goal and Objectives*

Ask yourself the following questions:

- ◆ What do you want to achieve (your ends)?
- ◆ How do you want to achieve it (your means)?
- ◆ Who are the main beneficiaries?

Projects need two kinds of objectives: a general objective, and a specific objective. A general objective is usually not measurable. Organizations or projects cannot achieve general objectives, only contribute towards it. A general objective should be compatible with your organization's mission, and that of the donor, and is usually longer to achieve than specific objectives.

A specific objective, is more operational – on what you *will* accomplish. The more specific the objectives are, the easier it is to design a process for achieving them. Specific objectives are measurable, and can be the basis for evaluation; are comprehensive; need to be feasible in time frame

and scope of project; and should contribute to the general objective.

### *Developing Your Arguments*

The next stage is to start developing your 'arguments' or case. Consider these questions, and back up your points. Use evidence, and cite sources and previous studies (including your own).

- ◆ What is the main need this project is trying to address?
- ◆ What is the potential impact of this research? Who will benefit and how?
- ◆ What does this research bring or add to the scientific and development communities?
- ◆ What is new, innovative, and creative about this project?
- ◆ What do your organization and researchers bring to the project?

### *Think About the Process*

Think about the process: the why, for whom, what, where, when, how, and who questions. These questions draw out more details on the project.

- ◆ What will you do? (activities)
- ◆ Where? (general and specific)
- ◆ How? (methods)
- ◆ Who will be involved?
- ◆ What outputs will there be?
- ◆ When will activities and outputs happen?
- ◆ How will progress be monitored and evaluated?
- ◆ What resources are needed? (financial, human)

The clearer you are on who you are, who you are writing for, and what you want to achieve, the better the proposal will be – more coherent, logical, appropriate, and successful. Remember, thinking through is the hardest part, and the most demanding. Commit time to it. Writing it down is actually the easier part if your ideas are clear!

## Phase 2

### *Writing a Winning Proposal*

Writing a proposal depends on the format of donor. Generally, a proposal contains the following elements:

#### **Cover Letter**

Introduces the proposal and establishes rapport between the grant applicant and the funding agency staff. The cover letter should:

- ◆ State why you are approaching this funder
- ◆ Mention any prior discussion of the proposal
- ◆ Describe the contents of the proposal package
- ◆ Briefly explain the project
- ◆ Offer opportunity to set up a meeting and to provide additional information
- ◆ Provide the name of the specific contact person within your organization responsible for the grant application, and contact information of your organization



## Executive Summary

This is a one-pager that sums up the key points in your proposal. It is designed to be quickly read and absorbed, and sets the tone for what the proposal reviewer can expect to find in the body of the proposal. It covers the short version of:

- ◆ What the key problem is and its context
- ◆ What your organization plans to do to address problem; this can include objectives
- ◆ Why this is important
- ◆ Who will benefit, and how
- ◆ Project duration

## Background/Rationale

This section should answer the following questions:

- ◆ What is the problem/need/research issue you are trying to address?
- ◆ What is the nature of the problem confronting the target or service community area?
- ◆ How will your project build on work previously done or address the research gap and add value?
- ◆ How does this project fit into the grant making agency priorities as well as your own organization? Make these linkages here.

Do not focus only on the problem, but point to the potential opportunities and possibilities (solution) to address the problem that will lay the foundation for your objectives. Most donors now request multidisciplinary projects; try to consider the problem through an integrated and interdisciplinary lens. Do not assume that the reader is familiar with the issues or the geographical area. Be clear and concise — this cannot be emphasized enough.

## Objectives

Well written objectives should clarify for the donor what your main strategy is:

- ◆ State what you expect the project to achieve
- ◆ Describe the beneficiaries or recipients of the proposal
- ◆ Describe potential impact

## Process Description: Activities and Methods

This section should detail how you will accomplish the objectives and should be presented in sequential form with a clear link of activities with objectives. This details the nuts and bolts of the project proposal. It should have six subsections:

- ◆ Methods
- ◆ Activities
- ◆ Staffing/administration
- ◆ Monitoring and Evaluation (M&E) procedures
- ◆ Impact and output
- ◆ Research use and uptake

This section should discuss dissemination strategies (target groups, multiple audiences at multiple levels and the different strategies and methods to reach these groups). It should describe the monitoring and evaluation (M&E) strategies; define the meaning of evaluation (external, participatory); and detail how the monitoring process will be conducted.

## Management Description

This is comprised of three elements:

- ◆ **Organization:** information on your organization, brief history, relevance of proposal to priorities/mission, technical expertise to show capacity to manage project, programs and services offered to audiences or communities served.
- ◆ **Project team:** who they are; their roles and responsibilities, and why this team is appropriate for the project.
- ◆ **Managing risk:** institutional risks include organizational capacity to manage project, technical competency, and fiscal skills; other risks that can be addressed in the description of the organization are political, security and social risks.

Be honest even though it can be a challenge to be transparent and identify risks. It generally is better to identify the risk, but emphasize how your project is addressing (and will overcome) them, or what alternative arrangements will be made if you cannot adequately address the risks.

## Impact

Consider what impact the project could have:

- ◆ Think at multiple levels
- ◆ Direct and indirect impact
- ◆ Potential to influence policy
- ◆ How will results be scaled up and out

## Budget

Be realistic and upfront. Make sure the size of the request is possible for the donor. Show other contributions from your own organization and other donors. Essentially, this section should contain:

- ◆ Budget categories
- ◆ Detailed budget notes
- ◆ Organization contribution
- ◆ Other donors' contributions

Present the financial blueprint of the entire project. The budget should cover all operational and administrative expenses (personnel and nonpersonnel items) associated with the implementation of the project.

## Conclusion

The conclusion should answer the following questions:

- ◆ Why the project is necessary and important
- ◆ Why your organization is the right one to implement the project
- ◆ Why the donor should consider the proposal
- ◆ What could be achieved

This section summarizes the proposal's main points, reiterates what your organization wants to do and why it is important, and underscores why the organization needs funding to accomplish it. Draw arguments together, but do not be repetitive.

## Appendices

Additional information like the following can go in appendices:

- ◆ Bibliography, references
- ◆ Detailed explanations on points from earlier sections
- ◆ Use of planning tools such as the Logical Framework Approach or other formats specific to donors
- ◆ Organization reports and information

### Writing Trips

Differentiate between content (the ideas) and style (presenting the ideas). Do not lose your ideas in poor style! Also, remember not to make your proposal too long. If the grant making institution has not specified a limit to the number of pages, 10-15 pages are fine. However follow instructions if they do specify the maximum number of pages.

Some writing/layout tips:

- ◆ simple, jargon free
- ◆ active voice
- ◆ spell check please!
- ◆ revise, rewrite, revise, rewrite....
- ◆ consistency
- ◆ ease of reading (numbering, headings etc)
- ◆ white space
- ◆ readable font

Have at least two other people proofread the proposal.

### Dos and Don'ts in Proposal Writing

- |              |  |
|--------------|--|
| <b>DON'T</b> | Expect to write and get a proposal funded in one week.   |
| <b>DO</b>    | Give time for planning, feedback and revision of the proposal.   |
| <b>DON'T</b> | Be over ambitious: "Global Warming will be eradicated by the end of this one year project!"                |
| <b>DO</b>    | Be realistic. What is achievable — in the timeframe?   |
| <b>DON'T</b> | Send so much documentation that 'your reader gives up.   |
| <b>DO</b>    | Be concise and easy to read. Keep it simple and as short as appropriate.                                   |
| <b>DON'T</b> | PAD your budgets or try to hide information.   |
| <b>DON'T</b> | Be vague: This project will help women get on the internet.  |
| <b>DO</b>    | Be specific, show detail, and show that you know who else is working in the field.                         |
| <b>DON'T</b> | Go overboard on emotion.   |
| <b>DO</b>    | Show that you care about the work but use arguments to substantiate statements (pitch the tone correctly). |
| <b>DON'T</b> | Be shy to show your proposal to others.  |
| <b>DO</b>    | Send drafts to colleagues, get feedback from peers.  |
| <b>DON'T</b> | Take a one-size fits all approach.   |
| <b>DO</b>    | Tailor and target your proposals according to donor's requirements and preferences.                        |

**Katherine Hay** and **Liz Fajber** are both Senior Program Officers in IDRC's Regional Office for South Asia (based in New Delhi, India).

## Annex 6:

### The Art of Negotiation

*Adapted from workshop materials prepared by  
Dr. Melanie Billings-Yun, Global Resolutions*

Even the most seasoned and successful fund raiser gets “No” for an answer. As a practical guidebook “bonus”, the following articles by consultant Dr. Melanie Billings-Yun talk about negotiating as an indispensable skill in mobilizing resources. She discusses the GRASP Model in the first article, then in the second, deconstructs a Case Story using GRASP to show how the initially contentious parties can work toward achieving mutually beneficial results.

### Maximizing Returns Through Negotiation

#### GRASping a Successful Outcome

No matter how tight your proposal or how good your donor research, there is always the chance that your donors will decline or maybe respond with a counter-proposal you are not prepared to accept. So, how can negotiation help us in such a situation?

Many associate the word ‘negotiation’ with conflict, compromise, winners and losers, a ‘them’ and an ‘us’ and even manipulating the other side to get what we want. It is true that negotiation involves conflict because without differing interests, all are happy and there is nothing to negotiate. However, negotiation also involves common goals and interests, with each party having something to gain out of finding solutions.

The key here is not to fall into the trap of positional bargaining where the only options are yes and no, proposal approved, proposal declined. This makes us lose sight of the real concerns, i.e., the goals our proposal aim to achieve and which our donors share.

#### Strategies for Dealing with Disagreement

Say you are a program head in Organization X, a community-based NGO that promotes sustainable agriculture. Your key project this quarter is to organize a workshop for farmers in your area to learn from each other’s “best practices” in organic farming. You wrote to a local distributor of farm products (e.g., small farm implements, seeds) for a US\$300 event sponsorship. This is the minimum amount of counterpart funding you need in order to access funds from other sources. The local distributor says no to the cash sponsorship that you had asked for. What will you do?

- ♦ **Force:** You insist on US\$300 cash donation; otherwise you will tell your workshop participants — i.e., his customers — of his lack of support.
- ♦ **Smooth:** You easily accept his “No” answer and find another donor.
- ♦ **Avoid:** You do nothing! No further communication.
- ♦ **Split:** You say, “Okay, can you give me half, just US150?”

#### Professional Styles

- ✓ Forcing
- ✓ Smoothing

“Win” → Lose

- ✓ Avoiding
- ✓ Splitting

Lose ↔ Lose

What are the consequences of bargaining in any of the four positional styles above? If you force, you risk losing your relationship with that potential donor, and frankly, ‘threatening’ your donors will seriously backfire! Smoothing is an effective way to calm angry tempers as long as it does not mean giving in on key interests. However, as a general style, it yields poor results. In the example above, when you consistently smooths your donor, you may feel resentful, which can damage your relationship and lead to brokerage of the deal. Avoiding does not address anything and is unproductive! Splitting the difference (or compromise) also does not lead to an optimal outcome. Even if your donor agrees to sponsor US\$150, you have less than the minimum counterpart required! Why compromise and produce poor results when you can present an opportunity that creates something bigger?

Positional bargaining sees negotiation as a power game and puts relationships and issues in conflict. Worse, it makes one lose sight of the real concerns, which in this case, is implementing a best practices workshop to benefit the local farming community.

#### Problem-Solving: The Ideal Strategy

The ideal mindset is principled negotiation, meaning we focus on interests, not positions; we separate the people from the problems and we decide issues based on legitimacy. Essentially, we move away from “oh that businessman is so greedy!” to “let’s go figure this out!”

The local distributor has valid reasons for declining your proposed US\$300 sponsorship. If you probe why, you may just find out that he is not allowed to give out cash sponsorships above US\$200 or that he is in fact willing to give you resources, but in-kind. Your potential donor also has something to gain by sponsoring your activity. The benefits to him include an opportunity to serve their customers in a different way, to increase visibility vis-à-vis competition and to reach their target audience in a cost-efficient way.

A problem-solving approach will lead to an optimal outcome and will help meet the interests of both parties. It turns conflict into synergy and creates value by exploring options. Going back to our example, Organization X could quite easily ask the distributor why they couldn’t sponsor and possibly offer other giving options such as footing the lunch bill, providing transport for all participants, or even providing products or merchandise that can be used as prizes for ‘best case presentations’. Most importantly, the problem-solving approach creates sincere agreement because all sides feel it is fair, it is implemented willingly and is therefore sustainable. In Organization X’s case, by giving options, you demonstrate understanding of the distributor’s limitations. And by

explaining why you insist on a sponsorship value of US\$300, your argument becomes more persuasive.

#### Problem Solving Creates Sincere Agreement

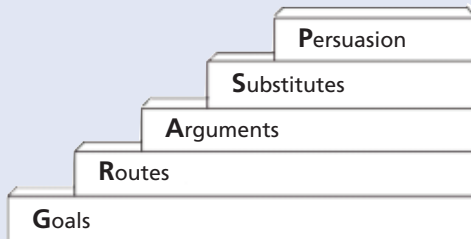


Because all sides feel it is **FAIR**  
It is **IMPLEMENTED** willingly  
And is therefore **SUSTAINABLE**

## The GRASP Negotiation Method

The **G**oals, **R**outes, **A**rguments, **S**ubstitutes, **P**ersuasion (GRASP)<sup>™</sup> negotiation method can guide you through doing research, planning and communication. It involves five steps:

#### Levels of the GRASP Negotiation Method



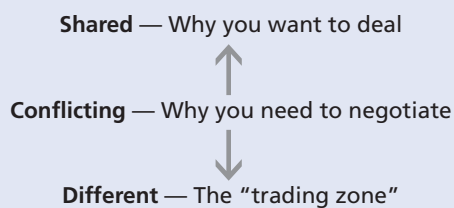
## Goals

Determine what you want to achieve, prioritize, separate from 'positions' by asking 'why?' and think broadly beyond immediate issues to consider both long-term and short-term goals. Balance this by thinking about the other side's goals, and ask yourselves:

1. Who are the relevant parties?
2. What is the current situation?
3. What are the external pressures on them? And put yourselves in their shoes.
4. What do they want or are afraid of? Here it is important to distinguish between shared, conflicting and different goals.

The shared goals are why you want to deal in the first place. The conflicting goals are why you need to negotiate, and the different goals are the 'trading zone'.

#### Three Types of Goals



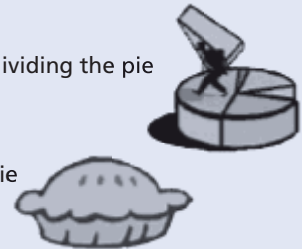
## Routes

Consider all possible routes, brainstorm on all means to reach your goals, and identify which is your preferred route. Which will best achieve the other side's goals? What trade-offs or compromises will achieve the goals of both sides? Choose your starting position and plan fallback routes.

#### Two Routes to a Deal

**Compromise** = dividing the pie

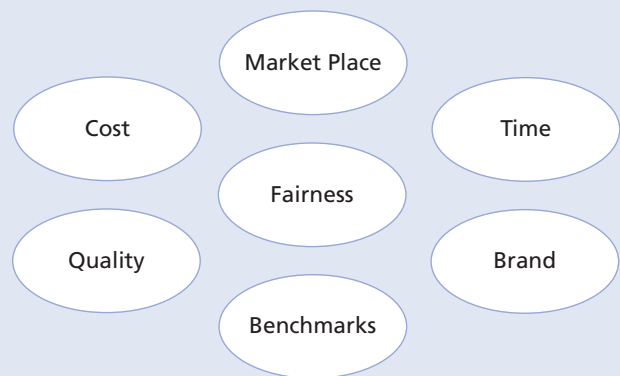
**Trade-off** = enlarging the pie



## Arguments

Develop legitimate arguments. Cite valid reasons to justify each proposal e.g., from your past experiences, it is proven that you need at least US\$300 to cover all costs for arranging the event.

#### Valid Reasons to Justify Each Proposal



## Substitutes

Consider substitutes: what other ways can you fulfill your goals? Establish your walk-away-line (WAL) and make sure it is firm and high. (The WAL is the point in a negotiation on which you will absolutely not compromise or settle.) There is no deal if they cannot top your WAL.

Consider their probable WAL too. Who has more urgency or concern? Who has the higher WAL?

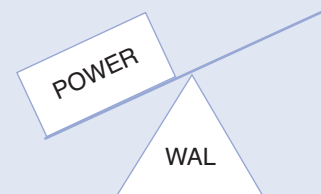
#### A High WAL Gives You Leverage

Power is absolute strength

- ◆ resources
- ◆ status
- ◆ authority

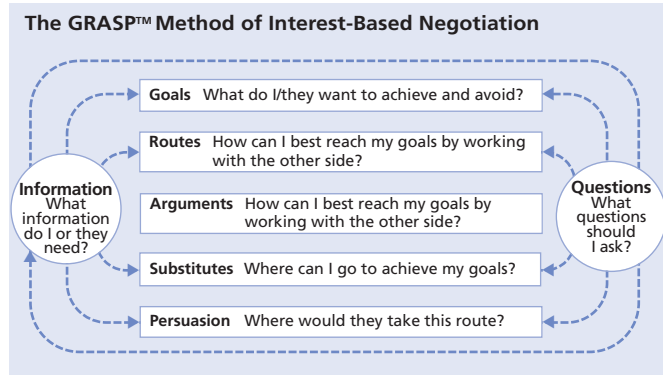
Leverage is situational advantage

- ◆ Who has the higher WAL?
- ◆ Who has more urgency or concerns
- ◆ Who has the ability to help or harm the other side



## Persuasion

Speak to be understood, focus on their interests while sharing yours and listen to understand. Articulate your assumptions, e.g., “by telling them that supporting our event will allow you to be visible to 100 customers for a full three days. That’s cost-efficient at 30 cents per day per target customer.” Keep an open mind. Tackle the problem, not the people. Do not get personal and accusing but instead focus on problem solving.



## In Summary

Principled negotiation will allow us to overcome initial disagreement and keep our relationships with various stakeholders intact. It requires research, planning and communication — vital skills also needed in resource mobilization. “No” does not always mean ‘absolutely not’ and indeed when a door closes, windows open.

## The Case of the Withdrawn Gift

### *Applying the GRASP Method in a Negotiation*

### Context

This was written by Dr. Melanie Billings-Yun of Global Resolutions to demonstrate the application of GRASP (Goals, Routes, Arguments, Substitutes, Persuasion) negotiation method in a case situation.

### The Case

The Women’s Institute on Continuing Education (WICE) is a non- profit organization in Paris, providing a wide range of courses and cultural events for the foreign community in France. It has about 1,000 dues-paying members from the international business and embassy communities, as well as a large pool of non-member followers. Membership dues and course fees cover its basic operating costs.

However, it relies on an annual charity auction to raise funds for extraordinary expenses, such as replacing worn-out furniture or buying new equipment. The WICE Gala Auction is a high-profile social event, sold out weeks in advance.

Various companies contribute auction items in exchange for the publicity they receive among this desirable target group. Contributors receive the following:

- ◆ A half-page advertisement in the WICE monthly magazine which goes out to all members and to restaurants and retail outlets frequented by expatriates (selling price: €1,000)

- ◆ Mention on auction flyers, brochures, the WICE web page
- ◆ “Thank you” on the inside front cover of the monthly course catalog and in quarter-page advertisement in the International Herald Tribune (cost of 1/4 page ad is €8,000, which WICE receives as a donation)
- ◆ A display table at the auction
- ◆ Two tickets to the auction and gala dinner (price: €300)

One of the patrons at one of the annual auctions was Euro-Asia Airways, a new airline trying to establish itself among European holiday travelers. Euro-Asia’s Paris office chief, Klaus, signed a contribution form promising to give the highest bidder two unrestricted tickets to anywhere Euro-Asia Air flies (value up to €2,800). At the auction, Klaus and his wife sat proudly as WICE thanked him for his company’s generosity. The tickets were bought by Mr. and Mrs. Jacobs, who had bid €3,000. Upon handing their check to WICE, they received a certificate to be exchanged for the actual tickets at the Euro-Asia office.

A month later, Marlene, president of WICE, received an angry call from Mr. Jacobs. Apparently, he and his wife had tried to redeem their certificate several times for a planned trip to Australia, but Euro-Asia’s ticketing office had put up restrictions every time: they could not fly over Christmas, New Year or Chinese New Year; they had to layover one night in Euro-Asia’s home city, Taipei; they could not depart Thursday - Saturday and had to stay at least two weeks. Mr. Jacobs was furious: “What kind of phony auction are you running? You took our money and all we’ve had since then are hassles!” Marlene apologized sincerely for the difficulties they had faced and told the WICE bookkeeper to issue the Jacobs an immediate refund. Mollified, Mr. Jacob said he would mail the tickets back to WICE.

After checking to see that the contract Klaus had signed with WICE clearly stipulated unrestricted tickets, Marlene rang Klaus. After being kept on hold for several minutes, he finally answered, but without his former charm. When she told him she now had two unusable tickets in her hand and asked him what he intended to do about it, he grew quite emotional, refusing to accept any responsibility or drop any of the restrictions. Instead, he accused WICE of ingratitude. “Why are you making a big deal out of a couple of conditions when we gave you the tickets for free?”

Marlene was in a quandary. What could she do? WICE had just suffered a €3,000 loss it could not afford. Yet, the Board of Directors instructions had been clear: lawsuit was not an option. The Institute simply didn’t have the resources. On the other hand, she had to do something, not just for the money but because she couldn’t allow this to be a precedent for future donors. She called WICE’s executive board for an emergency conference in her office. “I’ve got a meeting with Klaus tomorrow and I need all of your brains to help me prepare,” she said grimly. “I doubt we’ll get another chance.”

Help Marlene for the meeting with Klaus by using the GRASP method.



## Goals

Marlene	Priority	Considerations
Recoup lost €3,000 or as much as possible	1 (7 pts)	This is her number one priority. The loss of the money has been a serious blow to WICE, especially as the funds had already been earmarked for buying new classroom facilities.
Maintain integrity of auction and not set a precedent for future donors	2 (3 pts)	As the auction is critical to the continued operation of WICE, it is important to ensure that “bait & switch” incidents like this do not happen in the future or no one will bid on items. Failing to resolve this problem effectively could send a dangerous signal to other donors that they don’t need to take WICE donations seriously.
Clarify issues and resolve misunderstandings	3	For Euro-Asia suddenly to place restrictions on the tickets makes little sense, obviously there is something more going on. It would probably do the relationship well (and perhaps teach WICE something about its own fundraising methods) to discover why these complications arose and to salvage as much of the relationship as possible.
Show executive abilities	4	As president of WICE, Marlene needs to demonstrate to the executive board and her subordinates that she is capable of dealing with such important issues.
Long-term funding relationship with Euro-Asia	5	Building a long-term relationship with their corporate contributors is an important way of maintaining the operations of WICE. While building this with Euro-Asia may seem difficult at the moment, it is still a possibility worth exploring.
Klaus (assumed)		Needs to Consider
To convince WICE to keep the restricted tickets	1	Klaus feels WICE has acted ungratefully in asking why restrictions were placed on the tickets. He most likely believes they should appreciate the fact that the tickets came at no cost to them, and that the restrictions at best simply require a little more planning on the part of its owners.
Promote a good image with frequent business-class travelers	2	With Euro-Asia having just entered the market, it is important for them to quickly build a positive reputation amongst travelers so as to attract consumers to the airline.
Not embarrass himself with the head office	3	As the office chief of Paris, who is directly answerable to the head office, Klaus would not want an incident that could damage his status with them.
Participate in next year’s auction?	4	The importance and reach of WICE members makes them an important potential market to market Euro-Asia.
<i>Unknown — try to uncover in conversation</i>	5	<i>Why did he go back on his word? Why did he react so emotionally when asked about the restrictions?</i>

## Routes

Ways Marlene and Klaus could achieve their shared and different goals and settle their dispute.

1. Euro-Asia to honor tickets, but upgrade them to Business or First Class as they now have less resale value.

Advantage	Disadvantage	Considerations
This is the route that maximizes both parties’ goals. Marlene gains tickets that can be reasonably sold for the value that was lost from the previous pair. Klaus is able to give tickets with the restrictions which allow for minimal disruptions to the airline, and which would not have any serious effect on the bottomline.	There is still the concern that this may set a precedent for donors to alter the terms of use for their donations after the auction, leaving WICE in a difficult position.	Klaus may feel he should receive something extra in return for the upgrade, as the tickets now have improved value. He may want some incentives to make the upgrade option more attractive; such as additional publicity for Euro-Asia through WICE publications. But wouldn’t that be rewarding him for bad behaviour? What message does it send to other donors?

2. Euro-Asia to honor tickets as signed in the contract.

Advantage	Disadvantage	Considerations
WICE is able to regain the lost money which is so important in covering further operational expenses, and avoids the problems that may come with setting the precedent of allowing the terms of use for donated items to change after they have been sold.	It would be difficult to convince Klaus that this would be a viable option, since he has already turned that down. It would mean a complete reversal and public loss for him. Would likely end any future dealings with Euro-Asia.	We need to find out why Klaus changed his position in the first place. Something going on from his head office? We need to try to get him to open up so we can find a win-win solution.

3. Euro-Asia to compensate WICE the €3,000.

Advantage	Disadvantage	Considerations
This is the quickest route, recouping WICE's lost funds and avoiding the hassle of having to search for new buyers.	This is a long shot, since tickets are worth much less to Klaus than their market value. More of a point of pressure than a likely outcome.	This position is the most likely to end up in threats of lawsuit.

4. Euro-Asia to provide equivalent compensation (e.g., 4 lesser tickets).

Advantage	Disadvantage	Considerations
WICE can regain at least some of its lost funds by selling these. Klaus, meanwhile, can substitute open tickets for specific routes he is trying to build up.	WICE has to accept the "bait & switch" making a bad precedent. Will be harder to sell tickets for specific routes. Not certain that WICE can recoup the whole €3,000.	Better make sure what conditions are placed on these before accepting them!

## Arguments

### *Legitimate Reasons Marlene Could Draw Upon to Justify her Position*

A contract is a contract. Klaus not only made verbal promises but also signed a written agreement specifying that the tickets were to be unrestricted.

WICE kept its part of the bargain. Euro-Asia has already received at least 3,000 in tangible benefits including advertising and tickets to the auction.

WICE also acted as a good partner by not seeking donations from competing airlines, so that Euro-Asia received maximum public attention from its donation.

- ◆ Through the exposure and promotion received through the auction, Euro-Asia has been able to build significant value on its name. However, negative exposure would have the opposite effect.

- ◆ The real monetary loss to WICE is €3,000, the amount they were sold for at the auction, not whatever value Klaus places on the tickets.
- ◆ It will be difficult to find a new buyer for the tickets at the same price, since it will have to be done very quietly and internally to avoid negative publicity. As this will be a "fire sale," the purchaser would reasonably expect a discounted rate.
- ◆ Marlene honored Klaus at the auction, while she and WICE have suffered an enormous loss of face with the Jacobs because Euro-Asia failed to honor its obligations.
- ◆ Since the Jacobs no doubt will talk to friends about this, the integrity of the WICE Gala Auction has been damaged. Future bidders will not give so generously if they feel they will be cheated.

## Substitutes

If Klaus refuses the deal, what can Marlene do?

She Could...	Upside...	Reality Check...
Resell current restricted tickets at a discount, with published apology and explanation to members.	<ul style="list-style-type: none"> <li>♦ Recovery of some of the €3,000.</li> <li>♦ Would “punish” Klaus by publicly embarrassing him and removing PR benefit.</li> </ul>	<ul style="list-style-type: none"> <li>♦ A public fight would embarrass Marlene and destroy any relationship with Euro-Asia.</li> <li>♦ Could put off next year’s donors.</li> </ul>
Organize an internal lucky draw with the tickets as the grand prize.	<ul style="list-style-type: none"> <li>♦ Recovery of some of the €3,000.</li> </ul>	<ul style="list-style-type: none"> <li>♦ Time consuming and costly to implement, with smaller return.</li> <li>♦ Would give Euro-Asia positive publicity for bad behaviour.</li> </ul>
Return tickets to Euro-Asia and find another airline to provide tickets of equal value.	<ul style="list-style-type: none"> <li>♦ Other airline may see this as an opportunity to get some good PR while harming their competitor’s image.</li> </ul>	<ul style="list-style-type: none"> <li>♦ No evidence that we can find someone. It will take a lot of work.</li> <li>♦ How to sell the new tickets?</li> </ul>

## Persuasion

Remember that, despite the sense of betrayal each is feeling, Marlene and Klaus have more to lose from an open war than either has to gain. While Marlene needs to keep in mind her goal of recouping the money, she would be wise to get to the bottom of what happened, as it could be a resolvable problem. Furthermore, there may be lessons for WICE to learn in future resource mobilization.

Therefore, Marlene should strive to:

1. Emphasize the importance and reach of the WICE membership.
2. Express her disappointment that this problem has arisen, and communicate her desire to continue working together, while sharing (with regret) the problem she faces.
3. Ask him for his story, listen sincerely, ask questions and paraphrase statements back to ensure complete understanding.
4. Communicate that this is about mutual trust between the various parties rather than just the text of a contract. It is only fair and honorable that both sides should honor their obligations as previously agreed upon.
5. Indicate that WICE has already helped Euro-Asia out by refunding money to the Jacobs, helping to avoid any embarrassment on the part of Euro-Asia.
6. Show that any negative publicity for Euro-Asia would not help in establishing them within the region, and could lead to personal embarrassment for Klaus with his head office.
7. Ask exploratory questions, like:
  - ♦ “What are your concerns?”
  - ♦ “What if you/we....?”
  - ♦ “Can you explain why this is difficult for you to do?”

8. Acknowledge the validity of each other’s concerns even when disagreeing:

- ♦ “I understand your frustration. I want a face-saving solution as much as you do.”
- ♦ “I see where you’re coming from. However, my issue is with xx.... Is there a way we can work around this?”

9. Continually ask “why” questions, exploring variations on each possible route whenever problems arise:

- ♦ “Why do you feel this wouldn’t work?”
- ♦ “If this is difficult, how about if we did it this way?”

10. Be open to suggested solutions by Euro-Asia, but hold firm to the need to recoup the funds.

**Dr. Melanie Billings-Yun** is a senior partner at Global Resolutions, Singapore’s first negotiation consulting firm, providing negotiation strategies, assistance and training as well as mediation and conflict resolution services to business, government and individual clients in the Asia-Pacific region. Formerly a lecturer and research director at Harvard’s Kennedy School of Government, Melanie has consulted on numerous multimillion dollar joint ventures between Asian and Western companies.