

facts on fund-raising

B : T H ENDS

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After the Prize

Dear Prize Winner,

Both ENDS presents you with the third of four newsletters to develop your fundraising capacity. As many of you mentioned in the Goldman survey, shaking the money tree when your organisation is small or unseasoned in fundraising, can often cost too much time and involve other taxing expenses. Yet effective fund-raising is a cornerstone of any solid and successful project.

So, tailored to touch on the common themes emerging from your survey replies, this series of newsletters will serve as complementary side-reading to the more particular one-on-one support Both ENDS is also providing for recipients.

Capacity building in Fund-raising

This newsletter is about capacity building with a special emphasis on fundraising. Capacity building is a topic that covers a wide range of topics and techniques. This issue provides a selection of activities that can help your organisation in attaining successful fundraising. It is divided into 2 basic parts: Part 1, following a brief definition of Capacity Building, focuses on how organisational assessments are best achieved. Part 2 considers the nuts and bolts of setting up a fundraising strategy. The fourth Goldman Newsletter will deal with making the necessary adjustments in your organisation after the money comes.

If you approach capacity building with a strategic mind, stay informed and stick to your agreed strategy you will find that fundraising is much less about good luck and much more about good organisation – realising basically what enhances your work and what does not.

What is Capacity Building?

- * Capacity building is an explicit effort to improve an organisation's performance in relation to purpose, context, resources and viability.
- * Capacity building is a *self-managed* strategy for organisational change by which leaders, members and other primary stake holders learn to assess strengths, diagnose key organisational weaknesses, recognise priority issues, and devise, apply and assess actions to address these issues.
- * Capacity building requires new skills and changes in individual behaviour, and also in organisational behaviour, in terms of systems, structures, procedures, culture, strategies and decision-making.

Source: *From the Roots Up: Strengthening Organisational Capacity through Guided Self-Assessment*

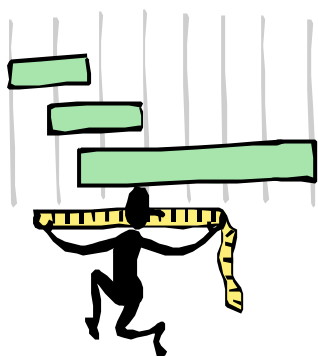
How to assess Strength & Weakness?

In order to be able to build your organisation's capacity, you need to know its strengths and weaknesses.

The key to a successful assessment process is an active input of all staff members. No one knows your organisation better than yourself and your colleagues.

Hereafter are some tools that come in helpful in initiating such a process.





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Organisational Assessment

The purpose of the Organisational Assessment (OA) is to help organisations to improve their performance. It helps to find out the strong and weak points of an organisation. The OA is a **learning tool** on problems and questions concerning the organisation's strategy, its management processes, finances, staffing, relationships with others and its results. It asks to identify causes of problems and helps in the decision-making to overcome them.

Characteristics of the OA are as follows:

- **Overview of relevant management and funding issues**
- **Fluid** instead of static listing of positive and negative points. The OA focuses on identifying **strengths, weaknesses, opportunities and threats** with regard to each issue (see SWOT analysis)
- A **focus on causes of problems** instead of highlighting symptoms only
- Favours a **participatory approach** for the assessment, dialogue and transparency on its results.
- Leads to **qualitative statements** instead of giving grades
- Includes a **detailed results** section, which asks what the organisations achievements are
- Provides users with **quick overview of level of achievement for each management issue**
- Results in a **clear list of priority subjects for improvement** for each issue analysed
- Facilitates the setting up of a **plan of action**
- Contains **easy-to-use worksheets**, which can also be used to report on the results of the assessment.

This is important because each organisation faces different funding challenges and needs to adapt assessment tools to its own needs.

*Source: NGO Manager * Adapted from an article by **Marco Kirschbaum** with very special thanks to Pauline Sawh and Daniel D'Esposito for their time, knowledge, experience, patience and support.*

How to plan and carry out an organisational assessment

Step 1: Prepare the assessment

- * Define the scope of the assessment: choose between carrying out a comprehensive assessment or a selective assessment.
- * Decide whether an internal assessment manager or an external facilitator is best suited to lead the assessment process.
- * Decide on the form and timing of the enquiry: structured or semi-structured interviews, team-based discussions, etc.

Step 2: Carry out the assessment

- * Address the issues your assessment over-view raises according to the methodology you have chosen in step one.
- * For each issue, determine your level of achievement, the key recommendations and

You now may have a good overall picture of the current capacity of your organisation. You also have established recommendations for capacity-building. The next step is to set up a plan of action to implement these recommendations. The plan of action should take into account internal as well as external factors. Identifying internal strengths and weaknesses, and external opportunities and threats, or SWOT analysis, is the assessment's key tool to create the plan of action.

Step 3: Create the plan of action

- * Do a SWOT a for each of the questions using the SWOT Brainstorming Sheet . Brainstorming is most productive in a group (SEE PAGE 4).
- * Identify relevant actions to be taken based on the results of the SWOT analysis.
- * Use a Summary Sheet to present your plan of action.

Doing a SWOT analysis Strengths, Weaknesses, Opportunities and Threats

A SWOT analysis is an effective, simple and widely used tool. It can be carried out individually and in groups. The organisation's internal situation is described under the headings of strengths and weaknesses. The external factors are condensed under the headings of opportunities and threats. To complete a comprehensive overview, the main causes for each factor should be identified, whenever it is useful and feasible.

A SWOT analysis is needed for each sub-topic of the questionnaire. The analysis and discussions can be carried out in two steps:

1. SWOT Brainstorming

The purpose of the SWOT brainstorming is to identify and list the key issues at stake and underlying causes. Group sessions are very often most effective for that purpose. In preparation of SWOT group sessions, it is useful to ask participants to prepare in advance his or her own SWOT analysis. The results of individual analysis can then be merged during the group session.

SWOT analysis usually stimulates a multitude of different views. These should be recorded in the group's SWOT brainstorming notes and can be weighed, if needed. The purpose of this exercise is not to produce consensus on all of the issues, at all cost, but to identify a wide range of factors which generally form the causes of complex issues. It may even be counterproductive to cut down the richness of differing opinions to a few points, which are commonly agreed.

2. SWOT Action Plan

- 1 Take all the strengths you have identified and their causes and divide these into potential opportunities and threats
- 2 Take all the weaknesses you have identified and their causes and divide these into potential opportunities and threats
- 3 Eliminate weaknesses that threaten your organisation
- 4 Capitalise on the opportunities that are your organisation's strengths
- 5 Improve weaknesses that may contain opportunities
- 6 Monitor areas where your organisation is strong but is challenged by potential threats



The plan of action should take into account internal as well as external factors

Usefull References I

European Foundation for Quality Management: *Assessing for Excellence - A Practical Guide for Self-Assessment*, Brussels 1999

European Foundation for Quality Management: *The EFQM Excellence Model - Public and Voluntary Sectors*, Brussels 1999

Levinger, Beryl; Bloom, Evan: "Discussion-Oriented Organizational Self-Assessment (DOSA)", *The DOSA Page, New Directions in Organizational Capacity Building*, <http://www.edc.org/GLG/CapDev/dosapage.htm>.

Levinger, Beryl; Bloom, Evan: "Participatory Organizational Evaluation Tool (POET)", <http://www.undp.org/csopp/poet.htm>. The user manual can be found at http://www.aidsalliance.org/resources/220_POET.doc

Organisational Self-Reflection Project (OSR): "Tools" provides a comparison of 10 well-known assessment tools for NGOs. OSR is a joint effort from Fundación Acceso, Universal Management Group and IDRC: <http://www.reflect-learn.org/EN/tools/comparar.phtml>.

Tiffany, Paul; Peterson, Steven D.: *Business Plans for Dummies*, IDG Books, Foster City (USA) 1997, 354 p.

VanSant, Jerry: "A Composite Framework for Assessing the Capacity of Development Organizations", *Manage for Results, Network for International Development*, http://www.manageforresults.com/JV_framework.pdf

The SWOT Brainstorming Sheet

Strengths		Weaknesses	
Internal	<ul style="list-style-type: none">• Available resources• Skills you have and which are necessary to achieve your objectives• Capabilities• Other advantages, eg. in comparison to other organisations• Indicate main causes		<ul style="list-style-type: none">• Lack of resources (financial, human, etc.)• Lack of skills• Lack of capabilities• Disadvantages, eg. in comparison to others• Lack of organisational infrastructure• Indicate main causes
Opportunities		Threats / constraints	
External	<ul style="list-style-type: none">• Chances you may have due to policy change of government, funders and other stakeholders• Trends• Events such as workshops where you can explain your programmes and projects• Indicate main causes		<ul style="list-style-type: none">• Obstacles• Increased competition from other organisations• Continued over-spending / under funding• Indicate main causes

Using SWOT analysis is helpful and stimulating if you wish to compare your organisation to one or several other organisations that are active in the same field. While you may not obtain as many details as for your own organisation, a SWOT comparison tells you what you do know, highlights what you do not know and helps to learn from others thereby enhancing the SWOT analysis made of your own organisation.

Set up a strategy

Now that you have identified your organisation's strengths and weaknesses, it is time to start thinking about how to set up a fundraising strategy.

What is a fund-raising strategy?

A fund-raising strategy is a plan which sets out:

- what your organisation was set up to do and its main areas of work
- what your funding needs and priorities are over the coming period of time, say over 1 to 3, or 1 to 5 years
- how you intend to raise that money
- where you will raise it from

Before you can devise your strategy you need to set down some plans for your organisation.



Organisational Planning

In order to plan fundraising effectively, and to avoid losing sight of your purpose, it might help to break down your plans into the following different levels:

long-term - **strategic planning**

- your overall aims and mission.

medium-term - **business planning**

- resources needed to achieve aims.

short-term - **operational planning**

- detailed breakdown of specific pieces of work to fundraise for.

Strategic Planning

Gaining insight your organization's strengths and weaknesses is the first step towards setting up a fundraising strategy. The next step is to think through and spell out what your organisation's broad purpose and overall aims and values are; that is, why you exist and what you want to achieve. You can express these in the form of what is often called a 'mission statement'.

Try to write a statement in one or two sentences like this one from Industrial Shrimp Action Network (ISA Net), a global network of NGOs and CSOs that opposes to the expansion of destructive industrial shrimp farming:

We are a global network of organisations and individuals, representing community, environmental, and scientific concerns. We are opposed to the expansion of destructive industrial shrimp farming with such consequences as impoverishment and displacement of local communities, degradation of mangrove forests and other coastal and inland ecosystems, loss of agricultural land, pollution, and the loss of cultural and biological diversity.

We have joined together:

- * to recognise, support, and empower communities threatened by shrimp farming to enable them to control the use and management of coastal resources to meet their food, livelihood, cultural, and other basic needs;
- * to educate consumers about the social, economic, and environmental costs of shrimp production so that they can make informed decisions about purchasing and eating shrimp;
- * to resist destructive industrial shrimp production practices and policies and encourage the adoption of ecologically responsible and socially equitable alternatives by industry, local communities, national governments, and international institutions; and
- * to identify and encourage better coastal resource management and support the restoration of ecosystems degraded by industrial shrimp farming.

The reason to think about your fund-raising strategy at this level is two-fold.

Firstly, it helps to remind you what your reasons for being are. It is easy to lose sight of your overall purpose and depart from original aims once you are caught up in the day-to-day work, or chasing new pots of money just because they are there.

Secondly, it is a useful and concise way of explaining who you are and what you do to prospective funders. Everything your organisation does should relate back to your strategic aims.

Usefull References II

USAID Center for Development Information and Evaluation: „Measuring Institutional Capacity“, *Recent Practices in Monitoring and Evaluation Tips*, Number 15, 2000, annexes http://www.dec.org/pdf_docs/pnacq624.pdf.

Describes several assessment tools which are difficult or imposible to find elsewhere, such as:

ibid. „Institutional Development Framework (IDF)“, developed by Management Systems International, see also http://www.msiworldwide.com/child/core_deve.html

ibid. „Organisational Capacity Assessment Tool (OCAT)“, developed by PACT, <http://www.pactworld.org>.

For information on PACT's assessment tool

Organizational Capacity Assessment (OCA), see http://www.pactworld.org/services/oca/oca_services.htm#tool_design.

The Manager's Electronic Resource Center (ERC): "Human Resource Development (HRD) Assessment Instrument for NGOS and Public Health Sector Health Organisations", *The Health Manager's Toolkit*, <http://erc.msh.org/mainpage.cfm?file=7.40.htm&module=Toolkit&language=English>

South Yorkshire Funding Advice Bureau, Information Sheets, Developing a Fundraising Strategy <http://www.shef.ac.uk/~oip/syfab/infstsw/strategy.html>

Capacity.org: A website dedicated to advancing the policy and practice of capacity development... <http://www.capacity.org>

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About Both ENDS

Both ENDS was set up in 1986 by 15 Dutch environmental organisations. It was given the mission to act as a support centre for environmental organisations in the South and CEE countries to help them locate relevant information and to facilitate their contacts with 'Northern' organisations, policy makers and donors.

Our core activities are: information exchange, advice on developing project proposals, and active brokerage in fundraising. Other activities include support for campaigns, research, lobby & advocacy, identifying development alternatives and capacity building in support of Southern and Eastern and Central European organisations.

Our general support program has been the cornerstone of our work over the years and now encompasses the South and CEE-countries. We support as many NGOs as possible through our service desk.

Both ENDS receives annually some 1000 requests from Africa, Asia, Latin America and Central and Eastern Europe and the former Soviet Union. It concerns requests for information, contacts, assistance in fundraising, and support for their actions or campaigns.

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Business Planning

This follows from the strategic plan and spells out in more detail how the aims you have identified will be carried out and how much it will cost. This plan will include a budget, with a forecast of income and expenditure. As well as setting out how a strategy will be implemented it should also demonstrate the feasibility of what is proposed. Funders often ask to see a business plan before making any commitments to fund, especially if you are asking for a substantial amount of money.

Business plans usually cover the coming 2 or 3 years, although they may need to be adjusted annually.

Operational Planning

This is the level at which you set out in even further detail the specific objectives, targets and tasks that you will carry out in order to meet your aims. It is more immediate and short-term. You need to think how each objective or target can be achieved; what activities will be needed to achieve them; what resources will be required; and how the progress of each will be measured. You will need to decide on priorities and timescales.

Consider each objective separately and work out what resources you need to find and then draw up your budget.

Work out what sort of money you need - is it capital or revenue? One-off or ongoing? A large or small amount?

Do not forget those hidden costs like insurance, repairs, heating and lighting.

And, remember, money isn't the only way to get something - you may be able to get help in kind like gifts of equipment.

It is often easier in terms of raising money to think in terms of projects. So, go through your agreed list of prioritised objectives and see if you can package them up into one whole or a number of distinct projects.

Usefull Books

The Complete Fundraising Handbook, Sam Clarke & Michael Norton, 1997, Directory of Social Change

The Complete Guide to Business and Strategic Planning, Alan Lawrie, 1994, Directory of Social Change

Fundraising Strategy, Redmond Mullin, 1997, Charities Aid Foundation

Directory of Social Change

24 Stephenson Way
London NW1 2DP
Tel: 020 7209 5151

Who Pays for Core Costs? Julia Unwin, 1999, AVECO

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