

SUMMARY

PoMOCna KAWA #38



DEVELOPMENT OF INDIVIDUAL AND CORPORATE FUNDRAISING

14 REPRESENTATIVES OF ORGANISATIONS PARTICIPATED IN OUR MEETING Podkarpacki Urząd Wojewódzki, Just Do It Support Centre, Polish Migration Forum, Unitatem Foundation (Poland Welcomes) and others....

On Tuesday 1 August, PoMOCna Kawa hosted Monika Miłowska - executive director and originator of the Map Aid project, climate educator, development cooperation and humanitarian aid expert. The topic of the lecture was **individual and corporate fundraising**. Below is a summary of the most important information shared by the expert during her over one-hour presentation.

Fundraising: barriers and opportunities

The executive director of Map Help listed the barriers that inhibit the development of fundraising, as well as the opportunities that can have a positive impact on increasing an organisation's funds. Starting with obstacles, the following can be distinguished:

- **lack of public trust in NGOs** - in a specific organisation or the sector as a whole, resulting from bad experiences but also personal opinions;
- **bad situation of the state** - an example was the coronavirus pandemic and its negative impact on the development of fundraising, even in the biggest NGOs;
- **lack of fundraising skills** - e.g. lack of an extensive fundraising department of the organisation, failure to employ a specialist;
- **reduction of corporate fundraising** - companies and corporations are able to donate less to NGOs due to reduced income;
- **lack of transparency of NGOs** - e.g. lack of publication of financial summaries or reports on the year's activities and other project-related ambiguities.

In contrast, fundraising development is positively influenced by:

- **NGO professionalism** - e.g. putting in place long-term fundraising strategies, ability to manage emergency fundraising;
- **good use of social media** - ability to construct advertisements and publications that reach our donor group;
- **use of new technologies** - through the internet, telecommunications and other technologies we are able to reach more potential donors;
- **improving fundraising law (on the part of the state).**

While many of the above factors are out of our control, it is worthwhile to discern the overall situation of potential donors before deciding on fundraising methods and ways, and to see how they might assess us.

About fundraising and NGO funding in Poland

To enable a better understanding of fundraising theory, practice and challenges, the guest speaker presented a **handful of information to set the background of fundraising in the NGO sector**. The expert pointed out, among other things, that the social groups most often supported by foundations and associations are children or young people, local communities and senior citizens. This should be kept in mind when creating fundraising campaigns..

Monika Miłowska also discussed the financial state of Polish NGOs. The organisation's **annual budget varies and ranges from 1 thousand. PLN 1 thousand (11% of organisations) to a million or several million PLN (8%)**. The budget of an average organisation is approximately PLN 28 thousand. The annual budget is influenced by the area of operation. It may be due to the affluence of the region's population, the presence of major charitable entities, the locality of the issue for which funds are raised. In rural areas, half of the organisations have an annual budget of approx. 8 thousand. in provincial cities this amount does not exceed 25 thousand PLN, while in Warsaw it is at least 45 thousand PLN..

Corporate fundraising

The possibility to implement corporate fundraising stems, among other things, from the idea of **corporate social responsibility**. It means that companies voluntarily take social interests into account. A long-term fundraising plan of this kind should be based on market observation. As the speaker reported, the pandemic years have posed challenges for certain types of corporations (e.g. tourism or luxury goods companies). Their depleted budgets result in a reduced ability to be a corporate fundraiser. The biggest winners after the pandemic are IT companies and telecommunications companies, so their capacity to support NGOs financially is now greater. Companies, depending on their revenue, experience, etc., pursue different types of support to organisations. The speaker distinguished the four most popular models:

- **confetti** – spontaneous and dispersed support activities. It occurs most often at an early stage of development or in small companies. It is a style involving the uncoordinated selection of beneficiaries, usually those who come forward on their own to ask for support;
- **clusters** - are formed when a company decides to coordinate its activities and select, for example, 3 areas of assistance (e.g. environmental protection, human rights and helping the poor). Within each cluster, organisations to which financial or in-kind support is provided are grouped together;

- **concentration** - occurs when trusted organisations emerge from the clusters, with which cooperation is carried out on an ongoing basis;
- **systemic change** - the most developed model; this applies to the largest companies that decide to undertake and coordinate action in support of the Sustainable Development Goals. Organisations are then supported to pursue specifically selected goals.

What to remember when negotiating with companies?

When we approach negotiations with a corporation, we are representing the organisation and its interests. It is therefore important to get it right about what we want to achieve. The first element we need to bear in mind is a clearly defined **main objective of the negotiation**. Any possible modifications that occur during the negotiations must coincide with our interests. We cannot agree to concessions if they are not in our favour. Another important element is the global objectives. **If our goals are in line with the SDGs (Sustainable Development Goals 2030)** or the outcomes set by documents such as the Convention on the Rights of the Child, the Istanbul Convention or the Closed Economy model, it is worth emphasising this. Equality is another important factor - treat the funder as a partner in the implementation of projects. The Director of Map Help also hinted that it is worth **ensuring that corporate partnerships fit in with other partnerships and agreements with local government/government** - both ours and the company we will be working with. As she added, it is good practice not to use exclusive partnerships. This would restrict other organisations in their development. Another element necessary to analyse during negotiations is cost-effectiveness - the gains must exceed the costs we will incur in applying for funding. The expert also highlighted the importance of transparency and balance. As an organisation seeking funding, we have an obligation to clearly and precisely communicate

Support common goals

Companies create their own models of social commitment, which consist of the following elements:

- **vision, i.e. what we want to change in the environment** - e.g. an energy company supports the environment by funding organisations working in this sector, while a beverage company supports projects for access to water in drought-ridden countries;
- **strategy, or how we do things** - that is, a clear model of how we do things - with directions, methods and defined objectives;
- **results, i.e. whether we are achieving the intended objectives** - this stage consists of the creation of tools to measure and the measurement of results themselves, evaluation, lessons learned and communication with stakeholders.

5 tips for better corporate resource mobilisation

Organising and mobilising funds will be easier if based on a long-term action strategy. The speaker pointed out some tips to help build such a plan:

- **focus on fewer partners but with higher returns;**
- **maximising profits through integrated activities** within a single partnership (money, employee volunteering, access to recipients, technical expertise, in-kind grants);
- **in the case of INGOs, contacting another country to confirm the type of partnership and activities outside Poland;**
- **reaching the highest level in the company** - increases the effectiveness and sustainability of the partnership;
- **indicating the reach, impact and predictable** results of their activities, providing evidence of credibility and sustainability.

Digital individual fundraising

Individual fundraising relies **heavily on continuous, contact with donors, keeping them informed about our organisation's activities**. This requires commitment and an individual approach. During the meeting, the speaker drew attention to the necessity of **D+D (donor + data)**. This means always getting in touch, even after a single donation, and keeping the donor's data. With a contact database, we will be able to motivate further support for our activities.

Many opportunities for contact and data collection are offered by **digital fundraising**. Its strengths include low costs compared to the potential profit or very good opportunities for testing, e.g. which communication language works. In individual fundraising, it is also important to determine what rate will be optimal for the donor and to gradually propose an increase in the amount of support (e.g. citing a new project). The speaker of PoMOCna Kawa also talked about a reactivation programme for donors who, for some reason, have withdrawn from paying. She pointed out that encouraging additional support and taking special care of the donor should take place within a year of the first donation, as it is usually during this period that cancellations can occur.



Jeśli potrzebujesz kontaktu do konkretnej organizacji, napisz do nas na adres: mapujpomoc@culturelab.pl.