

Can we measure the goodness?

**Prague Fundraising Festival, 11.04.2013**

# Questions to be covered

- Institutional donors perspective – how it evolves
- Changing role of fundraising – from charity to social investment.
- Social Return on Investment (= SROI) and other measurements.
- Examples of KPI/ impact measurement ( business cases)

# Donors Motivation

- Impact measurement is obviously connected to the expected outcome, you measure only what you want to achieve.
- Why should I help you? Because is it good for society or good for me? Is it a moral obligation or rational choice?
- It is a practical question – how you shape you strategy, how you address donor, what you appeal to, emotions vs. ratio.

## Where it started - fundraising in 90 th

- Multinationals – newcomers in CEE, building up in awareness – ready to invest.
- Business on the rise, good performance, highly autonomous budgets.
- None or just indicative strategy, very personal decisions
- Role of moral appeal, often more charity than marketing.
- But also first marketing projects with very strong social focus

## Changing landscape – new framework

1/ Most important - advent of a new consumer

Empowered by social networks – buying decision influenced by much wider set of criteria, mobilisation, quick response, instant and permanent vote of confidence.

2/ New institutional framework being setup in past decade.....

UN Global Compact ( 10 principles), OECD Guidelines for Multinationals  
EU CSR strategy, Global Reporting Initiative, ISO 26000 Social Respons.

3/ Ethical Investment Funds are emerging

22% (=13,6 trillion EUR) of total global investment ethically in 2012 (of which 65% in Europe). HNW (=High Net Worth) to 25% (2012).

## Changing landscape – corporate response

- Investment into sustainable development ( BCG study 2/2011: from 25 (2009) to 51% (2010) - despite of crisis, continues.
- Major companies publish CSR strategies ( global scale, key performance indicators/KPI) + regular CSR reporting ( and its scrutiny – GRI..).
- CSR moves from PR into the core of the business strategy (Enron impact) – from tactical to strategic approach.
- Reasons: a/ brand building, b/ resource efficiency, c/ competitiveness.

## NGO and industry- from coexistence to partnership

- Changed approach to the CSR brings also a deep transformation of relationship between business and the NGO
- From occasional interaction into a systemic collaboration and long term partnerships based on shared/collaborative platforms.
- This also mean a different role for fundraiser - you are addressing companies with proposal of social investment rather than asking for charitable donation.

## What you can be to your partner

- Independent endorser ( <- credibility )
- Communication amplifier ( <- marketing skills)
- Special program outsource ( <- project management)
- Most important – stay independent, be credible



# From charity to social investment

- Donors are becoming more demanding – ( „smarter giving“), not enough to play on emotions
- Brand and its credibility in fundraising will become as important as in any „standard“ business
- Transparency, cost structure - overheads, admin, effectiveness (how they spend our money)
- Track record - <http://www.unghalcompact.org> project + marketing management skills, fundraising campaigns will be as marketing driven as any other ( professionalisation)
- Long term perspective – what will happen to our project in a long run ( rather than short term, „campaign“ driven approach)
- Project bases approach

## How to measure CSR – Social Return on Investment

- Attempts to measure social investment in a more objective way = Social Return on Investment (SROI)
- Assumption: Information based just on financial results (market value) is not complete, broader concept (social inequality, environmental impact) needed.
- SROI principles: involve stakeholder, understand what changes, value the things that matter, only include material, do not over-claim, be transparent, verify the result.
- Other measures ( AVE – Advertising Value Equivalent), Demos index ( for Coke UK)

# Business case – World Wildlife Fund Climate Savers

- WWF became world „most trusted conservation brand“ – Climate Savers programme setup 1999
- Commitments : a/ to become the best in the class in reducing greenhouse emission, b/ to influence markets and policies
- What you get by partnership with WWF
  - a/ Enhanced brand equity
  - b/ Improved bussiness performance
  - c/ Improved risk management
  - d/ Increased networking opportunities
- Outcome – over 100 million CO2 tonns saved ( double of Switzerland)

## Business case 2 – NovoNordisk BluePrint for Change

- NovoNordisk became a world leader in diabetes cure, large scale prevention program for 5 markets (China, USA, Bangladesh, Indonesia, India)
- Indonesia: 5 million people with diabetes without access to proper treatment, involves awareness raising, provide more diabetes specialists, improve education, reduce cost of diabetes for country „saving 6 billion USD and extending lives of millions of Indonesians“
- USA: „creating shared values trough socially responsible initiatives“  
„ Aligning the needs of patients and stakeholders with Novo Nordisk’s strategy has contributed to our business success in the United States..... Our efforts helped reduce healthcare costs and have given us a competitive edge in terms of strong relations with the key opinion leaders. The approach has also resulted in a highly engaged workforce and Novo Nordisk’s recognition as being a great place to work in the United States.!

# Conclusions

- As we probably need to address both hearts and minds of potential sponsors, we will probably need different sets of values to measure impact on society and benefit for donor.
- We also need firm set of KPI for every project, they need to be setup together with donor and all stakeholders, they need to be measurable – also in a long term.
- At the same time attempts to monetarize the CSR full cost/ impact are probably useless.

Thank you 😊