

The Fetola Way for NPOs :

The Non-Profit Business Approach to writing fundraising proposals

Times are changing for NPOs around the world; funders are demanding a more sustainable, less funder-dependent approach and there is a move away from pure donor-support towards a belief in the value of the NPO.

This new approach brings exciting opportunities and new areas of growth, but requires a new way of thinking for NPOs who wish to survive and thrive in the future.

We call this new thinking “the Non-profit Business Approach”. This document will help you to introduce dynamic new thinking strategies into your organisation, increase confidence in your organisation and show you how to raise funding for your Non-profit organisation or community project in an increasingly tough funding environment.

How to write a winning funding proposal

I Preparation

Begin your quest for funding by completing some simple research, thinking and planning! Proposal writing is a very time-consuming task with a notoriously low success rate. Make sure that you work smart – by sending a few well-prepared proposals to good prospects rather than a *scatter-shot* approach of requests to anyone and everyone.

Why is this important?


“The funding proposal forms the basis of your relationship with a donor. If the donor can see that it is hastily written, without careful thought and planning, the relationship may be a very short one! Rather give the impression, based on fact, that you are thorough, careful and committed to doing a good job, right from the start.”¹

Before you begin writing:

1. Identify high-potential funders that offer an excellent chance of success
2. Work from your known contacts first – existing funders, existing networks, close contacts
3. Be clear about why and for whom you are writing the proposal
4. Understand and know the donor for whom you are preparing it. Specifically know how they measure success and what results they would consider worth paying for (i.e. worth funding!)
5. Know yourself and your organization; and be clear about your strengths, weaknesses and the unique value or opportunity that you offer. (→ SWOT Analysis)

¹ <http://www.civicus.org/new/media/Writing%20a%20funding%20proposal.pdf>

II The Proposal:

 Keep in mind; funders receive several funding proposals every week, and sometimes hundreds a day! This is a very competitive world, and much like a shopping mall where there are many shops competing for your hard earned Rand, there are many NPOs competing for the same funds!

To succeed your proposal must be outstanding! There are a few **Do's** and **Don'ts** that will help:

Do's	Don't
<ul style="list-style-type: none"> Start with a clear statement of your value eg> "XYZ NPO offers a proven cost-effective solution to improving reading skills in primary learners" 	<ul style="list-style-type: none"> Demand money
<ul style="list-style-type: none"> Provide information that the FUNDER would want to know – such as the <u>results</u> you can offer them! 	<ul style="list-style-type: none"> Start with a longwinded story telling them who you are
<ul style="list-style-type: none"> Write concisely, clearly, simply and make your proposal visually attractive and easy to read 	<ul style="list-style-type: none"> Ramble on about the detailed intricacies of your particular organisation or methods
<ul style="list-style-type: none"> Customise and personalise every single application 	<ul style="list-style-type: none"> Use a standard proposal for all funders
<ul style="list-style-type: none"> Plan ahead, so your proposal is well structured and not rushed 	<ul style="list-style-type: none"> Send too much documentation
<ul style="list-style-type: none"> Ask someone to review and edit your proposal. Preferably use someone outside your organisation 	<ul style="list-style-type: none"> Assume that donor knows all about you – so no need to bother to present yourself well
<ul style="list-style-type: none"> Show excitement and passion 	<ul style="list-style-type: none"> Use unnecessary jargon
<ul style="list-style-type: none"> Make contact with a "real" person and then address the proposal to him/her 	<ul style="list-style-type: none"> Send a generic proposal 'To Whom it May Concern'
<ul style="list-style-type: none"> Be confident and show that you value your organisation and the work that you do. 	<ul style="list-style-type: none"> Go overboard on emotion, pleading or begging for support.
<ul style="list-style-type: none"> Show the value that you offer and allow them to choose to work with you. Think of yourself as the juiciest fruit in the bowl 😊 	<ul style="list-style-type: none"> Fall into the trap of thinking that funders owe you anything. It is up to you to prove that you have something they need and want

III Business-like Approach:

We believe that adopting a business-like approach in the running of any organisation is essential to its success. In this respect an NPO is no different to a for-profit company and there is much to be learnt from business that can be usefully translated to the NPO environment. A business thinking approach to fund-raising is one such a way to differentiate yourself from the competition and increase the success rate.

Most NPOs use a similar standardised style for funding proposals – so here we explore a more business orientated/ social entrepreneur style – what we call the Fetola Way or the ‘non-profit business approach’.

The problem with the traditional NPO style of application is that it places all the power in the hands of the funder. The Fetola way business approach evens out this balance of power and places the NPO as an important partner in the service delivery of the funder’s corporate social and environmental responsibility mandate.


? So, what are the main differences?

Standard NPO Proposal	The Fetola Way – Business Approach
<ul style="list-style-type: none"> Traditional non-profit fundraising approach. 	<ul style="list-style-type: none"> Social entrepreneur/ business-like approach
<ul style="list-style-type: none"> Uses a needs-based argument – “we need your money” 	<ul style="list-style-type: none"> Uses a transaction based approach – “we have something you need”
<ul style="list-style-type: none"> Starts with summary of organization and mission 	<ul style="list-style-type: none"> Start with benefit <u>for the funder of the transaction</u>
<ul style="list-style-type: none"> Often very emotional 	<ul style="list-style-type: none"> More business-orientated, clear, precise, to the point
<ul style="list-style-type: none"> Almost pleading for (financial) support 	<ul style="list-style-type: none"> Presents the NPO as a strong, well organized partner or service provider
<ul style="list-style-type: none"> Expresses a power relationship in which the funder holds all the power 	<ul style="list-style-type: none"> Matches the style of language to that of the funder
<ul style="list-style-type: none"> Often expects the funder to feel responsible for the success/survival of the NPO and for its dependents 	<ul style="list-style-type: none"> Shows ways in which the NPO is willing to take responsibility for its own sustainability – often through some form of income generation
<ul style="list-style-type: none"> Stays true to the purpose of the NPO 	<ul style="list-style-type: none"> Stays true to the purpose of the NPO


? Why is the business thinking approach successful?

The business-like approach is successful because it achieves 6 important goals, which are to:

1. Bring the funder and organization into an equal-exchange relationship
2. Use the value that the NPO delivers or creates as the selling point
3. Recognise that funders need NPOs as a vehicle to deliver their own mandate (orphan support, job creation, HIV Aids training, enterprise development etc.) (they cant do it alone)
4. Encourage clear thinking within the NPO - which promotes a goal orientated, organized and confident management team. Itself a criteria for success!
5. Force the NPO to identify what value they create, and how this differs from their competitors
6. Create a clear framework for cooperation (Benefits, expectations, programme/project content)

 Remember: For your funder, supporting your organization with money is an investment, albeit a social investment - and every investment requires something in return. Your job is to make this return visible

IV The Proposal structure

 Hint: Divide your proposal into several sections to make it visually appealing and easy to read. Use simple clear language, short sentences and short punchy paragraphs. Start and end with the most important information – with a powerful message!

Remember too that in this day of overload people simply don't read! No-one is impressed with mountains of information - they ARE impressed with applications that say everything clearly in less than 2 pages!

A good summary proposal would look like this:

Opening statement : **one clear positive message outlining the value of the proposal** eg.

- “ Zizi Orphanage offers a 5 year track record of excellent support to 500 children”
- Numeracy solutions provides cost-effective support to 1000 black township youth nationally
- Results show that our R12.40 per day feeding scheme increases the pass rate of a school child by 25%
- Mama Zulus township home keeps 30 destitute people well fed and much loved

1st Paragraph: **What we offer (our value offering to you)**

- In particular: Outline clearly what the NPO is offering in terms of results and outcomes. What are the benefits that this proposed partnership offers. Imagine this from the funder's perspective.
- Vision alignment – These outcomes should align to things that the funder considers important. This is easy if the vision of the NPO has something in common with the funder, so take time to read about the funder so that you know what is important to them.

2nd Paragraph: **What we do**

- Description of your main purpose – keep it short and sweet!

3rd paragraph: **How we do it**

- A simple outline of the main tools and methods you use to create success. Evidence of your past success and experience would be useful here, and maybe a very short case study.

4th Paragraph: **What we want**


- Outline your expectations of the relationship with the funder – is it just money, or is there something more that can arise from this?

5th paragraph: **Our organization**

- Background information to the organisation
- Vision , Objectives and goals
- History, special capabilities – evidence of your exceptional nature

Appendix: Ideally, one Appendix document that contains the summary of your organisation, its history, some images and a list of historical funders and the management team.


V Inviting a further discussion – the First touch approach

 Hint. Not all funding documents need to be in response to a public call. In fact many new relationships are started in a casual manner, from a contact or referral, or from an unsolicited approach or 'cold call'.

It is tempting when first approaching a funder or client to present a huge document outlining every aspect of your organisation. Sometimes the more insecure we are about ourselves, the longer and more detailed is the proposal – “just to show we thought about everything”.

In reality, approaching funders is much like dating or making a new friend. First we want to know if we have something in common; a common interest, a common vision or values. Once this is established we might choose to take the understanding a little deeper, and once rapport is achieved finally get into the hard facts of the shared opportunity or new relationship.

For this reason a first approach should be seen as a gentle invitation to enter into further discussion. It needs to invite the reader to learn more about you, to share a common interest and to chat further. Here again, less is more – avoid sending them a detailed PhD on the intricacies of the educational development method for left handed children in the Free State!

 Hint. More and more people crave to be seen as people and not numbers, so an approach that is personalised – such as a phone call will often set you apart from the masses. Try it!

Conclusion

Succeeding in sales is all about understanding the client. Fundraising is no different. When you think of the funder as your client, and your NPO as something that solves their needs and wants, it becomes easier to recognise what is needed to “make the sale”.

Some NPOs get very upset when they hear this talk, wrongly believing that this business-like approach means that the NPO is selling their soul in order to satisfy the funder. The opposite is in fact true! By recognising the true nature of the exchange between the funder and NPO, and by identifying funders that have a match of expectations, interests and needs – the business-like approach enables NPOs to present themselves as equals.

Remember that the CSI or fund manager can only deliver their results through third parties such as yourselves – the NPO! The business-like approach helps to identify what is important to the funder, and allows you, the NPO, to express your offering in a way that greatly increases the chances of success.

About Us

Fetola is a results-driven Enterprise Development & skills Capacity Building organisation with a Vision to *change lives for the better, forever.*



Specialising in the design and implementation of high-impact projects that help Black-owned, women-owned and community based enterprises succeed, we serve local and international clients that include local corporates, Government and charities. Our programmes offer lasting value with sustainable impact all over South Africa and currently support the growth of over 1650 beneficiaries across all sectors including the NPO sector. This number is expected to increase ten-fold in the next three years.

The Fetola Way

Fetola achieves exceptional results by encouraging entrepreneurially focussed, impact-driven activities. Our 'Business of Business' teaching reaches across several sectors including tourism, agriculture, services, manufacturing and design, as well as the non-profit sector.

Using simple, replicable methods and practical applied tools and resources we encourage a confident mindset that assists both for profit and not for profit organisations. Fetola is a Social enterprise and our exceptional team of qualified staff have experience in both the entrepreneurial and social support field.

We work with a range of private, corporate, international and Government clients, including Old Mutual. A culture of collaboration and partnership ensures delivery of maximum benefit for all stakeholders.

Our goal is to increase the effectiveness of development in Africa and 'The Fetola Way for NPOs' has been designed & written to help improve the success & sustainability of Social, economic and environmental initiatives in South Africa.

Your feedback is welcome!

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// Ends

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