



Follow the Funds

Research Insights



#SLVirtualCohort

Executive Summary

As a part of the Social Lens Follow the Funds Cohort in April, the participants were required to undertake an organisational analysis as a part of understanding the fundraising audit process. In this activity, the organisations had to map their key strengths and weaknesses, opportunities and threats by means of a SWOT analysis with regard to fundraising.

A total of 34 nonprofit organisations undertook the SWOT analysis, and we selected a sample of 27 based on the completeness of the exercise. The inferences have been summarised in the following table:



SWOT Analysis

- Organisations have exclusive access and a strong relationship with their donors.
- Organisations have a strong online presence and communications strategy
- Organisations have a reliable network and partnerships established

- Organisations experience weaknesses in their communications, social media and branding
- Organisations reported that they did not have the human capital and skills in place to successfully strategize and execute a fundraising campaign
- Organisations feel a need for improved planning and structure around the fundraising process

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- Organisations believe online and digital and retail channels of fundraising are a future stream of funds
- Organisations are looking to re-brand and strengthen their communications function
- Organisations are looking to tap into new donor categories

- Organisations feel threatened due to the uncertainty created by the changing legislative and political ecosystem in India
- Organisations feel threatened by the limitations in funding due to the FCRA amendments
- Organisations are facing threat from their donor relationships



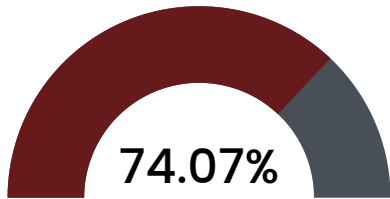
A key part of the strengths of the organisations lay in their relationships with donors, partners and other organisations in their network. It was noticed that the communications function of the organisations was a strength for only a few. However, for a majority this was a weakness, and some of these organisations also viewed it as an opportunity to capitalise on. There is also a skill gap which was pointed out by the organisations as a weakness, but they haven't looked to solve this through training and upskilling opportunities. The threats noticed were largely external in conjunction to the new laws being introduced by the government and the increased scrutiny of nonprofit activities.

Going forward there is a need for organisations to focus on capitalising their opportunities with respect to communications in order to combat their weaknesses in the future - and convert them into strengths. There is an overarching need to strategize and plan for fundraising activities as a whole through setting objectives, conducting an audit, piloting campaigns and creating a dedicated or shared team. This must also leverage the data and technology available to the organisation. Finally, planning and strategizing in a silo doesn't work, a clear donor communications plan that is specific, targeted and agile is essential. The strategies created and executed during the process of the fundraising program could potentially lead to improving the credibility of the organisation and open up further opportunities in terms of donations, partnerships and collaborations.



Detailed Break Down

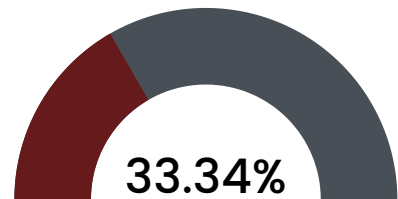
STRENGTHS



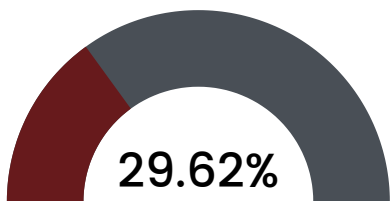
Organisations have exclusive access and a strong relationship with their donors.

This includes a multitude of donors such as international funders, CSRs, individual donors and HNIs.

Organisations have a strong online presence and communications strategy



This includes having a social media strategy, following, communication collaterals and frequent communication with donors.



Organisations have a reliable network and partnerships established

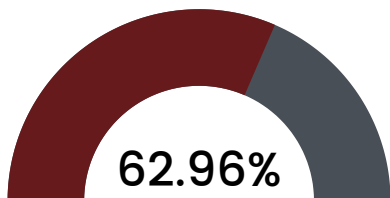
These organisations have a strong network due to the presence of volunteers, international organisations and are a part of alliances and consortiums

The other strengths that a fewer proportion of organisations reported to have was having a strong data system, a good team in place, robust systems and planning, potential for the organisation to scale and credibility in the sector.



Detailed Break Down

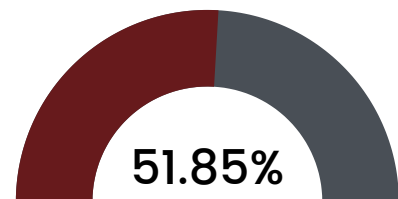
WEAKNESSES



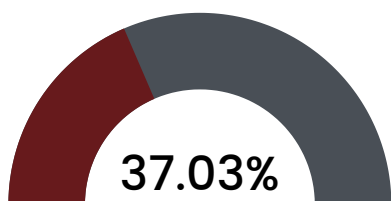
Organisations experience weaknesses in their communications, social media and branding

This leads to lower outreach and affects the perception of the organisation in the minds of the donors.

Organisations reported that they did not have the human capital and skills in place to successfully strategize and execute a fundraising campaign



While a few organisations had a fundraising team, others were using shared resources to carry out fundraising activities.



Organisations feel a need for improved planning and structure around the fundraising process.

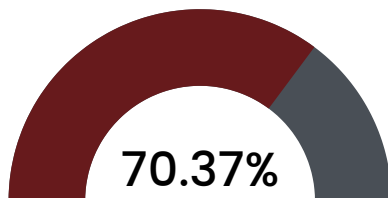
There is a need for better planning and strategizing to generate and pilot innovative ideas, goal setting in the short and long term.

Other weaknesses experienced by organisations were the lack of donor retention, overdependence on a single donor, rising expenditures and a rigid organisational structure which prevents the organisation from piloting new methods and strategies.



Detailed Break Down

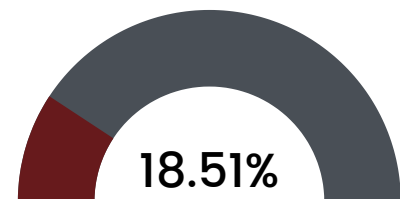
OPPORTUNITIES



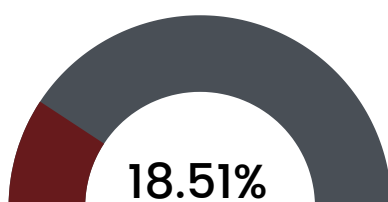
Organisations believe online and digital and retail channels of fundraising are a future stream of funds

Going forth a majority of these organisations are looking to replace using traditional methods of fundraising with retail and digital methods.

Organisations are looking to re-brand and strengthen their communications function



This is an opportunity that can help improve their outreach, perception and engagement. This goes hand-in-hand with the increased focus and attention drawn towards digital and retail fundraising.



Organisations are looking to tap into new donor categories

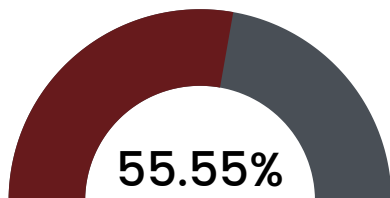
Organisations are looking to reach out to varied donor segments such as other HNIs, CSRs and even the Social Stock Exchange to reduce donor dependency and their risk.

The other opportunities that are presented to these organisations are acquiring an FCRA, B2C product income, improved credibility and conducting a fundraising audit.



Detailed Break Down

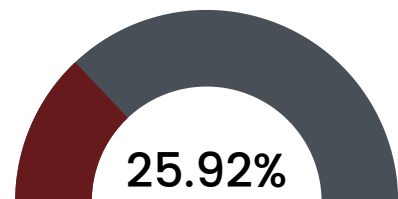
THREATS



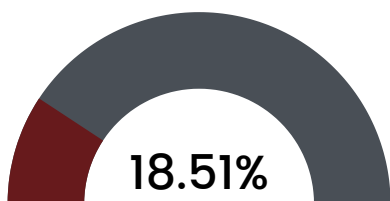
Organisations feel threatened due to the uncertainty created by the changing legislative and political ecosystem in India

The change in CSR laws, nature of implementing partners and increased scrutiny towards the work of nonprofit organisations has created uncertainty for the organisations.

Organisations feel threatened by the limitations in funding due to the FCRA amendments



The main threats experienced due to FCRA are a reduction in the inflow of funds, and a reduction of funds for non-program expenditure.



Organisations are facing threat from their donor relationships.

This involves long term partners exiting, and provision of shorter grants which impact both the program and non program aspects of the organisation.

Another threat faced by these organisations is the COVID-19 pandemic and the economic and social challenges created by it. This has led to a reduction in funds coming into the organisation, increased efforts required and a shift towards digital operations, which has hampered the effectiveness of the program for select organisations.



About the Social Lens Social Impact Optimisation Program

The Social Lens Social Impact Optimisation Program consists of structured immersive learning sessions with hands-on training and institutionalisation support, targeted at strengthening and building the internal capacity of nonprofit organizations. The Follow the Funds Cohort in April was the first in a series of three cohorts.

About Social Lens

Social Lens was founded in 2016 out of Mumbai as a for-purpose organisation that brings professionals working in close collaboration with philanthropy and grant making institutions to drive transformation for SPOs in India. Social Lens services INR 200+ crores of philanthropy capital working with change makers and grant giving bodies with solutions that touch over a million end participants. With 10 years of experience, we have the expertise to strengthen the Impact Ecosystem, by making value driven changes. It addresses the critical challenges in organisation development or program building. We collaborate and design sustainable solutions to achieve better outcomes for end beneficiaries that encompass education, livelihood, women's empowerment, water, micro-finance, and healthcare initiatives.



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