



STRONGER TOGETHER

For supportive philanthropy, the selection of beneficiaries and the design of mutual relationships are crucial; up to and including a gracious parting of ways.



“I decided against a grant-making foundation because I dread reading and responding to a plethora of applications. That’s why I prefer to do my own projects. However, I’m reaching my limits more and more often.”

“Our foundation is all about lean, efficient processes. We want to burden ourselves and our funding partners as little as possible with bureaucracy. At the same time, we want to make sure that our funds reach the best organisations and are used effectively.”



When a philanthropist or foundation decides to work with organisations in a sponsoring capacity, the same questions arise repeatedly: how do I find the right partners? How do we organise the collaboration? How can a partnership end well?

It all comes down to attitude

Collaboration with non-profit organisations is essentially shaped by your own attitude: how do I see the relationship between myself or my foundation on the one hand and the funded organisations on the other? What expectations do I have of the organisation and the collaboration?

Anyone involved in philanthropic funding quickly realises that little works without money; but nothing works without expertise and personnel in the field. Many organisations are financially dependent on their sponsors. Some are less aware of the fact that sponsors are also dependent on finding good organisations and projects in order to be able to make an impact with their funds.

As a result, both partners are dependent on each other in order to achieve the greatest impact.



“Unfortunately, some sponsors still make us feel like applicants. They make us write long applications with detailed budget plans and all kinds of documents. We often receive rejections anyway because the foundation has received far more applications than it can, and wants, to approve.”

There are two central concepts in the relationship between funders and operating organisations: gratitude and power.

Gratitude – but in what sense?

Many foundations or donors not only expect feedback from the beneficiaries as to what has happened with the money, but also, explicitly or implicitly, a certain level of gratitude. This expectation is also regularly fulfilled by the organisations.

If you imagine sponsors and operational organisations as parts of a system, then it becomes clear that both need each other in the same way in order to achieve the desired social impact. In this respect, the sponsors can be just as grateful to the organisations for their work as the organisations are to the sponsors for their support.

“I recently visited a project on site with the project management team. We saw together what great things have been achieved there. Since then, I expect less gratitude from the organisations and more constructive feedback on how we can achieve even more together.”



Power

The relationship between funders and organisations is characterised by an imbalance of power – the funders are essentially free to decide who they want to support, while the organisations are in urgent need of any form of support to be able to do their work, while they have little influence on the decision.

This unequal distribution of power cannot be eliminated. Many funders and foundation managers are increasingly coming to reflect on this relationship and design application, decision-making and cooperation processes in such a way that the perspective of the operating organisations is given greater weight.



“For me, it’s always about being on an equal footing. I have learned from confidential interviews with some funding partners that the managers of the organisations are still reluctant to talk to me at an early stage when problems arise because they don’t want to risk losing my support.”

Creating the much-cited “level playing field” is anything but easy. A tried and tested approach is to develop better, or simpler, application procedures together with the organisations, to only receive reports on what is actually processed and, in case of any doubt, to rely on the expertise of carefully selected partner organisations.

“We used to receive a lot of funding requests, but we were only able to approve a few of them. A lot of work was invested by the organisations in vain. Today, we describe much more precisely which projects we want to support – and which we definitely don’t want to support. They don’t even have to apply.”



Finding projects and organisations

Many foundations are reluctant to advertise their grants publicly. They fear a large number of applications that they are unable or unwilling to assess.

Even philanthropists who wish to donate, hardly ever announce this publicly. Consequently, they have to rely on recommendations from friends and family or on supporting organisations that are already well known. Ultimately, it is a matter of chance whether they find the organisations and projects that contribute more effectively than others to solving a problem.

If you want to avoid the attention associated with a public tender and still provide targeted support, you can involve third parties. For example, specialised consultancies actively research effective organisations and projects while maintaining confidentiality.

Another tried and tested approach is to work with established organisations in the field that can advise on the selection of projects and funding. Experienced funders also provide funding for the associated costs of the intermediary organisation.

Avoid wasted effort through good processes

In public calls for proposals, the number and quality of applications can be controlled by formulating and organising the process in such a way that they enable a good selection and keep the effort for the applicants within reasonable limits. Valuable suggestions can be found on the website www.weniger-ist-mehr.org/LessIsMore.

Among other things, funding organisations have had good experiences with not accepting complete applications in the first step, but only expressions of interest or project outlines. Others use short telephone calls or interviews to clarify whether an application is promising. Many foundations now publish guidelines or checklists for submitting applications or publish their decision criteria on their website.

A less common but particularly efficient practice is to accept applications from organisations that have already been developed for other sponsors but were not successful.

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