



**RESOURCE** Mobilization  
Implementation Kit





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## ACRONYMS

<b>APS</b>	Annual Program Statement
<b>COF</b>	Council on Foundations
<b>CSR</b>	Corporate Social Responsibility
<b>EFA</b>	European Fundraising Association
<b>EOI</b>	Concept Paper/Expressions of Interest
<b>GCDI</b>	Grand Challenges for Development Initiative
<b>ICFO</b>	International Committee on Fundraising Organizations
<b>I-Kit</b>	Implementation Kit
<b>KAFP</b>	Kenya Association of Fundraising Professions
<b>M&amp;E</b>	Monitoring and Evaluation
<b>M&amp;L</b>	Management and Leadership
<b>MOH</b>	Ministry of Health
<b>MSH</b>	Management Sciences for Health
<b>NGO</b>	Non-Governmental Organization
<b>PPP</b>	Public Private Partnerships
<b>RFA</b>	Request for Applications
<b>RFP</b>	Request for Proposals
<b>RFQ</b>	Request for Quotations
<b>SBCC</b>	Social and Behavior Change Communication
<b>SNPO</b>	Society for Non-Profits
<b>SOW</b>	Scope of Work
<b>ULAT</b>	Honduras Unidad Local de Asistencia Técnica Project
<b>USAID</b>	United States Agency for International Development
<b>WANGO</b>	World Association of Non-Governmental Organizations

# RESOURCE MOBILIZATION: A PRIMER FOR SBCC ORGANIZATIONS

## INTRODUCTION

Many social and behavior change communication (SBCC) organizations today seek to reduce their reliance on, and even transition off of, donor support. Chances are that you are a member of an SBCC organization striving to achieve a greater level of organizational sustainability. This is a worthy goal and one that centers on an organization's ability to mobilize resources to serve its clients sustainably, while remaining mission-driven in the face of market and donor shifts.

## RESOURCE MOBILIZATION

The term **resource mobilization** refers to all activities undertaken by an organization to secure new and additional financial, human and material resources to advance its mission. Inherent in efforts to mobilize resources is the drive for organizational sustainability.

### Institutional Development: Making the Case for Resource Mobilization

#### Organizational Self-Sufficiency versus Organizational Sustainability

Resource mobilization and sound financial management are essential in any organization. The Institute for Social Entrepreneurs describes two distinct resource mobilization goals that an organization may choose to pursue:

##### *Organizational Self-Sufficiency*

The ability of an organization to fund the future of its activities and endeavors through earned income alone – without having to depend in whole or in part on charitable contributions or public sector subsidies.

##### *Organizational Sustainability*

The ability of an organization to fund future activities and endeavors through a combination of earned income, fundraising activities and financial support from the public sector. Although self-sufficiency is a lofty achievement, it is more realistic for SBCC organizations to pursue organizational sustainability; most of the SBCC organizations working in the developing world depend on a variety of revenue streams, since their end-user clients or direct beneficiaries seldom have the disposable income necessary to pay for SBCC products and services directly. Therefore, these organizations seek revenue through grants, donations, third-party payers, and other means, in addition to direct payments where possible.

Conversely, an SBCC organization that aspires to achieve financial self-sufficiency will more likely be found in the private sector, offering an array of competitively priced products and services that are paid for directly by the consumer.

Given that reality, organizations need to broaden their funding base to reflect a hybrid of revenue streams that include fees from clients, as well as funding from donors, corporate sponsors, public sector subsidies, charitable contributions, and other funding or investment mechanisms.

This will allow for a diversification of risk and not threaten the effective implementation of critical programs that improve the lives of their beneficiaries.

#### Organizational Self-Sufficiency

- Sale of goods
- Sale of services

#### Organizational Sustainability

- Sale of goods
- Sale of services
- Public sector financial support
- Donor funding
- Fundraising activities
- Private support through corporate social responsibility (CSR)

## AUDIENCE

The primary audience for this implementation kit (I-Kit) is SBCC practitioners and organizations with a strong focus on SBCC. In addition, this I-Kit will serve those working in SBCC organizations who are responsible for mobilizing resources for their organization, whether it is the executive director, the director of business development or the resource mobilization team; however, the I-Kit is also designed to help those involved in product development, service delivery, financial management or marketing to do their work in a more innovative and efficient fashion.

## THE CHALLENGE FOR SBCC ORGANIZATIONS

SBCC organizations are no different in terms of their need to diversify their funding sources; however, there are nuances that deserve mention:

- SBCC organizations are often viewed as offering products, services and programs that are complimentary, rather than essential, to public health prevention, care and treatment programs. Therefore, SBCC organizations need to work harder to position themselves as an integral part of the overall health care system, rather than as an adjunct practice.
- Many local SBCC organizations have enjoyed significant success generating funds from non-traditional funders and the private sector; however, these funding allocations have been limited in their size and scope. SBCC organizations can achieve greater reach and scope if they can secure grants from USAID and other major donors.
- Most of the SBCC organizations have given considerable thought to their strategic plans, but they have not learned how to convert new business opportunities into diversified resource mobilization strategies, which include business plans, proposal and grant applications, and fundraising events. As a result, their innovation is restricted to limited indirect funds.
- In general, many local SBCC organizations do not have an established NICRA and, therefore, do zero-based budgeting.

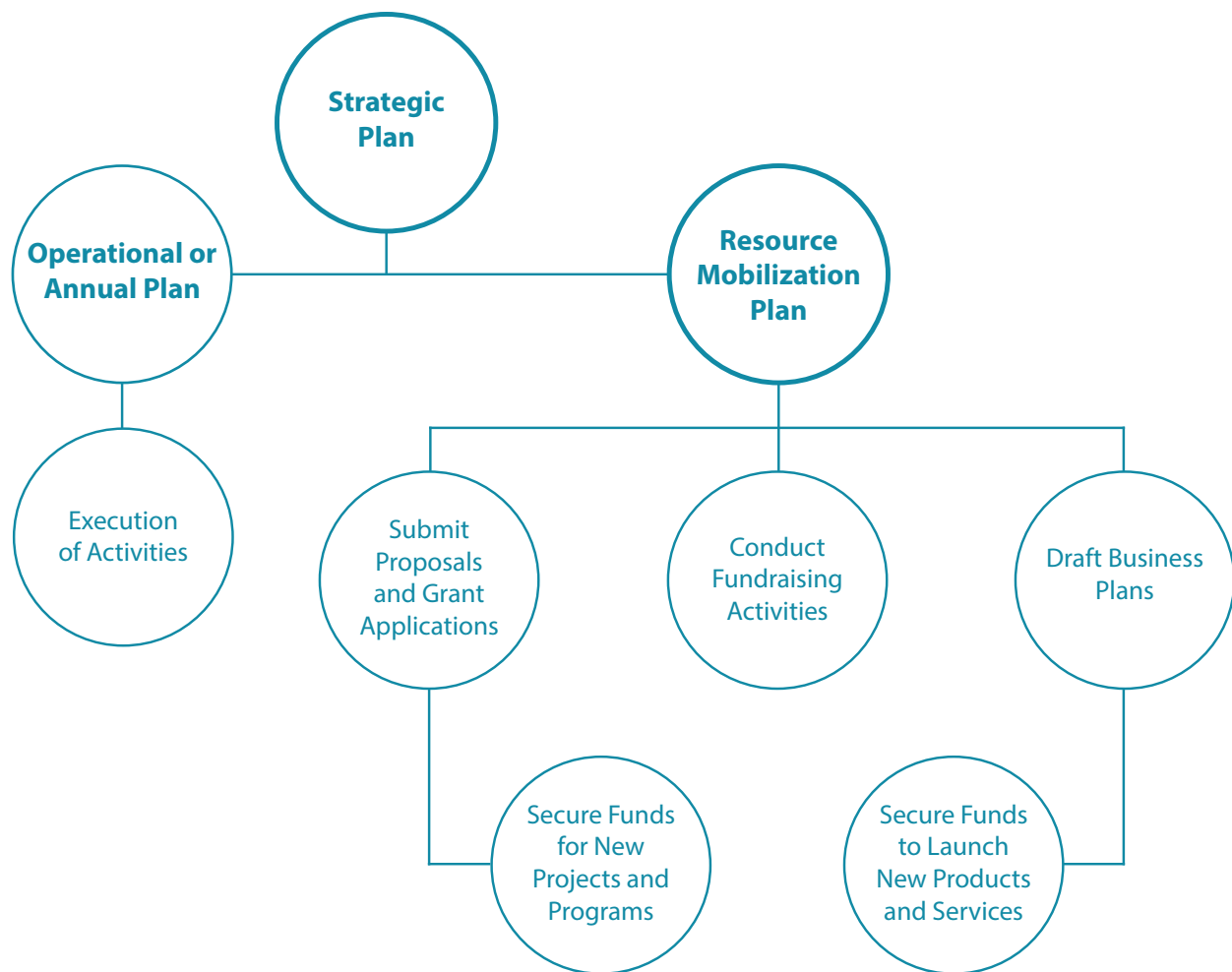
## PURPOSE

These nuances underscore the importance of designing and offering an I-Kit that provides information, instruction and tools for SBCC organizations, like your own, so you are equipped to:

- Position your organization in a compelling way as integral to any and all health initiatives, whether in the realm of promotion, prevention or treatment.
- Track, scan, identify and respond to requests for procurements and manage such projects in full compliance with solicitation guidelines.
- Identify and align with health organizations – local and international – who need thought leadership in the area of SBCC, so they can bid on projects together.
- Draft budgets in compliance with donor/funder guidelines.
- Develop budget and revenue projections for the design and launch of new products and services to be funded by non-traditional funders.
- Pursue fundraising opportunities.

## STRUCTURE

This I-Kit will take you through each step of the resource mobilization process, from the fundamental elements of a strategic plan as the source of new business opportunities to the detailed phases of drafting a proposal for a donor, writing a business plan and preparing some smaller business development documents, such as a business opportunity brief. As the diagram on the next page shows, resource mobilization is a complex, multi-dimensional process. An organization should always begin by developing a strategic plan. Using the strategic plan as a reference point, you can help your organization develop an operational or annual plan, and a resource mobilization plan. There are then various strategies you can use to secure resources. You might consider a combination of these strategies to help your organization achieve its funding targets. The diagram also serves as an outline to this I-Kit, which provides a detailed description of each resource mobilization strategy and includes corresponding case studies, templates and exercises to help the reader navigate the resource mobilization process.



There are numerous types of organizational planning. Three main types of plans are strategic planning, operational planning and business planning. Each is discussed below.

### **Strategic Planning**

This is long-term planning that involves all of the organization’s management areas. Its content is relatively general. It focuses on broad and long-lasting issues that ensure the organization’s long-term effectiveness and survival. Strategic planning is the responsibility of the organization’s director and executive levels.

### **Operational Planning**

This has a short-term scope, usually one year. Its focus is achieving objectives and carrying out short-term activities. Operational planning corresponds to the annual work plan.

### **Business Planning**

This is short- to mid-term planning. As stated above, it is used to secure funding and make projections of the estimated financial and social return for the start-up of an organization, or for the development and introduction of a new product or service being offered by an established organization. A good business plan enables an organization to assess the viability of all its products and services.

Operational plans, business plans and strategic plans are not mutually exclusive. The strategic plan establishes the general direction and strategy of the organization for a three- to five-year period. The business plan is used to articulate new ideas or expansion efforts as a means to secure funding for their development and launch, and



the operational plan details specific activities that will allow the organization to achieve its short-term goals.

A good, solid strategic plan should articulate activities that are more routine in nature and can be funded through the operational or annual plan. This often entails mobilizing resources from the organization's fund balance, where surplus overhead funds sit. At the same time, the strategic directions outlined in a strategic plan will include some new ventures or endeavors for which funding is sought, using the business plan format.

The strategic, operational and business plans are all established formats for plotting an organization's long- and short-term endeavors; however, more and more, organizations are being asked to draft Resource Mobilization Plans. These plans roll up all of the efforts undertaken by an organization to bring revenue into the entity – either through proposal and grant applications, business plans, fundraising events or other forms of donations. A strong resource mobilization plan considers a mix of strategies to generate revenue for the organization.

# PROPOSAL AND GRANT APPLICATIONS

An important resource strategy to secure organizational funding is identifying and writing proposal and grant applications. **Proposal/grant development** is generally done in response to a procurement or solicitation released by a funder or investor.

Your organization can use this method of resource mobilization to obtain funds for one- to six-year projects as opposed to business planning, which secures funding for the development and launch of a single product and/or service. Proposal development can yield considerable revenue for an organization.

This section of the Resource Mobilization I-Kit will cover the steps your organization should take to identify proposal and grant opportunities, write a proposal/grant and finally manage a proposal/grant development process.

## LESSON 1: Gather Intelligence

It is imperative that your organization have a resource mobilization team or at least one resource mobilization officer that is responsible for monitoring funder and investor trends continuously. Intelligence gathering is the ongoing collection of information about funders/investors, funding opportunities, other organizations and the political environment.

This process will help your organization:

- Identify prospective funders/investors.
- Determine whether or not to compete for a procurement.
- Monitor market trends, such as the diseases or technical areas funders are prioritizing.
- Identify competitor organizations.

There are three steps to intelligence gathering.

Scan	Track	Focus
Cast a wide net to see what kinds of funders and/or proposal opportunities exist or are to be released in the future.	Identify the specific funders or opportunities the organization would like to prioritize for closer consideration.	Make a decision to engage a funder or pursue a proposal/grant application. When selecting which opportunities to pursue, an organization must always consider whether those opportunities align with the vision and mission of the organization.

There are various strategies an organization can use to gather intelligence, many of which include:

- Researching funders, competitor organizations and solicitation on the Internet.
- Conducting market research studies (see Section 3. Market for your Business Plan under Revenue Option: The Business Plan ).
- Attending public health conferences, summits or meetings.
- Participating in social networks, such as Facebook, Twitter and LinkedIn.

### Funder Information Website Links

Instructions: On the next page are examples of a few important funders your organizations should research.

1. Click on the links for each funder.
2. Gather information that may help your organization establish a relationship with these investors.

## **WEBSITE LINKS**

### **Governments**

US Government contracts: <http://www.fedbizopps.gov/>

US Government grants: <http://www.grants.gov/>

PEPFAR: <http://www.pepfar.gov/>

DFID: <http://www.dfid.gov.uk/>

DANIDA: <http://www.um.dk/en/>

SIDA: <http://www.sida.se/English>

### **Multilaterals**

Global Fund: <http://www.theglobalfund.org/>

World Bank: <http://www.worldbank.org/>

EU: [http://ec.europa.eu/contracts\\_grants/index\\_en.htm](http://ec.europa.eu/contracts_grants/index_en.htm)

UNICEF: <http://www.unicef.org/>

UNAIDS: <http://www.unaids.org/>

UNFPA: <http://www.unfpa.org/>

### **Key Foundations**

Bill and Melinda Gates Foundation: <http://www.gatesfoundation.org/>

David and Lucile Packard Foundation: <http://www.packard.org/>

Ford Foundation: <http://www.fordfoundation.org/>

Johnson & Johnson Foundation: <http://www.jnj.com/our-giving>

Clinton Foundation: <https://www.clintonfoundation.org/>

This information can help your organization position itself to win proposal/grant awards from these funders.

It is also important that your organization maintain a funder/investor database, as well as a proposal/grant opportunities tracker, where they can store key information from the intelligence gathering process. It is useful to systematically list all prospective funders and investors who may be interested in working with your organization. Developing such a list will inform you about their social interests and funding patterns.

#### ***Funder and Investor Database Template:***

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Funder-Donor-Database.xls>

Similarly, your organization may come across various procurements and solicitations that have either been released or will be released in the future worth pursuing. The opportunities tracker will help you organize current procurements that are in development, those that have been submitted and others that may be coming in the future. For this to be useful, the tracker should be updated on a daily basis.

#### ***Opportunities Tracker Template:***

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/09/Opportunities-Tracker-2.docx>

## LESSON 2: Approach Funders and Investors

Once you have completed your intelligence gathering you will know which funders your organization should begin, or continue to, develop a relationship with overtime. It is important to approach funders when you would like to market your organization and potentially influence their funding priorities. You also can approach investors when you have completed a concept paper/abstract for a potential project and need to find funding for this new opportunity.

There are two presentation techniques you can use to approach funders:

- 1. Formal:** When an organization has a scheduled meeting or appointment with a potential funder.
- 2. Informal:** When an organization informally meets representatives from a potential funder at a conference or other gathering.

With informal presentations, your organization has a limited amount of time to introduce itself and make an impression on the investor. With both formal and informal presentations, you should hit the following three key points when presenting your organization to potential funders:

1. Your organization's name, vision and mission.
2. The proposed opportunity your organization would like to offer or currently offers to accomplish its vision and mission.
3. How your organization is uniquely qualified to deliver the proposed opportunity.

The most effective way for you to prepare for both formal and informal presentations is to rehearse. Every person in your organization should be prepared to give at least an informal presentation to a prospective funder. If your organization can make a good first impression through an informal presentation, most likely that can lead into a more formal meeting with the funder.

### Preparing for Formal Presentations

*Instructions: Read and complete the following steps:*

1. Choose a potential funder or investor from your database and prepare a short description of the characteristics of this selected donor.
2. Choose the adequate presentation for this investor and tailor it (if necessary) to speak to the mission and goals of the potential funder or investor.
3. Gather your team members, including those who did and did not participate in the design of the proposed opportunity.
4. Ask team members to pretend that they are the described funder or investor. Tell the group to save all feedback for after you have finished.
5. Give your presentation without interruptions. Be sure not to exceed 15 minutes.
6. Solicit questions from the team members.
7. Ask for feedback from the group.

### Preparing Informal Presentations

*Instructions: Read the following scenario and write your responses to points 1-3 on the next page.*

#### THE ELEVATOR PITCH

Imagine you have just entered an elevator on the ground floor of a major hotel in the capital city, where you have been invited to attend a reception for donors and philanthropists. Standing next to you is Bill Gates. You are both going to the reception. You introduce yourself and he asks you what kind of work you do. You realize you have about three minutes to tell him about your organization and why it is important to develop and deliver a new product or service you have identified or implement a new project. Your hope is that he will be moved by what you tell him and compelled to fund the development of your organization's new product or service or project.

1. Tell Bill in one or two sentences what your organization hopes to accomplish in society—its mission or the reason it exists.
2. Tell Bill in one or two sentences what new product, service or project your organization needs to develop and introduce to accomplish its mission more effectively.
3. Tell Bill in one sentence how your organization is uniquely qualified to deliver this new product, service or project.

It is also key that organizations are knowledgeable about the technical areas their prospective or current funders are investing in to achieve their own visions and missions. Thus, it is extremely important that an organization tailor its presentations to each individual funder or investor. An organization should use the information from its intelligence gathering to highlight how their products, services and projects can help the funder achieve its goals.

### Tailoring Formal and Informal Presentations

*Instructions: Read and complete the following steps:*

1. Open the funder database and review the information you have collected in your intelligence gathering.
2. Identify the two to five most likely funders or investors.
3. Prepare the elements of your “pitch” to these prospective funders and investors, using the following guiding questions as a guide:
  - Does your organization adhere and relate to the main focus or interests of the institution?
  - Does this put your organization in direct competition with a potential funder or investor (will it make your organization a competitor)?
  - How does your organization contribute to the common good and how can you emphasize this to best attract the interest of a potential funder or investor?
  - How can you present your organizational impact so it is clear to the funder or investor?
  - What elements from the generic presentation should you emphasize or eliminate for this presentation?

Lastly, most funders are not likely to give their commitment after seeing only an informal (or sometimes even formal) presentation. Relationship building, particularly with new funders and investors, takes time and persistence and should be an ongoing process rather than a one-time presentation. Thus, your organization will need to follow up with those funders that showed the most interest. There should always be one point of contact (preferably the presenter) responsible for re-engaging the funder. Multiple points of contact can be confusing for the funder.

Do	Don't
<p>Below are examples of follow-up techniques your organization can use to re-engage a funder:</p> <ul style="list-style-type: none"> <li>• DO send a “Thank You” email for the meeting.</li> <li>• DO make follow-up phone calls.</li> <li>• DO schedule follow-up meetings.</li> <li>• DO provide additional details from the presentation.</li> <li>• DO establish links with the decision-makers or senior executives of the company or organization.</li> </ul>	<p>However, your organization should also be aware of what not to do when following-up with funders. Below is a list of follow-up practices organizations should not use when approaching funders:</p> <ul style="list-style-type: none"> <li>• DO NOT post one- or two-line messages on websites and online forums, requesting donations or funds.</li> <li>• DO NOT send or forward emails to donor agencies asking for funds pointlessly.</li> <li>• DO NOT copy proposals from other organizations and send them. It will spoil the reputation of your organization.</li> <li>• DO NOT send unrelated funding queries or unsolicited proposals. It is not a good idea to request funds for HIV/AIDS prevention from a donor that only provides grants for malaria.</li> <li>• DO NOT post your bank account details online hoping that there will be donations dropping in it. Nobody will donate your organization by seeing just your bank account.</li> </ul>

### LESSON 3: Complete Risk Assessment

At this point, we have reviewed how your organization should gather intelligence on potential funders and investors, as well as on current and future grant or proposal applications. We also have discussed different methodologies for approaching potential funders and investors, and how your organization should tailor its presentations to each individual funder. This section will focus on how your organization should determine whether to invest in a particular grant or proposal opportunity.

Typically, funders and investors issue a written request to solicit proposals in a competitive, transparent manner for interested and qualified parties. These requests come out through different funding mechanisms, which are defined in the table below.

Mechanism	Definition
<b>Concept Paper /Expressions of Interest (EOI)</b>	<ul style="list-style-type: none"> <li>• Summary of a project that reflects the interests, experience and expertise of the organization to address a particular issue or problem.</li> <li>• Donors sometimes use it as a pre-qualification process to later request a full proposal.</li> <li>• Can be a marketing tool to present your organization to private sector funders.</li> </ul>
<b>Request for Proposals (RFP)</b>	<ul style="list-style-type: none"> <li>• Competitive process for issuing an award to an organization that will implement a program/project to address a particular issue or problem.</li> <li>• This is a contract.</li> </ul>
<b>Request for Applications (RFA)</b>	<ul style="list-style-type: none"> <li>• Similar to RFPs, but sometimes they are required to be submitted along with certain formats or application templates.</li> <li>• This is similar to a grant.</li> </ul>
<b>Request for Quotations (RFQ)</b>	Competitive process of issuing an award to bidders when the organization is buying a specific service or product.
<b>Public Private Partnerships (PPP)</b>	A collaborative initiative that combines resources from the public sector with resources from the private sector to accomplish a specific goal.
<b>Annual Program Statement (APS)</b>	The APS is a means for disseminating information to prospective applicants so that they may develop and submit applications for USAID funding.
<b>Grand Challenges for Development Initiative (GCDI)</b>	GCDI grants are disbursed by USAID for the purposes of defining problems, identifying constraints, and providing evidence based analysis and systematized solutions.

These requests usually provide detailed information about the products, services and/or programs the funder wishes applicants to offer in a specific geographic region.

It is not very realistic or cost-effective for an organization to invest time and resources on every procurement that a funder releases. Organizations should be strategic about how they use existing resources to develop new business.

Your organization should consider the following factors before pursuing a particular procurement:

- The degree the procurement aligns with your organization’s mission and vision.
- The degree of interest for your organization in region/zone.

- The degree of interest in the technical area or approach
- The degree of interest in the funder
- The likelihood of successful implementation
- The likelihood of leading to other new opportunities
- The impact on other current and/or future projects
- The probability of success

While some procurements may be riskier investments than others, your organization should weigh the costs and benefits to every procurement. There may be times when it is opportune for your organization to invest in a high-risk procurement. For example, investing in a high-risk procurement may be worthwhile if it provides an opportunity for your organization to work or familiarize itself with a new funder.

Working with a new funder helps an organization diversify its funding streams and potentially bring more business to the organization.

### **Risk Assessment**

Each organization should have a method for measuring the costs and benefits (or risk) of a procurement. This I-Kit provides organizations with a suggested methodology for assessing the risk of a procurement.

#### ***Opportunity Risk Assessment Tool:***

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/09/Opportunity-Risk-Assessment-Tool-2.xlsx>

### **Stakeholder Commitment**

Once your organization has selected which procurements it will pursue, it is critical that everyone within your organization be committed to investing the time and resources required to develop a successful proposal. With the results from the opportunity assessment, the resource mobilization team should then go to your organization's stakeholders to secure organizational commitment for the opportunity.

#### ***Stakeholder's Commitment Worksheet:***

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/09/Stakeholders-2.docx>

## **LESSON 4: Analyze a Solicitation**

Once a procurement has been released and your organization has decided to respond to the solicitation, the first step in developing a grant or proposal is to critically read through the information provided in the procurement. Before even beginning to write a proposal, every person on the proposal development team should read through the procurement at least once.

While reading through a procurement, make notes of the following information:

- The stated results that the funder is seeking
- The program components
- Any request for key personnel
- Available funding and project duration
- Deadline for submission
- Submission requirements
- Evaluation criteria
- Other key information and requirements

### ***Procurement Analysis Worksheet:***

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/09/Procurement-Analysis-Worksheet-2.docx>

Many proposals are unsuccessful because organizations do not take the time to read through the procurement details carefully. Not doing so often results in proposals that are missing critical information requested by the funder. An organization may misinterpret the funder's program goals and objectives which can also lead to an unresponsive proposal. To avoid these pitfalls, your organization can begin to develop an outline of the technical proposal while going through the procurement details. Doing so can help ensure that a proposal is responding directly to each criteria stated in the procurement.

### ***Technical Proposal Outline Template:***

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/09/technical-proposal-template2.docx>



## **LESSON 5: Manage the Proposal Process**

Knowing how to properly manage a proposal process is almost equally as important as knowing how to develop a proposal.

### **The Development Team**

To begin, you should put together a proposal development team, made up of at least two people: one person responsible for the technical proposal (which would include the workplan, timeline, monitoring and evaluation [M&E] plan, etc.) and another in charge of creating the budget.

Ideally, however, your organization should have a larger proposal development team, consisting of a finance officer (accountant or budget analyst), technical expert, human resource manager, reviewer and proposal manager as outlined below:

#### ***Proposal Manager***

- Coordinates the proposal development process
- Responsible for the submission of a responsive, winning proposal on time

#### ***Budgeter***

- Collects budget assumptions from technical/program expert, proposal manager and others
- Develops cost proposal (budget)

#### ***Technical/Program Expert(s)***

- Contributes to the design of the technical strategy
- Writes some of the technical content

#### ***Recruiter/Staffing Expert***

- Reviews staffing requirements of RFP
- Develops job descriptions
- Identifies, interviews and recruits key personnel

#### ***Writer***

- Puts the proposal pieces together
- Edits the content
- Could also be a technical expert that contributes to the design of technical strategy

#### ***Reviewer***

- Reviews proposal content
- Provides feedback and comments for improvement

It is possible for one person to take on multiple roles described above, but an organization should have staff that could fulfill the above responsibilities during a proposal development process.

### **The Calendar**

Once an organization has put together a proposal development team, the next most important step is to create a proposal development calendar. This calendar should demonstrate key deadlines for each component of a proposal, such as the technical drafts, workplan and timeline, M&E plan, budget and more.

When a proposal team develops a calendar, they should start with the formal proposal submission deadline and then work backwards to set all other deadlines. The proposal manager should be responsible for constantly updating the calendar during the proposal development process and ensuring that all members of the proposal development team have access to the calendar. To avoid confusion, it is key that only one person is responsible for developing and updating the calendar. Lastly, it is always a good idea to over-estimate the

time it will take to complete the various components of a proposal to give your organization some cushion in case deadlines are not met.

**Proposal Development Calendar Template:**

[http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/ProposalDevelopmentCalendar\\_Template.docx](http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/ProposalDevelopmentCalendar_Template.docx)

**The Review Process**

Proposal managers should always ensure that the people who will be reviewing the proposal are not part of the proposal development team. Ideally, your organization should have at least two proposal reviewers: one person from outside the organization (who is not from a competing organization) and a second within the organization (who is not part of the proposal development team). Reviewers should be given the RFA/P, as well as the proposal development calendar, and must be kept informed of when they will be receiving drafts and final versions of the proposal. It is helpful to provide the reviewers with guiding questions they can use to evaluate the proposal. In general, reviewers should be asking themselves the following questions when reviewing the technical and cost proposals:

- Is the technical proposal responsive to procurement or funder priorities?
- Are the vision, objectives of the project and the proposed strategies clear and coherent?
- Does the proposal demonstrate depth and knowledge of the country and technical expertise area?
- Is the proposed strategy innovative yet realistic for the situation?
- Does the proposal demonstrate convincingly that the proposed team (partners and staff) is the winning team?
- Does the management plan enable the team to achieve the strategy?
- Format and style: Is the proposal clear, concise and compelling?
- Do the costs look reasonable and realistic to achieve the project objectives?
- Is the budget responsive to the procurement requirements?
- Are there any discrepancies or omissions in the technical proposal?
- Is the budget structured according to current funder's requirements and trends?

## **GUIDING QUESTIONS FOR REVIEWERS**

### **Contextual Analysis**

1. Does our analysis of the context provide an accurate and convincing case for our proposed interventions?
2. Do we adequately identify the causes of health problems, that is, does our analysis inform/strengthen the causal framework?
3. Have relevant actors been identified?

### **Technical Approach**

Are the intended beneficiaries and problems to be addressed clearly described and appropriately quantified?

### **Technical Interventions and Project Activities**

1. Is there a clear explanation of what the proposed project will do, how and by whom?
2. Are the specific approaches and methods to be used clearly described?
3. Is a convincing case made that these are appropriate and likely to be effective?
4. Has research or evaluation of previous projects informed proposed programming?
5. Do we state clearly where the project will be implemented and why the locale is appropriate?
6. Are the roles of any partner organizations or governmental bodies clear and appropriate?
7. Are the outcomes to be achieved both significant and measurable?
8. Are appropriate local partners involved?
9. Have we identified existing programs working in this area and outlined methods of collaboration?

### **Health Impact and Sustainability**

1. Will proposed interventions directly address intended health outcomes?
2. Are the proposed interventions appropriate in the specific implementation sites?
3. Are the proposed interventions realistic?
4. Do we make a convincing case that the activities proposed will be sustainable beyond the life of the project?

### **Post-Project Plan and Assumptions and Constraints**

1. Is the post-project plan clear and achievable?
2. Have underlying assumptions been made clear?
3. Are potential constraints identified and addressed?

### **Monitoring and Evaluation**

1. Is the M&E plan clear, realistic and likely to generate adequate project management information?
2. Have we committed the necessary expertise for effective M&E?
3. Is there potential learning that would be of significant interest to USAID?

### **Management, Implementation and Staffing**

1. Is there a clear overview of the timeline for the major stages of the proposed project?
2. Is the headquarters-project relationship adequately described?
3. Have we proposed well-qualified staff?
4. Are the roles of any partner organizations adequately and clearly described?
5. Are the roles of relevant government ministries and county representatives adequately described?

### **Institutional Capabilities and Past Performance**

1. Have we described our track record implementing this type of project?
2. Have we demonstrated the necessary technical expertise?
3. Have we made a convincing case for strong management and implementation?

**Production**

Lastly, the procurement will always include information on how qualified organizations should produce and submit a proposal. It is extremely important that your organization adhere to the requirements listed in the procurement. One late submission or incorrect format can lead a funder to disqualify an organization from competing in a procurement.

Each proposal manager should be responsible for developing a production check list based on the information from the solicitation. The proposal manager should go through the checklist carefully before submitting a proposal.

***Production Checklist Template:***

[http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/ProductionChecklist\\_Template.docx](http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/ProductionChecklist_Template.docx)

## LESSON 6: Write a Proposal

Once every person on the proposal development team has read through the solicitation and created the draft technical outline, it is then time to begin writing the proposal. There are several parts or components to a proposal. Below are a few of the most common.

### The Executive Summary

The executive summary is often considered one of the most important components of a proposal. Some funders do not read the entire proposal. Thus, the executive summary serves as an opportunity to hook the reader so they are interested in reading the rest of the document in more detail. The executive summary should sell the organization and demonstrate why the funder should pick your organization over a competitor. It should be clear and concise (no more than two pages), and must summarize the content of the whole proposal. Most importantly, the executive summary should be written last, once the entire proposal has been completed.

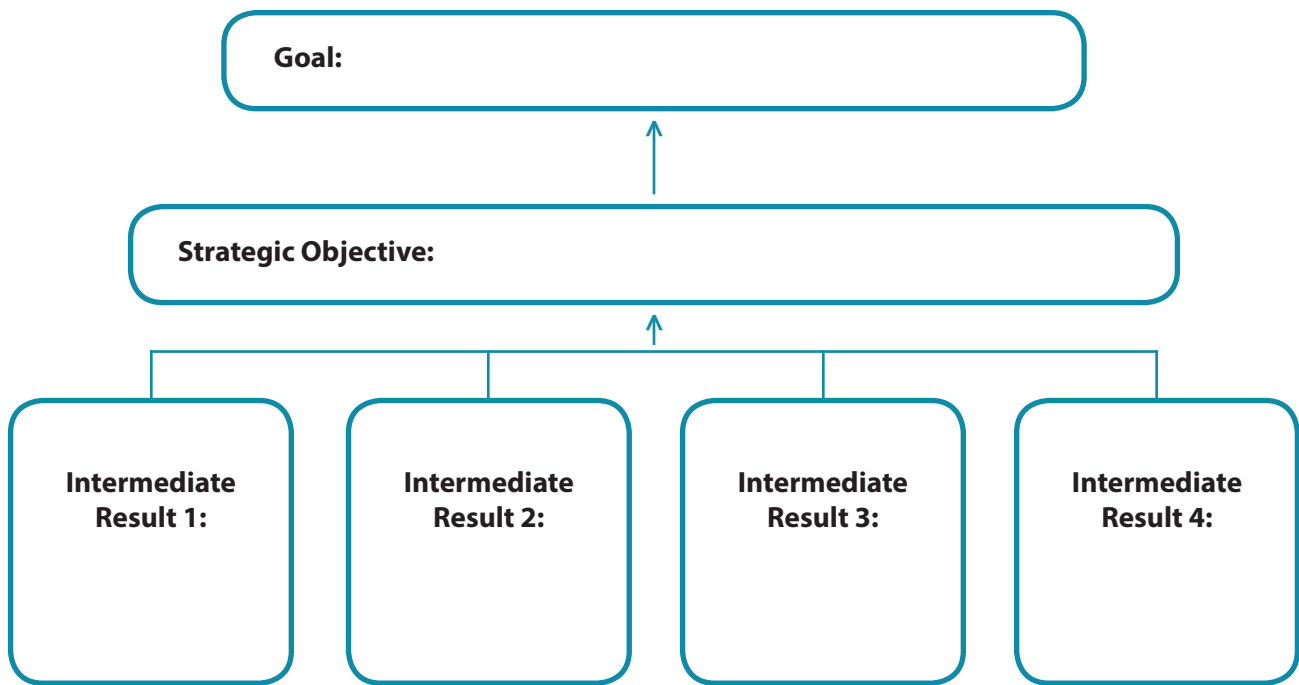
Below are some guiding questions that can help you write your executive summary:

1. Why choose your organization?
  - State the problem in a few sentences
  - Emphasizes how the unique strengths of your organization and partners will be incorporated to address the problem
2. What is your technical strategic approach and why is it the best approach to achieve the funder's objectives?
  - Demonstrates the project design, showing how it will achieve the program results and contribute to the funder's goals and objectives
3. Why is your staff the best one to carry out this work?
  - Describe staff that will be working on the project
4. Why is your management plan the best way to carry out the proposed strategy (if applicable)?
  - Highlight the management plan, stressing partnerships, presence in key geographic areas
5. Closing: What will your partnership, strategy, management plan and personnel do to help the funder accomplish its goal?
  - Describe why your organization's performance makes you the best choice

### The Technical Approach

The technical proposal is the crux of the entire grant or proposal. It should tell the funder exactly how your organization will achieve the project's overall goals.

Every technical proposal should begin with a **Results Framework** (<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/results-based-framework1.docx>) as depicted on the next page.



The results framework comes directly from the solicitation released by the funder or investor. Your organization should already have a draft of the framework based on the analysis of the procurement.

Once your organization develops the results framework, it is then possible to develop a technical strategy. The Technical Strategy should describe what your organization will do to reach the program’s goal, strategic objective and results. The strategy can be stated in one to four sentences and should take into consideration the country and/or regional context.

Characteristics of a technical strategy include:

- Describes what your organization will do to address specific problems/challenges
- Should be short, realistic and only promise what your organization can deliver
- Identifies the target population and geographic scope
- Includes a vision statement that describes what your organization sees this project achieving at the end of the implementation period

Based on the technical strategy, your organization should then develop a technical approach, which provides a broad description of how your organization will achieve the program’s goals. It should also go into detail as to what core activities the program will implement, who the program will collaborate with, when each core activity will occur, where the program will work and what populations the core activities will target.

The approach may include a conceptual framework or graphic demonstrating the program’s core activities and any cross-cutting technical areas of work that will be implemented. The approach should then be used to inform the work plan, budget, M&E and staffing needs.

## ILLUSTRATIVE TECHNICAL STRATEGY AND APPROACH

### **Honduras Unidad Local de Asistencia Técnica (ULAT) Project**

Our strategy is to connect all aspects of systemic reform to Hondurans who are unable to access health services or for whom services are inadequate, especially for maternal and child health and family planning services. Our approach helps key actors in the health system—especially the Ministry of Health (MOH), Honduran Social Security Institute and non-governmental organization (NGO) service providers—to quickly turn guiding visions and frameworks for improved coverage, quality and access into health impact for underserved and vulnerable groups. Our approach takes into account two central challenges: first, as sector reform advances, roles and responsibilities for public, private and NGO stakeholders will become more distinct, at the same time that disparate organizational missions and functions have to realign and integrate to achieve shared objectives.

Under our organization, ULAT will continue to energize this process, acting as the “honest broker” of sector integration, helping actors to restructure, reorient and manage for results along health service and patient lifecycle continuums of care. Our technical assistance at critical junctures—evidence-based decision making, continuing quality improvement, good standards of community care and involvement of citizens in feedback on health service effectiveness—keeps all sector actors focused on the goal: improved health for the most vulnerable.

Second, as the new health care service model is finalized, process innovations will be required at all levels of the sector in three major areas: service portfolios, management regimes and finance mechanisms. ULAT will shepherd needed sector innovations so that they are treated systemically: codified in policy and the legal and regulatory frameworks, backed by human and financial resource allocations, and supported through organizational and health staff capacity building. This systemic approach ensures feasibility and sustainability.

- What is to be done?
- Who will do it?
- Where will it be done?
- When will it be done?
- What is the objective of this activity?
- Who will participate (target audience)?
- What partners will be involved and in what way (if applicable)?
- What tools/resources will you use or need to develop?
- How does this activity promote the project results?
- How much will it cost? (this will be useful for budget)

Like M&E indicators (which we will cover in the next section), the proposal activities should be written in a SMART way. Below is a table describing the criteria for describing a SMART activity.

Criterion	Description
<b>Specific</b>	It is clearly written and understood. The desired result is specific enough to be measured by a frequency, percentage or number.
<b>Measurable</b>	It is possible to monitor progress and evaluate results. The desired result is framed in terms that are measurable.
<b>Appropriate</b>	The desired result is appropriate to the scope of your work and the mission of your organization.
<b>Realistic</b>	The desired result is achievable and within the control of your organization. It can be realistically achieved using the resources available and within the timeframe of your implementation plan.
<b>Time-Bound</b>	There is a specific time period for achieving the desired result.

**Workplan and Timeline**

Once your organization develops activities that are based on the technical approach, these activities should then be placed in a workplan with a corresponding timeline. Sometimes, funders will not explicitly ask for a workplan and timeline, but it is always a good idea to include it in the proposal (usually as an annex).

The workplan and timeline should describe what activities will be implemented, when they will be implemented and who will be responsible each activity. If written properly, the workplan and timeline should link the activities with key program outputs/outcomes and should be organized based on the results framework.

**Workplan and Timeline Template:**

[http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/WorkplanandTimeline\\_Template.docx](http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/WorkplanandTimeline_Template.docx)



Illustrative Workplan and Timeline										
Activity	W1	W2	W3	W4	W5	W6	W7	W8	Responsible	Anticipated Outputs
1.1 Review NicaSalud's TO financial management model system (including financial, administrative, resource management, procurement, internal control and technical assistance)	X	X	X	X	X				L. Linares	<p>1. A diagnosis of essential performance functions in the TO's financial system and the interrelation and management among the TO's affiliates and partners is completed</p> <p>2. An assessment on the current state of NicaSalud's financial management is completed</p>
1.1.1 Review the organizational manual, the manuals for financial management procedures, budgets and resources from cooperative sources outside the TO.	X	X	X	X	X				L. Linares	
1.1.2 Review policies, rules and procedures of the procurement, resource management and internal control systems.	X	X	X	X	X				L. Linares	
1.1.3 Research available information on the processes to improve the function and structure of the TO.	X	X	X	X	X				L. Linares	
1.1.4 Analyze the findings and recommendations produced by the audit in order to obtain a reasonable assessment of the TO's ideal performance versus its actual performance.	X	X	X	X	X				L. Linares	

### **Monitoring and Evaluation Plan**

Next, your organization should put together a Monitoring and Evaluation (M&E) Narrative and Plan. The M&E Narrative should describe how your organization will assess whether or not the project has met its objectives within the given timeframe and budget. The M&E Plan describes what indicators your organization will use to measure the project's success against its objectives, and is generally placed as an annex in the proposal.

Like the workplan, the M&E Indicators should be written in a SMART way (for a more detailed description of how to develop strong indicators, please refer to Section 6: The Social Return Indicators of Strategy B: The Business Plan). The M&E plan should include the list indicators organized by result area and activity, indicator definitions, data sources, frequency of data collection and the project's overall targets for each indicator.

#### ***Monitoring and Evaluation Plan Template:***

[http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/MonitoringandEvaluationPlan\\_Template.docx](http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/MonitoringandEvaluationPlan_Template.docx)

#### ***Other Monitoring and Evaluation Tools:***

<http://www.cpc.unc.edu/measure/resources/tools/tools-by-title>

Illustrative Monitoring and Evaluation Plan				
Illustrative Indicator	Indicator Definition	Data Source	Collection Frequency	Life of Project Target
<b>Result 1:</b> Improved Institutional Capacity in Management and Implementation of the Revitalization of Municipal Health Services Strategy, with Attention to Health Information and Human Resources				
<b>Component 1:</b> Provincial and Municipality Health Service Planning, Costing and HRM Development				
<b>Activity 1:</b> Provincial and Municipality Health Planning Process				
Develop, in conjunction with local stakeholders, <i>Annual Provincial and Municipality Health Planning and Costing Guideline.</i>	The annual planning guidelines will enhance the use of data, incorporate best management practices, strengthen budget and financial management, and assess and address human resource needs. These guidelines will be developed with broad input by multi-sectoral Government of Angola staff and key donors.	Document available and distributed	Once	One: Milestone
Number and percent of Provincial and Municipal Health Offices (DPS and RMS Units, respectively) supported in the municipal health planning process.	Support will begin with fostering the development of Annual Planning Guidelines. Once the guidelines have been developed and vetted, facilitators will guide the implementation of the plan toward the goals of reducing health problems and increasing the provision of quality services.	Facilitator reports, annual plans	Ongoing	2 Provincial/100% 20 Municipal/80%
Number and percent of DPS and RMS Units completing their annual plans on time by the end of the project.	The due date for annual plans will need to be defined at the time the annual planning guidelines are developed.	Annual plans	Annual	2 Provincial/100% 20 Municipal/80%
Number and percent of municipalities with a functioning municipal health committee.	“Functioning” will be defined as a committee with at least 75 percent of planned meetings held for each project year.	Agenda, minutes	Annual	TBD after completing baseline

## Management and Staffing Plan

Not all solicitations will request a management and staffing plan, but if they do, it is an opportunity for your organization to sell the project team and its technical and management expertise to the funder.

A management and staffing plan describes the key staff that will be responsible for implementing the program. It will highlight each individual's experience and qualifications (in short biographies) related to the work they will be carrying out for the project. It often includes an organizational chart that demonstrates the lines of authority and responsibilities across the different staff members.

You should include staff members' CVs as an annex to the proposal and reference them in the management and staffing plan.

### GUIDELINES FOR WRITING A COMPELLING MANAGEMENT AND STAFFING PLAN

#### Objectives:

- To understand the importance and typical structure of staffing sections
- To improve our preparation (research and collaboration with Human Resources staff) and writing of these sections
- To evaluate the responsiveness of these sections in order to revise them

#### Components of the Staffing Plan:

- Determination of qualifications needed to carry out the scope of work and preparation of job descriptions
- Justification of the staffing pattern as a whole and of specific positions
- Bios of key personnel
- Bios of other technical staff
- Usually in annexes: CVs and skills matrix
- Usually in the management plan: organogram and discussion of lines of authority and responsibility

#### Recruitment:

- CVs
- Interviews with candidates, following the requirements in the RFP
- Follow-up questions, as needed
- Request from key personnel to provide their own bios, as needed

## Capability Statement

A capability statement reflects your organization's experience and capacity to perform the technical, managerial and administrative functions required in the procurement.

It is not always explicitly required in a proposal, but it always should be included. Most importantly, it always should include results your organization has achieved while implementing similar programs in the past.

You should use this section as an opportunity to distinguish your organization from competitors.

Guidelines for writing a capabilities statement include:

1. Read the RFP or RFA carefully, with attention to the sections on how the proposal must be presented and

organized (which is often called “Technical Application Format”) and the evaluation or selection criteria. Flag these sections for later reference and mark other passages that specify what information applicants must present about their capabilities, experience or expertise.

2. Outline the cape, adhering to length and formatting requirements in the RFP and following the headings given in the RFP so the evaluators will be able to score the cape. You will have to decide whether to organize the cape by technical area (for example, decentralization, quality assurance), country or project. It is common to organize it by technical area, but that approach may be impractical if you need to cover work in many different countries. Sometimes the cape is organized by project and the projects may be grouped under countries or regions.
3. Research to find content for the cape in sources that include:
  - Recent capes and past performance references. The information you use should be updated. It is inappropriate, for example, to write a cape in fall 2008 that says “A series of workshops on quality assurance will be held in the summer of 2008.”
  - Communication materials, including annual reports, project and technical brochures, the pocket Gguide and fliers.
  - Project evaluations and annual and final reports.
  - Project publications and documents (workplans, trip reports, briefing papers).
4. Limit your research to what is necessary to write a cape of the length and level of detail required. You usually need to peruse only the major parts of long reports (such as the Executive Summary, Introduction and Recommendations). It is not cost-effective, for example, to compile many pages of information to write a two-page cape.
5. Organize the information you have gathered under the headings in your outline.
6. Rewrite what you have compiled so it conforms to the proposal strategy and length limit for the cape. Adhere to the basics of persuasive writing:
  - The cape statement should be written as if the audience is unfamiliar with the organization’s capabilities and portfolio of projects.
  - Use the active voice, short sentences and lively verbs.
  - Simplify wordy, jargon-filled text (Note that “past experience” is redundant).
  - Limit acronyms, unless they are frequently used in the RFP and will be defined in a list at the beginning of the proposal. Define unusual acronyms on first use.
  - Be clear about what pronouns refer to and use the name of your organization. . . we” (not “it”).
  - Be consistent in your use of verb tenses.
  - Substantiate claims about your organization’s expertise with evidence of results. For example: “The maternal health program trained 300 midwives in the new procedures in the first year and provided them with materials to use in outreach. The number of births assisted by trained attendants in the project areas rose from 40 percent to 60 percent in the second year of the project. By the end of 2001, nearly 75 percent of women had received prenatal care (at least three visits) versus 58 percent in 2000.” If you cannot find quantitative evidence of the impact of your organization activities, seek qualitative evidence about the project’s success, the quality of the organization’s technical assistance and the depth of its experience (for example, a quotation from the project midterm evaluation or a satisfied client in the MOH).
7. Edit the cape (preferably by reading a hard copy and making the changes to the file after that) and then use spell-check. The level of effort required to produce this first version may vary from a few hours (for a very brief cape for which current information is available and time is short) to a week.

8. Coordinate the circulation of the first draft to have an opportunity for internal and external reviewers to review it. Ask reviewers to comment specifically on the completeness, accuracy and currency of the information. Once in print, mistakes of fact get passed down every time they are pirated by the next proposal writers.
9. Revise the cape based on the reviewers' comments, and, ideally, after reading a draft of the complete proposal. This second draft is usually the final version of the cape, unless it needs to be modified in length or content when subcontractors' capes are received.
10. Save the final version of the cape statement.

## ILLUSTRATIVE CAPABILITY STATEMENT

### Nicaragua

Management Sciences for Health (MSH) applies nearly four decades of worldwide experience to help governments, local organizations and international agencies rebuild and scale up comprehensive, integrated health services. For the past 15 years, MSH has been providing technical assistance in Nicaragua to both the public and private sector. MSH has worked to increase institutional capacity in health and education and has enhanced citizen participation and transparency – leading to the improvement of social capital indicators related to health, education, citizen participation and governance.

The LMS Program in Nicaragua, PRONICASS (Nicaragua Social Sector Support Program), worked in partnership with both public and private organizations to improve social services. PRONICASS was built upon the foundation set by the Management and Leadership (M&L) Program, a USAID-funded cooperative agreement implemented by MSH. From 2001–2005, M&L worked in partnership with public and private organizations with close coordination from the USAID mission and NGOs, including Nicasalud (the Nicaragua NGO Health Network), Profamilia and the Prosalud Project, the former USAID bilateral program. The MOH, the Social Security Institute, the Ministry of the Family and the Ministry of Education were among M&L's client organizations, with some support provided by the Harvard School of Public Health. Throughout the lifespan of LMS, PRONICASS was tasked with confronting challenges, such as these, in implementing projects in several social sectors.

Institutional capacity building challenge with Nicasalud: In 2005-06, PRONICASS received an urgent request from USAID to assist Nicasalud in becoming certified for direct USAID financing. The USAID health strategy called for providing funding for community health activities directly through Nicasalud, rather than through a central project as had been done in the past. In response, PRONICASS led an institutional reorganization initiative to develop budgeting, procurement, accounting and financial management systems. The approval and implementation of these systems permitted USAID certification that benefited 10 Nicasalud staff and its 27 affiliate NGOs.

Supporting the Global Fund CCM: LMS was requested by the USAID Mission in Nicaragua to provide technical assistance to rapidly strengthen management of all Global Fund projects being implemented in the country. Management development assistance was required to ensure compliance with terms of existing projects. The project specifically called for strengthening the management and improving the communication of the Country Coordinating Mechanism (CCM), as well as clarifying its internal roles and responsibilities. Using the systemic approach of "management by process," which is being utilized in other LMS Nicaragua projects and elsewhere in Latin America, the technical assistance teams produced expected results within the two-month timeframe. A key tool produced during the LMS's Global Fund work in the country was the "Early Alert System." This system facilitates routine monitoring and decision-making concerning priority management and technical needs of sub-recipients

Key Results: PRONICASS has been working with 49 organizations to apply leadership and management skills to improve performance in service delivery. More than 4,400 senior leaders have been trained in these practices, with more than 2,500 of them women. PRONICASS has helped transform and update the curriculum of seven medical specialties, including pediatrics and obstetrics, in public medical schools.

- Twenty-nine communities and 750 people in the departments of Leon, Nueva Segovia and Boaco were trained in and applied a guide to implement the new health care model of the MOH.
- PRONICASS has helped transform and update the curriculum of seven medical specialties, including pediatrics and obstetrics, in public medical schools.
- PRONICASS provided technical assistance to the Ministry of Education to develop educational plans to improve local development. To date, over 114 schools in 14 municipalities have begun this school planning process involving the participation of 3,500 school directors, teachers, students and parents.
- Technical assistance provided by PRONICASS resulted in USAID certification of Nicasalud in mid-2006. Under a second request for LMS technical assistance, a contract performance monitoring system was established. PRONICASS completed its technical assistance with the design of the remaining Nicasalud systems – governance, communications and federation network management.
- During the first phase of PRONICASS, the project extended its institutional reorganization efforts to eight federation members and has worked with them and the Nicasalud technical office in helping align institutional operations with the mission, vision and legal mandate of the organization.

## **Cost Proposal**

Finally, once the technical proposal has been completed, you need to draft the cost proposal, which, also referred to as the budget, describes in detail the estimated cost of implementing the project. It is critical that your organization base the budget on what has been written in the technical proposal. The figures in the cost proposal must align with the activities described in the technical approach and workplan. That is to say, every item in the budget should be accounted for in the technical proposal.

Budget notes outline how your organization determined each of the costs that appear in the budget and can include vendor quotes, government per diem rates, travel quotes, salary projections and calculations for holiday, sick and vacation, as well as overhead rates. Even if a solicitation does not request budget notes, it is a good idea for you to document where they obtained the cost information.

### ***Cost Proposal Template:***

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Cost-Proposal-Template.xls>



<b>Cost Proposal Template</b>				
<b>Line Item</b>	<b>Rate</b>	<b>Unit</b>	<b>Days</b>	<b>Amount</b>
Salaries & Wages				\$ -
BPH Master Facilitator				\$ -
BPH Co-Facilitator				\$ -
Resource Mobilization Master Facilitator				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
HSV	16.00%			\$ -
<b>Subtotal Salaries &amp; Wages</b>				<b>\$ -</b>
Overhead				
HQ Personnel (HQ)	81%			\$ -
Local Personnel (LP)				\$ -
Consultant				\$ -
<b>Subtotal Overhead</b>				<b>\$ -</b>
Travel & Transportation				
RT Flight- International				\$ -
RT Flight- Local				\$ -
Per Diem- International				\$ -
Per Diem- Local				\$ -
Travel Visa				\$ -
Ground Transportation				\$ -
Airport Transfer				\$ -
<b>Subtotal Travel &amp; Transportation</b>				<b>\$ -</b>
Additional Direct Costs				
A. Printing/Photocopying				\$ -
B. Communication				\$ -
C. Postage & Shipping				\$ -
D. Supplies & Materials				\$ -
E. Other Participant Cost				\$ -
G. Venue Cost				\$ -
F. Other Direct Costs				\$ -
<b>Subtotal Additional Direct Costs</b>				<b>\$ -</b>
SUBTOTAL				\$ -
Fee				\$ -
<b>TOTAL</b>				<b>\$ -</b>

## FUNDRAISING

Fundraising is a critical task for most non-profit organizations. While grants and contracts from donors (and income generation through the development and launch of new products and services) may provide sufficient funds for some organizations, most have to develop alternate sources of funding. To be successful, such funding is usually associated with the development of professional skills in organizing a fundraising campaign.

Fortunately, numerous resources are available to assist you with the process of fundraising. These resources are found easily – online, on paper, in associations and with colleagues. Many of these resources are free and can provide an ongoing community of support globally, even if you are doing non-profit development in remote areas of various countries. As with most resources these days, reasonable internet access is the road to self-education.

This I-Kit addresses key areas of interest for small and medium non-profits. Each step contains an overview of the process, with a practical, abridged guide for successful development. Within the step, the I-Kit offers links to a more detailed explanation. Often, there is a second resource offering the same technique, but with a slightly different approach. An abundance of material and resources are available for anyone tasked by the organization with “fundraising.” The challenge is knowing when to stop researching and start actively raising funds.

The approaches available are as applicable to non-profits with simple means as to those with complex requirements. This I-Kit focuses on fundraising for non-profits in countries with limited resources. Interestingly, access to appropriate materials for this target population is also easily available. The steps may be different at different levels of organization, but the goal is creating the right plan for your organization and then implementing that plan.

### **LESSON 1: International Fundraising Associations**

The art of fundraising has been finely developed throughout the world. Fundraising organizations are represented internationally, regionally, nationally and locally. There are multiple reasons why you might choose to join such associations on various levels; primarily for the resources, networks, contacts and references that have been accumulated on behalf of successful fundraising.

The focus of this ‘Resource Kit on Fundraising’ will target organizations that may be familiar to NGOs in Sub-Saharan Africa that are interested in developing targeted fundraising efforts while enhancing organizational management skills.

The organizations on the next page are both appropriate and accessible for NGOs working in the region.

### **LESSON 2: Developing a Fundraising Plan**

Perhaps one of the most important steps in fundraising is the development of a plan. Often, your organization

Organization	Description
<b>Association of Professional Fundraising</b> <a href="http://www.afpnet.org/">http://www.afpnet.org/</a>	<p>The Association of Fundraising Professionals (AFP) is the professional association of individuals and organizations that generate philanthropic support for a wide variety of charitable institutions. Founded in 1960, AFP advances philanthropy through its 30,000 members in 233 chapters throughout the world.</p> <p>In 2006, AFP with partners established the Fundraising effectiveness Project (FEP) to conduct research on fundraising effectiveness and help nonprofit organizations increase their fundraising results at a faster pace. The FEP is focused on 'effectiveness' (maximizing growth in giving) rather than efficiency (minimizing costs).</p> <p>AFP offers a very useful online dictionary to nonprofits around the world. The organization also offers great variety of resources, publications, training materials, conferences, case studies and more.</p>
<b>Southern Africa Institute of Fundraising</b> <a href="http://www.saifundraising.org.za/">http://www.saifundraising.org.za/</a>	<p>The Southern Africa Institute of Fundraising (SAIF) was founded in the mid-80's by a group of concerned fundraisers who felt the need for an organization which would promote and uplift the fundraising profession.</p> <p>In partnership with AFP, SAIF now offers an intensive training course, providing skills, techniques and knowledge for individuals want to develop professional credentials. Full participation in the course is applicable to 16.0 credits of CFRE, with opportunity to build credits towards Units Standards of the Further Education and Training Certificate in Fundraising (SAQA).</p>
<b>Charities Aid Foundation Global Alliance</b> <a href="https://www.cafonline.org/">https://www.cafonline.org/</a>	<p>The Charities Aid Foundation's (CAF) Global Alliance has partners and grantees in over 90 countries, with offices in UK, Bulgaria, Russia, South Africa, India Australia, USA and Brazil. It is an international network that enables nonprofits around the world to be stronger and more effective.</p> <p>Charities Aid Foundation (CAF) Southern Africa is an independent non-profit organization that promotes effective giving, volunteering and social investment. CAF Southern Africa has been represented in South Africa since 1997, and in 2000 become a registered Section 21 not-for-profit and public benefit organization.</p> <p>CAF Southern Africa provides assistance to CSOs/NGOs with regards to conceptualizing and compiling fundraising strategies and fundraising proposals.</p>
<b>Resource Alliance</b> <a href="http://www.resource-alliance.org/">http://www.resource-alliance.org/</a>	<p>Resource Alliance is known for its work as a global network for fundraising, resource mobilization and philanthropy. It enables non-profits around the world to be stronger and more effective. Its work includes conferences, workshops, training, education, capacity building, and resources.</p> <p>Recognition of recent prize winners at annual conferences include:</p> <ul style="list-style-type: none"> <li>Big Idea, Small Budget – Living Earth Uganda</li> <li>Global Fundraiser – The Children's Hospital Trust, South Africa</li> </ul> <p>The Resource Alliance also sponsors a Knowledge Hub where the latest information on fundraising and philanthropy, including research, blogs, and news articles can be found. Included among those resources is information on fundraising fundamentals, with ideas of developing and implementing campaigns.</p>

<p><b>Kenya Association of Fundraising Professions (KAFP)</b>  <a href="http://www.fundraisingkenya.org/">http://www.fundraisingkenya.org/</a></p>	<p>An example of a national association of fundraising working to advance professionalism in both the nation and the region, KAFP is a not-for-profit voluntary membership association that serves as an umbrella organization for fundraisers. The primary purpose of the organization is “to encourage people involved in fundraising and resource mobilization to adopt and promote high standards of ethical practice and inject professionalism.” The association aims to bring together resource mobilizers and providers in their bid to enhance development in the country. Since 2005, KAFP has also taken the lead in organizing resource mobilization workshops in Eastern Africa at the Kenyan coast that attract fundraising professionals from as many as 26 countries globally. These are held annually and are aimed at bringing fundraising professionals up to speed with the global trends and best practice. The workshops are designed to strengthen capacity to mobilize resources and are inspirational, empowering and enlightening. The workshops are supported by facilitators who are fundraisers in their own right from the United Kingdom, North America and East Africa. KAFP has also contributed to the development of a Resource Mobilization Diploma Course at the Kenya Institute of Management.</p>
<p><b>World Association of Non-Governmental Organizations (WANGO)</b>  <a href="http://www.wango.org/">http://www.wango.org/</a></p>	<p>WANGO is an international organization uniting NGOs globally. It helps provide a mechanism and support for NGOs to connect, partner, share, inspire and multiply their program opportunities. Founded in 2000, the organization has a broad base of members, as well as perhaps the most comprehensive directory of NGOs worldwide. WANGO has developed a widely accepted Code of Ethics for NGOs, including detailed information on fundraising. General principles include governance, consistency, mission, honesty and ethical activities. The Code also outlines good practices regarding solicitations, use of funds, accountability and relationship with donors.</p>
<p><b>International Committee on Fundraising Organizations (ICFO)</b>  <a href="http://www.icfo.org/">http://www.icfo.org/</a></p>	<p>ICFO sets forward guidelines for charities that are developed within the guidelines given in accordance with the respective national law and culture. These guidelines may include public benefit goals, ethical guidelines for fundraising, corporate governance and accounting rules, as well as transparency and accountability. ICFO provides an international network to exchange know-how and share experience as well as advice to establish charity monitoring in their country. Donors, companies, foundations governments, the media and the public receive information about charity monitoring systems and the activities of international working charities.</p>
<p><b>Council on Foundations (COF)</b>  <a href="http://www.cof.org/">http://www.cof.org/</a></p>	<p>COF provides the opportunity, leadership and tools needed by philanthropic organizations to expand, enhance, and sustain ability to achieve strategic goals. COF maintains a directory of information for charities globally, such as charities in Kenya, January 2015, available as a .pdf download. The directory covers a variety of learning opportunities, resources, training programs, conferences and workshops. While most of these activities occur in North America, the information available through the organization is global, as are the topics and concerns.</p>
<p><b>European Fundraising Association (EFA)</b>  <a href="http://www.efa-net.eu/">http://www.efa-net.eu/</a></p>	<p>The EFA is a network of 20 leading fundraising associations, working to develop and strengthen fundraising in Europe. It is included here because it provides multiple resources that will be of assistance in Sub-Saharan Africa, and may provide historical and/or current connections. EFA offers case studies in setting up a fundraising association (of practical use for countries/cities want to do same); developing fundraising qualifications; running a successful events program; and modeling materials and resources for developing an EFA-like certified fundraising credential, including ethical principles of fundraising.</p>
<p><b>Certified Fundraising Executive International (CFRE)</b>  <a href="http://www.cfre.org/">http://www.cfre.org/</a></p>	<p>CFRE International certifies experienced fundraising professions aspiring to the highest standards of ethics, competence and service to the philanthropic sector. The organization sets the standard for knowledge, experience and ethics held in high regard by fundraising professionals worldwide. The CFRE credential is recognized globally.</p>

will see the mission/project to be accomplished as sufficient for successful fundraising. Certainly, a meaningful activity is the reason your organization wants to raise money in the first place. However, it is the overall viability of your organization which guarantees the long-term success of the goal.

Many resources provide excellent information on how to develop plans for a specific campaign and/or for the organizations itself. (See bibliography.) The most straightforward plan is usually the most easily implemented. The Society for Non-Profits (SNPO) is one of many organizations offering courses online, webinars, newsletters, blogs, books and papers. While SNPO is based in the United States with connections to Michigan State University, its materials work in almost any organization globally.

A number of SNPO resources are offered freely online, including its *Fundraising Guide*, which includes 10 chapters to review on a personal timetable. A chapter of particular assistance is *Eight Steps to Effective Fundraising*.

Key features include:

**Fundraising Plan Template:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/08/>

Organization	Description
<b>Identify Your Fundraising Specialist</b>	The fundraising specialist can be a member of the staff, a volunteer or a consultant who will have responsibility for developing a strategic plan. Just the process of taking this step will demonstrate commitment to fundraising.
<b>Update your Vision and Mission Statements</b>	It is important that these statements reflect the current reality of the organization. Clearly written statements not only insure that the organization knows its reason for being, but also helps others understand why it deserves a donation.
<b>Assess the World Outside Your Door</b>	The development of a listing of your organization’s key populations (markets, constituents, stakeholders) will help you develop your targets. Survey these groups to see how your organization is perceived in the community. The result will help to explain to donors what is needed and how those needs can be met.
<b>Assess the World Inside Your Organization</b>	It is critical to assess your own assets: skills, reimbursement, training, internal management resources available, partners, information systems, financial viability, quality control and commitment, among others.
<b>Evaluate Your Products, Services and Programs</b>	Develop a description of current/future program activities. The next step is to determine what products and services might be expanded, what constituencies are involved, geographic range, impact assessment, special capabilities, networks to be leveraged and resources (human and financial) required.
<b>Make Your Organization More Visible</b>	The long-term strategy is to ensure that the organization is solid within the community. Having a brief, effective description (an “elevator speech”) is essential for quick, positive impressions. There are a number of ways to develop the public phase of a campaign, but the lesson is to ensure that there is a plan, and that the development team works the plan.
<b>Gather Descriptive Materials</b>	Review existing material about the organization, for example, brochures, direct mail, invitations, newsletters, press releases, annual reports, news clippings, videos, websites and social media. Utilize appropriate materials and create new ones if needed.
<b>Start Raising Funds</b>	Closely review sources of existing budget, such as fees, grants, memberships, solicitation, special events, products, memorials, corporations, campaigns and crowd funding. Work to ensure that your budget is supported by more than one or two sources of income. Doing this will help identify strong efforts and areas needing more work. Consider using the SNPO yardstick to assess each source.

Fundraising Plan Example						
Strategy	Description	Target Audience	\$ Goal	Cost	Person Responsible	Deadline
<b>Campaign</b>	Vaccination education campaign for behavior change	Pharmaceutical companies; donor and implementing agencies, and foundations working in MNCH; and individual donors	\$30,000 USD	\$100-website \$0-emails \$200-posters	Samantha Seltzer	Jan 2016
<b>Membership Fees</b>	SBCC membership to access medical and health journals related to SBCC	SBCC organizations and practitioners	\$50/mo- individual membership fee \$150/mo- group membership fee	\$500-website, print journals	Kevin Smith	Dec 2015
<b>Direct Mail</b>	Reach out to potential donors for general support	SBCC organizations and practitioners	\$40,000 USD	\$0	Jane Henderson, Kate Stevens	Dec 2015
<b>Major Gifts</b>	<sup>1</sup> Cultivate and ask for major gifts	Current and prospective major donors	\$10,000 USD	\$0	Leila Jensen	Feb 2016
<b>Online Giving</b>	Raise money online	Current and prospective major donors	\$20,000	\$0	Jane Brown	Feb 2016

<sup>1</sup> www.slideshare.net

[Fundraising-Plan-Template.docx](#)

### LESSON 3: Writing a Fundraising Proposal

Writing a fundraising proposal is one of the most important skills of a fundraiser professional. The proposal

must tell the story in a compelling manner, while persuading the donor that this project is meaningful.

It must also convince funders that your organization is fiscally sound, transparent and capable of achieving the goals and objectives of the proposal.

Here are some writing and layout tips for fundraising proposal writing.<sup>2</sup>

Do	Don't
<ul style="list-style-type: none"> <li>• Make contact with a “real” person and then address the proposal to him or her.</li> <li>• Plan ahead so that your proposal isn't rushed or crisis-related.</li> <li>• Show that you know who else is working in the field and what they are doing.</li> <li>• Involve others in editing the proposal.</li> <li>• Explain acronyms.</li> <li>• Keep it short – not more than 10 pages for the body of the proposal and less if possible.</li> <li>• Show that you care about the work show some passion.</li> <li>• Pitch the tone correctly – be human rather than academic, let the human story come through, but don't go overboard on emotion.</li> </ul>	<ul style="list-style-type: none"> <li>• Take a “one proposal fits all” approach if you have done your homework on the funding agency, use what you know to make the proposal fit the agency.</li> <li>• “Pad” your budget to include things that are not relevant to the project.</li> <li>• Hide information the donor is entitled to.</li> <li>• Send so much documentation that the reader gives up before he or she begins.</li> <li>• Assume that the donor knows all about you so you don't need to bother to present yourself well.</li> <li>• Use unnecessary jargon.</li> <li>• Make the project fit the donor criteria at the expense of what you think needs to be done.</li> </ul>

Writing Tips	Layout Tips
<ul style="list-style-type: none"> <li>• Write simply and avoid jargon.</li> <li>• Use short sentences.</li> <li>• Use the active rather than the passive voice when you can, such as “specially trained project staff will run all training courses” rather than “all training courses will be run by specially trained project staff”.</li> <li>• Check for spelling and grammar mistakes – if necessary get someone else to read it through and make corrections.</li> <li>• Revise and rewrite if necessary.</li> <li>• Don't exaggerate.</li> <li>• Write for a non-technical reader.</li> </ul>	<ul style="list-style-type: none"> <li>• Use headings and sub-headings, but do so consistently, such as all headings in one lettering or size, all sub-headings in another.</li> <li>• Number your pages.</li> <li>• Bind or staple the document in the right order.</li> <li>• Use white space – have wide margins.</li> <li>• Don't crowd the text.</li> <li>• Use a font that is easy to read.</li> </ul>

**Fundraising Proposal Example:**

[http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/08/FundraisingProposal\\_Example.pdf](http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/08/FundraisingProposal_Example.pdf)

<sup>2</sup> <http://www.civicus.org>

## Beginning to Write the Proposal

Having a fundraising plan is the first step to success (See Developing a Fundraising Plan). Following the development of the fundraising plan you will need to develop a fundraising proposal. But first it will be important to determine the appropriate target audience for your proposal.

The following table demonstrates potential donors you could pitch your fundraising plan to:

Type of Agency	Advantages	Disadvantages
<b>Government</b>	<ul style="list-style-type: none"> <li>• Useful on policy issues</li> <li>• Funding may be larger</li> <li>• Broader impact</li> </ul>	<ul style="list-style-type: none"> <li>• Bureaucratic process possible</li> <li>• Payment delays</li> <li>• Complex requirements</li> </ul>
<b>Corporate Funding</b> (CSR) <i>Corporate Social Investment</i>	<ul style="list-style-type: none"> <li>• Large sums to distribute</li> <li>• Professional staff</li> <li>• Clear objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Priorities change</li> <li>• Possible Board involvement</li> <li>• Sensitive to stakeholders</li> </ul>
<b>Corporate Funding</b> <i>Small/Entrepreneur</i>	<ul style="list-style-type: none"> <li>• Informal approach</li> <li>• Interested in local projects</li> <li>• Personal connections helpful</li> <li>• Clear agenda</li> </ul>	<ul style="list-style-type: none"> <li>• Limited funds</li> <li>• Narrow interests</li> <li>• Funding linked to personal ties</li> </ul>
<b>Large Foundations</b> <i>Family/Other</i>	<ul style="list-style-type: none"> <li>• Large sums to distribute</li> <li>• Professional staff</li> <li>• Clear guidelines</li> <li>• Shared experience</li> </ul>	<ul style="list-style-type: none"> <li>• Lengthy process</li> <li>• Complex requirements</li> <li>• Priorities change</li> </ul>
<b>Small Foundations</b> <i>Family/Other</i>	<ul style="list-style-type: none"> <li>• Close relationships</li> <li>• Flexible format/process</li> <li>• Open agenda</li> </ul>	<ul style="list-style-type: none"> <li>• Staff may be less professional</li> <li>• Smaller amounts of money</li> <li>• Personal contacts both positive and negative</li> </ul>
<b>Religious Institutions</b>	<ul style="list-style-type: none"> <li>• Shared social/ethical agenda</li> <li>• Flexibility</li> </ul>	<ul style="list-style-type: none"> <li>• Reliance on own constituency</li> <li>• Allocations that change</li> </ul>

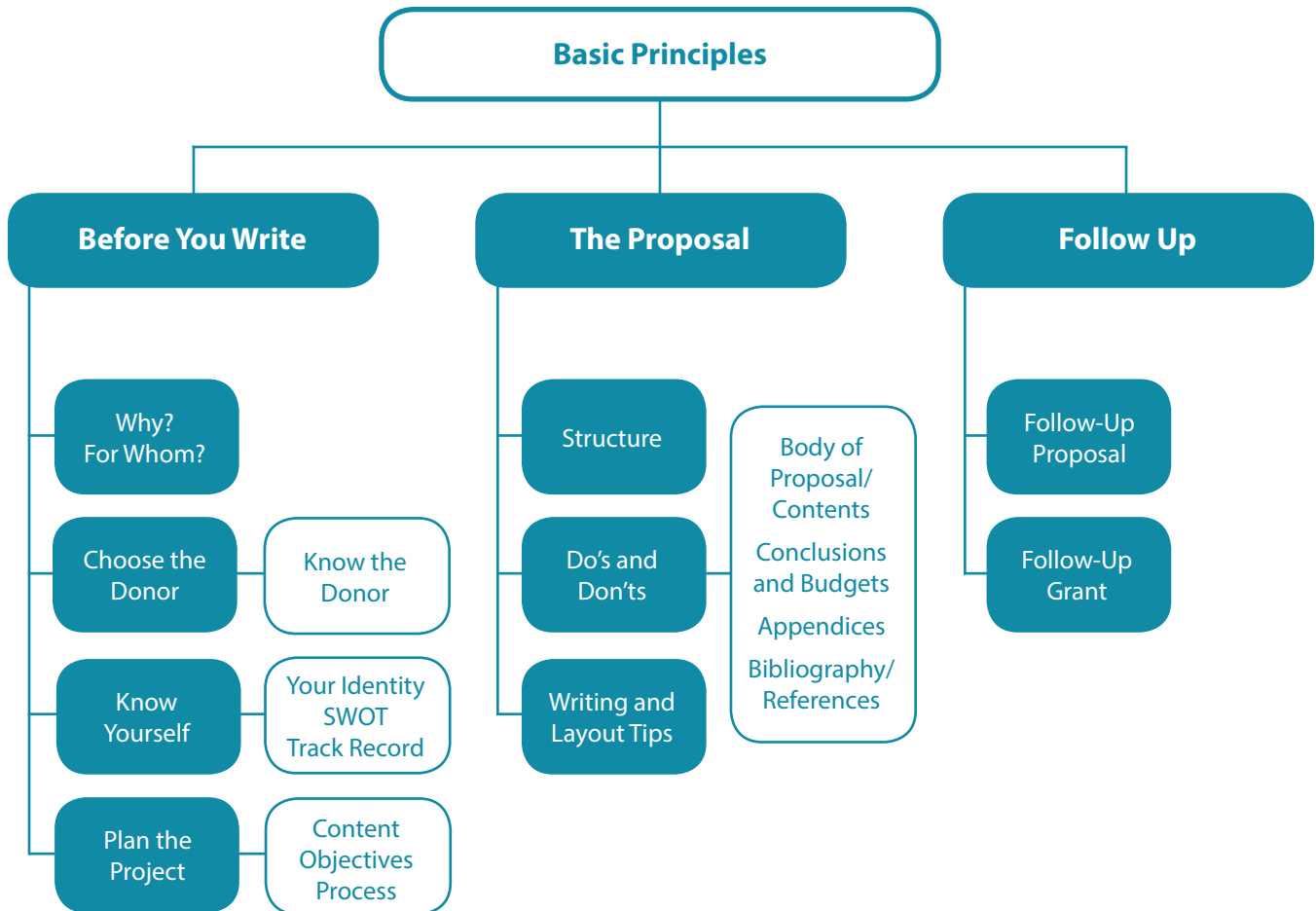
Once you have determined who your audience will be, the next step is actually writing the proposal. Many organizations have developed materials to guide nonprofits through this challenging process. Civicus presents an easy-to-use toolkit, entitled *Writing a Funding Proposal* by Janet Shapiro. This free toolkit helps organizations through each step of the fundraising proposal development process.

The *Resource Alliance* is another good source of information on writing proposals. One of the best overall resources is *The Worldwide Fundraiser's Handbook: A guide for fundraising for Southern NGOs and Voluntary Organisations*. Using case studies and best practices, the handbook offers guidance on establishing effective local fundraising.



The Resource Alliance website also offers many opportunities for self-guided training. Using the *Fundraisers Handbook* excerpts online, will identify key points to follow to enable a proposal writer to produce a proposal which matches the requirements of a potential funder. The document covers:

- Planning the approach
- Targeting the proposal
- Determining the content
- Funding levels/budgeting
- Writing
- Contacting



## Structure of the Proposal

There are many guides to the actual structure of the proposal and the funding source may use a template for submissions. However, when a non-profit is designing a structure, it is important to consider the following items for inclusion.

### **Title Page**

- Title of proposal
- Name of agency to whom proposal is being submitted
- Name of agency submitting proposal (including logo)
- Contact person
- Date

### **Executive Summary**

- Context
- Value of organization
- Value of contribution
- Period envisaged
- Cost

### **Table of Contents**

- Main headings and page numbers

### **Proposal Description**

- Context
- Opportunities
- Objectives
- Process
- Sustainability
- Impact/M&E
- Conclusions

### **Budget**

- Summarize financing plan
- Budget items and totals

### **Attachments**

- Technical information
- Timetable
- Annual report
- Financial statements

### **References**

While the technical aspects of a proposal are critical to the evaluation of the project, it is also important to tell a story. Make the issue relevant to the reader. Make certain that there is a clear call to action and a clear description about how that call will be met.

### **Other Resources**

Many other resources provide useful information as well. The Network for Good supports Nonprofit 911, a free webinar training series on nonprofit marketing and online fundraising, including use of video.

It is also important to develop and manage fundraising plans and budget(s) that reflect the true cost for implementation of fundraisers; budgets that are transparent in every way.

Holding events to raise funds requires good organization to ensure your event will raise the funds you expect. Below are some resources to help create and manage fundraising events and budgets.

- Dojiggy Fundraising Event Budget: <https://www.dojiggy.com/s/fundraising-event-budget>
- Creating a Budget for a Non-Profit Fundraiser: <http://www.dummies.com/how-to/content/how-to-create-a-budget-for-a-nonprofit-fundraiser.html>
- Fundraising Event Budget: <http://onlinefundraisingtoday.com/2013/04/26/fundraising-event-budget/>
- Excel Fundraising Event Template: <http://www.exceltemplatespro.com/fundraising-budget-template.html>
- Fundraising Planning Worksheet: [http://www.peoplepoweredmovement.org/site/images/uploads/Fundraising\\_Planning\\_Worksheet.pdf](http://www.peoplepoweredmovement.org/site/images/uploads/Fundraising_Planning_Worksheet.pdf)

Having a fundraising strategy that includes budgeting guidance is key. Here are more resources for planning your fundraising strategy:

- Fundraising Strategy: <http://www.resourcecentre.org.uk/information-category/raising-money/fundraising-strategy/>
- Institute of Fundraising: <http://www.institute-of-fundraising.org.uk/blog/what-should-feature-in-a-fundraising-strategy/>
- Writing a Fundraising Strategy: <http://www.fundingcentral.org.uk/page.aspx?sp=6313>

The most completely developed free handbook on creating a proposal, *Writing a Funding Proposal*, can be found on the Civicus website: <http://www.civicus.org/new/media/Writing%20a%20funding%20proposal.pdf>

Given its value to the user, the document should be reviewed by any first-time proposal writer/professional fundraiser.

### **Writing a Funding Proposal Reference:**

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

## LESSON 4: Crowdfunding

A successful fundraising campaign may include using crowdfunding to generate both interest and revenue for the project. Crowdfunding is when an organization raises funds for a cause, program or venture from a large number individuals, donor organizations or funders and investors. This is typically done through online platforms. The best-known sites in North America, *Kickstarter* and *Indiegogo*, have demonstrated their usefulness for projects both large and small. However, it may be even more interesting to follow sites in other parts of the world, which are also gaining traction, and taking a place close to Venture Capital in the developing world.

### CROWDFUNDING RESOURCES

**South African** sites include:

- **Thundafund:** An online crowdfunding café and marketplace. Designed for Africans by Africans with a commitment to South Africa and Africa, based on belief that by activating one's own communities, it is possible to build prosperity.
- **Startme:** Based on the belief that crowdfunding is more about the crowd than the funding. Startme has made a big impact on how entrepreneurs, bands, artists and others are funded.
- **Jumpstarter:** Twenty-six campaigns with ZAR 62,700.00 (USD 6,000) funded.
- **FundFind:** A new way to fund projects, startups and innovations in South Africa using the proven method of rewards-based crowdfunding. FundFind is powered by all-or-nothing and keep-what-you-raise funding methods.

Lest one think that only South Africa has joined the crowdfunding model, it is also important to look at **Kenya:**

- **M-Changa:** Enhances fundraising experience and performance by providing secure communication and record keeping capabilities for complete transparency. With over 2,000 campaigns, 13,000 supporters and 50,000 customer interactions, M-Changa is the biggest player in the digital Harambee space. It has integrated mobile money and credit card payments, SMS, email, social networks and geo location. The cross section of platform usage is extremely wide and mirrors trends in all major research in the area of philanthropic giving in East Africa and globally.

The list of countries offering crowdfunding sites as a tool fundraising for projects is growing, with most countries having more than one site.

<b>Ghana</b>	<b>SliceBiz</b>
<b>Uganda</b>	<b>Akabbo</b>
<b>Tanzania</b>	<b>Zoomaal</b>
<b>Senegal</b>	<b>AlliedCrowd</b>
<b>Nigeria</b>	<b>Gogo-Africa</b>

Building a successful crowdfunding campaign also involves a high level of planning and commitment. FundRazr.com offers the following tips for building a winning strategy.

### WINNING STRATEGIES

- **Plan ahead:** "Start building a relationship sooner with various organizations that would be interested in your cause or project."
- **Build a team:** generates some money on its own, you really need a team of people to make it successful."
- **Be serious about your campaign:** "It's a full time job when you're doing a crowdfunding campaign. It is not something you can leave and expect to generate any sort of success with just putting your campaign up there. ... So it is really important to keep in mind when you are doing a crowdfunding campaign because you will need to work on it all the time."
- **Know your target audience:** "I would also recommend connecting with as many like-minded individuals and organizations that you can, because that will be your support team."
- **Leverage your networks:** "So when you have a crowdfunding campaign you have to contact all the people that you know to be able to make the project successful. The initial funding will come from all the people that you know. You really have to find the people that would be interested in that topic and have an existing passion or care for it."
- **Keep people engaged:** "We really tried to keep people engaged for the duration of the campaign and gave them video updates on some of the things we were working on and some of the people that we interviewed in the film."
- **Be specific:** "When you give someone the numbers in that way of what is needed to reach a goal, they feel like it's feasible."
- **Find your identity:** "Branding is important, even in a crowdfunding campaign. A graphic designer, is something that you will be surprised how much you actually need in that capacity."
- **Create compelling media:** "Have materials that you could share with your audience, have people readily available to talk if they want to talk about what you are doing, and have different media pieces to share with people."
- **Crowdfund everywhere:** "Having this crowdfunding platform was really the door opener to be able to contact different organizations to let them know what we were doing and to see if they would like to be involved. We used the crowdfunding campaign as a way to initiate conversation."

## Selected Bibliography

The resources for non-profit fundraising abound, both in print and online. The following list has been selected from various sources and is reflective of the international interest in professional fundraising.

However, it is important to note that there are many free resources, available by reviewing the websites of organizations listed in Step 1. The information on those websites will guide any organization in its process of developing a fundraising plan, writing a proposal and following-up with impact assessment.

Author	Title
Bray, Illona	<i>Effective Fundraising for Nonprofits: Real-World Strategies That Work</i> <a href="http://www.amazon.com/Effective-Fundraising-For-Nonprofits-Real-world/dp/1413300944">http://www.amazon.com/Effective-Fundraising-For-Nonprofits-Real-world/dp/1413300944</a>
Cagney, Penelope, Bernard Ross	<i>Global Fundraising: How the World is Changing the Rules of Philanthropy</i> <a href="http://www.wiley.com/WileyCDA/WileyTitle/productCd-1118370708.html">http://www.wiley.com/WileyCDA/WileyTitle/productCd-1118370708.html</a>
Clarke, Cheryl A., Susan P. Fox	<i>Grant Proposal Makeover: Transform Your Request from No to Yes</i> <a href="http://www.wiley.com/WileyCDA/WileyTitle/productCd-0787980552.html">http://www.wiley.com/WileyCDA/WileyTitle/productCd-0787980552.html</a>
Deville, Daniel	<i>Fundraising Made Simple: A Guide to Fundraising for Nonprofit Organizations</i> <a href="https://books.google.com/s?id=2kBXCAAQBAJ&amp;pg=PT1&amp;lpg=PT1&amp;dq=Fundraising+Made+Simple:+A+guide+to+Fundraising+for+Nonprofit+Organizations&amp;source=bl&amp;ots=0zLGeim6To&amp;sig=C6PTgm-ot0K0RUcQW_CeCP0_2PA&amp;hl=en&amp;sa=X&amp;ved=0CEQQ6AEwAmoVChMlxOrv_arPxlVwWk-Ch2LMgD9#v=onepage&amp;q=Fundraising%20Made%20Simple%3A%20A%20guide%20to%20Fundraising%20for%20Nonprofit%20Organizations&amp;f=false">https://books.google.com/s?id=2kBXCAAQBAJ&amp;pg=PT1&amp;lpg=PT1&amp;dq=Fundraising+Made+Simple:+A+guide+to+Fundraising+for+Nonprofit+Organizations&amp;source=bl&amp;ots=0zLGeim6To&amp;sig=C6PTgm-ot0K0RUcQW_CeCP0_2PA&amp;hl=en&amp;sa=X&amp;ved=0CEQQ6AEwAmoVChMlxOrv_arPxlVwWk-Ch2LMgD9#v=onepage&amp;q=Fundraising%20Made%20Simple%3A%20A%20guide%20to%20Fundraising%20for%20Nonprofit%20Organizations&amp;f=false</a>
Ellen, Karsh	<i>The Only Grant-Writing Book You'll Ever Need Paperback</i> <a href="http://www.amazon.com/Only-Grant-Writing-Book-You%20%92II-Ever/dp/0465058930">http://www.amazon.com/Only-Grant-Writing-Book-You%20%92II-Ever/dp/0465058930</a>
Genn, Adina	<i>The Everything Guide to Fundraising Book: From Grassroots Campaigns to Corporate Sponsorships – All You Need to Support Your Cause, Capital Campaigns/Online Fundraising/Cause Marketing/Special Events</i> <a href="http://www.amazon.com/The-Everything-Guide-Fundraising-Book/dp/1598698230">http://www.amazon.com/The-Everything-Guide-Fundraising-Book/dp/1598698230</a>
Johnson, Victoria	<i>Grant Writing 101: Everything You Need to Start Raising Funds Today</i> <a href="http://www.amazon.com/Grant-Writing-101-Everything-Raising-ebook/dp/B004G090HE">http://www.amazon.com/Grant-Writing-101-Everything-Raising-ebook/dp/B004G090HE</a>
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O'Neal-McElrath, Tori	<i>Winning Grants Step by Step: The Complete Workbook for Planning, Developing and Writing Successful Proposals</i> <a href="http://www.wiley.com/WileyCDA/WileyTitle/productCd-1118378342.html">http://www.wiley.com/WileyCDA/WileyTitle/productCd-1118378342.html</a>
Olberding, John, Lisa Barnwell Williams	<i>Building Strong Nonprofits: New Strategies for Growth and Sustainability</i> <a href="http://www.wiley.com/WileyCDA/WileyTitle/productCd-0470587873.html">http://www.wiley.com/WileyCDA/WileyTitle/productCd-0470587873.html</a>
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Spruce, Dee	<i>So, You're in Charge of Fundraising!</i> <a href="https://books.google.com/books?id=82mBjpmf5KYC&amp;pg=PA107&amp;lpg=PA107&amp;dq=So,+You%E2%80%99re+in+Charge+of+Fundraising!&amp;source=bl&amp;ots=KGoNI-ulS_&amp;sig=B5dGdQNVlpbsKwQqTkAomR_5wY0&amp;hl=en&amp;sa=X&amp;ved=0CCAQ6AEwAGoVChMlleXb3qzPxwIVSzg-Ch2ojwCZ#v=onepage&amp;q=So%2C%20You%E2%80%99re%20in%20Charge%20of%20Fundraising!&amp;f=false">https://books.google.com/books?id=82mBjpmf5KYC&amp;pg=PA107&amp;lpg=PA107&amp;dq=So,+You%E2%80%99re+in+Charge+of+Fundraising!&amp;source=bl&amp;ots=KGoNI-ulS_&amp;sig=B5dGdQNVlpbsKwQqTkAomR_5wY0&amp;hl=en&amp;sa=X&amp;ved=0CCAQ6AEwAGoVChMlleXb3qzPxwIVSzg-Ch2ojwCZ#v=onepage&amp;q=So%2C%20You%E2%80%99re%20in%20Charge%20of%20Fundraising!&amp;f=false</a>
Von Kotzebue, Alexander	<i>On Collective Goods, Voluntary Contributions and Fundraising</i> <a href="http://www.springer.com/us/book/9783658040116">http://www.springer.com/us/book/9783658040116</a>

## BUSINESS PLANS

A **business plan** is a plan used to secure funding for a new SBCC product, service or intervention to be offered by the organization, or to expand current products, services or interventions to new or larger markets. It includes projections of the estimated financial and social return for the development and introduction of the new SBCC product, service or intervention. Business planning is the vehicle used to attract funding for the new SBCC product, service or intervention, or expansion efforts. The business plan centers on a new business opportunity that makes it possible for your organization to serve your clients in dramatically new ways.

A business plan can also be based on the ideas and opportunities that emerge from your strategic plan, as long as you have a motivated and dedicated team capable of drafting a compelling business plan.

Through funded business plans, organizations can gain a competitive edge in the growing field of organizations seeking to diversify their funding streams. Over time, these organizations can apply business-like thinking to become market innovators in health.

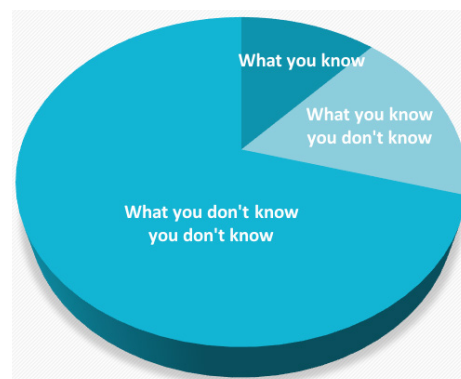
This approach to business planning builds upon three critical observations:

- 1. Money follows good ideas.** Both research and experience show that there is more money available than there are good ideas for its use. Funders and investors want to fund innovative ideas that will make a difference. Too often, however, they are presented with ideas that are not innovative, are poorly articulated or cannot demonstrate a direct relationship between the investment and the results.
- 2. Funders and investors want their money to make a difference in the lives of the underserved.** Every funder or investor wants to see a return on his or her investment. Those who fund social initiatives are no different—they want to see that their money is having a direct impact on the lives of the target population.
- 3. The best ideas are the ones generated by an organization to respond to its clients' needs.** Often, ideas proposed by NGOs and private voluntary organizations are partially initiated by donors and other external parties and are simply adapted by the organization to obtain funds. In this *Business Planning for Health* program, participating organizations learn to generate ideas based on client needs, rather than adapt ideas based on donor priorities.

This portion of the Resource Mobilization I-Kit is designed to help you “think outside the box” to generate the new, breakthrough ideas and business opportunities that will attract investors. The program will encourage you to cast aside old and familiar ways of thinking and ask new questions that will give you a fresh perspective on the issues that your organization is trying to address. This requires you to recognize that, although you know a great deal about these issues, there is a great deal you don’t know.

The Pie of Ignorance Model, right, (Landmark Education, Corp.) depicts just how much there is to learn about the needs of client populations.

**The Pie of Ignorance**





## **LESSON 1: The Organization's Mission**

The first step in drafting a business plan is to share a brief history of your organization, presented in a lively way that will engage the potential funder or investor.

Often the most compelling section of a business plan, the story behind the organization, describes how it started, its purpose and social intent, the characteristics of the founder(s), and the early difficulties overcome by the organization.

Good business plans focus on the people within the organization – their distinctive skills, experiences, and commitment to the success of the organization; the idea or business opportunity the organization seeks to pursue, along with a solid appreciation of the market and a good marketing plan; and a thorough understanding of the financial structure of the organization and what additional funding is required to bring the new idea to the market.

This is your organization's best opportunity to "hook" the readers and inspire them to read more, with the hope that they will eventually provide funding for your idea or business opportunity.

### ***Story Behind the Organization Worksheet:***

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Story-Behind-the-Organization-Worksheet.docx>

### **Articulating a Vision**

Vision statements describe what the management of the organization would wish the future to look like in the next five years. A vision is not a panacea for organizational problems, but it gives a sense of direction.

### **Formulating a Mission**

A mission statement describes purpose for which the entity exists, the scope of its offering and the target population to which its services are aimed (clients).

### **Current Scope**

Now that you have provided highlights about the history of your organization, it is time to share your organization's current scope with the potential funder or investor. This component of the business plan describes the SBCC products, services or interventions currently offered by your organization, as well as the market scope and the geographic scope of those products, services or interventions. Please note that interventions can be a blend of products and services and can be used interchangeably with either term.

Before continuing, you need to be able to distinguish between a product and a service, and between the market scope and the geographic scope.

## KEY DISTINCTIONS

**Product:** A product is something that can be packaged, priced and delivered in a number of different ways. It is something that has a defined purpose and use. Using a product does not require interface with another individual. Examples of products include drugs or contraceptives, a training curriculum and beauty aids.

**Service:** A service is also something that can be packaged, priced and delivered in a number of different ways; however, it is delivered in response to a need and usually requires at least some interaction with another individual (even if virtually). Examples of services include immunizations, surgery and counseling.

**Market Scope:** The market scope of an organization represents those segments of the market to which the organization targets its products and/or services, such as people of a specified age, gender, socio-economic status and health status.

**Geographic Scope:** The geographic scope of an organization describes the geographic area within which the organization's clients or consumers—those who use the products and/or services offered by the organization—live or work.

### **Current Scope Worksheet:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Current-Scope-Worksheet.docx>

### **Strategic Position**

Presenting the scope of your organization's offering is important, but it is not enough. The array of products, services and interventions you offer should reflect how you relate to your clients. This is known as your strategic position.

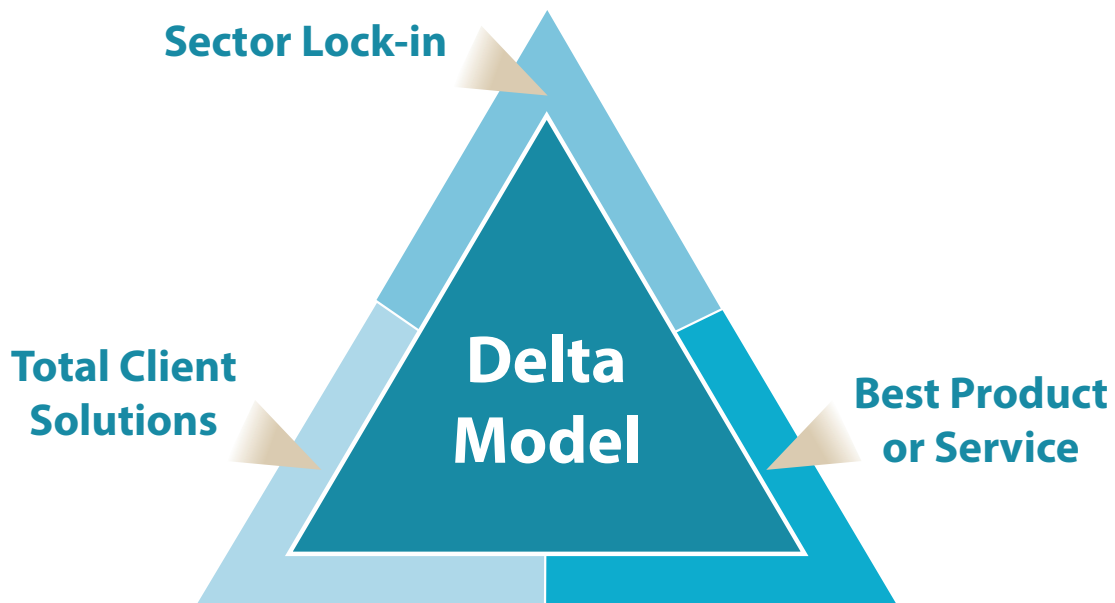
Most organizations, whether from the private or non-profit sector, establish a strategic position for themselves early in their existence; that is, they determine the strategies they will use to attract their target clients and consumers and outperform their competition.

Understanding your organization's strategic position is vital when trying to introduce new products, services or interventions into an existing or new market. To ensure that the product, service or intervention they are funding is strategically appropriate for the organization, funders or investors need to see early in your business plan the organization's current strategic positioning.

According to Arnaldo Hax, professor of Strategic Management at Massachusetts Institute of Technology's Sloan School of Management, and the creator of the Delta Model (next page), there are three potential strategic positions:

- Best Product or Service
- Total Client Solutions
- Sector Lock-in

Although your organization may not fall cleanly into a single position, chances are that one of them best represents your central strategic focus. This is what you need to research and determine. It may well be that what you thought was the intended strategic positioning of your organization is, in fact, not the case.



#### INSIDE THE DELTA MODEL

**Best Product or Service:** An organization using this strategy seeks to increase its own value, either through volume of sales, priced affordably for a large market; or through the sale of high-priced products and services that offer distinct features demanded by certain market segments. The success of such an organization is based on its market share; that is, on its ability to capture an increasing portion of the market that seeks either affordable, accessible products and services; or exclusive, highly priced products and services. Therefore, it must bring its product or service to market first and have the best packaging and delivery.

**Total Client Solutions:** With this strategy, an organization seeks to increase the client's value. This is done in two ways: reducing the clients' costs, and increasing the number of related products and services that are offered to the client. By offering a range of services and products (solutions) at a single point of delivery, a client is able to reduce the time and money spent seeking certain products or services. Likewise, by bundling or combining its products and services with support and follow up, a client will experience both convenience and savings. This type of organization's success is based on client share; that is, on attracting and retaining clients throughout their consumer life cycle. Therefore, it needs to secure its clients, learn from them, and customize its services and products around their feedback.

**Sector Lock-in:** An organization with this strategy seeks to monopolize its sector. This is done by locking in, mostly through outsourcing, high-quality partners who complement its products and services, allowing an organization to extend its own line of products and services, without having to invest in the development or maintenance costs. This strategy provides an organization with a competitive advantage, since complementors will adapt their products and services to those of your organization if they feel they will benefit. This type of organization measures its success by its share of complementary partners. It is critical for this type of an organization to develop proprietary standards (set the standard) and to keep out competitors.

***Product and Service Inventory Worksheet:***

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/ProductandServiceInventoryWorksheet1.xls>

**Core Competencies**

Having a broad product, service, market and geographic scope is only an advantage if your organization also boasts the core competencies necessary to deliver the offering successfully.

Core competencies are those skills and capabilities that an organization must have to operate effectively and efficiently. They include the technical strengths and the management and leadership practices that set your organization apart and give it an advantage over its competitors.

***Core Competencies Worksheet:***

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Core-Competencies-Worksheet.docx>

## LESSON 2: The New Business Opportunity

At this point, your business plan includes information about the history and current offering of your organization. These details should serve to draw funders or investors into the rest of your business plan.

The next step in the business planning process is to conceive, test, shape and articulate breakthrough ideas that will lead to the development of new products or services.

### Breakthrough Ideas

Some important distinctions to consider as you move forward are those between inventions, improvements and innovations.

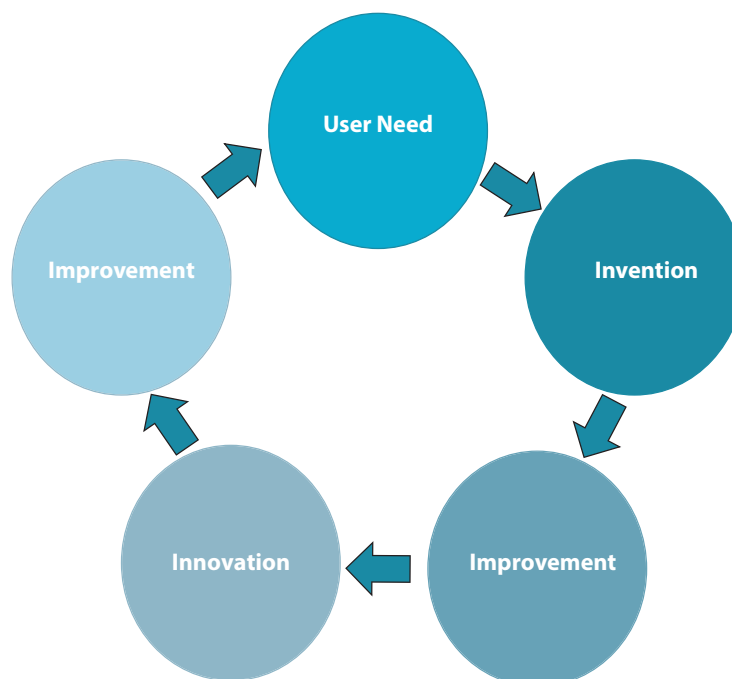
1. An invention is something that has never been seen before; it is an attempt by the inventor to meet an immediate need not yet met in the marketplace.
  - Take social media for example as a means of broad, real time communication. The first social media site that everyone can agree actually was social media was a website called Six Degrees. It was named after the 'six degrees of separation' theory and lasted from 1997 to 2001. Six Degrees allowed users to create a profile and then friend other users.
2. An innovation is when an invention moves from the hands of an inventor to the production line of a manufacturing plant, so that the masses can have access to the good.
  - From Six Degrees, the internet moved into the era of blogging and instant messaging. Eventually, this led to a whole range of computer-mediated tools that allow people to create, share or exchange information, career interests, ideas, and pictures/videos in virtual communities and networks. Familiar social media include: Facebook, Twitter, Yelp, Pinterest, YouTube, etc.
3. An improvement is an incremental change to an innovation that retains the integrity of the product, but improves its features or functionality.
  - A recent example is the shift of many social media platforms to mobile-based applications that are available for download and use on mobile phones.

**Video: A TED talk by Navi Radjou on creative problem-solving:**

[http://www.ted.com/talks/navi\\_radjou\\_creative\\_problem\\_solving\\_in\\_the\\_face\\_of\\_extreme\\_limits](http://www.ted.com/talks/navi_radjou_creative_problem_solving_in_the_face_of_extreme_limits)

This illustration shows the cycle of innovation. It is an ongoing process.

### The Innovation Cycle



The best organizations and companies are constantly asking themselves how they can better serve their clients. First, the invention is created by someone who is attempting to address the clients' needs. Sometimes, this is someone in a company's Research and Development Department; other times, it is someone tinkering in their basement or workshop. Then, improvements are made to the invention until such time as it can be patented and mass produced or manufactured, and offered publicly in the marketplace. Innovations constantly undergo changes, or improvements, to make them more functional and more attractive to clients. But, just how does one come up with these ideas?

**Video: A TED talk by Richard Turere about an inventive idea:**

[http://www.ted.com/talks/richard\\_turere\\_a\\_peace\\_treaty\\_with\\_the\\_lions](http://www.ted.com/talks/richard_turere_a_peace_treaty_with_the_lions)

### **Strategic Mapping**

The Strategic Mapping exercise will help you generate breakthrough ideas to improve the quality of life of your target population.

**Strategic Mapping Worksheet:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Strategic-Mapping-Technology-Worksheet.docx>

### **Internal Investment**

Chances are you have identified a number of breakthrough ideas that could meet the health and welfare needs of your target population. It is always a good idea to make an internal investment in new business opportunities to show funders and investors that your organization is willing to take risks.

An internal investment can be demonstrated by either directly funding a portion of the development of a new SBCC product, service or intervention with new streams of funds, or, alternatively, by shifting existing funds from an obsolete product, service or intervention that continues to consume resources.

At this time, it is important to refer back to your Product and Service Inventory Worksheet to see if there are any SBCC products, services or interventions in your inventory that no longer require funding from your organization. If there are, and if these funds have not yet been reallocated, they may be available as seed funding for the new products, services and interventions your business plan will introduce.

**Current Scope - Part II Worksheet:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Current-Scope-Part-II-Worksheet.docx>

### **Competitive Scan**

Once you have brainstormed a list of potential new SBCC products, services or interventions, and established the status of your organization's current SBCC products, services and interventions, it is time to use the Competitive Scan Tool to determine the likelihood of each proposed new product, service and/or intervention thriving in a competitive marketplace.

The competitive scan considers four critical criteria:

- Client demand
- Ease of entry
- Cost of failure
- Threat of competition

Within each of the four criteria, there are several factors to help you decide the competitive positioning of the new product, service, intervention or market segment.

**Client Demand:** This criterion looks at the power of the buyers (clients), in terms of their potential number and their ability to pay for your organization's new or current SBCC product, service or intervention. It also assesses the availability of substitutes offered by competing organizations. Ideally, you should introduce your new or current product, service or intervention to a large and growing market that has access to few substitutes and has an ability to pay for any product or service. Specifically, this criterion is composed of:

- Potential size of market.
- Availability of substitute products, services or interventions.
- Clients' ability to pay.

**Ease of Entry:** This criterion looks at the barriers you need to overcome to gain entry in to the sector in which you do not already have an established market. If your new SBCC product, service, intervention or market segment will require you to enter in to a new sector, such as microfinance, environmental health or agriculture, you need to examine the potential barriers you may confront. This will help you determine the level of attractiveness of the new product, service and/or intervention. Specifically, this criterion is composed of:

- Brand identification or identity, such as will clients recognize your organization?
- Relationship to existing products or services.
- Access to distribution channels, such as do you have pre-existing distribution channels that you can utilize?
- Access to appropriate technology, such as medical devices, laptop computers and more.

**Cost of Failure:** This criterion looks at the barriers you may need to overcome to phase out the new SBCC product, service or intervention, or to exit from a new sector or market segment if you do not succeed in attracting clients, or if funding is not available. Ideally, the cost of exit should not out-weigh the possible social or financial gains to be made from the organization's investment in developing the new product, service or intervention, or entering a new market or sector. Specifically, this criterion is composed of:

- Degree of product or service specialization, such as is a high degree of specialization required? The more specialization, the higher the cost.
- Cost of exit.
- Strategic relationship with other organizations, such as can you partner with another organization that already works in the new market segment or that has already established distribution channels?
- Emotional barriers.
- Investment made in complying with government regulations.

**Threat of Competition:** This criterion looks at the relationship of your competitors to your organization in terms of the number of competing organizations, the degree to which their SBCC products, services or interventions are specialized, the growth of the target market and the diversity of the competition. Specifically, this criterion is composed of:

- Number of competitors.
- Growth of target market.
- Product features.
- Emotional barriers.
- Service features.

The Competitive Scan Tool requires that evidence (data) be presented for all variables corresponding to each of the four criteria. The SBCC product, service or intervention that gets the highest score is that which is most likely to be successful.

**Competitive Scan Worksheet:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/CompetitiveScan.xls>

**Stakeholder Commitment**

Now that it is clear which SBCC products, services and/or interventions your organization may no longer need to support, and now that you know the competitive positioning of the top two products, services or interventions your organization wants to introduce, it is time to seek the support of your organization's stakeholders for the new business opportunity and to demonstrate this support to the funder or investor.

**Stakeholder's Commitment Worksheet:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Stakeholders-Commitment-Worksheet.docx>

**Statement of Justification**

The final step in this section of your business plan is to prepare a Statement of Justification that explains how your organization will make a difference and why you are uniquely capable of introducing this new SBCC product, service or intervention in response to the challenge.

A Statement of Justification is much like an "elevator pitch." It is a mechanism for crystallizing and broadcasting your organization's intent.

**Statement of Justification Worksheet:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Statement-of-Justification-Worksheet.docx>



### LESSON 3: The Market for the New Business Opportunity

You have now researched and presented details about the history and offering of your organization, articulated your business opportunity, and selected the single SBCC product, service or intervention that your organization should introduce to an existing or new market to improve the health and welfare of your target population. The next step is to show your funder or investor that the SBCC product, service or intervention you have chosen meets the needs of your target population, and that you will be able to effectively market it to the population.

#### *For SBCC Organizations*

Take note that even those SBCC organizations that work in social or normative change, community level interventions, or other programs, likely do so by offering some form of product (curriculum, script, poster, booklet) or service (facilitated meeting, drama, radio program) – all of which can be packaged and priced. In the event that your work can not be packaged and priced as a product or service, you should seek funding through a grant, proposal or fundraising strategy, since business plans, by nature, require that a product or service be available for the market.

#### KEY DISTINCTIONS

**The Marketplace:** The marketplace is where exchanges take place. It is where an organization exchanges something of value (a product or a service) for something that it needs (monetary or in-kind contributions, or coverage or other indications of impact).

**The Market:** The market represents all of the possible consumers of an organization's products and/or services.

**The Target Market/Population:** The target market is the group or groups to whom organizations market their products and/or services. It includes current and potential users of the products and/or services. It also may include consumers of services who may be different from users, such as employers and donors, and the supporting community.

**Marketing:** Marketing is the practice of learning about the target market/population, adjusting products, services and/or interventions to better satisfy their needs and preferences, and persuading these populations to continue their use or support of a specific organization. Marketing practices can influence the level, timing and composition of demand for an organization's products, services and/or interventions.

**Marketing Mix:** The marketing mix is the combination of efforts an organization makes to increase knowledge of and demand for its products, services and/or interventions. These efforts fall into the categories of: targeted population, price, place, production and promotion.

**Market Niche:** Market niche is an organization's unique role and image ("brand") within the greater marketplace. An organization's niche should be large enough to provide it with the funds and other resources it needs, fit the skills and resources it has or can easily obtain, offer potential to grow and be of little interest to major competitors.

**Market Segmentation:** Market segmentation is the process of breaking down a large market into smaller groups that share common needs or interests. Markets can be divided by income levels, geography, health status, age range, gender and more.

Marketing is often considered an organization's most powerful competitive weapon. According to management expert Peter Drucker, marketing is about "creating and continuing to create customers." Before proceeding further in this module, it will help you to familiarize yourself with the language of marketing. A list of terms and definitions is provided here.

### Market Research Design

It is critical to design your market research so that it provides quantitative or detailed qualitative data that can help you divide your target populations into segments. You can then identify and understand the characteristics of these segments, or sub-populations, so that you can develop SBCC products, services and interventions that these groups will use.

Your market research should provide your organization with information about:

- The potential market for the new SBCC product, service or intervention
- The specific benefits the target market will expect from the product, service or intervention
- Adjustments that should be made to the prototype of the product, service or intervention prior to launch, to meet the needs of the target population
- A reasonable price for the product, service or intervention
- The place from which the SBCC product, service or intervention will be delivered

#### THE FIVE P's OF MARKETING

- 1. Population:** What is the potential market for the new SBCC product, service or intervention?
- 2. Price:** What is a reasonable price for the product, service or intervention?
- 3. Place:** Where and how are you going to deliver the product, service or intervention to the target population?
- 4. Promotion:** What is the most suitable way to package and promote the benefits of the new product, service or intervention?
- 5. Production:** What is the quantity of the product, service or intervention that will be needed to meet potential market demand?

- The quantity of the SBCC product, service or intervention that will be needed to meet potential market demand
- Methods and techniques to inform potential clients about the new product, service or intervention, and motivate them to seek and use it

Please note that your market research need not be limited to the collection of original data using a questionnaire. Other examples of how SBCC or social marketing organizations such as yours might gather market research data include using existing or ongoing market studies and research, DHS data, routine service statistics and focus groups. All of these are captured in the resource, *Nine Steps Required to Design and Implement Your Market Study*. (<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/NineSteps.doc>)

#### Market Research Worksheet:

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/08/Market-Research-Worksheet.docx>

## Data and Report

If you choose to administer a market research questionnaire, one option is to use Survey Monkey. This is an automated program for collecting, organizing and presenting data. It can be used in the following ways:

- You can send the survey out via email with a link. All responses will be captured on Survey Monkey.
- You can conduct phone or face-to-face interviews and input the data yourself electronically.

After collecting the data, you need to compile all of the information into a well-written market research report, which will inform the funder or investor that you have a full understanding of what will drive your target population to use the new SBCC product, service or intervention you intend to introduce.

### **Market Research Report Template:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Market-Research-Report-Template.docx>

## Marketing Plan

Once you have researched the market for your organization's new SBCC product, service or intervention, the next step in the business plan is to establish goals for the marketing program. This demonstrates to the potential funder or investor that your organization is intent on promoting the new product, service or intervention to the target population. Marketing goals include action goals and image goals related to attracting target populations.

### **Action Goals**

Action goals identify the specific, measurable results that you want. Stating these goals clearly will allow you to measure progress toward achieving them within a given time period.

#### **SAMPLE ACTION GOALS**

- Over the next year, our organization will increase the demand for voluntary counseling and testing services in our five health centers by 15 percent.
- Over the next two years, our organization will provide insecticide-treated nets to 85 percent of parents of newborns in three communities.

Action goals for marketing new products and/or services usually concentrate on creating demand for:

- The new SBCC product, service or intervention by a current group of clients
- The new SBCC product, service or intervention by a new group of clients
- An existing SBCC product, service or intervention by a new group of clients

### **Image Goals**

Image goals identify how you want your organization to be seen as a result of the new SBCC product, service or intervention. You can measure progress in achieving these goals through focus groups or market surveys.

#### **SAMPLE IMAGE GOALS**

- Over the next two years, our organization will become known as the organization that provides the best counseling and referral services for HIV-infected pregnant women.
- Over the next two years, we will achieve a transformation in the public perception of our organization from a family planning provider to a full-service primary health care provider.

Image goals often concentrate on:

- Helping your organization become more widely known
- Improving your organization's reputation
- Gaining public recognition of a change in your products, services and/or interventions

**Marketing Goals Worksheet:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Marketing-Goals-Worksheet.docx>

**Marketing Mix**

Once you have articulated your action and image goals, you need to develop strategies and a plan for promoting and publicizing this new SBCC product, service or intervention. Your market research should supply you with ample information about your marketing mix. That is, it should provide evidence that your organization's new product, service or intervention is accessible, affordable and responsive to the needs of your target population.

Another critical step in marketing is to identify the promotional techniques and messages that, within the constraints of your resources, will best motivate your target population to use your product, service or intervention. Carefully tailor your techniques and messages to your target population to ensure that they will help you meet your marketing goals. Depending on the needs of your populations, consider low-cost techniques that promote:

- The basic information about your new SBCC product, service or intervention
- The key features of your new product, service or intervention

**Marketing Mix Worksheet:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Marketing-Mix-Worksheet.docx>

**Marketing Plan**

Once you have completed your market study, identified your potential market niche, clarified your goals and developed your promotional strategies, you are ready to put together a marketing plan and budget. Your plan should describe what you need to do to achieve your goals and include costs for items, such as staff time, supplies and promotional materials.

A marketing plan format has been provided, which you and your marketing team can use to organize your marketing plan. The plan includes your marketing goals, the marketing mix you are planning and the key promotional activities through which you will achieve this mix. Add as many rows as you need for the activities you want to include in your plan.

**Marketing Plan Template:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Marketing-Plan-Template.docx>

## LESSON 4: The Plan for Design and Launch

The next step in drafting your business plan involves providing an overview of the team that will design and introduce the new SBCC product, service or intervention. The team should be balanced with team members that possess diverse skills, perspectives and experience. According to Edward B. Roberts of the Massachusetts Institute of Technology Sloan School of Management, a high-performing, innovative team normally has members who possess specific characteristics, take on strategic roles and carry out well-defined functions.

Roles	Characteristics	Functions
<b>The Idea Generator</b>	This person has very keen technical skills. This person is considered an expert in his or her field. He or she likes to work on a conceptual level and deals well with abstractions. This person is considered highly innovative and tends to prefer working alone.	You can count on this person to solve problems, generate breakthrough ideas and test the feasibility of these ideas.
<b>The Entrepreneur</b>	This person has strong application skills. He or she has a wide range of interests, is energetic and determined, and enjoys taking risks.	This person puts into action what others propose, sells the new SBCC product, service or intervention idea to others in the organization and secures resources.
<b>The Manager</b>	This person focuses on decision-making. He or she uses the organizational structure and systems to get things done. This person understands how all the functions of the organization fit together and respects procedures and processes. This is a manager who is capable of leading others.	This person provides the team with leadership and motivation. He or she plans and organizes the design and roll-out of the new SBCC product, service or intervention, and coordinates the team. This person sees that the process moves along efficiently and ensures that administrative requirements and organizational needs are met.
<b>The Gatekeeper</b>	This person stays informed of what is happening in the field. He or she knows what the competition is doing, what the funders are looking for and what the clients want. This person is a networker.	You can count on this person to gather intelligence and relay important news to others.
<b>The Coach</b>	This person represents the voice of experience. He or she is often more senior and offers objectivity and experience in developing new ideas.	This person provides access to the organization's power base, to get what the team needs from other parts of the organization and to provide legitimacy and organizational confidence in the new SBCC product, service or intervention. Furthermore, this person provides guidance to the team and helps members develop their skills and talents.

**Instructions: Read and complete the following steps.**

1. Click on the Financial Modeling Tool (Excel Spreadsheet).
2. Go to the tab labeled “Main Menu” and then click on the link “Basic Information.”
  - The list of items under Other Direct Costs will appear as drop-downs on subsequent tabs.
3. Provide the requested information using the instructions provided in the boxes on the far right of the worksheet.
4. Go to the tab labeled “Master Staff List” and enter in all staff names, roles (titles) and daily rates.
  - This will be based on your review of the “The Roles, Characteristics and Functions of Your Team.”
  - The list of names in the Master Staff List will appear as drop-downs on subsequent tabs.

**Financial Modeling Tool:**

[http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/RM\\_Financial\\_Modeling\\_Tool.xlsx](http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/RM_Financial_Modeling_Tool.xlsx)

**Plan for Design and Launch: Implementation**

Once you have identified the team of persons who will work on the design and launch of your new SBCC product, service or intervention, it is important to note the activities that will be carried out by these individuals.

There are traditionally five steps to launching a new product or service. These are:

1. Design the prototype
2. Test the prototype
3. Package the product or service
4. Promote the product or service
5. Manage the launch

**Steps to Design and Implementation Worksheet:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Steps-to-Design-and-Implementation-Worksheet.docx>

Now that you have named each person who will work to develop the new SBCC product, service or intervention, and listed the activities to be carried out for each step in the design and implementation process, a scope of work (SOW) is needed for each team member. Each SOW should provide a clear and concise description of the requirements for the successful completion of the activities for which the team member is responsible. SOWs are used to ensure that all required elements of the activity will be completed. They also help those responsible for budgeting to accurately forecast costs and allocate the resources needed to complete each activity.

**Scope of Work Template:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Scope-of-Work-Template-use.docx>

**Instructions: Read and complete the following steps.**

1. Refer back to the Financial Modeling Tool.
2. Locate the five tabs: “Design,” “Test,” “Package,” “Promote” and “Manage” to enter activities for each step, the staff that will be working on those activities and their respective LOE for each activity.
  - NOTE: Persons will appear on drop-down menu generated from Master Staff List.
  - The information used for populating these cells and drop-down menus comes directly from the SOWs you have prepared.

**Financial Modeling Tool (Design, Test, Package, Promote, Launch - Staff, LOE, Other Direct Costs):**

[http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/RM\\_Financial\\_Modeling\\_Tool.xlsx](http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/RM_Financial_Modeling_Tool.xlsx)

All of the activities you have scheduled under the tabs of the Financial Modeling Tool generate a Gantt Chart, found under the “Gantt” tab.

The Gantt Chart displays the steps and major activities that must be carried out and the chronological order in which these activities must be completed to ensure the successful, timely launch of the SBCC product, service or intervention.

The Gantt Chart is included to illustrate what will happen throughout the design and introduction stages. It should show the month or quarter in which each activity or cluster of activities will begin and end and indicate who is responsible for the activity and/or deliverable.

**Instructions: Read and complete the following steps.**

1. Refer back to your Financial Modeling Tool.
2. Go to tab labeled “Gantt.” See instructions in the tab. The Activities will self-populate once you fill in the five tabs: “Design,” “Test,” “Package,” “Promote” and “Manage”; and the timeline will automatically be highlighted.

**Financial Modeling Tool (Gantt):**

[http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/RM\\_Financial\\_Modeling\\_Tool.xlsx](http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/RM_Financial_Modeling_Tool.xlsx)

## LESSON 5: The Financial Health of the Organization

Financial management involves controlling, conserving, allocating and investing an organization's resources. An organization's resources can include personnel, equipment, supplies and non-monetary contributions, such as goodwill, intellectual property and in-kind donations. Before investing in or contributing to your organization, funders or investors will want to know that the organization is in good financial health and has sound financial management and accounting practices.

### TERMS AND DEFINITIONS

**Financial Management:** Financial management is a necessary tool for supporting the organization's goals and objectives. Its purpose is to provide information that helps managers to make the organization's short- and long-term plans a reality. Financial management is about analyzing financial performance, identifying ways to use resources efficiently and finding creative ways to use existing resources to generate additional resources.

**Accounting Principles:** Accounting systems collect and record an organization's business transactions and produce thorough, accurate financial statements, which are essential for making sound financial management decisions. Accounting documents the organization's income, expenditures, assets, debt (how much and to whom) and what it is owed, by whom. Accounting rules and standards ensure the ethical and appropriate use of resources. The Generally Accepted Accounting Principles (GAAP) are widely applied standards that provide guidelines on how to measure, organize, record and report key financial information.

**Budgets:** A budget projects the costs, and, in many cases, the revenues of an activity, program or organization. It quantifies the organization's programmatic goals and objectives by guiding the allocation of financial and human resources. A budget can be used with periodic expenditure reports to review expected costs against actual spending, identify which programs are cost-effective, predict cash needs, determine where costs must be cut and provide input into difficult decisions, such as which programs to discontinue.

**Assets:** Assets are the property and resources an organization owns, with a value that can be quantified. A fundamental principle of accounting is expressed in the formula:  $\text{Assets} = \text{liabilities} + \text{equity}$ .

**Liabilities:** Liabilities are what an organization owes: the obligation to pay some amount of money or render a service.

**Equity:** Equity is the value of an organization at any given moment, expressed as the difference between assets and liabilities. It is expressed in the formula:  $\text{Equity} = \text{assets} - \text{liabilities}$ .

**Balance Sheet:** A balance sheet displays the assets, liabilities and equity of an organization. The balance sheet reflects a fundamental principle of accounting, expressed in the formula:  $\text{Assets} = \text{liabilities} + \text{equity}$ .

**Revenue:** Revenue is the money an organization receives in the form of fees, donations or grants. Revenue may come from clients, an organization's headquarters or external sources, normally in exchange for a product or service (including such products as proposals, workplans or reports).

**Costs or Expenses:** Costs or expenses are the financial outlays or resources used to deliver a product or service, or to implement a project or program. Such charges may be related to employing personnel, procuring supplies and maintaining equipment.

**Income Statement:** An income statement reports on revenue and costs or expenses resulting from the organization's operations during a specific period. The standard format lists all sources of income, subtracts itemized expenses and shows the net result ("bottom line"). When the bottom line shows a positive result, there is a net profit from operations; a negative result indicates a net loss.

**Statement of Cash Flows:** A statement of cash flows shows the inflow and outflow of cash within an organization. It covers cash flow in three categories: operating activities, investing activities and financing activities. It is a critical report, helping managers assess whether there will be sufficient cash on hand to cover expenditures, or if additional cash is needed to support operations.



## The Balance Sheet

There are three essential financial reports in any organization: the Balance Sheet, the Income Statement and the Statement of Cash Flows. Although you may not be completely familiar with your organization's financial statements, the purpose of the next section is to help you converse more easily with your finance staff, so together you can identify funding shortfalls or gaps.

A balance sheet is always divided into two parts. The top half shows the organization's assets, while the bottom half shows the organization's liabilities and equity. The balance sheet can be understood as:

$$\text{Equity} + \text{Liabilities} = \text{Assets}$$

The top and the bottom halves are always in balance; that is, they add up to the same amount. This is because the top half shows what the organization owns and what others owe the organization; while the bottom half shows what the organization owes and has to pay out. The entries under each line of the balance sheet provide important information about the financial health of the organization.

In short, the balance sheet simply breaks all the financial and material assets into those that you own and those that you owe. They balance because the money that comes into your organization is often used to pay for services, salaries, benefits, inventory and more. If there is money left over, it goes into your fund balance, or reserves, which, if not used in the fiscal year, often need to be returned to the donor or reinvested (spent on the organization). Therefore, any money that comes in will have a destination, which is why the balance sheet does, in fact, balance.

<b>Better Health International</b>		
<b>Balance Sheet</b>	<b>2012 - Local Currency</b>	<b>2012 - U.S. \$</b>
exchange rate used	1	8.25
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Bank Accounts)	812,759	98,516
Accounts Receivable	89,201	10,812
Inventory	256,186	31,053
<b>Total Current Assets</b>	1,158,146	140,381
<b>Fixed Assets</b>		
Other Fixed Assets	340,601	41,285
<b>Equipment</b>	1,536,913	186,292
<i>(Less accumulated depreciation)</i>	<i>(309,099)</i>	<i>(37,467)</i>
<b>Total Equipment</b>	1,227,814	148,826
<b>Total Fixed Assets</b>	1,568,415	190,111
<b>TOTAL ASSETS</b>	2,726,561	330,492
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	408,998	49,576
Credit Line	-	-
Current Portion Long-Term Debt	57,815	7,008
<b>Total Current Liabilities</b>	466,813	56,583
<b>Long-Term Liabilities</b>		
Long-Term Debt	169,079	20,494
<b>Total Long-Term Liabilities</b>	169,079	20,494
<b>TOTAL LIABILITIES</b>	635,892	77,078
<b>Equity</b>		
Fund Balance	2,090,669	253,414
<b>TOTAL EQUITY</b>	2,090,669	253,414
<b>TOTAL LIABILITIES &amp; EQUITY</b>	2,726,561	330,492

### The Income Statement

An Income Statement records all the revenue your organization earns and the expenses it incurs over a predetermined period of time. By adding all the revenue your organization receives from selling goods or services and then subtracting the total cost of operating your organization, the income statement shows net profit, which can be expressed as:

$$\text{Revenue} - \text{Expenses} = \text{Net Profit}$$

<b>Better Health International</b>		
<b>Income Statement</b>	<b>2012 - Local Currency</b>	<b>2012 - U.S. \$</b>
exchange rate used	1	8.25
<b>Revenue</b>		
Clinic-Based Services	4,600,000	557,576
Ancillary Services	506,180	61,355
New Product or Service	-	-
<b>Total Revenue</b>	5,106,180	618,931
<b>Grants/External Funding</b>		
Existing Financing	250,000	30,303
Financing for New Product or Service	-	-
<b>Total Grants/External Funding</b>	250,000	30,303
<b>Total Revenue (inc. Grants/External Funding)</b>	5,356,180	649,234
<b>Costs</b>		
<b>Direct Costs</b>		
Direct Labor	750,000	90,909
Other Direct Costs	1,536,913	186,292
Inventory	-	-
<b>Total Direct Costs</b>	2,286,913	277,202
<b>Gross Operating Margin</b>	3,069,267	372,032
<b>Indirect Costs</b>		
Indirect Labor	725,000	87,879
Administrative	460,000	55,758
Corporate	200,000	24,242
Depreciation	150,000	18,182
Facilities	595,620	72,196
Marketing and Selling	256,000	31,030
Other Indirect Costs	435,220	52,754
<b>Total Indirect Costs</b>	2,821,840	342,041
<b>Net Operating Margin</b>	247,427	29,991
<b>Other Costs</b>		
Interest Expense	-	-
Unallowable Expenses	75,000	9,091
<b>Total Other Costs</b>	75,000	9,091
<b>Total Revenue in Excess/(Deficit) of Expenses</b>	172,427	20,900

The income statement should cover a period that makes the most sense for your organization. The fund balance, which is reported at the bottom of the balance sheet, allows an organization to sustain its current services, survive in periods of low cash flow, and reinvest money in the organization for important new activities and projects.

Simply put, the income statement tells you where your money goes once it comes into the organization. Any money left over at the end of the reporting period goes into the fund balance (also known as “equity” on the balance sheet).

## The Statement of Cash Flows

The statement of cash flows monitors the flow of cash in and out of your organization over a period of time. This statement also identifies the sources and uses of your organization's cash. Having income after expenses, also known as "net profit" does not mean that an organization has cash readily available to support new activities or projects. If too many of your organization's assets are tied up in your inventory, such as equipment and property, or if you do not generate enough revenue to meet your regular operating costs (personnel, supplies, rent, utilities, promotion), an organization may have difficulty meeting short-term expenses and may even run out of cash.

<b>Better Health International</b>		
<b>Statement of Cash Flows</b>	<b>2012 - Local Currency</b>	<b>2012 - U.S. \$</b>
exchange rate used	1	8.25
<b>Cash In</b>		
<b>Operating Activities</b>		
Cash Received from Billings (90%)	5,106,180	618,931
Accounts Receivable (10%)	89,201	10,812
<b>Total Cash from Operating Activities</b>	5,195,381	629,743
<b>Financing Activities</b>		
Credit Line	-	-
<b>Total Cash from Financing Activities</b>	-	-
<b>Investment Activities</b>		
Grants/External Funding	250,000	30,303
Unprogrammed Funding	-	-
Sale of Used Equipment	-	-
<b>Total Cash from Investment Activities</b>	250,000	30,303
<b>Total Cash In</b>	5,445,381	660,046
<b>Cash Out</b>		
<b>Operating Activities</b>		
Direct Labor	750,000	90,909
Indirect Labor	725,000	87,879
Accounts Payable	3,633,753	440,455
Inventory	256,186	31,053
<b>Total Cash for Operating Activities</b>	5,364,939	650,296
<b>Financing Activities</b>		
Interest	75,000	9,091
Credit Line	-	-
Long-Term Debt	-	-
<b>Total Cash for Financing Activities</b>	75,000	9,091
<b>Investment Activities</b>		
Equipment	-	-
<b>Total Cash for Investment Activities</b>	-	-
<b>Total Cash Out</b>	5,439,939	659,387
<b>Cash Flow Activity</b>		
Beginning Cash Balance	807,317	97,857
Ending Cash Balance - Operating Funds	812,759	98,516
External Funding Sources (Detail)	-	-

**Financial Health**

Potential funders and investors will analyze your organization's financial statements to assess the risk of investing in the design and launch of your SBCC product, service or intervention. You and your team will need to be familiar with the fundamental financial traits of your organization prior to meeting with potential investors.

***Financial Health Worksheet:***

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Financial-Health-Worksheet.docx>

## LESSON 6: The Funding Requirements

### Launch Budget

**Instructions: Read and complete the following steps.**

1. Refer back to your BPH Financial Modeling Tool.
2. Go to tab labeled “Launch Budget.” The spreadsheet will self-populate once you fill in the “Basic Information” tab, as well as the five tabs: “Design,” “Test,” “Package,” “Promote” and “Manage.”

**Financial Modeling Tool (Launch Budget):**

[http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/RM\\_Financial\\_Modeling\\_Tool.xlsx](http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/RM_Financial_Modeling_Tool.xlsx)

### Product Forecast

After developing your budget and determining the cost of designing and launching the new SBCC product, service or intervention, you will now need to calculate how much it will cost to actually deliver the new product, service or intervention. This will help estimate the potential income to be generated from the sale of the new product, service or intervention in the future. An organization’s success in launching new product lines or providing additional services is determined by their accuracy in predicting profitability. There are various ways to establish a “working price” for purposes of modeling income.

One option is to calculate all costs associated with the delivery of the new product, service or intervention and then add a percent margin to the unit cost to establish the price. A margin of 5 percent to 10 percent is common.

Another option is to do Internet-based market research to see what other, similar organizations are charging for a like product, service or intervention.

Regardless of how you choose to define the unit price, the real income elasticity lies in the level of costs associated in operating the product, service or intervention on a day-to-day basis for the next three years. Any time an organization can reduce its costs to elevate sales, it translates into greater income.

Product costs can be defined in two ways:

1. **Variable Costs:** Expenses that change in proportion to the activity of the business.
2. **Fixed Costs:** Expenses that are not dependent on the levels of activity in the business.

$$\text{Contribution Margin} = \text{Revenue} - \text{Variable Cost}$$

**Video: A TED talk by Manu Prakash:**

[http://www.ted.com/talks/manu\\_prakash\\_a\\_50\\_cent\\_microscope\\_that\\_folds\\_like\\_origami](http://www.ted.com/talks/manu_prakash_a_50_cent_microscope_that_folds_like_origami)

**Instructions: Read and complete the following steps.**

1. Refer back to your Financial Modeling Tool.
2. Go to tab labeled “Product Forecast.”
3. List all of the potential revenue and expenses for your product in the next three years. This will be separated into different categories based on variable costs versus fixed costs.

**Financial Modeling Tool (Product Forecast):**

[http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/RM\\_Financial\\_Modeling\\_Tool.xlsx](http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/RM_Financial_Modeling_Tool.xlsx)

## LESSON 7: The Return on Investment

### Return on Investment

Now, it is time to demonstrate to your prospective funder or investor the measurable improvements in health status, access to services and quality of care that will result from the target population using your new SBCC product, service or intervention. It also articulates the anticipated financial return on investment from the sale of the new product, service or intervention to end users or third party payers.

### Social Return on Investment

Social return indicators should answer the question, “What can we look at that will show the organization and the funder or investor that the new SBCC product, service or intervention is making a difference in the lives of the target population?” In other words, how has the introduction of the new SBCC product, service or intervention made a positive impact in the health or welfare of the intended users?

There are several types of indicators. Each measures a different phase of an intervention: input, process, output, outcome and impact. Most funders or investors are looking for different types of indicators at different stages of the life cycle of a product, service or intervention.

#### TYPES OF INDICATORS

**Input:** Input indicators describe the financial, technological and human resources invested in a product, service or program. Examples might include staff time, supplies and equipment, funds or in-kind contributions to an intervention.

**Process:** Process indicators describe activities carried out to achieve the desired results or objectives of an intervention; they show what is done and how well it is done. Examples of process indicators include training sessions or educational programs prepared and presented to transfer knowledge or skills.

**Output:** Output indicators describe the results achieved at the program level in which the intervention was delivered, usually observable immediately after the intervention. Such indicators might include the number of people who completed a training course or attended an educational session.

**Outcome:** Outcome indicators describe changes in behavior among members of the target population as a result of introducing an intervention. These changes are generally observed at least a few months after the intervention. Examples could include the percentage of sexually active adolescents using contraceptives, the number of households using treated bed nets to prevent malaria, or the number of clients requesting voluntary counseling and testing for HIV/AIDS.

**Impact:** Impact indicators measure changes in the health or socioeconomic condition of the target population that generally occur after several years. Examples include changes in fertility, morbidity or mortality among certain segments of the population. You will not be measuring the impact of your intervention (product or service) at this point. Impact on health or socioeconomic status cannot be attributed to any single intervention. These long-term changes are the result of many factors, some intentional (products, services or programs designed to produce social change) and some beyond the control of any organization or agency (natural disasters, political shifts or global circumstances). Although an intervention may make a significant contribution, it can never be given full credit for these changes.

In measuring social return, input, process and output indicators are often valuable in the early stages following the introduction of the SBCC product, service or intervention. Over time, however, funders or investors will expect to find outcome indicators as the new product, service or intervention takes hold in the target population.

Although it is important for inputs to be in place for the process to be carried out as planned, and for the immediate outputs to be positive, the true value of an investment lies in its outcome. If the introduction of your new product, service or intervention has a positive short- to medium-term outcome—a positive effect on the behaviors of the target audience—it is likely that, in combination with other interventions, it will contribute to long-term impact on health welfare.

**Social Return Worksheet:**

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/Social-Return-Worksheet.docx>

**Financial Return on Investment**

Although funders or investors are probably more interested at this stage in a social return on their investments, it may also interest them to see that your organization is benefiting financially from the investment, particularly if you are able to leverage the investment to extend or enhance the services you currently offer to your clients.

Financial return indicators can provide information about the performance of an investment. However, for organizations launching a new SBCC product, service or intervention to improve public health, it can be most useful to look at the potential rate of cost recovery from the sale of the new product, service or intervention.

Conducting cost and revenue analyses will help you develop a baseline of programmatic and financial data for your organization. It provides a picture of the current situation and helps your organization identify ways to increase cost efficiency and revenue generation.

**TYPES OF INDICATORS**

**Contribution Margin % (Contribution Margin/Total Revenue):** Contribution margin is the leftover profits made after accounting for variable costs. Contribution margin % is expressed as contribution margin over total revenue.

**Gross Margin % (Gross Margin/Total Revenue):** Gross margin is the leftover profits made after accounting for variable costs and fixed costs. Gross margin % is expressed as gross margin over total revenue.

**Gross Margin Growth Rate % [(Current Gross Margin – Prior Gross Margin) / (Prior Gross Margin)]:** Gross margin growth rate % is the percent increase in gross margin from one period to the next.

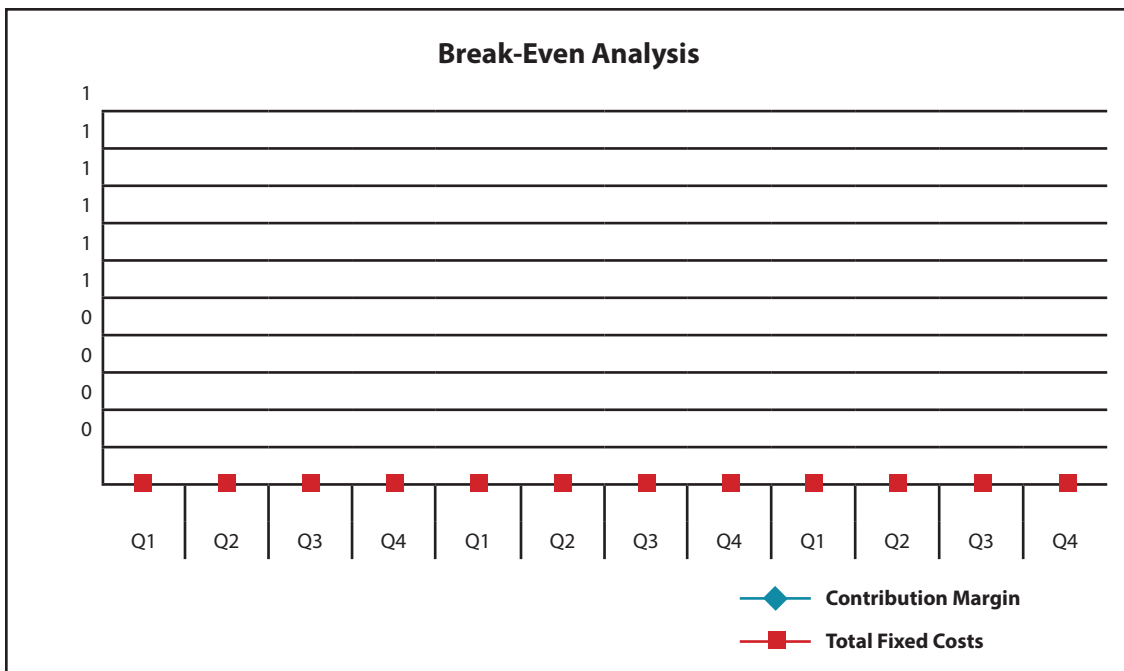
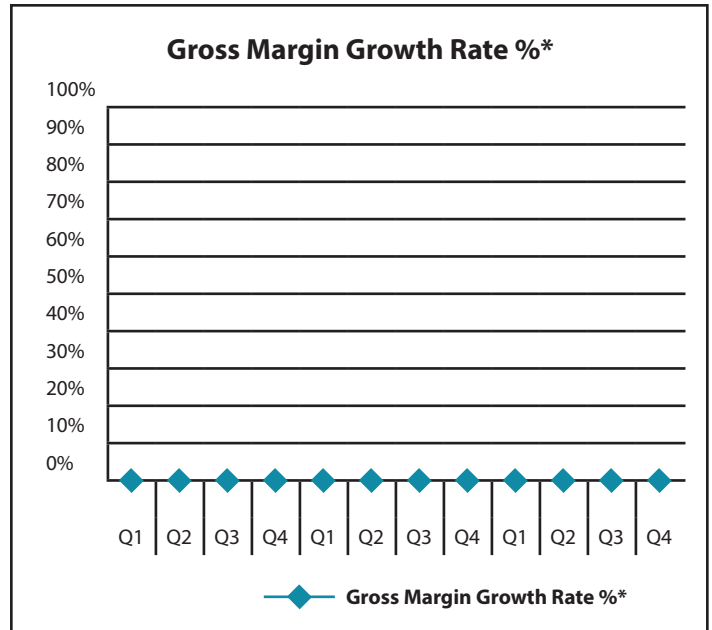
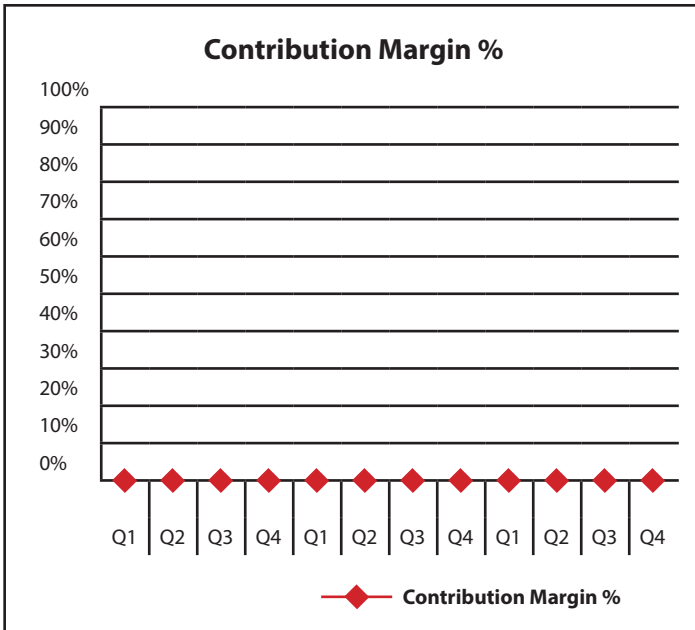
**Break-Even Analysis:** Break-even analysis is used to determine the point at which profits exceed total costs (both variable and fixed costs). Under the “Financial Charts” tab, you will be able to identify at which point in the three-year period your product, service or intervention will become profitable. This is indicated at the cross section of the contribution margin and the fixed expenses.



Proceed to the Financial Modeling Tool to see the Product Forecast and Charts.

**Financial Modeling Tool (Charts):**

[http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/RM\\_Financial\\_Modeling\\_Tool.xlsx](http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/RM_Financial_Modeling_Tool.xlsx)



## **LESSON 8: The Evaluation Plan**

Once you have identified the social and financial return indicators, the next step in the business plan is to draft an evaluation plan that will contain the current and projected status of each of your indicators, the activities your organization will undertake to monitor and measure the indicator, and the month(s) in which these activities will be undertaken. The evaluation plan demonstrates to the potential funder or investor that your organization is intent on monitoring the effect the new SBCC product, service or intervention will have on the target population.

### ***Social and Financial Return Gantt Chart:***

<http://sbccimplementationkits.org/resource-mobilization/wp-content/uploads/sites/8/2015/07/SocialFinRetGanttChartAssign1.xls>



