

THE WINSTON CHURCHILL MEMORIAL TRUST OF
AUSTRALIA

Report by Sylvia Admans

2007 Churchill Fellow

***Selling Philanthropy: how to market and promote a
foundation for sustainability***

I understand that the Churchill Trust may publish this Report, either in hard copy or on the internet or both, and consent to such publication.

I indemnify the Churchill Trust against loss, costs or damages it may suffer arising out of any claim or proceedings made against the Trust in respect of or arising out of the publication of any Report submitted to the Trust and which the Trust places on a website for access over the internet.

I also warrant that my Final Report is original and does not infringe the copyright of any person, or contain anything which is, or the incorporation of which into the Final Report is actionable for defamation, a breach of any privacy law or obligation, breach of confidence, contempt of court, passing-off or contravention of any private right or of any law.

Signed.....Dated.....

INDEX

	Page
INTRODUCTION	3
EXECUTIVE SUMMARY	4
PROGRAMME	5
PREMISE	6
WORKING WITH GOVERNMENT	6
WORKING WITH THE MEDIA	8
WORKING WITH INFORMATION	8
WORKING COLLABORATIVELY	10
CONCLUSIONS	12
RECOMMENDATIONS	13



INTRODUCTION

The awarding of a Churchill Fellowship in 2007 allowed me to travel, explore, examine and also study in my area of interest; philanthropy. From the outset I determined not to be daunted by scale, as in the global world of philanthropy, Australia is relatively small. By visiting the United Kingdom, Canada and the States I was able to examine the core issue of how new models of philanthropy are understood and most importantly how the recurring issue of sustainability is addressed in the different national environments. In this report I am recording points which stood out as a means of marketing and promotion; and achieving sustainability. From these 'self evident' learnings I wish to propose a number strategies which may have application to Australian community foundations and also more specifically to the Foundation for Rural & Regional Renewal (FRRR), the organisation I lead.

The gift of the Fellowship from the Churchill Trust, made possible the greatest luxury, that of time and space to enable learning, reflection and become networked internationally. To be a citizen of the world, creates a more productive and capable person and organisation. For this, I truly thank the Trust.

Without the full support of the Board and staff of FRRR I would not have been able to take up my Fellowship. Thank you to those who provided the necessary support in keeping everything going, just as it should. Thank you to my partner, David, for keeping the home fires burning and sharing part of my Fellowship experience.

Also I thank The Pratt Foundation, for supporting me to undertake a visit to Israel, prior to commencing my Fellowship, to learn first hand of their philanthropy in Israel. I recognise the role provided by the Trust in allowing me to make this addition to my itinerary.

And finally thank you to those individuals and organisations who gave freely of their time, their knowledge, who shared experiences with me, their generous hospitality, their frankness, to make my Fellowship a unique experience, such that I very quickly realised what a tremendous honour it was to be invested in and entrusted by the Churchill Trust into the global world of learning.



EXECUTIVE SUMMARY

Ms Sylvia Admans
CEO, FRRR Foundation for Rural & Regional Renewal
PO Box 41
BENDIGO VIC 3552
P: +613 5430 2305, M: 0419 921 054, E: s.admans@frrr.org.au

The Fellowship travel was undertaken 2 June and 11 July 2008. The six week programme had the addition of a trip to Israel 26-29 May 2008 (supported by The Pratt Foundation) and a short period of leave (14-16 July 2008) at the conclusion. The purpose of the Fellowship was to visit a range of organisations involved in new models of philanthropy, the organisations which support them, as well as undertake a short course on Performance Measurement for Effective Management of Nonprofit Organizations, John F Kennedy School of Government, Harvard University, Cambridge, USA.

Highlights:

- ✚ Visiting the Scottish Community Foundation in both Edinburgh and Glasgow and participating in a grant making meeting with a business partner
- ✚ Visiting rural Ontario, Canada and participating in the hands on programme developed by Community Foundations of Canada (CFC)
 - Meeting the Executive Team of CFC
 - Enjoying lunch discussion at the home of a Director of the Niagara Community Foundation with other Directors and stakeholders
 - Attending the presentation of a grant by the Niagara Community Foundation
 - Meeting a range of different community organisations in Guelph
- ✚ Attending the course at Harvard and being one of 78 nonprofit organizations from across the world learning at a first class institution
- ✚ Meeting Janet, John and Elsa at the Aspen Institute in DC
- ✚ Experiencing philanthropy in Seattle through the experience of Social Venture Partners International and Philanthropy Northwest

Recommendations:

- Raise the awareness of Government/s, the media, other Trusts and Foundations and the community of the potential of new models of philanthropy in creating a brighter future for all Australians
- Increase the role of FRRR in resourcing and supporting rural philanthropy
- Develop and implement strategies which have direct relevance to FRRR in terms of management of data, undertaking of research, dissemination of research, improvement of internal processes relating to costs, partnerships, fund development to increase sustainability
- Encourage a higher level stakeholder participation in the future strategic development of FRRR and the development of the sector
- Be available to share my learnings from the Fellowship to a variety of audiences at their request

Implementation and Dissemination:

This will be done by:

- + presenting my findings at the Australian Community Foundations Forum, Canberra ACT, 18-19 September 2008
- + presenting a paper at the Philanthropy Australia Conference, Sydney NSW, 16-17 October 2008
- + posting my report on the FRRR website and including in FRRR newsletter
- + making my report available to the Australian Rural Leadership Foundation publications

PROGRAMME

2 -7 June 2008 London, Scotland (Edinburgh, Glasgow), United Kingdom

- Community Foundations Network, London
- St Katharine and Shadwell Trust, London
- Big Lottery Fund, London
- Dr Diana Leat, International Philanthropy Consultant, London
- Scottish Community Foundation, Edinburgh & Glasgow, Scotland

9 – 14 June 2008, Ontario, Canada

- Community Foundations of Canada, Waterloo, Ontario
- Niagara Community Foundation, St Catherines, Niagara on the Lake, Niagara Falls, Ontario
- Guelph Community Foundation, Guelph, Ontario
- Foundation for Rural Living, Guelph, Ontario
- Ontario Trillium Foundation, Ontario

16 - 19 June 2008, Cambridge, Massachusetts, USA

- Performance Measurement for Effective Management of Nonprofit Organizations, John F Kennedy School of Government, Harvard University, Cambridge

24 - 27 June 2008, Washington DC, USA

- Aspen Institute, Centre for Rural Philanthropy, Washington DC
- Council on Foundations, Arlington, Virginia
- US House of Representatives, Capitol Hill, Washington DC

1 – 3 July 2008, Seattle, Washington, USA

- Social Venture Partners International, Seattle
- Philanthropy Northwest, Seattle

8 – 9 July 2008, San Francisco, California, USA

- Silicon Valley Community Foundation, Mountain View

17-19 July 2008, Return to Bendigo, Australia

PREMISE

In undertaking my Fellowship I was working from the premise that new models of philanthropy are those which:

- receive donations from a variety of sources (business, individuals, governments, other Trusts and Foundations);
- are relatively new (have been established in recent memory);
- their endowment is modest (or even non-existent);
- that most of the income raised is given away in the same year (what I call 'get and give' foundations, also known as flow through or intermediary foundations)
- therefore experience a lack of understanding of the model i.e. are not undertaking traditional endowed philanthropic giving
- develop characteristics which promote partnership/ collaborative behaviour and;
- have issues of sustaining the organisation (at least in the early stages).

This then describes FRRR, as well as many Australian community foundations. Because of this my Fellowship concentrated on visits to community foundations and the organizations which support them.

I wished to learn new ideas to assist this type of organisation explain, promote and sustain itself with the goal of achieving robust perpetuity.

I would now like to make observations from my Fellowship in the following areas:

- Working with Governments
- Working with the Media
- Working with Information
- Working Collaboratively

WORKING WITH GOVERNMENTS

Working with Government/s can be a double-edged sword. They can swamp other donor generosity and create a perception that a small community foundation/organisation maybe an agent of the Government becoming dependent on government funding (usually grants) and so not invest time in creating a broadly sustainable organisation. There are also other aspects of working with Government/s.

In the UK, the national government has had a strategy to use community organisations to deliver its programs, and community foundations have become involved in this. From my visits I learnt:

- The Community Foundation Network (CFN) which is the peak body for UK community foundations, now has a strategy not to

- accept grants from government unless there are aspects which also build the sector
- A brokerage model, such as CFN, can more easily engage with government/s on behalf of the sector. Examples of this are the *Fair Share: Lottery money where its needed most* and *Grass Roots Grants* which were going through tender whilst I was there
 - The Scottish Community Foundation in setting its business development targets agreed that no more than 1/7th of its annual income should come from Government/s to avoid over dependence on any one funding source
 - The UK practice of improving confidence in the sector has resulted in the establishment of the Charities Commission and an Office for the Third Sector, which is attached to the Cabinet Office. As a result of this regulation, confidence in the sector has improved the general operating environment for community foundations
 - In the UK philanthropic granting is now given for a purpose rather than a status of organization AND purpose. Now the purpose must be charitable and the organisation must be nonprofit though not necessarily classified as charitable. This is consistent with how FRRR operates but not the case for others in Australia. The US and Canada have similar operating environments in terms of charitable granting as Australia.
 - The Big Lottery Fund in the UK, whose income stream is generated from the National Lottery and gives 28p in the pound in grants. Recognizing its expertise in grant making it now offers its services to other government departments for grant making as a means of diversifying its income stream
 - In the US philanthropic granting is now able to be given to a broader range of organisations. Marginal businesses are able to become Low Profit Companies and receive philanthropic grants on a case by case basis. There is work underway to make this consistent and broadly possible. The State of Vermont has passed legislation to this effect
 - Consistently the organisations working on behalf of the sector work closely with Government/s. This is particularly evident in the US where the Council on Foundations are on working parties addressing issues such as overseas giving, terrorism, accountability of the sector

WORKING WITH THE MEDIA

An integral part of philanthropy, is being understood and this is especially the case for new models of philanthropy. Therefore it is important what messages are given out.

- An outstanding example of a strategy which gains high impact is the Community Foundations of Canada (CFC) Vital Signs Project. Originally developed by the Toronto Community Foundation, it is a snapshot of the community around ten key areas. Generally, it is available research and data which is gathered to tell an updated story of the local community.
- CFC has promoted it as a national program for its members. It is voluntary whether community foundations participate in this annual stocktake of their community.
- Strong relations have been developed with local media who produce newspaper inserts, have local television shows based on the key areas
- The Toronto Vital Signs is only published as a newspaper insert
- The Waterloo Kitchener Community Foundation run a photographic competition and the images are then used in the Vital Signs report. It increases local buy in and gives the community foundation a photo library of local images
- Most Canadian community foundations have close working relations with their local newspaper
- It was evident that many community foundations have thought long and hard about what business they are in and have developed catchy messages. The Scottish Community Foundation considers itself in the business of matchmaking and their expertise is in grantmaking, describing themselves as 'experts in giving' and 'partners in philanthropy'. Philanthropy Northwest has the byline *Current, competent, connected*. Without a clear message it is difficult to get the philanthropic story out
- Social Venture Partners International (SVPI) have created a low cost means of media monitoring which is set up through using Google News and Yahoo. Through this they can effectively monitor national and local media for the impact of their work.

WORKING WITH INFORMATION

Information and its successful management are critical to the success of new models of philanthropy. Data gathering and management ensure that organisations can run sustainably, needs can be established, analysis and research can be undertaken and credible

cases can be made for support, tailored (bespoke) programs can be developed and the sector operates from an evidence base.

- The experience in the United Kingdom of having a shared technology platform for the Community Foundation Network (CFN), through the provision of the DIGITS database, has helped create a more powerful network where common data is gathered and can potentially be drawn on to tell a national story. The IT platform also has the ability to generate income for the network and assist with sustainability. Fortunately, DIGITS is increasingly being used in Australia by community foundations, FRRR and even a corporate foundation, the Community Enterprise Foundation of Bendigo Bank now use DIGITS.
- Canadian community foundations have a longer history and by contrast have no shared technology platform. Their current challenge is to retrofit.
- The CFN produce a range of high quality fact sheets on behalf of the sector and this could not be done without access to the necessary information
- The Scottish Community Foundation (SCF) has done considerable work on examining their cost structures, as a means of ensuring sustainability. As a result of review of their operations, the SCF made a strategic decision to invest in the organization's fund development. Interestingly, this has been supported by monies raised from a major annual event called the Caledonian Challenge. A separate for profit company has recently been established by SCF with a staff of five, to manage the event.
- By understanding more fully its cost structures the SCF has broadened its fees. SCF charges 10% of the value of the grants given, as the fee for its partnership programs, coincidentally this is identical to FRRR. In addition to this SCF are also considering one off set up or development costs, for new program of a few thousand pounds. As part of the development of a new program SCF offers training to advisory committees prior to commencing grantmaking. This would be a service relevant to FRRRs business partners.
- The Canadian experience of CFC was to use local information and retell a story of community achievement and need. This is happening through the Vital Signs project (already mentioned). This local information then underpins grantmaking priorities and informs fund development.
- By completing the Performance Measurement for Effective Management of Nonprofit Organizations Course at John F Kennedy School of Government, Harvard University I was

- exposed to diagnostic tools to assist FRRR in ensuring its measuring the right things and seeking the complexity to ensure things are seen fully. The focus on mission, strategy and evaluation was a timely reminder to think about how a new organization such as FRRR had evolved in these areas.
- The diagnostic tool of most relevance and applicability to FRRR was a generic Logic Model. This model measures:
 - Inputs > Activities > Outputs > Outcomes > Impacts and then informs the revision of strategy.
 - The course allowed the benefit of not only thinking and working on your own organisations needs, but also in the context of small study groups, which encouraged the sharing of ideas, the collective solving of problems and a high level of engagement which is not always possible in a lecture theatre of 78 participants from across the globe.
 - Information of use in Australia from the Aspen Institute on fee structures suggested a transaction fee that worked on a sliding scale as a means of dealing with high volume transactions. Another strategy suggested was to commit say, 0.5% of any flow through funds to the endowment, as a means of creating sustainability for a new foundation.

WORKING COLLABORATIVELY

In what can be a competitive environment, for new models of philanthropy, working collaboratively is essential and usually unavoidable. Collaboration ensures 'the sum of the parts is greater than the whole'. Again and again, I was exposed to examples where working in collaboration was the strength which ensured the survival of many smaller organisations who on their own may well struggle.

- Incenting, that is, creating an environment where a challenge or an incentive is given to achieve certain outcome, was a major strategy in establishing many new philanthropic entities, especially community foundations. In the UK, the CS Mott Foundation, a US foundation and the Charities Aid Foundation (CAF), first used challenges to assist in the establishment of new community foundations throughout the UK. This model has continued to be used by the Big Lottery Fund and Esmee Fairbairn Foundation and most recently by the Office of the Third Sector, in the continued development of sector. There are also examples in Canada and the US where incentives have been used as a means of increasing sustainability.
- Peer learning as a practice has been applied to great effect in Canada by Community Foundations of Canada. The network

supports gatherings of peers, which can be sliced in different ways through the organisations eg. Finance Managers, Marketing Managers, CEOs or size of Foundation, but in all instances like is being brought together with like. On a smaller scale FRRR and Philanthropy Australia do this by bringing together Australian Community Foundations annually. In Canada, there are regular teleconferences between peers, as well as face to face meetings. Having spent time with the 'peers' I learnt this is one of the most potent methods of ensuring people and their organisations belong and own their sector, which supports them so richly. There is a variety of material which supports peer learning, one example is the 'Tips and Tools' sheets produced to meet peer requests by CFN.

- A new model of philanthropy which has a democratising impact is that of Social Venture Partner International (SVPI) which started in Seattle, USA and now has 23 affiliates, mostly in the US. Underpinned by a strong network support SVPI offers the donors the opportunity for highly participative philanthropy at a low entry cost. For a minimum \$5,000 donation a donor can be networked with a group of donors working in areas of common interests. The current focus in granting is on providing operational grants for 3 year periods while at the same time offering support from the donors to strengthen the organisation to ensure sustainability post funding. As a distributed network of affiliates SVPI has made a large commitment to a new technology platform to glue its network together. A strategic priority for this group is collaboration and working closely with community foundations is a demonstration of the strategy.
- Mergers came up on a number of occasions as a means of creating sustainability and consolidating collaboration. It was described as being "always an issue in the background to merge with other community foundations", it was often about achieving economies of scale. Mergers which were imposed tended to either not proceed or suffered from an uncomfortable fit of cultures. As a cautionary note "mergers involve careful consultation for 'community owned' organizations". Bigger does not always mean better.
- Conversion foundations occurred usually when a public asset went into private ownership. Hospitals were a prime example of this. Australia does not have a strong history of requiring the private business to ensure an endowment for the community when a public asset is sold. The inverse of this is true where new businesses/industries come into communities, particularly rural communities. New energy providers were a major example of this, windfarms in Scotland have an obligation to give into the communities where they are setting up new farms. The SCF have offered a solution to the businesses giving and due to the

community development work they have done in many communities were seen as a credible group to work with.

- The Aspen Institute, Rural Development Philanthropy Learning Network described funding collaborations, where foundations get together to develop a community based response to an issue as being 'politically saavy'. Early childhood education was an area they identified as having produced great results through collaboration.

CONCLUSIONS

There is so much which has applicability in philanthropy, the world over. Australia is fortunate, in a sense, in that it lags behind of what is happening in the UK, Canada and USA, which positions us to learn from others experience and leap frog ideas. For new Australian foundations, particularly community foundations, they have developed in a complex structural environment, done so without the incentives seen in all other countries and know how to run an organisation at the lowest of costs. They are naturally collaborative beasts, who need to gather and share. They deserve to be recognized for the constancy provided by their leaders, who are in effect community activists. To have and sustain a vision for a small community takes a depth of personal resources unknown to most of us.

What I have been exposed to in terms of 'How Tos' has practical and immediate applications for FRRR and perhaps other Foundations. Other areas which impact upon public policy will require further work and exploration before presenting a case to Government/s on how they can grow this new form of philanthropy, which is based partnership, collaboration and the activism of local leaders.

By sharing my learning from the Fellowship through relevant conferences and forums (as listed in the Executive Summary), publication on the Trusts and FRRRs website, as well as offering the material to the Australian Rural Leadership Foundation for their publications it is hoped a broader audience is reached.



RECOMMENDATIONS

To further the development of new models of philanthropy in Australia, both in terms of increasing sustainability and marketing and promotion it is necessary to:

- Raise the awareness of Government/s, the media, other Trusts and Foundations and the community of the potential of philanthropy in creating a brighter future for all Australians
- Increase the role of FRRR in resourcing and supporting rural philanthropy
- Develop and implement strategies which have direct relevance to FRRR in terms of management of data, undertaking of research, dissemination of research, improvement of internal processes relating to costs, growth of partnerships, and fund development to increase sustainability
- Encourage a higher level of stakeholder participation in future strategic development of FRRR and the development of the sector
- Be available to share my learnings from the Fellowship to a variety of audiences

