

Myth, Reality and Three Rules: Developing Outside Funding for Not-for-Profit Organizations

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At some point in its life cycle, almost every organization – charity, community or association – wants more money for its mission.

Myth: Grants or other “free” funding seem like an easy win – a way to get money, just by filling out some paper work.

Reality: Free, easy and substantial funding rarely happens. The good news is that there are numerous effective and sustainable methods for developing external funding.

Knowing three important rules will get you started.

1. Expand your definition of “grants” and external funding

For many organizations, external funding involves who can “give us” the money – donors, grantors, or the bank. A key step to discovering external revenue is to frame a broader picture of funding sources and methods. External funding can also include earned income ventures, partnerships, alliances, contracts-for-service, co-operative arrangements, alternative financing and more. It’s a matter of determining which sources are most appropriate and effective for your organization.

2. Tell your story – well

Success starts with telling the organization’s story – weaving mission, facts, stakeholders, priorities and activities together in a compelling framework with a results-inspiring vision. This isn’t advertising, marketing, public relations or sound bite. It’s the organization’s DNA. It’s the real story about living the mission, shared in a way that engages funders and other supporters. It’s who, what, when, where, why, how, and “WOW!” – the stories about real people that illustrate the organization’s success and impact.

3. Look for common ground

Matching your story or program with potential funders and other allies, collaborators or partners is a matter of finding areas of common ground and a desire to achieve common objectives, sometimes in spite of differences. Even the most diverse set of stakeholders with entrenched views can break through years of gridlock to find shared objectives that can put the organization on an industry-leading path – we’ve helped many organizations overcome such gridlock. Stakeholders who leave their “turf” at the door and seek out higher, agreed-upon ground create results with greater impact and sustainability. Trained listening coaches or facilitators can be valuable resources in this process.



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Conclusion

As an organization expands its definition of external funding, learns how to tell and live its story, and discovers common ground with a broader set of funders, it will attract more money on a more sustainable basis. The old lament of, “If we only had more money...” can become, “Look what we’re building together!”

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