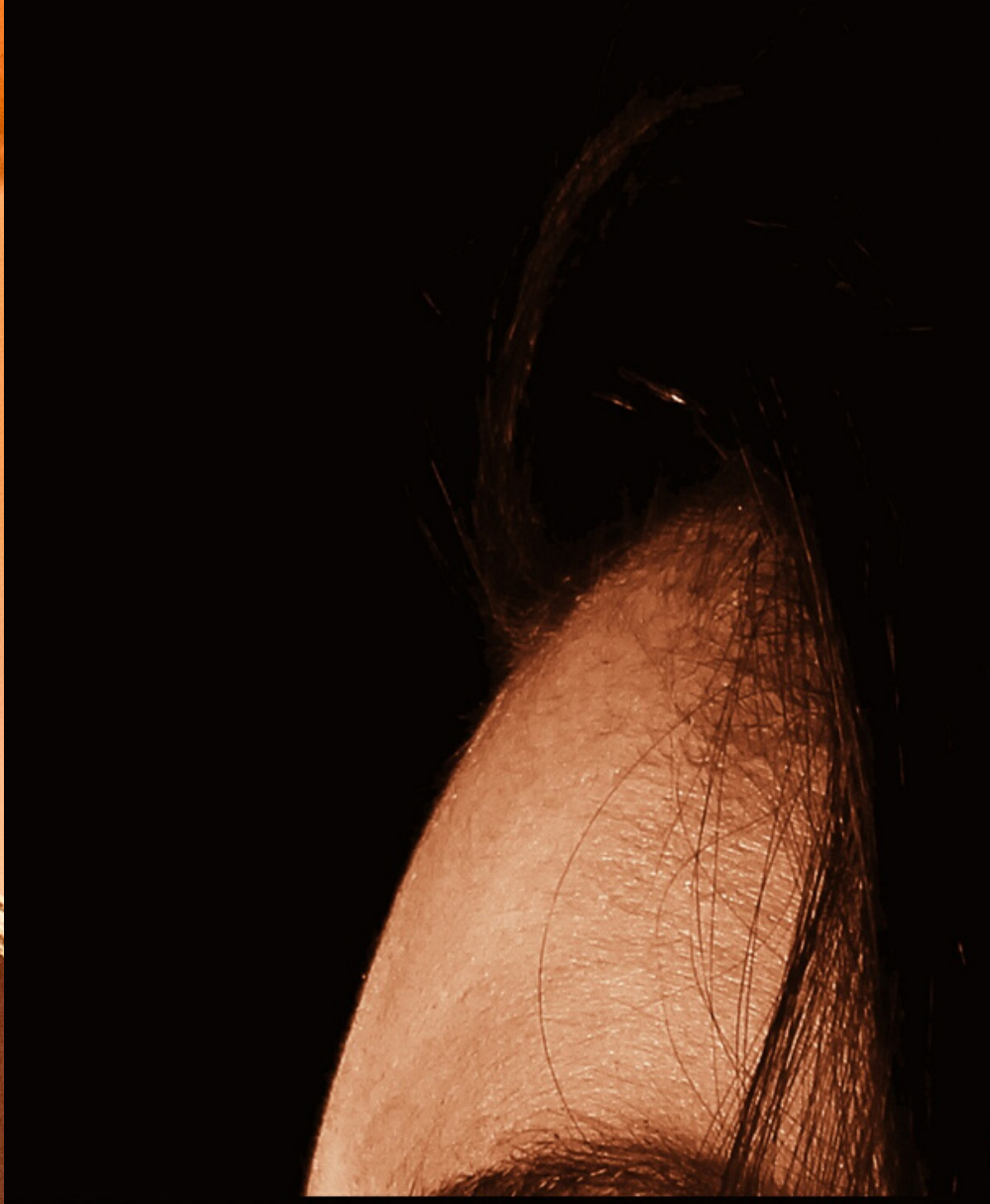


# 3 Mistakes Nonprofits Make When Engaging the Private Sector

**Grow Money On Trees**  
Private Sector Engagement for Nonprofits

J. Nadia Headley



**1**

**You believe  
everyone  
shares your  
nonprofit  
mentality.**

# MAIN POINT

# THINK FAIR VALUE

You may say, "Come on, Nadia! We know everyone doesn't have a nonprofit mindset. If we all did, the world would be a much better place."

There's a stark difference between what we believe and what we accept to be true. We accept that everyone has a different mindset, but when it comes down to how we approach others, we approach them as though they share our mindsets.

**It is human nature to project our perspectives onto another person.**

Although this is natural, organizational leaders are called upon everyday to be super human. Meh. No big deal.

**Effective leadership is based on setting an example for the team.**

It is therefore vitally important to this process that as the leader of our organization, that we be willing to see private sector engagement from the perspective of the private sector. In the nonprofit world, empathy is essential to serving our communities. We must apply this skill to our private sector partners. This is especially important when seeking to work with the small business sub-sector. Small businesses are a lot more similar to a nonprofit organization than most people initially understand.



We all have mental models: the lens through which we see the world that drives our responses to everything we experience. Being aware of mental models is key to being objective.

When we can see things as they are, without projecting our mental models and fears, we are being objective. When we can understand and consider another person's point of view, we are being objective.

ELIZABETH THORNTON

So what is this nonprofit mentality that others don't have? Going with Amartya Sen's definition of development as freedom, at the core:

**the nonprofit mentality seeks to bring freedom to areas in society where there is bondage and oppression.**

It's a beautiful thing.



As a nonprofit leader, you may still be:

- imbued with passion and not burnt out.
- fully committed to your original mandate and wake up every morning knowing that you are doing exactly what you are meant to be doing.
- carrying the weight of the social cause you fight so hard to alleviate everyday.
- completely empathetic to the community you serve.
- feeling as though everyone should be fighting for some just cause, even if it's not your own.



IG@prismattco via pexels



IG@nizamerat via pexels

In nonprofit world, we talk a lot about changing mindsets and behaviours. We are very used to providing better ways of being. We are used to clearly defining the need so we can demonstrate impact and seek to galvanise assistance to deepen impact.

When seeking to develop a strategic partnership with a private sector partner, it is important to understand that **the mentality of a person who starts a business is not the same as the mentality of a person who starts a nonprofit.**

As popularised by Warren Buffet, the most basic tenet of business is simply:

**find a need and fill it.**



People  
become  
business  
owners  
because:

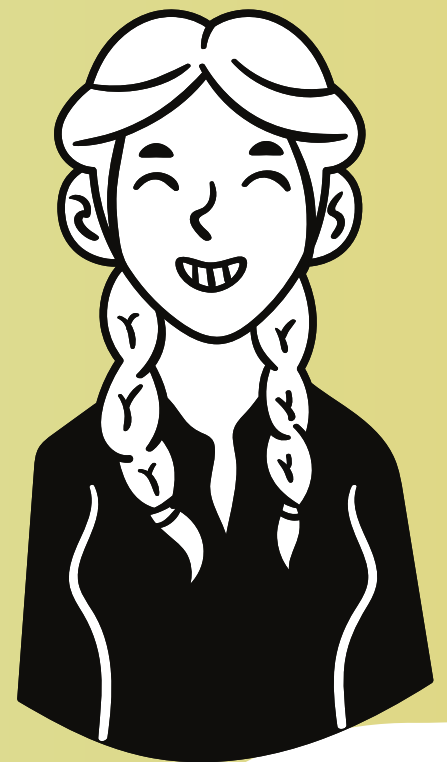
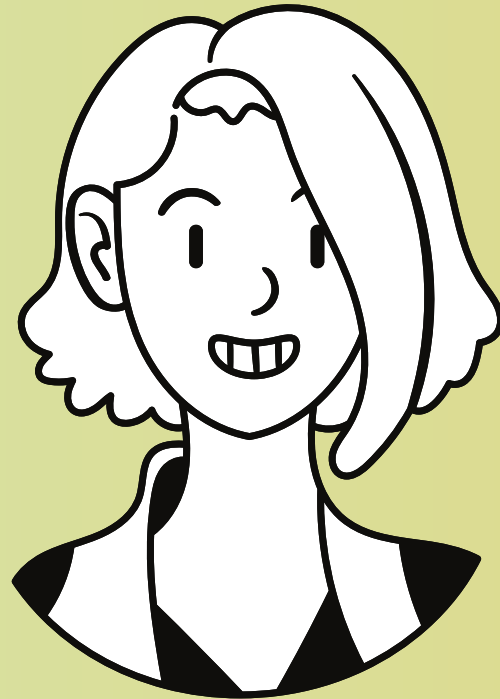
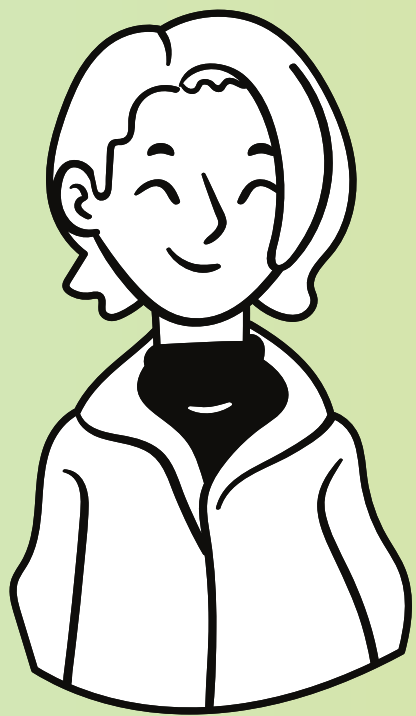
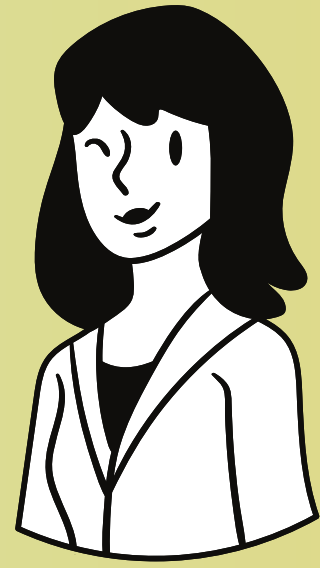
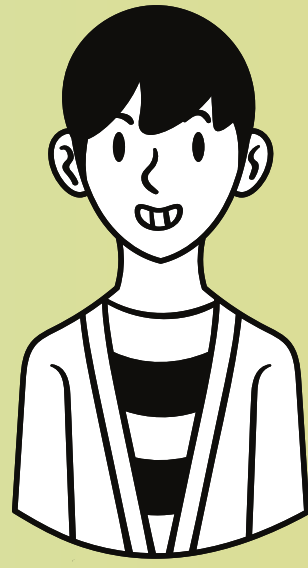
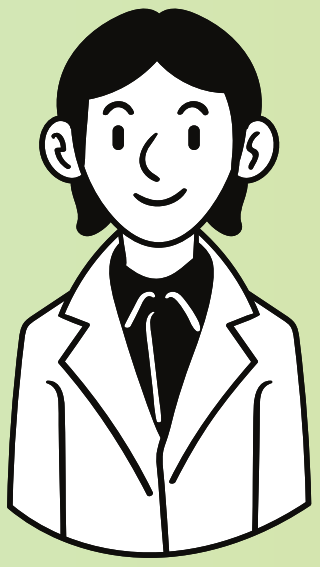
- they don't like having a boss.
- they have a hobby, skill or talent they want to monetise.
- they want a side hustle because they don't feel secure in their traditional jobs.
- they have taken over a family business.
- they don't want a cap on their earnings.
- they want to create a better life for their families.
- they want to create intergenerational wealth.

A business owner may be just as passionate as you are, knowing that s/he delivers a high quality product or service to the customers or clients who need them. The business owner is also meeting needs, but in a different way.

**The business owner must meet those needs effectively in order to earn and increase profits.**

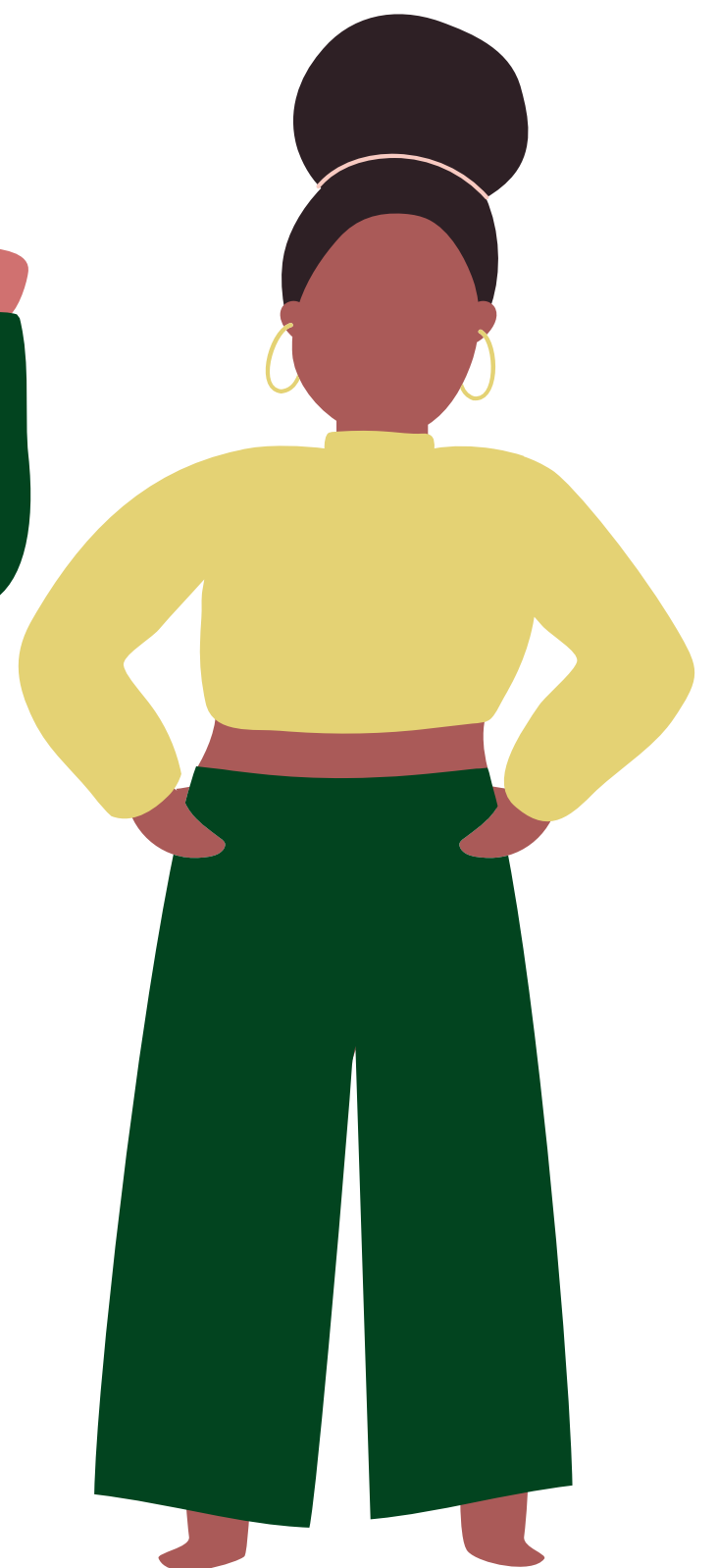
Before tossing scorn at the idea, consider this:





How many executive directors and development professionals do you know who would willingly give up their salaries and work for free??

I know very few.



Not all nonprofit leaders are willing to volunteer all day everyday; especially if they used to volunteer and are now being paid, even if not adequately. Frankly, as hard as you work and as much as you give, you should be appropriately compensated for your time, expertise and contribution to the wealth of knowledge that informs the development arena.

Yet, many people scoff at the idea of profit maximization by business owners. Entrepreneurs also have families; they also have employees; they have a responsibility to their patrons and to their stakeholders. Businesses are constantly called upon to hand over their hard earned money and owners are asked to be 100% altruistic or to settle for a tax write off.

Now that we have seen why this doesn't work, let's see how to make it work.

**Let's look at the top two questions you must not only be prepared to answer, but you should be offering the answers long before the questions are posed.**



**1)**

**What's in  
it for me?**

**(WIIFM)**

Before you approach a private sector strategic partner, understand that it is ok for them to need to know how this engagement will benefit them. It is your job to present win-win situations that benefit both organizations.

When you approach your business partner with the intention of creating such a situation, the door is now open to collaborate and build together a What's In It For We agreement. This attitude towards partnership is posited by "Vested" based on research with the Haslam College of Business at the University of Tennessee Knoxville.

The "We" would not only include the two organizations, but also shared a geographic or psychographic community.

While the engagement itself may inherently answer the first question, this question is about fairness. As a nonprofit leader approaching an entrepreneur, obviously, you want something.

**What and how are you willing to give?**

Usually, this is a very large missing piece of the conversation. Nonprofits are usually giving to the community and expect to receive from donors.

**When it comes to private sector engagement, be willing to give as well.**

Value here is not usually defined monetarily. There are many ways that your organization may be of value to your private sector partner. Get creative!

WIIFM is about the engagement mechanism producing mutual benefit and quid pro quo is about fairness in relationship.



**2)**

**What value will you provide?**

**(Quid Pro Quo)**

**Of course, you can't know what is of value to that partner without building a relationship with the leaders and the organization.**

“You only ever have three things: 1) your self, wellbeing and mindset 2) Your life network, resources and resourcefulness 3) Your reputation and goodwill. Treasure and tend the first. Value, support and build the second. And mindfully, wisely ensure that the third (your life current and savings account) is always in credit.”

RASHEED OGUNLARU



A close-up photograph of a hand holding a small green plant in a pot. The hand is positioned on the right side of the frame, with fingers gently supporting the base of the plant. The plant has several long, thin green leaves. The background is dark and out of focus, showing the texture of the pot and the hand. A large yellow number '2' is overlaid on the left side of the image.

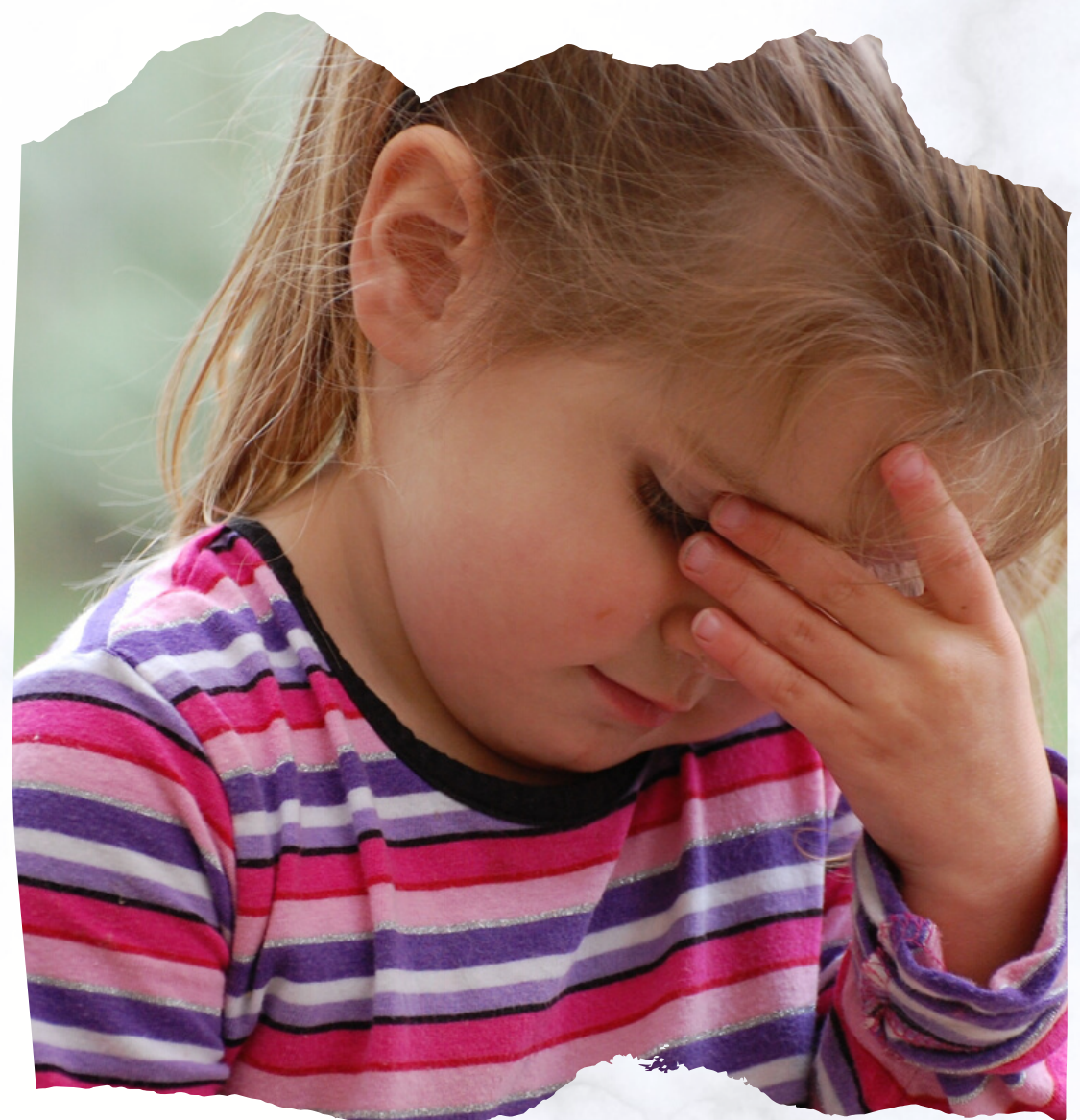
**2**

**You want a  
donation.  
The  
business  
wants an  
opportunity.**

# MAIN POINT

# THINK LONG TERM

Funding opportunities are closing. You need to keep your doors open. Donor priorities are changing and you find it difficult to keep up. You don't want to let staff go. The situation is becoming desperate. You will not be able to renew most contracts, so you have to prioritise key positions. You may even need to have one role absorbed by another, just to stay afloat. You are bogged down by reporting deadlines and new grants are emerging. You stress over the time it will take now to conduct research, prepare the application and then wait for a response. Meanwhile, you are competing with other amazing organizations which are also doing amazing things.



I have experienced this cycle from all angles: the director having to make tough calls; the donor agency relying on metrics in order to be "fair" and the employee without a renewed contract. I have lived that desperation and so I do not make these statements lightly:



**Businesses are not  
your alternative  
source of funding.**

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your alternative  
source of funding.**



**Businesses are not  
your alternative  
source of funding.**

I can hear all of the entrepreneurs going "Amen!"

Donor agencies exist for the purpose of disseminating funds to the impact level.

**Businesses do not exist for the purpose of giving you their hard earned money.**

Some businesses have really taken on **corporate social responsibility**. Some will set aside funds for all of the door knockers. First come, first serve. Some will dedicate funds to a specific cause, usually identified as a shared passion from within the organization or its leadership. Some businesses have launched separate foundations in order to be more effective as corporate citizens.



In these cases, they have created the mechanism for you to receive your much needed donations.

**This, however, is not private sector engagement.**

This is the same process as grant writing. Civil society and grassroots organizations are still clamouring over one another in order to grab a big chunk of the pie.

There are other businesses with leaders who are very interested in supporting social causes, but they lack the opportunity to do so efficiently and effectively.

**A keen nonprofit leader will understand the difference between asking for a donation and offering an opportunity to serve the shared community.**



A hand is holding a yellow card. The card's background is a dark space with a green and blue nebula and a network of thin blue lines connecting various points, resembling a constellation or a data network. The number '3' is printed in a large, bold, yellow font on the left side of the card.

**3**

**You don't see  
fundraising  
as an  
integral part  
of your  
organization.**

# MAIN POINT

THINK  
LIFE  
BLOOD

As long as fundraising remains something on the to-do list, or a chore that can be covered by a single employee, or a string of events that feel like distractions, your organization will not approach private sector engagement with the right frame of mind.

**Organizations interested in engaging a strategic private sector partner must be attractive to that partner.**

While the business owner may understand that there are constraints to your nonprofit's operations, a keen entrepreneur would question habits of wastage, inefficiency and inefficacy. If your organization suffers from low morale, that will be immediately noticed and called into question.





**Fundraising is to a nonprofit what sales is to a business.**

It is vital and interacts with every part of the organization. "Delivery" in terms of dollars spent has always been a terrible way to give definition to that term.

Delivery in terms of relationships within the community served is difficult to quantify, but is a much truer definition as it shows that **trust is the most important currency.**

Once fundraising is given priority, it is then much easier to see that every program activity delivered, communication sent out, relationship built and staff meeting held all factor into fundraising.

**Fundraising isn't about money, it's about relationships.**

Your organization's relationships with staff, volunteers, supporters, donors, beneficiaries, secondary beneficiaries are the foundational building blocks for fundraising.

**Trust is what generates the right conditions for private sector engagement.**

When time has been taken to build a meaningful relationship, there is no convincing necessary. When the approach is one of respect for the leadership, the hard work and the sacrifices that go into operating a business, there is no convincing necessary. When passions align, problems are solved and a shared community benefits from a joint effort, there is no convincing necessary.





QUESTION:

MAY I

HELP

YOU?



A lot is happening right now and there are a lot of ways to feel. You may be feeling so many emotions all at once. You may have become numb in order to cope. You may be feeling an extremely exhilarating sense of opportunity!

If at this point, you are spinning in your head, trying to find your footing and trying to think creatively of ways to pivot, all at the same time: call me!

If when you look around there are so many eyes looking back at you, expecting you to have all of the answers, right here, right now: call me!

If you are becoming more and more tired; you're not burnt out, yet; you don't have giver's fatigue, yet, however, you feel vulnerable, like one wrong move and burn out is just around the corner waiting to swallow you up: call me!

If it feels strange to see that potential burn out has nothing to do with feeling disconnected from your mission or mandate because **you love what you do. Your work energises and fuels you. You love the people you serve.**

You have no less passion. You only have less time, fewer resources and the world is changing in leaps and bounds and demanding that you keep up: call me!

If you can identify that this is the best time to learn, grow and try something new; if you can see that within challenges and crises are embedded opportunities of immense impact, and you want to grab it by the horns and emerge on the other side as an industry leader: call me!

If you need someone who understands, so you can take off your cape for just one moment, breathe, collect your thoughts, and find direction: call me!



It would be my pleasure to show you how I was able to hit 70% of a fundraising goal in a few hours by connecting with a partner my client had overlooked.

It would be my pleasure to dive deep and show you how I raised 100% of a goal in two hours with one WhatsApp message to seven people.

**Hint: The power of the message was not in the wording, it was in the relationships!**

You have the opportunity to leverage my depth and breadth of experience as an entrepreneur, charity founder and social development practitioner and be able to:

- Identify key relationships
- Develop deeper relationships
- Create win-win partnerships

It is not enough for me to point out the mistakes. **I would like to help you pinpoint exactly how your nonprofit organization can prepare and position itself to be even more attractive to private sector partners.**

As the youngest international civil servant in the United Nations for Barbados and the youngest UN Coordination Officer in Latin America and the Caribbean, I had to learn very quickly how important it was to build relationships. Working with 10 governments, 15 UN System agencies, funds and programs and over 20 donor countries; simultaneously managing several teams ranging from 4 to 15 individuals across multiple time zones... it could give you a headache just to read it. Survival meant knowing with whom to work and how best to serve them. Managing both a consulting business and a charity focused on promoting corporate social responsibility among small businesses in order to improve education delivery services has honed my ability to inspire teams to action and deliver results.

There is a shift in both the development and the business worlds that is creating an interesting convergence. **Donor priorities continue to shift with sudden changes** producing inconsistency in funding and therefore service delivery to beneficiary communities. Markets are becoming more finicky as **global conflicts and crises impact the economy and consumers demand more transparency and accountability** Nonprofit organizations are finding new ways to gain sustainable financial independence. Businesses are implementing Corporate Social Responsibility measures to demonstrate their corporate citizenship. This space in the middle requires an individual who understands both worlds, and who can serve them with ease. You need a passionate, creative, outside-of-the-box thinking, well rounded, results oriented thought leader with over 10 years of nonprofit experience and over two decades in entrepreneurship.

**I am that person.**

**May I give you the simple steps to create campaigns that are authentic and powerful, utilising communications techniques that inspire people to action and creates the right atmosphere for partnership over the long term?**

**Let's get you on a FREE coaching call right away!**

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SEE YOU SOON ON

YOUR

COACHING

CALL!

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