

Catching the Rising Tide:
Chinese Donor Strategies
and Implications

Acknowledgments

We would like to express our gratitude to the Skoll Foundation for their generous support of this project. In addition we would like to thank the dedicated team at Half the Sky and Chunhui Children for their participation in the project Steering Committee, and their unfailing support in providing data and helping open doors for some of the primary interviews.

We gratefully acknowledge the support of the interviewees we spoke to as part of this research. Their invaluable contributions and openness helped make this report possible.

This project and report would not have been possible without the insightful guidance and in-depth help from HTS / CH leaders, particularly: Jenny Bowen, Carol Kemble, Michael Northcott, Dana Johnson, Janice Cotton, Cindy Shueh Lin, Rachel Xing and Crystal Zhang. We also greatly appreciate the foresight and support of Ehren Reed of the Skoll Foundation.

Authors



Elizabeth Walker Sobhani, Managing Director of Lotus Consulting Asia, based in Beijing
elizabeth@lotusconsultingasia.com

RonBenton& Associates, Inc.

Ron Benton, Principal, Ron Benton & Associates, Inc., based in the United States
ron@ronbenton.com



Steve Sato, Principal, Sato + Partners LLC., based in the United States
steve@satopartners.com



Diana Dai, Founder Inspiring NPO, based in Beijing
diana.dai@inspiringnpo.com

All statements and conclusions, unless specifically attributed to another source, are those of the authors and do not necessarily reflect the views of the other organizations or references noted in this report.

This report was first published in December 2014.

Table of Contents

Executive Summary	3
Methodology	5
Key Findings and Insights	
1. Donor Segmentation	8
2. Donor Strategy	10
3. Communications and Engagement	12
4. Measurement and Reporting	15
Implications for the Sector	18
Appendix	20

Executive Summary

In 2014 the Skoll Foundation awarded a grant to Half the Sky (HTS) Foundation to help it more effectively assess its efforts and more powerfully tell its story. Half the Sky has a long track record of success in China, and has extensive systems for measuring its programs and progress. This project was of particular importance to Half the Sky's new sister foundation Chunhui Children (CH), which is legally registered in China. Legal registration allows CH to accept donations directly from Chinese entities and citizens. The project's findings would enable a deeper understanding of China's emerging philanthropic class as well as identify new metrics needed internally and by donors. As a result, HTS and CH can communicate value and impact more effectively and efficiently with donors.

The project was conducted in three phases:

1. Internal review – internal interviews, secondary research, review of existing HTS/CH documentation
2. External research – primary research, interviews, analysis
3. Turning Theory Into Practice – development of practical measurement and communications guides

Key Findings

The research revealed several findings important for understanding philanthropy in China:

- Distinct behavior-based donor segments exist: Affluent Chinese Individuals, Chinese Companies, Early Foundations, Multi-National Companies (MNCs), and Mature Foundations¹; these segments varied significantly in their motivation (driving decision criteria) and degree of sophistication (governing investment strategy)
- Some donors' behaviors are similar however, each segment has distinct differences:
 - › Similar to the US, the most common reasons for philanthropic giving in China are to give back to the community and the realization that a gift can make a difference
 - › Donors' expectations and needs evolve as they learn more about an organization, and as their philanthropic budgets grow
 - › Donors with more advanced philanthropic strategies (MNCs and Mature Foundations) seek a more systemic impact or to address the root cause of a problem
 - › Transparency is critical to all Chinese donors

¹We recognize that other donor segments exist in China, including non-affluent Chinese Individuals and Chinese Individuals living abroad. These were beyond the scope of our research.

- The Development Team’s mental model of interactions with donors should be based on the donor’s view of giving, not the organization’s view of how it solicits funds
 - › Donors have four phases to their “lifecycle” for engaging grantees: gaining awareness, evaluating organizations to invest in, engaging and validating their investment, and reassessing their investment decision
 - › To be most effective, donor communications should be differentiated by segment, and lifecycle phase
- Use of a social impact framework and measurement is becoming increasingly important
 - › Social impact measurement helps organizations and their donors understand current progress towards what they strive to achieve
 - › Donors need stories based on narratives supported by metrics; the type of narratives and mix of metrics vary significantly by donor segment
 - › Outcome and impact measures are of greatest importance to MNCs and Mature Foundations

Development Practices

During the project we also discovered broadly applicable development practices that merit attention by non-profit organizations seeking funding from major donors:

- Development teams should be simultaneously donor-centric and organization-centric, assuring that development efforts:
 - › Recognize and respond to the needs of donors with appropriate efficiency
 - › Are creative while being process-focused and data-driven
 - › Create leverage, not burdens and non-value-added work
 - › Support measurement and donor reporting that also reinforce internal needs for organizational learning and on-going improvement
- Systematic, collaborative engagement between non-profits and donors is becoming essential as the sector matures; expectations on how and when to collaborate differs by segment

Methodology

In 2014 the Skoll Foundation awarded a grant to Half the Sky Foundation to help it more effectively assess its efforts and more powerfully tell its story. Half the Sky has a long track record of success in China, and has extensive systems for measuring its programs and progress. This project was of particular importance to Half the Sky's new sister foundation Chunhui Children (CH), which is legally registered in China. Legal registration allows CH to accept donations directly from Chinese entities and citizens. The project's findings would enable a deeper understanding of China's emerging philanthropic class as well as identify new metrics needed internally and by donors. As a result, HTS and CH can communicate value and impact more effectively and efficiently with donors.

The Story of Half the Sky and Chunhui Children

Half the Sky was established by adoptive families in California in 1998 to bring family-like love to orphaned children in China. In 2012, Chunhui Children's Foundation was established in Beijing to allow Chinese citizens to carry on the work that Half the Sky has done in China, so that the love can one day reach all children in need. Today, Half the Sky and Chunhui Children are working hand in hand to accelerate their impact across 26 provinces in helping China reimagine its entire child welfare system. Chunhui Children exists to bring family love and care to China's most vulnerable children. They operate and support nurturing and education programs with a proven track record for enabling at-risk children to reach their full potential. They will not stop until every child knows she is loved, knows her life matters, and has a chance at a bright future.

No child should be alone

The experience of forming emotional bonds with a caring adult is essential for a child's healthy development. A small child's experiences dictate how her brain is wired. Each stimulus – each kiss, each story, each sunset, each smile – promotes the development of brain cells (neurons). Holding and stroking an infant stimulates the brain to release growth hormones. A child who lacks connection with a caring adult will often fail to thrive. Still – such a life can be turned around. And the earlier we begin the better. Chunhui Children exists to provide that connection for children who, for whatever reason, have lost what should be every child's birthright – somebody who cares.

The approach

Chunhui Children's responsive, child-centered programs focus on nurturing the whole child. It draws from the Western Reggio Emilia approach to enhancing each individual child's development and from the Chinese educational mandate that children learn about the arts, the sciences, language, social development and health. The goal is to prepare children to enter society at an intellectual and social level with their peers while surrounding them with a stimulating, healthy emotional and learning environment. Chunhui Children's approach, adapted to each developmental stage, offers continuity of nurturing care, from birth to young adulthood. Happily, this approach is now being shared with child welfare workers across China.

www.halfthesky.org
www.chbaf.org

The objectives of this project were to learn what Chunhui Children was measuring, understand and characterize potential donor's motivation and strategy for giving, and develop tools and recommendations for Chunhui to act on insights. Therefore the project involved three phases; an internal information review, external research and concept development stage, and new communications and measurement frameworks to support Chunhui Children's development and marketing strategy. Four consultants with complementary areas of expertise from the US and China collaborated closely to conduct this project.

Phase 1: Internal Review

During our internal review phase, we reviewed internal data and interviewed key staff to understand how HTS and Chunhui Children operate. We also conducted a detailed review of scores of Chinese and English language reports, narratives, and other documents to build a detailed inventory of data elements. This enabled us to understand where quantitative and qualitative information was generated and subsequently used in the organization. This data is the foundation upon which we would develop the rest of the tools and recommendations.

Phase 2: External Research

Our original approach to the research phase was to use an existing needs-based segmentation model developed for western donors as the basis for comparisons to Chinese donors. After conducting secondary research² into existing models, we determined that none were satisfactorily comprehensive for this purpose. Therefore, we developed a general framework based on:

- donors' motivations to give, and
- their level of sophistication in making funding decisions.

In this way, donors from China, the US, Australia, and other nations could be mapped into the framework and compared against donors a client already knows.

To make our findings more specific and actionable for the development teams, we created a donor-centric view of the touchpoints prospective donors have with Chunhui Children, a Donor Lifecycle Model (also known as a Journey Map). This tool helps the team anticipate a prospective donor's specific needs at each touchpoint. As with the needs-based donor segmentation model, this model has application beyond this project and beyond donors in China. The research also led to the development of marketing strategy recommendations for Chunhui Children.

²Cindy Romaine of Romaniacs Intelligent Research provided invaluable secondary research for this project

The interviews also identified what prospective donors were seeking in terms of existing and new performance metrics that would confirm whether they had made a good investment. These included child and staff input metrics, resources used, activities performed, direct outputs of activities, outcomes from an aggregation of results over time, and systemic impact.

Phase 3: Turning Theory into Practice

The final phase of our work was directed towards converting the insights and frameworks into tools and actionable recommendations.

- For the Operations team, we worked with a team of thought leaders to develop the Blueprint for Outcome and Impact Metrics. This document provides a measurement architecture, combined with detailed definitions and implementation plans, for several new metrics. These metrics will help Chunhui Children operationally as well as meet the needs of donors. They were individually designed to anticipate and mitigate the potential for adverse consequences in their rollout or use.
- For the Development team we developed a Guide to Communicating with Donors. This document specifies, for each of the five Chinese donor segments at each touch point, the most useful narratives, numbers and interactions to use to engage the donor. The underlying philosophy is on further developing grantee-donor relationships and providing donors with the relevant level of information and means of communicating this information based on their needs.
- We also developed a draft Theory of Change model for Chunhui Children to finalize to align on how their organization changes the world.

Key Findings and Insights

1. Donor Segmentation

Through primary interviews and secondary research, we mapped what we learned about donors into the framework and it became clear that when donor's motivations and needs are considered there were not three donor segments (individual, corporation and foundation) as a demographic segmentation would suggest, but at least five distinct donor segments important to our client: Affluent Chinese Individuals, Chinese Companies, Early Stage Foundations, Mature Foundations and Multinational Companies. We learned they differ on their motivation – to simply solve a problem while increasing brand recognition or a desire for more systemic impact. In addition, they differ in their degree of sophistication in managing their investment – opportunistic / reactive giving versus donors who may have catalytic strategy for collaborative impact. Furthermore, there is a loose but not direct correlation between a donor motivation and sophistication of giving strategy.

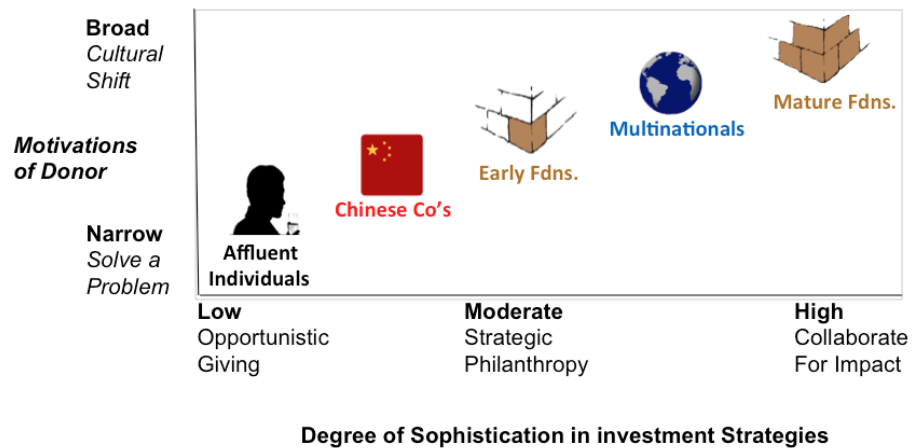


Figure 1 Donor Segments Differ in Motivation for Giving and Investment Strategies

Overview of Five Donor Segments in China

Individual donors are most often moved by the heart to give back to important purposes within China, and are opportunistic, often giving based on a personal validation for a nonprofit. They do not require as much reporting on the nonprofit activities but welcome anecdotes or basic progress information that supports the nonprofit's impact. They will often continue to give to the same organization(s) each year.

Chinese Companies typically want to solve a specific problem while feeling fulfilled and increasing the company's brand awareness. They may give products away or make a financial donation, and usually support at most a handful of organizations. A new trend appears to be the desire for employee volunteering opportunities and a request for nonprofit progress reports.

Early Stage Foundations are often Affluent Individuals who want to formalize their philanthropy through the creation of a Foundation. These are typically small foundations with a basic philanthropic strategy (e.g. improving the lives of children and education) and the founder is instrumental in deciding on the donations. As many of these founders earn their wealth through business, they seek efficient and effective nonprofits to support, and will sometimes assist the nonprofits by providing advice and referrals as desired. In return they want to see numbers and stories that show the nonprofit's progress in achieving its goals.

Multinationals are guests in China, that broadly speaking, want to give back to the communities in which they work. Some give in a quiet way and others seek brand recognition through their Corporate Social Responsibility (CSR) or philanthropy. MNCs in China usually have at least one employee focused on CSR/Philanthropy liaising with the nonprofits and their internal CSR/Philanthropy Committee. It is this Committee that usually makes the final donation or program decisions based on the company's philanthropic strategy and criteria. Site visits are common and they also require their grantees to report on their outcomes and financials. Some Multinationals are also looking for employee volunteering opportunities, which may be one of their donation decision criteria.

Mature Foundations do not just involve the Founder but employ a team or staff to conduct research and help manage their giving and philanthropic programs. They seek more systemic impact, often are sustaining a family's tradition of giving, and use a well-structured philanthropic strategy and criteria for making philanthropic decisions. A unique element among some of these Mature Foundations is their willingness to take more risk and partner with smaller nonprofit organizations (NPOs) and provide support through communication and open assessment/reporting. Their desire for outcomes and impact reporting parallels that of MNCs.

“When I had a hard time, I found the love from others and I now want to pass this love on to others by donating to a good organization”

– Affluent Individual Donor

2. Donor Strategy

Through our initial research we decided to focus on answering two questions about all donors focused on child welfare:

- › Why do they make donations? What are their motivations, or reason for giving?
- › What do they look for before and after they invest? What are their decision criteria and investment strategies?

Reason for Giving

Similar to the US, it seems the most common reasons for philanthropic giving in China are to give back to the community and the realization that a gift can make a difference³. Affluent Individual Donors give because they are looking to set an example to others, and are more moved to address an issue that is affecting them personally. In contrast, increasing brand and reputation through philanthropy is important for Chinese Companies. These differing donor motivations are important for nonprofits to understand so they can tailor their fundraising approach accordingly.

Desire for Impact

Chinese Companies and Affluent Individual Donors are opportunistic with their giving, and typically employ only a basic strategy or a tightly focused scope. They may help solve a specific problem through their philanthropy but their basic strategy typically limits them from having more systemic impact only attainable through collaboration. Donors with more advanced philanthropic strategies (particularly MNCs and Mature Foundations) are seeking more systemic impact or to address the root cause of a problem than Affluent Individuals or Chinese Companies. To achieve this goal, MNCs and Mature Foundations cannot just donate money. They also consider what assets, expertise and knowledge they have that can help solve the issue and collaborate more closely with their grantees to achieve greater impact. The only segments that did not cite fulfillment as a motivation for giving were Early Stage and Mature Foundations. The act of setting up their Foundation provided enough commitment and fulfillment, eliminating the need for “fulfillment” to be a driver in any philanthropic decision-making.

³Bank of America Study of High Net Worth Individuals, 2012

Evolution of Donor Behavior

This research suggests that there will be an evolution of donors over time as experience and philanthropic budgets grow. There is already evidence of Chinese Companies starting to model MNC behaviors with their desire for more employee volunteering or financial contributions instead of just product contributions. More and more Affluent Individuals are setting up Early Stage Foundations to formalize their giving. As these Early Stage Foundations become more formalized, they may also develop into Mature Foundations with increased staffing and a cherished legacy that is passed on to the next generation.

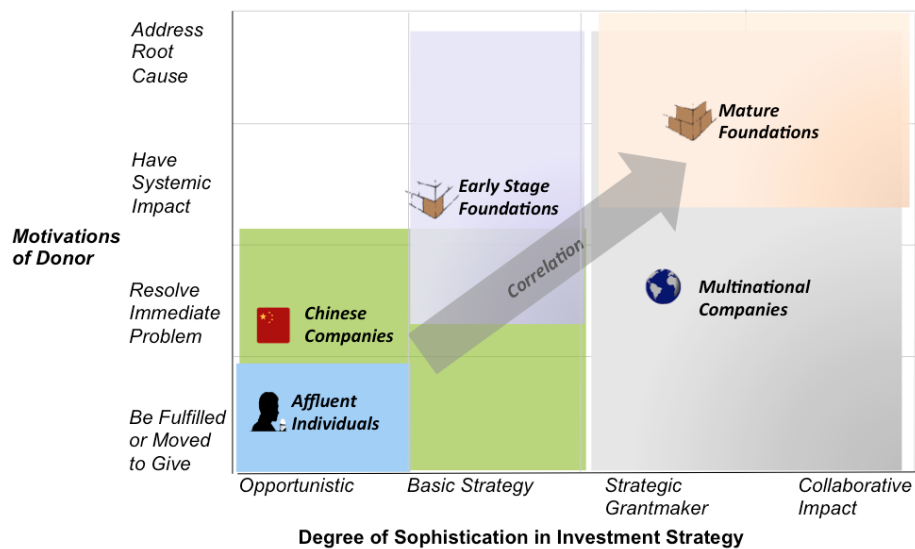


Figure 2 Donor Motivations and Strategies Vary Depending on the Segment: There is a loose Correlation

“We focus where we have the greatest ability to affect change. We look at the geographic presence of the organization, the NPOs track record of success (not looking at start ups), the individuals who are running it. We also do not want to be at arms length – we want to provide support and volunteer.”

- Multinational

3. Communications and Engagement

Donors’ expectations and needs evolve as they learn more about an organization they currently or potentially will invest in. Therefore, it was critical that Chunhui Children anticipate and validate the donor’s expectations as their relationship matures. This requires an NPO and donor to work with one another more regularly, and more collaboratively. The Donor Lifecycle model is a way to organize the donor’s anticipated needs and ideas on how Chunhui Children may respond as their relationship matures.

Donor Life Cycle Model

It is common practice for nonprofits to prospect, cultivate and steward potential donors through the life cycle to build lasting donor relationships. This lifecycle model maps to a framework for donors: gaining awareness of nonprofits, evaluating organizations to invest in, engaging and validating their investment, and reassessing their investment decision.

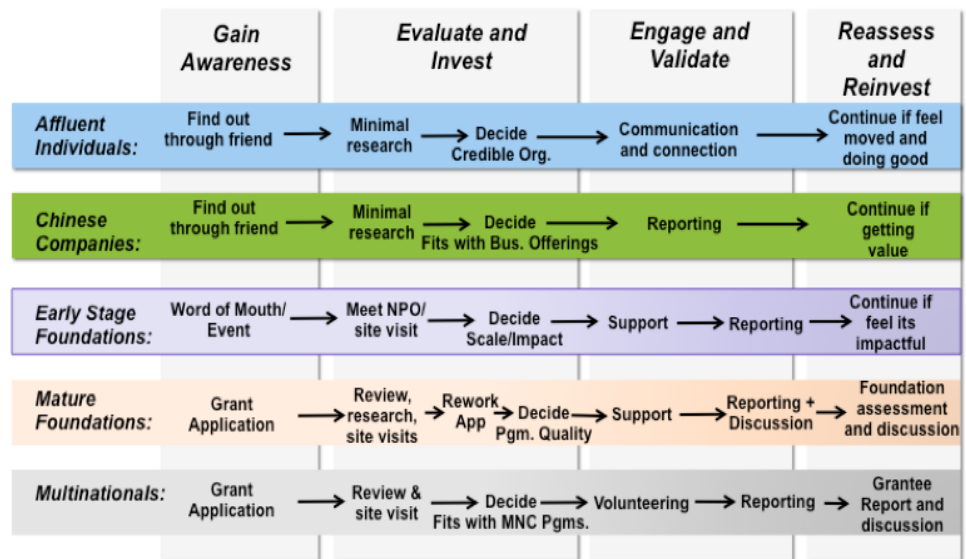


Figure 3 Different Donors Have Different Expectations and Needs at Each Stage of the Donor’s Lifecycle

“First we have a meeting with the nonprofit and see if they should apply. If we do not know them we do due diligence first before we ask them to apply. We need more detailed thinking on their strategy and this builds our confidence in them. We have made site visits for all NPOs we have supported.”

– Mature Foundation

Across the five donor segments these processes and activities are different. Affluent Individual Donors are moved more by the heart and do not conduct much research on the nonprofit: a simple validation from a friend who donates to that nonprofit is sometimes enough to convince them to give. Chinese Companies evaluate the donation opportunities more closely based on their own business offerings and brand. They require some nonprofit reporting, but not as much as Mature Foundations and Multinationals. Early Stage Foundations are different again, as they often visit the nonprofit as part of their evaluation process. They also focus on providing more support beyond money and continue to give if they feel it is impactful.

Mature Foundations and MNCs require formal grant applications and sometimes nonprofits need to be invited to apply. They conduct much research and evaluation on the nonprofit including site visits before a decision is made. Post decision, MNCs often look for volunteering opportunities to engage their employees where Mature Foundations work with the nonprofit to provide intellectual support, discuss their challenges, and help assess their performance. Both meet with the nonprofits, often in person, to discuss the impact and progress and decide if the grant will be renewed.

There is no right way of donating money, but our research shows a different life cycle for each donor segment in China. Clearly, a more collaborative partnership in shaping, then carrying out, and finally monitoring the work, will yield greater impact for both the nonprofit and donor.

Donor Decision Criteria

Every donor may have their own set of criteria, whether personal, or formalized corporate criteria, for donating money or forming a partnership with an NPO. However, within segments similar decision categories arose. Credibility and personal validation are of paramount importance to Affluent Individuals and Chinese Companies, especially considering the heightened sensitivity to fraud and corruption in the sector. Chinese Companies also seek nonprofits that fit with their business and brand e.g. a nonprofit focusing on babies fits well with a company that manufactures baby formula.

“We want to support an NPO with history and credibility, a good reputation, and lots of famous companies donating to them.”

– Chinese Company

In contrast, Foundations and MNCs and more focused on the nonprofit team to implement the mission, and their ability to achieve impact within their financial resources. MNCs also focus on credibility from a risk standpoint, and some seek NPOs that fit with the business or operate in the communities where they have a physical presence. The criteria categories are closely related to the donor strategy and original motivation for giving.






	Personal Validation	Credible Organization	Fit with Business / Brand	NPO Management Team	Scale / Current Impact	Operational Efficiency	Other Supporting Funders	Social Issue Need	Potential Impact	Program Quality	Volunteer Opportunities	Builds Community Presence
 Affluent Individuals	●	●										
 Chinese Companies	●	●	●									
 Early Stage Foundations				●	●	●	●					
 Mature Foundations				●				●	●	●		
 Multi-nationals		●	●	●	●						●	●

Figure 4 The Most Important Decision Criteria Cited by Donors

“Donors need to know how their investment has changed the world and China.”

– Chinese Company

4. Measurement and Reporting

Developing Metrics

Nonprofit organizations must understand what their donors need to see measured and reported – the best results occur when key metrics support organizational management and improvement and also meet donor needs. This project is a great case study example of a nonprofit that developed a metrics framework based on both donor feedback and their evolving internal needs. Their original project request noted that “corporate and private foundations demand a more detailed level of quantitative information”, and that “more organizations are requesting information on how their funds are making a difference”.

Chunhui’s existing measurement system tracked and internally reported a wealth of operational data; it did not readily support the communication of outcomes and impact to itself or donors. To understand this in more depth we conducted a detailed review of scores of Chinese and English language reports, narratives, and other internal documents to build a detailed inventory of data elements. This enabled us to understand where quantitative and qualitative information was generated and subsequently used in the organization. These findings, coupled with the results of interviews and other research, led to the development of several metrics tools and recommendations.

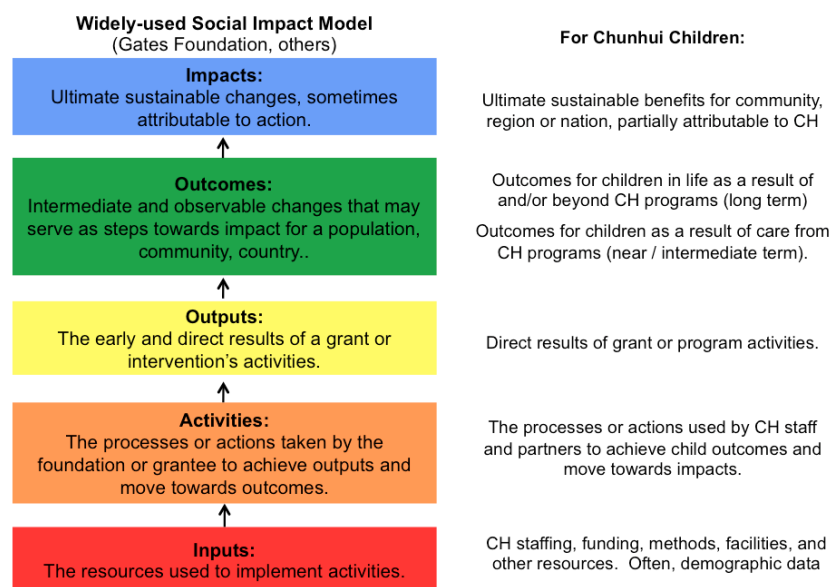
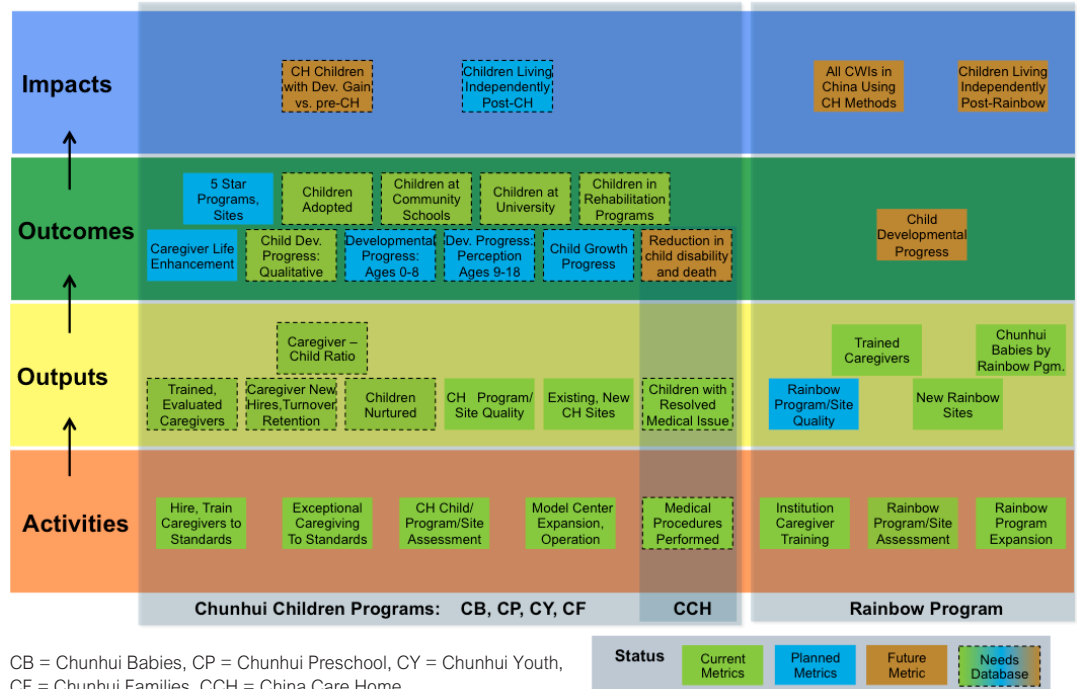


Figure 5 Measurement Framework Recommended to Chunhui Children’s Foundation

A review of grant proposals and other documents revealed donors' increased and precise use of social impact language and terminology. In order to standardize terms internally and with donors, this measurement framework was accepted by Chunhui Children. It is adapted from a widely accepted model used by the Gates Foundation⁴ and other organizations. It enables HTS to more accurately respond to global grant requests regarding metrics and creates a foundation for consistently communicating future measurement investments.



CB = Chunhui Babies, CP = Chunhui Preschool, CY = Chunhui Youth, CF = Chunhui Families, CCH = China Care Home

Figure 6 Measurement Model Developed for Chunhui Children's Foundation

Working with a team of child development experts and operations leaders, we identified seven families of new metrics (planned, in blue) needed by Chunhui Children donors – particularly for Multinationals and Mature Foundations. With one exception these were all outcome and impact metrics; each would add significant new knowledge for the organization. Four metrics relating to child development were already in various phases of design and were reinforced by this effort.

Each metric family was fully specified in the Blueprint for Outcome and Impact Metrics. This includes:

- The “why”: situation statement, addressed organizational objective, intended outcome
- The “what”: desired organizational behaviors from use, mitigated potential risks, scope, detailed definitions

⁴A Guide to Actionable Measurement, Bill and Melinda Gates Foundation, 2010, page 8.

“... I want to hear from them and not be forgotten, whether you donate 100RMB or 100,000RMB you need to communicate with all donors. Communication is critical. You do not know their potential as donors”

– Early Stage Foundation

- The “who”: development owner, implementation owner, intended use and metrics calculations by organizational level
- The “how” : collection and reporting processes

The Blueprint framework is based upon designing for the effective and intended use of needed metrics. Its use helped anticipate and mitigate a variety of issues that typically surface during or after the implementation of new metrics, and was very well received by staff. Preliminary donor response to the planned new metrics is exceedingly positive.

Reporting

This research revealed that the minimum information donors need is one or two anecdotes to show the impact the NPO is having - a flyer or simple report annually with a few basic statistics to show the progress, and some verbal confirmation of how their donation was used. However, stories alone are not enough and a financial report with some facts and figures will alone not inspire the individual donor to give again.

Some donors in China require more than this basic minimum, and this trend will only increase. Companies and Mature Foundations want an update quarterly from the nonprofit; MNCs and Mature Foundations are very focused on measuring not just outputs, but outcomes and even social impact. Outputs might be how many children you served this past year, but an outcome might be the aggregate developmental improvement based on the children being part of your programs over the past year.

Social impact is harder to measure as it relates to achieving overall mission and is not program specific, but fortunately it is desired but not yet expected by MNCs and Mature Foundations. This will change; as Chinese NPOs become more sophisticated they will be expected to embrace outcome and impact measurement. For Chunhui Children, measured impacts will include the numbers of children enabled to live independently by their programs. For the Rainbow Program developed to rapidly spread the Half the Sky methods, social impact will be even greater as the lives of children for generations will be transformed.

At minimum, communicating a nonprofit’s desired social impact can be presented through a Theory of Change Model/diagram⁵, integrating the social issue, nonprofit programs that address these issues, and the intended impact. In a follow-up roundtable meeting, donors and nonprofits thought the Theory of Change Model was a critical element to effectively tell your impact story to a sophisticated donor which was currently missing in China. Many nonprofits are still focused on activities and outputs as their measure of success.

⁵Zeroing in on Impact, Susan Colby, Nan Stone, Pauk Carttar; Stanford Social Innovation Review, Fall 2004

Implications for the Sector

While this study was conducted on behalf of Half the Sky and Chunhui Children, the results and insights can be extrapolated to the sector.

	For Donors	For Nonprofits
More Strategic Partnerships	<p>1. Consider a contribution as a step in an evolution towards a multi-year vision and strategy – where you look to your nonprofit “partner” to do their part to contribute and grow from one funding cycle to the next. Investing more than money - cultivating a more collaborative relationship with each nonprofit partner will lead to more systemic impact, versus providing an annual grant to a nonprofit and relying on them to solve the social problem in isolation.</p>	<p>1. In creating your fundraising strategy, prioritize donor segments that are easiest to approach with the narratives and numbers you already possess; those that have arisen from your organization’s development. A new nonprofit without sufficient measurements or reporting process may be turned down by an MNC, but could gain much support from a group of individual donors or an Early Stage Foundation that believes in the mission and team.</p>
Beyond Money	<p>2. Understand the ways in which you can help nonprofits, beyond giving money, through your time and expertise, your company’s assets, or your introductions to other key stakeholders. There may even be an opportunity to help resolve a nonprofit’s business challenge that helps them operationally while simultaneously addressing a social issue - thus creating a win for all parties. First, you may need to help the nonprofit to define what they need. Second, whatever the non-monetary commitment is, set a goal on a successful outcome, not an activity; since leaving a nonprofit without a successful outcome can do more harm than good.</p>	<p>2. You may gain support from donors, in other ways or in addition to them just opening their wallets. Think creatively about what other connections, assets, expertise and services or products you could propose they supply to enhance the achievement of your mission.</p>

	For Donors	For Nonprofits
Balancing Narratives and Numbers	3. Communication between the nonprofit and donor are critical – take the lead in shaping the type and frequency of information (stories and data) that you want to see to make more informed reinvestment decisions. However, be cognizant of not imposing such rigorous reporting for the nonprofit that the cost of additional labor would be counter-productive.	3. Combine the heartfelt stories of impact with a standard set of outcome metrics, ideally generated through a reporting system, to attract Foundation and MNC funding. Format the reporting system like a performance dashboard - used internally as an assessment tool and externally for communicating results.
Engaging Others	4. Consider the burden on the nonprofit versus the benefit of what you think is additional support for nonprofits – making a donation dependent on a 100 employee volunteer activity may strain the resources of the nonprofit and so dilutes the value of your donation. There are other ways for donors to provide meaningful employee engagement while still supporting nonprofits.	4. Leverage the “halo effect” of a your good results made possible by a donor’s contributions. Ask a donor to introduce you to people in their network to share your story – thus reaching new prospective donors while enhancing the reputation of both of you – e.g. suggest to a donor that your organization present at the donor’s business school alumni event to their colleagues.

With an opportunity to shape the future of philanthropy in China, it is hoped that these findings and insights can assist other donors and nonprofits in their journey for greater social impact.

Appendix

About the Authors



Elizabeth Walker Sobhani is a Partner and Managing Director of Lotus Consulting, which was established in Bermuda in 2006 and formed in Beijing in 2010 as one of the first social impact consulting firms in China. She brings more than 15 years of experience in management consulting in Australia, North America, UK and Asia. Elizabeth worked for the top tier strategy consulting firm, Bain & Co, and was also the VP of Global Strategy for ACE, a fortune 500 insurance company, where she led many strategy, cost containment, organizational redesign, and post merger integration projects across their 50 countries. In addition she helped create their global philanthropic strategy and a signature strategy for The ACE Foundation.

Elizabeth has led over 40 social impact consulting projects with nonprofits and companies to help them deliver measurable social impact, strategic philanthropy, and shared value. She has been a guest speaker at conferences in China, Hong Kong, Europe and Bermuda on the social sector developments and is also a mentor for aspiring social entrepreneurs.



Ron Benton is President of Ron Benton & Associates, Inc., and has two and a half decades of experience consulting to leaders of global organizations and their functional leaders in strategy, measurement, executive leadership, and organizational transformation. He is fortunate to have done truly inventive work with partners and clients he reveres. Ron has worked extensively with a variety of organizations, primarily in Europe and Asia.

Clients include enterprise computing businesses, Norwegian and German manufacturers, and various breweries. He is the global provider of workshops for ING Finance that rapidly improves its professionals' ability to identify, analyze and communicate crucial performance data to executives and partners. He also consults to non-profit organizations on strategy, measurement, and capability maturity.

Previously, Ron directed Hewlett-Packard's business strategy, organizational acceleration, and customer loyalty internal consulting practices. He led 3 global initiatives establishing company-wide measurement systems. He pioneered methods of behavioral measurement in the company. Ron also facilitated strategic alignment and action planning sessions between HP and Microsoft for Asia-Pacific, and led highly successful growth planning strategy sessions for HP China and HP India. During the HP-Compaq merger, he served in the merger clean room and co-designed the new company's Quality / Total Customer Experience strategy and management system. Ron's contributions have been cited in 7 books; he is a frequent university guest lecturer and conference presenter.



Steve Sato is a principal at Sato + Partners, a customer experience design strategy and organization development consulting practice. Steve has 14 years of experience as a consultant in customer-driven innovation, strategy and planning and an additional eight years of management experience in a high tech corporation. He has worked with Fortune 500, multinational and mid-sized companies, foundations, professional and social services organizations. His advanced degrees in design and R&D Management, and undergraduate degree in engineering provide him with a holistic perspective on customers, business and technology. He has taught graduate programs in design, invited to speak on topics such as design metrics, design organization development and Design Thinking, and published over a dozen articles for magazines, journals, and chapters in books.



Diana Dai is the founder and president of InspiringNPO, the first marketing consulting agency for the Non Profit sector in China. Diana is work closely with various leading Non-Profits in China, e.g. Narada Foundation, China Youth Development Foundation, Chen Yet-Sen Family Foundation, etc.

Prior to establish InspiringNPO, Diana has 15 years work experience in Marketing and Non-Profit Consulting. She worked as Business Director in Ogilvy (iconmobile) and Digital Marketing Director in Universal Music Group China. She also worked as the digital communication consultant at a Chicago based Non-Profit organization. Diana graduated with an MBA from the University of Illinois in Chicago.

References

Corporate Philanthropy in China - A Practitioner's Guide for Foreign Donors, The Conference Board, Dec. 2012

Giving Around the Globe, The Conference Board / CECP, 2013

Giving in Numbers, The Conference Board/ CECP, 2013

Guide to Actionable Measurement, Bill and Melinda Gates Foundation, 2010

The 2012 Bank of America Study of High Net Worth Philanthropy, Bank of America and The Center on Philanthropy at Indiana University, Nov. 2012

The Million Dollar Donors Report 2013, Coutts in Association with the Indiana Lilly Family School of Philanthropy, Nov. 2013

The Million Dollar Donors in China Report, Coutts in Association with the Indiana Lilly Family School of Philanthropy, 2014

Money for Good I - Special Report on Donor and Investor Preferences for Supporting Organizations Working Outside the US, Hope Consulting, 2010

Money for Good International, Hope Consulting, 2010

Money for Good II - Driving Dollars to the Highest Performing Nonprofits - Full Version, Hope Consulting, 2011

Zeroing in on Impact, Susan Colby, Nan Stone, Pauk Carttar; Stanford Social Innovation Review, Fall 2004