

“Management Tips”

1.00 Introduction :

- 1.01 No human being can think of a comfortable life without the existence and cooperation of other human beings. The development of a society ensures the development of its individual constituents also. Hence, it is the duty of every human being to contribute his/her time, money and efforts for the development of the society.
- 1.02 In our country, doing something for others is an age-old and well tried out concept. Recently, the huge donation (approx Rs 2 lac crs) declared by Mr. Warren Buffet, the richest person of the world, indicates that all human beings irrespective of their place, position, religion, caste etc. tend to contribute for the society i.e. it is inherent with the human life. However, since our people at large are reactive and not pro-active, hence it is necessary to motivate and promote them towards this aspect of doing something for the society.
- 1.03 Every Social Service Organisation should be able to show “Excellence in its planning as well as executions”. If it is not able to properly utilize the resources provided by the donors; perhaps it has failed in its duties. It should be able to give value-addition to the resources held by it or provided by the donors.
- 1.04 A Social Service Organization is supposed to work with the objective of ‘No profit no loss’. If it earns profit, it is supposed to utilize them to further its activities without any gain to its constituents/ trustees/ employees etc. It does not mean that the organization should suffer losses or should poorly use its resources.
- 1.05 Every Social Service Organisation should develop the concept of cross subsidization i.e. the cost incurred to provide services free / concessional to the needy, should get compensated from a fair and reasonable cost recovered from the capable/ resourceful persons.
Dependence on donations for regular working operations should be gradually reduced and the donation obtained should be used for expansion / further improvement of the services being provided.
- 1.06 The employees of every Social Service Organization should be given reasonable remuneration. However, such remuneration should be below the remuneration being provided by the commercial organizations and the persons working in the charitable organization should be selected / trained to develop their charitable outlook.
- 1.07 Prof. Peter F. Drucker, a great management thinker has written a book entitled “Managing the Non-profit Organisations – Principles and practices” published by Collins Business. This book contains various aspects for management of an NGO which may be of a great help for NGOs and other service / charitable organizations working in our country.

2.00 **Limitations :-**

In our country, there are many social service organizations run by various International, Government, Semi-Government, religious and caste oriented organizations. These organizations mainly suffer from the following two limitations :

- (i) Scarcity of resources
- (ii) Lack of Professional Management

The scarcity of resources and lack of Professional Management result in sacrificing the 'quality' in every aspect of their working.

3.00 **Fund Raising : Limitations**

- 3.01 Normally, the service-projects are conceptualized without much thought, planning and paper work. Sometimes, such plans are far from ground realities.
- 3.02 As far as the building needs are concerned, donations come easily available as many persons in our society want their names to be put on the building. This unfortunately promotes the service organizations to plan for bigger building than their actual needs.
- 3.03 The funding of furniture, furnishing, tools, implements etc. become difficult. The most difficult is the funding of the regular day-to-day operating expenditure.

4.00 **Fund Raising : Principles**

- 4.01 As noticed by all of us from time to time that there is no dearth of people who can contribute for a social cause provided they are properly approached, appraised and are satisfied about an honest and efficient work being done.
- 4.02 If the social services are properly planned, efficiently run and transparently marketed, then it is felt that there should not be any problem as far as the funds are concerned.
- 4.03 The organization providing such services should forget the number game and should concentrate on efficiency and results even in the small activity they might be doing. They should try to develop a model which can be followed by others rather than doing the job by themselves in an unmanageable volume.
- 4.04 From the point of view of fund raising, the various service projects can be classified into 2 categories:
 - (i) Projects which can become self supporting in the long run
 - (ii) Projects which shall always need outside assistance.

Ideally, every project should be so planned that in the long run it may become self-sufficient. Even in case of projects which can not generate sufficient earnings to support their operations, sufficient fund requirement should form part of the initial cost of the project and such available liquid funds should be invested in Bank FDRs, Govt Bonds etc where from monthly interest can be withdrawn to support the regular operating expenses.

5.00 **Fund Raising : The Road Map**

5.01 Fund Raising move should be taken-up after due thought, home-work & planning. Any wrong move in fund raising may not only bring an end to the desired service project but may also damage the reputation of the service organization.

5.02 Fund raising move may involve the following steps :

- (i) Proper planning of the service project detailing its need, benefits, cost, implementation time schedule etc. Such aspects need to be properly presented in a brochure with photographs, site plan etc ;
- (ii) A detailed introduction of the service organization with its founder, trustees etc. with details of activities being carried on ;
- (iii) Preparation of various donation-schemes to suit the different kind of donors ;
- (iv) To identify the target-donors and approach them with full convenience to them. Donations should not be demanded and the approach should be to market the donation scheme so that the donor is motivated to voluntarily go for the donation ;
- (v) To appraise the donor about the progress and working of the project from time to time and to request for his visits and seek his guidance from time to time ;
- (vi) To get the advantages of tax relief for the service organization, the project and also the donors ;
- (vii) Proper recognition should be ensured for all the donors specially those who are donating for the purpose other than the building work.