

# Philanthropie Aktuell

## EDITORIAL

Dear readers,



In the NPO world there are signs of changing tides. After more than two decades of steady growth, we seem to be witnessing a time of consolidation – if not decline. Never in the last

20 years were as few foundations established as in 2018. Several relief organizations have announced austerity measures in order to be able to continue working successfully, and the public debate is no longer determined by associations and parties, but by social movements that deliberately close themselves off from existing structures.

In times of crisis, it is advisable to concentrate on the essentials. Impact orientation is the best way for NPOs to focus on their own goals and at the same time discuss their performance with stakeholders. And for once everybody agrees: operative NPOs, foundations, and science appreciate the importance of impact orientation.

At the CEPS, we have been offering a certificate course on impact orientation for years. This year it has been thoroughly revised and we are pleased that it is already fully booked. That said, we look forward to welcoming you to our CAS next year!

Wishing you a pleasant read.

Georg von Schnurbein

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## Towards future oriented management

**Existing concepts of impact orientation exhibit gaps with regard to their relevance for the management of organizations, argues Dr. Christian Schober of the Vienna University of Economics and Business, and advocates a paradigm shift.**

Vision and strategic mission statements of many organizations are oriented towards adding social value. This is the standard for NPOs and foundations, and parts of the state administration and profit-oriented companies have followed suit in recent decades. Accordingly, the strategies of most organizations should be impact-oriented, with a focus on added social value, since they ultimately want to find ways to achieve success with respect to their mission. In international development cooperation, this is done rather consistently and to some extent uniformly by means of logframes. On a case-by-case basis, impact models, theories of change, or outcome mapping are also developed in other areas. Evaluations rely, for example, on cost-benefit analyses, SROI analyses or other forms of impact analyses. This, however, at best serves strategic decision-making, or in some instances is merely an instrument for legitimation.

### Lack of relevance for management

Ongoing control – the core task of management – lags behind when it comes to impact orientation. The concepts for controlling organizations that we see today are at best output control, and at worst simply cost-fixed control. Common KPIs show input-output relations, such as the number of beneficiaries reached at

certain costs. Even initiatives and instruments aimed at impact, such as [IRIS](#), [GRI](#) or the impact-oriented budget management of the Austrian federal administration, are mostly oriented towards output indicators. The Austrian federal administration, for example, explicitly mentions the number of jobs created as an objective. The quality of these jobs and the added social value created beyond earned income is only mentioned in individual cases. The greatest shortcoming, however, is the lack of relevance of such instruments to management. How often do sustainability indicators actually take precedence over earnings indicators? And how often does people's quality of life take precedence over costs?

### Paradigm shift necessary

A paradigm shift in control and thus in management would appear necessary, as to ensure that visions and strategies for the promotion of added social value will not remain lip services. This requires a level of expertise at industry, organizational and company level:

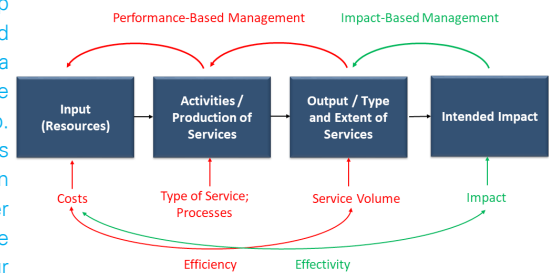
1. Strategic impact goals oriented toward the question: «What does the change aspired for actually bring to my target group or my stakeholders?»
2. A conceptual basis for cross-project or cross-organizational management, based on the desired impact.

3. The will of decision-makers to select measures for cross-project or cross-organizational comparisons of impact and to set target values with respect to these.
4. An industry discourse concerning the question as to which indicators should be used to measure impact.
5. Regular measurement of the desired change among stakeholders.
6. Management based on actual results, i.e. promoting effective and reducing or eliminating ineffective services.

**Time to try something new**

The conceptual basis for an overall organizational impact-based control model has already been presented, for example with the impact-oriented control box (Steuerungbox). It shows how a portfolio of services can be managed on the basis of impact across stakeholder groups. The biggest obstacles to the implementation of such concepts so far have been: 1) the financial resources required for the initial implementation; 2) the (lacking) willingness of decision-makers to set target values; and 3)

Dr. Christian Schober, research director at the Competence Center for Nonprofit Organizations and Social Entrepreneurship at the Vienna University of Economics and Business, advocates the move towards a more comprehensive view of impact. The control box (Steuerungsbox) can be of help. Source: Schober/Rauscher (2017): «Was ist Impact? Gesellschaftliche Wirkungen von (Nonprofit-)Organisationen. Von der Identifikation über die Bewertung sowie unterschiedlichen Analyseformen bis zur Steuerung», Working Paper, NPO-Kompetenzzentrum WU Wien.



(the missing) agreement on uniform measuring instruments.

Quality of life, integration, or social capital, for example, must first be measured in the respective context. In particular, people who are limited in their ability to provide information pose a challenge in this area. Correspondingly, in a transitional phase, more money will have to be invested in this form of control. In the medium term, when focusing on «real impact», a number of

output and process indicators can be eliminated and thus resources freed up.

It would seem to be time to try out such a system in a canton or federal state, a foundation or a specific funding program.

Dr. Christian Schober is the research director at the Competence Center for Nonprofit Organizations and Social Entrepreneurship at the Vienna University of Economics and Business.

**Impact management in practice: The perspective of the Beisheim Foundation**

**Impact is of central importance to grant-making foundations. Managing director Patrizia Rezzoli and project manager Beno Baumberger explain how the Beisheim Foundation works in an impact-oriented way, from the project to the strategy level.**

For a long time now, the [Beisheim Stiftung](#) has been committed to impact-oriented foundation work. The targeted and efficient use of funds is therefore an important concern for the foundation. For this, measuring impact is indispensable. The impact model (also known as IOOI logic or log-frame approach), which is known to foundations interested in impact, is also used by the Beisheim Stiftung. The model can be connected to various types of reports, such as the [Social Reporting Standard \(SRS\)](#), which is also used consistently by the foundation.

For the Beisheim Foundation, the impact model is an important instrument for checking the feasibility and plausibility of new projects, for clearly defining their goals and target groups, for planning their implementation and for later analyzing their impact. For ongoing projects, the impact model helps with the regular monitoring and validation of the foundation's strategy.

One challenge in our daily practice is the complexity of the cause-and-effect relationships. While input and output are still relatively easy to determine, more complex tests are required to determine the outcome. In order to measure impact, we often have to rely on assumptions. For impact analysis, it is crucial not only to formulate measurable goals, but also to define suitable indicators and measurement methods – we take these steps together with our partners.

It is important to us not to «measure» every project from start to finish. For small projects, measuring input and output is sufficient, while large or untested projects are candidates for external evaluation. Here it is important to weigh up wisely when and with how many resources an evaluation is started.

For the Beisheim Stiftung, impact-oriented foundation work means more than just measuring the impact of individual projects at the end of their term.

Rather, we see it as an integral process, starting with the digital submission of applications, moving via reporting with the SRS and ending with impact analysis. We also expect the SRS to facilitate periodic reporting. The explicit wish of many project partners is that there should be a uniform standard in Switzerland along the lines of the SRS. This would reduce time-consuming and costly application and reporting work.

The Beisheim Stiftung is currently examining how it can, with an appropriate methodology, achieve impact even more efficiently and effectively without «over-engineering». As a learning organization, the foundation would like to draw conclusions about its fields of action and its funding strategy beyond its individual projects. It is also important for us to share the collected knowledge – with our project partners, other foundations, and the public.

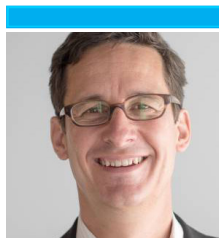
Patrizia Rezzoli & Beno Baumberger

## «We have become a bit of numbers people»

Impact is a topic much discussed. Markus Mader, Director of the Swiss Red Cross (SRC), spoke to the CEPS about the importance of impact management for his organization, the challenges it poses and the central value of stories.

**CEPS:** Impact is a topic much discussed, rightly so?

**M.M.:** We are glad that this topic has taken center-stage. From our point of view, overhead costs used to be too central. Of course, they are important, but having lower overhead costs does by itself not mean that one is doing things better. Thinking about impact brings the people, the target group, back into the focus and that is important. I want to know whether my work actually brings about the change towards which I am striving. I think it is important and right that today we are increasingly taking into account the question of impact in all our projects – whether at home or abroad.



Markus Mader has been Director of the Swiss Red Cross (SRC) with its 28 member organizations since 2008. Previously, he worked for the Pestalozzi Children's Village in Trogen and for the International Committee of the Red Cross.

**CEPS:** How does the SRC address the topic of impact management?

**M.M.:** In order to shape one's own work successfully, one must always keep the topic of impact in mind – starting with the planning and ending with the evaluation of projects. Doing this successfully requires hiring good people and involving one's stakeholders in the whole process. Our impression however is that today one is dealing a little too much with pure numbers. There is a danger of focusing on methods and instruments, thereby losing sight of the people one actually wants to focus on. In this area, we have become number people, and I believe that we have to give more consideration to the qualitative part again. This means approaching people and asking them what impact we have actually achieved for them. Of course, if key figures are 20 or 30 percent higher, that's nice, but we think that the qualitative side is even more

decisive – and we are trying to take this more strongly into account. That is not easy, because, on the one hand, the qualitative part is very demanding in terms of conceptualization and evaluation for our employees, and on the other hand, it is not easy to communicate this qualitative part to the public. There is still something that needs to be changed in people's minds – today they somehow believe more strongly in figures than in the people that are actually behind them. But for us, it will certainly become more and more important to show the effect of our work by means of concrete examples, by means of lived stories.

**CEPS:** How do you communicate your impact to your stakeholders?

**M.M.:** A big challenge is certainly to actually communicate the changes that we are achieving at the level of individual people or groups of people. Of course, we try to communicate the impact we achieve as clearly as possible to our stakeholders. To come back to the overhead costs: One also has to raise awareness of the fact that impact management involves a lot of work and that it costs something. With relation to small donors, transmitting our message is a bit more difficult because there is no direct contact. We try to prove our own impact by portraying facts and stories in our public appearance, for example in our annual reports, but we certainly have to work on communicating this even better. It's easier with larger funders. We have more regular exchange with them and invite them on project trips so that they can get an idea of the difficulties and complexity of the context – this is how we promote their understanding of the challenges underlying the search for impact. A few weeks ago, Federal Councillor Karin Keller-Sutter visited us. We then decided to invite three clients. Each of them had a 20-minute exchange with Mrs Keller-Sutter. Such stories have an enormous effect and I think we were able to convey the value of our work much better in this way than by simply presenting numbers.

**CEPS:** In which areas do you perceive specific challenges today and in the future with respect to impact management?

**M.M.:** One needs well-qualified people in order to implement and carry out impact management concepts or methods, and one has to pay these people decently. Impact measurement is a big effort, which simply means that you contribute to overhead costs and lose time for actual project implementation. We also work a lot with volunteers. Of course, they are also professional, but it is more challenging to deal with the issue of impact there, because volunteers don't necessarily want to spend time on any impact work, but want to spend time directly with people. For our experts here at our headquarters this is certainly easier, but of course, here, too, it is true that you simply have to stress again and again how important the issue of impact is.

**CEPS:** Many thanks!

## CEPS INSIGHT

### ERNOP conference 2019 in Basel

CEPS will host the 9th ERNOP conference from 3 to 5 July 2019. At the conference, researchers from all over the world will present their latest research results in the field of philanthropy. We are especially looking forward to the keynote speeches by Prof. Dr. Rob Reich, Prof. Dr. Pamala Wiepking and Lynda Mansson from the MAVA foundation.

[Conference Program](#)

### Changes in the CEPS team

As of June 2019 the CEPS can count on the support of Lia Ferrini. She is studying Sustainable Development at the University of Basel and will support the administration team as an assistant. Lia Ferrini succeeds Vanessa Heiniger, who is leaving the CEPS for South Africa where she will complete an internship. We want to thank Vanessa Heiniger for her valuable support.

[ceps.unibas.ch/en/about-us/team/](https://ceps.unibas.ch/en/about-us/team/)

## First CEPS MOOC: Taking Stock

The first CEPS Massive Open Online Course (MOOC) on «Entrepreneurship in Nonprofits» went online on 1 April 2019. The course runs until 28 June, and there is still time to join in.

Social enterprises are organizations at the interface between business and charity. They pursue social goals and generate profits. Especially in developing and emerging countries, social enterprises offer the opportunity to promote socially responsible growth.

### Become an entrepreneur in five weeks

The MOOC «Entrepreneurship in Nonprofits» makes knowledge from theory and practice freely available online for social entrepreneurs from all over the world. In five modules, videos and text material lead through concepts such as path dependency theory, financial management and impact investing in social enterprises. Experts from theory and practice discuss questions such as: «What makes a social entrepreneur successful?» and «Do we really make a change?». The MOOC is aimed at social entrepreneurs, people who want to become social entrepreneurs and anybody interested in the topic.

The learning success lies in the fact that participants can contribute their own experiences in the comments section and can thus share ideas. In this way, the MOOC not only passes on knowledge, but also generates new knowledge through exchange. The comment area is moderated in order to answer individual

questions and stimulate discussion.

### Encouraging numbers

2560 «joiners» from around 150 countries have already joined our online classroom. We are particularly pleased about the lively and critical exchange between our joiners.

The MOOC will run until 28 June 2019: Click your way in to find out more about entrepreneurship in nonprofits!

Alice Hengevoss

The MOOC is also part of the CAS «Global Social Entrepreneurship». Further Information: [ceps.unibas.ch/de/cas-global-social-entrepreneurship/](https://ceps.unibas.ch/de/cas-global-social-entrepreneurship/)

## DID YOU KNOW? 28 Percent

This is the proportion of women on the boards of charitable foundations in Switzerland. This proportion roughly equals the one in the National Council (28.5%), but is significantly higher than in boards within the business sector (19%). Further information on the demographics of foundation boards can be found in the Swiss Foundation Report 2019.

Report 2019: <https://ceps.unibas.ch/en/research/publications/>

## The founder's will

The founder's will lies at the heart of Lukas von Orelli's recently published dissertation.



The most important guideline for managing a foundation is the founder's will. The work of a foundation is based on the founder's will, and it determines to a large extent how the available

funds are used. However, it is not always easy to carry out the foundation's work in the sense of the founder's will, e.g. if it is unclear or not formulated in a contemporary way.

It is precisely in view of these difficulties that Lukas von Orelli, president of SwissFoundations and managing director of the Velux Foundation, takes a closer look at the world of the founder's will in his recently published dissertation «Zur Auslegung des Stifterwillens». The work begins with a theoretical examination of the nature of foundations and the significance of the founder's will. In the further course of the dissertation, the practical aspects of the founder's will are discussed in more detail. The focus is on the question as to which problems arise in the application of the founder's will and how foundations can deal with these problems in practice.

Nicholas Arnold

Von Orelli, L. (2019). Zur Auslegung des Stifterwillens, Helbing Lichtenhahn Verlag: Basel

## CALENDAR

### Executive Education

#### CAS Wirkungsmanagement in NPO

3 Modules – Sigriswil & Basel  
Start Module 1: 19 August 2019

#### Philanthropie am Morgen

24/29 October 2019, Basel/Zurich

#### Intensiv-Lehrgang Strategisches Finanzmanagement

04 - 08 November 2019, Gunten

#### CAS Global Social Entrepreneurship

5 Modules – online, Basel, on-site  
Latest start in module 1 (online):  
August 2020  
[ceps.unibas.ch/en/certificate-course-global-social-entrepreneurship/](https://ceps.unibas.ch/en/certificate-course-global-social-entrepreneurship/)

[Register now -> CEPS executive education](#)

### FURTHER DATES

#### Basler Stiftungstag 2019

Stiftungsstadt Basel  
27 August 2019, Basel

#### Finanzielle Beiträge ohne Wirkung?

SEVAL / B,S,S. / CEPS  
4 September 2019, Basel

#### NPO Finanzkonferenz

NPO Finanzforum  
4 September 2019, Rotkreuz

#### C-Summit

EVPA / DAFNE  
11 - 12 September 2019, Munich

#### Schweizer Stiftungstag 2019

ProFonds  
14 November 2019, Lucerne

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