

# Fundraising from businesses

**Aim:** This document has been prepared as an introduction on how to fundraise from businesses. It covers the advantages and disadvantages of working with private businesses, why a business should want to work with your organisation and what to ask for.

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# Contents

**Introduction** **3**

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**Section 1** **4**  
**Research**

---

**Section 2** **5**  
**What to ask for?**

---

**Section 3** **7**  
**Recognition and Agreements**

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**Section 4** **8**  
**Case Studies**

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# Introduction

## Fundraising from Businesses

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Private companies are a good source of regular income for organisations, but partnerships with businesses can be difficult and more time consuming than you may initially think.

However a good partnership with a business can provide benefits to both sides:

### Benefits to your organisation:

- A good source of funding and “gifts in kind”
- A partnership will allow you to raise awareness of your work and your animal protection issue among their staff and customers
- It will allow you access to expand your supporter database
- You could get the opportunity to work with high profile organisations

### Benefits to the business:

- By supporting you they will have an association with a well-reputed non-profit organisation with a high profile
- Supporting your organisation is good for their staff morale and team development
- By helping you they will be able to build up their brand which may distinguish them from their competitors
- By helping you they may be given access to the positive media interest in your organisation
- By working with you and investing in your organisation, you are giving them a chance to really make a difference and help the local community
- Corporate Social Responsibility (CSR): this is the idea that businesses should act responsibly, not just legally, and take wider society interests into account in their activities, e.g. by supporting local, regional or international non-profit organisations to make a positive contribution to their environments. CSR is not well-developed in every country or business, but can be used to at least engage businesses in conversation about possible support.

### Disadvantages of working with businesses:

There are some disadvantages of working with businesses which makes initial research all the more important:

- There is a risk of entering a partnership with a business whose goals or practices are incompatible with yours
- Some businesses have limited or no experience of supporting a non-profit organisation
- Selection can be competitive and time-consuming
- A business may expect a lot, and demand intensive support from you
- A partnership will not necessarily bring with it large financial benefits

# Section 1

## Research

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As with any fundraising, you should first start by identifying businesses that could be potential funders. Get everyone you know involved, board members, colleagues, volunteers, friends and family to brainstorm all the private companies you know.

When trying to develop a new relationship with a business, it is a good idea to begin with your local community and work outwards. This enables your organisation to develop techniques and approaches as you go.

The next step is research:

- First of all, list all the businesses that have already supported you. Rather than starting from scratch, you can work out the best way to develop these relationships.
- Do you have any contacts or links with any businesses? It is much easier to get support when you have a personal contact with someone at the business.
- What do you know about them, what do they do? Look for any synergy between your work and theirs.
- Have any of them supported you before? If any of them already have a personal affiliation to your cause that will certainly help.
- How big is the business?
- Would an association with this business be appropriate?
- What are their values? What kind of image does it have? Does it fit with your organisation? A relationship with a business with questionable policies could harm your credibility.
- Does it have a history of charitable giving? Who has it supported previously? Do they have any selection requirements of who they support?

At this point you should narrow your list down. If you are only a small organisation you will have problems trying to initiate relationships with too many businesses at one time. Be realistic, remember that the approach is just, you hope, the start. If successful, the partnership could become extremely time-consuming.

When narrowing your list try to ensure that your objectives and goals meet the businesses' requirements just as theirs should meet yours. This is a partnership, so the needs of both parties must be addressed.

At this stage it is also worth investigating your country's tax laws. There could be tax benefits or charges for a business so understand the situation before starting.

# Section 2

## What to ask for?

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When you have a final list of target businesses, decide exactly what you are asking the business for and what you can offer. There are many options, some ideas are listed below:

### Sponsorship

You could ask the business to pay annual sponsorship of a kennel at your shelter or sponsor your education leaflets or even a new building.

### Sponsoring an event

You could ask the business to pay for a part, or all, of your event. The business could headline the event for example the Purina KSPCA Shaggy Dog Show. Generally, the business will pay the cost of the event in return for the agreed publicity.

### Gifts in kind or pro bono work

Businesses may also offer valuable gifts in kind, perhaps providing you with help to develop your website, or offering advice on producing publicity leaflets. Remember that, as with any donation, the business will appreciate recognition of their work, and an understanding of how giving up their time has contributed to your organisation.

### Company foundations

Some businesses set up foundations for making their charitable donations. Apply for such funding as to any other grant-making trust.

### Corporate team events

This is a great way for a business to engage with its staff. Teams may be pitched against each other in various competitions, or take part in sponsored events. It is easier if you can persuade the business to organise the event, or to participate in an existing event as a corporate team. You would provide the support to the staff members as they fundraise to reach the target set for whichever event the business chooses. You could also encourage the business to organise an event that pitches them against other local businesses to further widen your supporter base.

### Staff fundraising

Staff fundraising is a great way to engage with a captive audience. An employee at a business may decide that they would like to fundraise for your organisation, then with some support from you, they carry out the fundraising activities involving as many of their colleagues as possible. This means less work for you, a good opportunity to spread information about your work, and potentially many new supporters on your database. It's worth giving participants a fundraising pack with information about your organisation, how they are helping, sponsorship forms for their events, even an organisation t-shirt or other merchandise, to help them feel valued for their efforts. Also remember to make it very clear how they can donate when they have finished their fundraising activities. There are numerous ways that staff members could fundraise, so ensure that you can support them in a variety of activities. A few are listed below to give you ideas:

**Existing events:** Events already in your calendar or appeals you already run in which they can take part.

**Team Challenge events:** Maybe a trek, mountain climb, running down a volcano, or some equally challenging kind of team-building activity.

**Sponsored events:** Anything from a sponsored walk to a sponsored silence, quiz nights, golf events, etc. They may ask you for ideas so be prepared!

### Adopting your organisation as 'Charity of the Year'

This could be a great result for your organisation. It may mean a lot of work for you, but it also means that the business will fundraise and support you throughout the year, whether through a series of fundraising activities, or a single event. It could involve a bigger donation and a bigger awareness-raising element too.

### Cause related marketing and joint promotions

This is when the business chooses to support your organisation because of common goals or because you may have the same target audience. For example if you have a schools education programme, a toy company may want to specifically support that area of work, to raise awareness of their business with children. They will invest in the project, maybe produce resources, and advertise their partnership with you and their product at the same time. A cause related marketing campaign could be used as part of a wider partnership, for example by engaging the business with staff fundraising or event sponsorship, or as part of a 'Charity of the Year' appeal.

### Give as you earn scheme or payroll giving

This is not developed everywhere, but many countries have schemes for employees to donate a percentage of their regular wage to their chosen charity. It is worth investigating and could be a great way of introducing your organisation to large numbers of people and raising funds too.

## Making the Ask

When you approach the business, be very clear about what you are asking them to fund. Be flexible about how they may want to work with you, but make sure that you emphasise the benefits for the business in working with your organisation. The business will be considering making an investment in your organisation, make it clear what is in it for them, what their role will be, what difference their involvement will make.

Often businesses will invite you to make a pitch or presentation about your project to the board or group who decide who the business should support. Be prepared, use a case *for support* as the basis of the pitch, see the document [An Introduction to Fundraising](#) for detail of writing a good case for support. Use illustrations for the presentation, be clear and concise.

Also be prepared for questions at the end of your presentation. This can actually be a good sign as it shows a level of interest in your work.

# Section 3

## Recognition and Agreements

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### Recognition

Businesses vary regarding the type of recognition they seek for their support. Discuss this with them before entering any partnership.

Usually the recognition can be quite logical, for example the company logo above a sponsored kennel, some press and PR work for an annual adoption, a public cheque presentation for a large donation, or even a plaque at your headquarters.

Bear in mind the actual and perceived value of these endorsements. A business giving a large donation may resent receiving equal recognition to your regular donors or other donors who have given considerably less.

### Using your name and logo

Actual and perceived value also applies to your organisational logo, image and identity. For example, permitting another organisation to use photos of your work could be far more beneficial to them than their donation is to you. Likewise, offering excessive time and publicity for a small donation lessens the value of the partnership for you, and raises the expectations of potential funders. Remember that this is a partnership.

### Preparing a formal agreement

You may not need a formal agreement for staff fundraising or team events. However, you will need one for a sponsorship deal, if the business involved hopes to use your name, logo, or images of your work; or if you are investing a large amount of your time or resources in this partnership. An agreement is a good way to formalise a promise of support.

It should simply outline the rights and obligations of the partnership: e.g., who will be responsible for what, what the business and your organisation will each provide, conditions on the use of your logo – on what material, for how long, or where your logo should or should not appear.

Don't allow the business access to all your supporters' contact details. However the business may ask you for details of a selection of your supporters who could be interested in their product. You will need to consider whether you are willing to provide this information.

Also, any business is unlikely to want you to engage with its competitors.

Remember that the business also benefits from this relationship, so don't just agree to everything the business suggests. Partnership involves negotiation.

## Section 4

### Case Studies

#### APREFLOFAS, Costa Rica

APREFLOFAS has secured a partnership with the most popular cereal company in Costa Rica.

It has put a series of awareness-raising posters and quizzes on the back of their children's cereal boxes, whilst clearly displaying the APREFLOFAS logo. Through this partnership the cereal company shows the public that it is environmentally responsible, and APREFLOFAS benefits from huge exposure of their organisation, which is helping them reach their educational objectives and a young audience who will grow up with greater awareness of environmental and animal welfare issues.



#### Royal New Zealand SPCA and Ontario SPCA, Canada

Coopers Creek winery owners, Andrew and Cynthia Hendry, are true animal lovers and long-time supporters of animal welfare organisations. A partnership with the Auckland SPCA, a well-known and well-respected organisation, allows them to promote their wines, widen their customer base and demonstrate their animal welfare credentials to customers. Under a sponsorship agreement with the Royal New Zealand SPCA, Coopers Creek makes an annual donation plus a contribution from every bottle of wine it sells within New Zealand. It also donates wine to SPCA charity events and shows its support for animal welfare by using the SPCA logo on their wine labels. Coopers Creek's biggest overseas market is North America, and in 2005 they made a similar arrangement supporting the Ontario SPCA. A contribution from the sale of the popular Coopers Creek 'Cat' wines, available in LCBO retail stores across the province, is donated to support animal welfare initiatives.



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