EDITORIAL

Dear readers

The triumph of social media seems unstoppable – it having arrived at the political level. Whereas during the Arab Spring, it was the reformers and protesters who made use of the speed and broad access offered by social media, we are currently seeing how the world’s most important economy is ruled, so to speak, via Twitter. But can this end well? In lines of just 140 characters there is a lot of room for misunderstandings.

Condensation and reduction are originally instruments of marketing communication. The incentive to buy is often created by using a few words or a suitable picture only. In contrast, in fulfilling their purpose, nonprofit organizations (NPO) rarely aim at short-term actions, but rather want to achieve changes in attitude and behavior. These do not fit into 140 characters. Therefore, NPO need to think twice about which goals they can communicate on social media without risking misunderstandings.

The CEPS will continue to meet this challenge in the future. Since early March, we are sharing research results from all over the world, information on events and news from the NPO sector on @CEPS_Basel.

We invite you to follow us on Twitter!

Wishing you a pleasant read

Georg von Schnurbein

Capitalizing on Social Media

For organizations to be present in social media has become common place by now, also for NPO. Yet, the use of social media alone is no guarantee for success: the network that is built up on Facebook or Twitter must be grown and maintained. This work is worthwhile, as the capital that can be drawn from a functioning interactive network serves as an important resource for NPO, a potential that has often been overlooked in the past. A contribution by Chao Guo, PhD, University of Pennsylvania, and Gregory D. Saxton, PhD, York University (Toronto).

There is one question that puzzles many nonprofit leaders as they aspire to be social media savvy today: What is my organization getting out of social media? The answer lies in a new, novel, and highly valuable resource—social media capital.

What is Social Media Capital?

Social media capital is a special form of social capital that is accumulated through an organization’s formal online social media network. It is the key immediate resource organizations are developing when they engage in social media-based activities. Nonprofits cannot expect to get donations, find volunteers, or mobilize constituents for advocacy action simply by being present on social media; rather, they must first build their stock of social media capital through growing and nurturing their networks of social media followers.

Social media capital is discernible along a number of structural and cognitive dimensions. Possible measures include the size of the organization’s audience network, the organization’s position within the audience network, and the length and/or number of interactions the organization has with each audience member, as well as the norms and values developed in the organization’s network.

How is Social Media Capital Acquired?

Social media capital can be acquired using two main tools on social media platforms: making connections and sending messages.

Making connections can be thought of as relationship building, because it solidifies a connection or tie to another user. Connecting tools include the organization’s friending and following of other users. Connecting actions are designed to make, build, foster, or maintain ties to a specific member (a particular individual or organization) within an organization’s ideal (strategically defined) network. Messages take various forms such as videos on YouTube, photos on Instagram, pins on Pinterest, private messages on LinkedIn, tweets on Twitter, and status updates on Facebook. Messages are designed to provide value-added content to the audience. They can also be used for targeting or connecting purposes, and may include commenting, favoriting or liking, sharing, user mentions, hyperlinks, and hashtags.
What to Do with Social Media Capital?

Social media capital is a means to an end. There are two common processes through which the available stock of social media capital leads to strategic organizational outcomes:

1. Converting social media capital: Social media capital can be converted first into other forms of capital (e.g., cultural, financial, human, intellectual, or reputational capital) that, in turn, influence organizational outcomes. For example, when a nonprofit organization asks its followers to donate to a fundraising campaign, it is leveraging its social resources into financial capital. The precise manner in which this conversion takes place varies greatly according to the context.

2. Spending social media capital: Social media capital can also be expended to directly generate strategic outcomes. It is not necessarily a one-step process. For instance, when a nonprofit advocacy organization works to educate the public about certain policy issues, the goal is to help change people’s minds, opinions, and attitudes toward public policy—which, over the long term, might lead to desirable policy and opinion changes.

But, the extent to which the organization can achieve that public education and policy outcome through its social media efforts ultimately depends on the amount of social media capital built within its social media network.

Nine Steps for the Social Web

In the process of evaluating a survey among NGO, the market research company Content Marketing Institute (CMI) was able to define nine steps aimed at leading NPO to a successful use of social media. A detailed documentation of the social media strategy and clear statement of decision-making competences and budget form the basis for a successful online presence. In addition, CMI views the structure and cooperation within an NPO as equally important: staff of an NPO are asked to familiarize themselves with the social web and should apply their various and different skills.

Strategic Decisions for Financial Growth

The financing of an NPO is not very different to that of a business. Until now, not a lot is known about the strategic decisions regarding financial growth. In a research project on management of financial resources, the CEPS is currently examining the finance strategies of NPO.

NPO finance themselves almost exclusively through profit and loss income, contrary to businesses that do so with borrowed or equity capital. Four categories of NPO income are frequently used in the literature: donations, public funds, own revenues and financial earnings. These categories can be further subdivided. In the case of donations, for example, there are small and major donations, private and institutional contributions, or legacies. The own revenues are largely divided into income from assets or services and member contributions.

The spectrum of sources of financing being so broad bears risks and opportunities at the same time. On the one hand, the different forms of financing enable a diverse NPO sector of many different organization types, purposes and fields of activity. On the other hand, the large number of possibilities can be a risk if diversification within an organization ends up being too great. A diversification of income can increase stability. However, current research at the CEPS shows that this happens at the cost of financial growth. Focusing on less or similar sources of finance seems sensible in regards to competences that are internal to the organization, the main reason being that the implementation of different forms of financing also need different requirements to be met by the management. This should be considered when selecting the financing mix.

In order not to be misled by the diverse financing options in the operative business, a clearly stated finance strategy helps. The research of Swiss NPO has shown that a finance strategy forms the basis for financial growth. Thereby, the above-mentioned focus on core competences has been proven to be especially effective. A recommendation is, to aim at a diversification within the main source of financing. Among the exemplary case studies, the extension from federal funds to cantonal funds as well as from general donations to legacies proved successful. The «lump risk» which is often mentioned as a barrier can be balanced out with holding reserves.

In practice, the finance strategy also needs to be adapted to the respective organization type, purpose and field of activity. On the basis of research results, the CEPS has developed a checklist with criteria for financial management, intended to assist NPO in creating and monitoring a suitable financing mix. The results of the research is one of the main foundations of the executive courses offered by the CEPS. In the intensive course «Finance Management in NPO», starting in autumn each year, these criteria are taught and the different types of financing are discussed in detail. A deeper analysis of the topic strategy is central to the «CAS Nonprofit Governance & Leadership» to start in early April 2017 for the eighth time.

Sara Stühlinger
Building a Community

In many NPO, social media have become an integral part of public relations and staying in contact with supporters and like-minded organizations. Especially for large international organizations, Twitter etc. offer an easy way to communicate with supporters. Yet, the social web also demands for certain controls. The CEPS talks to Christian Bühler, responsible for the social media of the WWF in Switzerland. He explains how NPO can present themselves in the social web and what the necessary competences are.

CEPS: What are the advantages of social media for NPO?
C.B.: The social web offers the opportunity to get into direct contact with people who are interested in the topics of an organization. If an NPO maintains an online presence of its own, it can send out its messages unfiltered. Thus, it has the possibility of creating awareness for the organization and its projects among its audience, besides being able to reach out for support. This could be the signing of petitions, or sharing content or crowdfunding actions, the possibilities are almost unlimited. At the same time, through the immediate proximity to the community, it is possible to get an insight into what’s going on: comments, questions and criticisms are equally given unfiltered. Although you also need to be willing to listen and to create something like containers designed to receiving the feedback on behalf of the organization – because alibi appearances will not be appreciated in the social web and can even have a damaging effect on the organization’s image. So before venturing into the world of social media too quickly, it is important to think about the resources that can be realistically assigned to the tasks and to then plan accordingly.

CEPS: Did you set yourself rules and targets on how the WWF Switzerland is to present itself in the social web?
C.B.: One goal we have set ourselves is to offer a low-threshold offer in the social web to make it easy to come into contact with the WWF and environmental topics in general. We intend to reach new target groups and interest them for our issues besides creating awareness among them. In our case, this works particularly well on Facebook. Besides new contacts, we also seek an exchange with an audience that is already interested. For example, getting in touch with experts in the field of climate change or media representatives. To this end, the most useful channel has turned out to be Twitter. Regarding regulations, we have created social guidelines for all our staff because even on their apparently private profile each one of them is a potential representative of the organization. A very important aspect is the regular direct contact with all our colleagues to explain these «rules» and to receive and discuss any questions and needs – so to speak an «offline social web» within the organization.

CEPS: How do you measure the impact of your social media channels?
C.B.: Important values derived from the targets and leading to a successful engagement are range and interaction. We pay special attention to how often a content was particularly convincing. In addition, the shared contents as word-of-mouth recommendations are of course especially trustworthy and, thus, very valuable.

CEPS: Which «posts» strike a significant chord?
C.B.: Generally, the typical news factors can be taken as a basic orientation, whereby the tonality needs to be adapted to the common practices of the social web. Very popular are unexpected and emotional stories with plots that are preferably located nearby the community geographically. A typical example in our case are stories about large predators in Switzerland. Of course, this is a topic where opinions differ greatly which can lead to very emotional discussions respectively. In such cases, a lot of tact is needed to facilitate the dialogue. Deleting any contributions of users is a last resort, an emergency break in the case of serious abuse. We deliberately respond to critical comments – if you manage to handle them with confidence, you can win trust among the other community members. However, we immediately delete destructive contents containing offenses and insults. There is an understanding for this in the community as it enables an overall improvement of discussion quality.

CEPS: What should an NPO definitely avoid doing in the social web?
C.B.: As an organization, you enter the private space of the users via a social media platform – you join them in their living room so to speak. This is how the users want to be addressed: instead of a PR statement coming from above, they expect a personal address on an equal footing. It is crucial to find a good mix of proximity and distance and to stay authentic at the same time. Ultimately, it is credibility that is the highest good of any NPO, this also being the pivotal currency in the social web.

CEPS: Many thanks!

Christian Bühler is the Social Media Manager of WWF Switzerland. He studied philosophy and history in Fribourg (CH) and Durham (UK).

CEPS Annual Report 2016

The CEPS Annual Report 2016 has been released. The annual report features a concise summary of last year’s activities of the CEPS in research, education and executive education. It can be downloaded on https://tinyurl.com/ceps-jahresbericht-2016.

Elected to the Editorial Board

Since January 2017, Prof. Dr. Georg von Schnurbein is a member of the Editorial Board of Nonprofit Management & Leadership. The journal, published by Wiley, is one of the most important scientific publications in the field of nonprofit management.

New member of staff

Rebecca Wirbel joined the CEPS team in February. She is a BA student of economics and in her new role as student assistant, is supporting the team predominantly in training course coordination.
Initiated by the Donors and Foundations Network in Europe (DAFNE) and the French Centre Français des Fonds et Fondations, representatives of corporate foundations from all over Europe assembled for an exchange of experience.

Corporate Foundations (CF) are a special kind of foundation. They are launched by organizations as independent institutions for solely charitable purposes. In fact, only very few are actually independent of the organization that created them. Very often, members of the organization’s board or management will also be among the CF board members. This constellation can lead to various tensions while also offering opportunities. On the one hand, the CF run the risk of being hijacked by the organization, on the other hand, the CF are in the position to use the resources of the organization and are, thus, able to increase their effectiveness. The orientation of the foundation depends on the organization’s intention. The relationship between the CF and ‘their’ organizations was the main topic of the first European exchange of experience between several CF at INSEAD in Fontainebleau on 5th and 6th of December 2016. The CEPS accompanied the exchange and published a report on it in Alliance Magazine. In addition, Steffen Bethmann, member of the CEPS and Lonneke Roza from the Erasmus University in Rotterdam held an interactive workshop on governance of CF. The meeting initiated a successful exchange that will hopefully be continued. It became clear that the CF were able to learn a lot from each other.

You can read the article in Alliance Magazine by Steffen Bethmann and Theresa Gehringer with this link: https://tinyurl.com/ceps-alliance-dafne

Steffen Bethmann

Did you know?

98%

The use of social media is common place with NPO: according to a study by Bloomerang, 98% of NPO in North America operate a Facebook page to communicate with their supporters. However, the study also shows that there is still a lot of room for improvement in the handling of social media: 53% of the NPO surveyed, do not measure the impact of their social media channels and more than two thirds had not defined social media targets.

Source: www.bloomerang.co

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