

EDITORIAL

Dear readers,



The worst phase of the lockdown is coming to an end and one is trying to find one's way back to familiar structures. During the last weeks, one could read a lot of advice on how nonprofit organizations (NPOs) can cope with the lockdown and its effects. We also witnessed great solidarity among the population, be that through voluntary work or donations. For example, Swiss Solidarity has so far received over CHF 39 million for aid in Switzerland alone.

But the real challenge begins now. How can NPOs get their activities back on track? How does the uncertainty of the pandemic affect the willingness to volunteer? For which purposes will people donate (more) in the future?

In order to return to normality in this changed environment, it is important to be well positioned as an organization. With this issue of *Philanthropie Aktuell* we are pleased to congratulate the «Centro Competenze Non Profit» (CENPRO) on its foundation. In this issue's interview, Giorgio Panzera tells us, how the CENPRO intends to support NPOs in Southern Switzerland. In addition, Stiftung Mercator Schweiz gives us insights into the ways it structurally supports NPOs. Of course, in our own research, we are also concerned with the developmental capacity of NPOs and the available resources.

Wishing you a pleasant read.
Georg von Schnurbein

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Georg von Schnurbein

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Center for Philanthropy Studies (CEPS), University of Basel
Steinengraben 22, CH-4051 Basel
Tel.: +41 61 207 23 92, E-Mail: ceps@unibas.ch
www.ceps.unibas.ch

The structural development of NPOs

Nonprofit organizations (NPOs) can easily be founded in Switzerland. The big challenge is to develop them structurally in such a way that the committed initiative becomes a competent and efficient organization that can operate successfully in the long-term. By Robert Schmuki

COVID-19 has become a test of structural strength for many NPOs. Some organizations are now on the verge of collapse, while others have taken advantage of the opportunities offered by the lock-down to strengthen their internal organization, the efficiency of implementation and their support of professional and financial networks. So how can structurally strong NPOs be developed?

NPOs follow their own logic

To date, there is hardly an organizational theory specifically dealing with the NPO sector. Most of the considerations on the structure of organizations have been taken from state theory (democratic structures) or from economic theory (Value Chain Model, Five-P-Framework etc.). However, NPOs are created in a completely different way than are state or commercial enterprises. Their starting conditions are fundamentally different, and accordingly, their medium- and long-term development phases will also look distinct. Understanding their own development phases is essential for NPOs to enable them to successfully design their development and expansion strategy.

A development model for NPOs

As competence center for the nonprofit sector, we as CEPS regularly accompany Swiss NPOs through strategy processes. Very often these are organizations that are facing important deve-

lopmental steps, such as the transfer of a start-up initiative into an operational structure, the creation of a financing model that is as secure as possible or the formulation of longer-term impact goals. In this process, we repeatedly come across very similar development phases of NPOs. Last year we condensed our experiences into a model. Our NPO development model is intended to show a) how the realities of an NPO change in the course of its existence, b) where an NPO stands within its development process, and c) what needs to be achieved to reach the next organizational level.

Development and change

Based on two existing models (Greiner's growth model for companies and Stevens' NPO lifecycle model), we have developed the CEPS development phase model for NPOs (see figure), which has since assisted us in various strategy processes to narrow down and tackle the right strategic decisions together with the people involved.

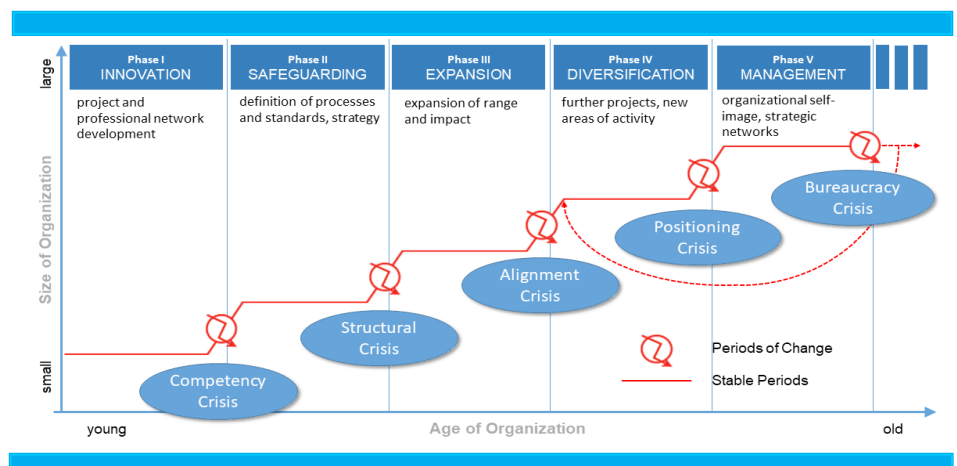
Taking Greiner's growth model as starting point, we differentiate between phases of stable development and those of upheaval. Periods of change, or crises, should not be seen in a negative light. Rather, they are necessary to reach the next organizational level. As a matter of fact, the most important strategic decisions for further development are made at these transitions.

Competency crisis: The pioneering phase, in which everyone does everything, has come to an end. Now, specific knowledge in new areas such as fundraising, communication, HR, etc. is required. These missing competencies have to be built up and the structures become specialized.

Structural crisis: Competencies have been created, internal processes have been differentiated. The NPO is ready for more. To achieve this, structures must be expanded in order to roll out existing tasks and services or develop new ones.

Alignment crisis: The organization has the skills and structures necessary to develop and expand new offers. Many doors are open – the original goal often becomes too narrow. A fundamental reflection and (re)orientation becomes necessary, often combined with the necessity to change the organization's name.

Positioning crisis: Knowledge, as well as competencies and a broad, but clearly defined portfolio of services have been created. Further development is only possible



if the NPO is widely recognized both professionally and socially. Resources and structures must be created and financed for the relevant societal positioning.

Bureaucracy crisis: The organization manages its services. However, growing bureaucracy weakens the organization's efficiency and prevents the flexible orientation of offers to changing social needs. Innovative structures have to be (re)created, often combined with a cultural change.

Every NPO is different

Each NPO has its own history and culture. Models may be too simplistic to do this diversity justice. However, in practice, and this is our most important testing ground, this development phase model is a great help for NPOs when it comes to asking the right questions in a strategy process.

Greiner, L. (1972). Evolution and Revolution as Organizations Grow
Stevens, S. (2002). Nonprofit Lifecycles: Stage-Based Wisdom for Non-profit Capacity

Grant-making foundations need strong, committed and sustainable partners

In order for organizations to establish themselves in the long-run, they need support in their development. Grant-making foundations can play an important role in this process – and thus strengthen their own impact.

Projects are the core business of grant-making foundations. With the help of projects, they aim at initiating social developments. For the long-term impact of a foundation's work, however, it is essential to broaden the view from the project level to entire «ecosystems», and to support nonprofit organizations (NPOs) in their development. The reason is obvious: grant-making foundations depend on strong, committed and capable partner organizations.

Expanding competency and structure

The Corona crisis has served to show all the more how important structurally strong organizations are. But many organizations are moving from project funding to project funding. In everyday life they hardly find opportunities to dedicate themselves to their further development. Yet, this is crucial if they are to survive permanently in our fast-moving times. For this reason, Stiftung Mercator Schweiz has been committed to building competencies and developing

organizations for several years. Independent of project funding, we support NPOs among other things in the expansion of their structures, in their strategy process and in regional dissemination. We also aim to combine this hitherto selective support with instruments for knowledge generation and knowledge dissemination.

We identify new needs in the NPO sector – such as agility or digital transformation – and develop tailor-made support services together with specialist partners. We support individual organizations in their further development in these fields and help them to document and share their experiences. With further training workshops and exchange opportunities, we aim to promote networking and strengthen joint learning. Since every organization faces its own development issues, individual support is central. We are therefore building up a pool of experts who advise organizations in their situation analysis and in central development steps.

Creating knowledge, testing ideas and disseminating findings: This is central not only in project work but also in organizational development.

A worthwhile effort

Foundations that are committed to organizational development need to show patience, live a culture of error acceptance, and have courage. At the beginning, it is often not clear where the path will lead to exactly. As in every process, there are stumbling blocks and setbacks lurking in organizational development, from which one has to be able to draw lessons. In contrast to projects, the results of organizational development are often not immediately visible, and not so vividly communicated. But the effort is worth it: the supported organizations are given the chance to establish themselves as sustainable players. And, by providing funding for this process, foundations can increase the impact of their own work in the long-run.

Andrew Holland, Director Stiftung Mercator Schweiz

«We want to reduce the gap between the language regions in Switzerland»

In June 2020, the charitable foundation «Centro Competenze Non Profit» (CENPRO) presented itself to the media and thus officially started its activities. In this issue's interview, we were able to talk to its initiator and Managing Director Giorgio Panzera about the foundation's goals and the world of nonprofit organizations (NPOs) in Italian-speaking Switzerland.

CEPS: You have just founded the CENPRO. What is its purpose?

G.P.: The basic motivation is simple. We want to support and strengthen the NPO sector in Italian-speaking Switzerland – i.e. in Ticino and the Italian-speaking parts of the Grisons. On the one hand, by providing advice, taking over operational tasks and providing information, and on the other hand by setting up an executive education program in the medium term. Italian-speaking Switzerland is an important language region within Switzerland and many foundations, associations and cooperatives are based here. Thus, it is also very important to develop the competencies of NPOs here, and we would like to support this process.



Giorgio Panzera, lic. Phil. hum., Lugano, born in 1983, has been active in the NPO sector for 20 years, including 11 years first as a project manager, then as a regional manager and for the last six years as the managing director of a national foundation.

CEPS: Why do you think the CENPRO is needed?

G.P.: While in German-speaking Switzerland, and increasingly also in French-speaking Switzerland, there are competence centers for the NPO sector and there are also plenty of executive education opportunities in these regions, this has so far been largely lacking in Italian-speaking Switzerland. This is exactly what we want to change with the CENPRO. We want to reduce this «gap» between Italian-speaking Switzerland and the other language regions. In this way, we want to contribute to ensuring that all NPOs in Switzerland have the same opportunities for further development.

In the longer term, of course, we also hope to become an important voice of NPOs in this region and to contribute to a better networking of the NPO sector between North and South. Today, very few NPOs from other language regions

are expanding their projects into southern Switzerland, which is a pity.

Finally, an important objective of ours is to achieve a better anchoring of the NPO sector in the local political landscape. Ticino, for example, is quite strongly committed to the promotion of start-ups in the economic sphere, whereas NPOs receive less attention. We would, of course, like to change that, because here too NPOs do very important work.

CEPS: In which areas specifically do you believe that NPOs in Italian-speaking Switzerland need to further develop?

G.P.: In my view, the first priority is in the area of professionalization and the creation of efficient structures. I see many NPOs that have not yet paid enough attention to the detailed competencies they need to have and how they can develop these.

Fundraising is also an issue on which we will focus strongly – and we will focus on both sides: Funders still have some catching up to do in developing clear funding strategies, and many operational NPOs are still struggling with the structured search process for funding. It is important for me to emphasize that we want to provide advice to NPOs in this area, but clearly do not see ourselves as intermediaries within the fundraising process.

Other issues that need to be addressed are, for example, the generation change on the foundation boards or the strengthening of digital processes. But I also see our role in working with NPOs to identify other areas where there is a need for development. There are actually no studies on the state of NPOs in Italian-speaking Switzerland.

CEPS: How do you perceive the overall character of the NPO sector in Italian-speaking Switzerland? Is it similar to the NPO sector in the rest of Switzerland or more like the one in Italy?

G.P.: I would say: neither nor. The Ger-

man and French-speaking parts of Switzerland are a bit far away in terms of language and culture, but also in terms of access. But although Northern Italy is perhaps closer, I also rarely meet NPO representatives from Italian-speaking Switzerland at conferences and executive education courses in Italy. In this sense, it is more appropriate to say that the local NPO sector keeps to itself and has its own specific characteristics. This is precisely why it is important to have a competence center here too and to take on this bridging function, so that exchange with other regions is strengthened.

CEPS: Many thanks!

The CENPRO is headquartered in Lugano-Vezia. Further information: <https://cenpro.ch/>

CEPS INSIGHT

Changes in the CEPS team

After many years as part of the team, Thomas Starzynski left the CEPS at the end of April 2020. Thomas played a leading role in the further development of the CEPS foundation database. The CEPS would like to express its sincere thanks to Thomas for his efforts. Replacing Thomas, Manvi Bhatia will be responsible for updating the CEPS foundation database from April 2020. In addition, Michaela Knecht joins the team as an assistant. She will support us for two months in the data collection for the Yearbook of Relief Organizations.

ceps.unibas.ch/en/team/

First fully digital executive course

The extraordinary situation of the past months also called for a rethinking at the CEPS – but offered many learning opportunities. For the first time, we conducted an entire executive education course online. We would like to thank all lecturers and participants of the CAS Nonprofit Governance & Leadership for their flexibility and the exciting exchange of ideas. The experience gained will enrich our executive education in the long term.

The foundation sector in a changing society

On 28 April 2020, the CEPS, SwissFoundations and the Center for Foundation Law of the University of Zurich, presented the eleventh Swiss Foundation Report. The report shows that the Swiss foundation sector is in motion.

This year's eleventh edition of the Swiss Foundation Report again comprehensively documents the developments in the Swiss foundation sector with facts and figures as well as background information on legal developments in the sector.

With 349 newly established charitable foundations, the growth of the local foundation sector in 2019 returned to the level of previous years. At the end of 2019, the Swiss foundation sector comprised 13,293 charitable foundations.

While a continued growth of the foundation sector in Switzerland can be observed, significant regional differences become apparent. The strongest growth in 2019 took part in French-speaking Switzerland, where 65 new foundations were established in the Canton of Geneva alone. By contrast, other cantons, such as the Canton of Zurich, experienced a decline in the number of foundations. With a total of 216 foundations dissolved, liquidations even reached a new record in 2019. Many foundations, especially older ones, appear to be struggling with low interest rates and shifts in their areas of funding. Nevertheless, the establishment of a charitable foundation still seems attractive. In particular, the proportion of grant-making foundations is increasing again.

In general, the Foundation Report 2020 paints a picture of a foundation sector in motion. Not only is there a wide variety of foundation types, such as umbrella foundations or limited-term foundations, but almost 70% of all charitable foundations have been established in the last 30 years. The areas of purpose are also shifting: social issues such as politics and interest representation (5.4%) and environmental protection (12%) are becoming increasingly important for newly established foundations compared to the overall portfolio.

Nicholas Arnold

ceps.unibas.ch/en/publications/

DID YOU KNOW? 4,035 Swiss Francs

With this contribution, the CEPS was able to support Swiss Solidarity's work in the context of the COVID-19 pandemic. The donation was made as part of a research project on volunteer work in COVID-19 times (see text on the right), whereby 5 Swiss Francs were donated to Swiss Solidarity for each participant. The CEPS would like to extend its thanks to all survey participants.

Current CEPS research

The topic of volunteering is currently a central focus of research activities at the CEPS.

The Corona crisis has also affected Switzerland. With the outbreak of the pandemic, a high level of willingness to engage in voluntary work among the Swiss population soon became apparent. Various online platforms, such as FiveUp, Amigos or Hilf-Jetzt, played an important role with respect to volunteering during the crisis. In order to gain a better understanding of how volunteering and coordination via platforms contributed to overcoming the crisis, the CEPS conducted a survey among users of these platforms in recent weeks, with the aim of gaining insights into the volunteering activities of the population at present and in the future. The survey has now been completed and the first results will be presented in the coming weeks.

A second research project currently underway at the CEPS also deals with volunteers. Here, on behalf of the Federal Office of Public Health and together with the Institute for Health Economics at the Zurich University of Applied Sciences, the CEPS is investigating the contribution of formal volunteering in the Swiss health system. One main focus is on the interaction of volunteers with health professionals. The results of the study will be published in the course of the summer.

Nicholas Arnold

CALENDAR

Executive Education

CAS Wirkungsmanagement in NPO

3 Modules – Sigriswil & Basel
Start: 17 August 2020

Master Class

26 - 28 April 2020, Genf

Beste Stiftungsratspraxis

17 September 2020, Zurich

Intensiv-Lehrgang

Strategisches Finanzmanagement

02 - 06 November 2020, Gunten

Philanthropie am Morgen

Funders and funded – a multi-layered relationship

05 November 2020, Basel

10 November 2020, Zurich

[Register Now -> CEPS Executive Education](#)

FURTHER DATES

Philanthropy Forum Annual Conference

United Philanthropy Forum
Start: 13 July 2020, online

Global Philanthropy Forum 2020

Global Philanthropy Forum
14 - 16 September 2020, online

Stiftungsgespräch

SwissFoundations
01 October 2020, Berne

Forum des Fondations

SwissFoundations
06 October 2020, Lausanne

27. NPO-Kongress

Controller Institut
21 - 22 October 2020, Vienna

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Universität
Basel



Center for Philanthropy Studies,
Steinengraben 22, 4051 Basel
www.ceps.unibas.ch

EDITOR

Nicholas Arnold (n.arnold@unibas.ch)

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