



7 MISTAKES

ETHICAL BUSINESS LEADERS MAKE WHEN CHOOSING A CHARITY PARTNER

1 MISTAKING A GOOD CAUSE FOR AN EFFECTIVE SOLUTION

There are many world problems that need solving. Before pledging your support, determine whether the solution being applied by the charity is an effective one to solve the problem it is designed to solve. For example, how effective can an environmental charity really be if it is unwilling to address the biggest cause of environmental destruction for fear of upsetting its donors? Charities are trying to fix the world's biggest problems so it's reasonable to expect that it'll take quite some time, but consider whether the charity will still be required in that country, in say, 30 years time? If it will still be needed then it might be assisting people in a particular situation but it probably isn't resolving the root causes or preventing the problem arising in the future.

2 MISTAKING GOOD INTENTIONS FOR GOOD SYSTEMS AND PROCESSES

Most charities are founded upon big hearts and good intentions, but this will only get you so far. Any good business is built upon strong systems and processes and good charities are no different. If you like a charity's website and think that their work seems sound, read their last 3 Annual Reports, which should be published on their website. These reports provide insight into the charity's ethics and impact, but also the systems and processes that underpin its approach.

3 MISTAKING A LOW ADMIN PERCENTAGE FOR EFFICIENCY

It is difficult to assess how efficient a charity is in its spending, so it has become popular to check that a charity's admin cost is below 10%. This is a common error, since it only tells a tiny part of the story. Large charities with large annual incomes can spend a lot of money on new office fit-outs, 4WDs, ice sculptures at their Christmas parties, and still keep the admin below 10% because of the sheer volume of money entering their coffers each year. A better way of checking efficiency is to assess the results they have achieved against the amount of money spent achieving it.

4 MISTAKING ACTIVITY FOR IMPACT

As you know from business, being busy doing something is not the same as achieving results. Choose a charity who focuses on communicating its impact rather than its activity, for example "Last year we built 17 latrines to serve 54 families in two villages" tells you a lot more than "We're improving sanitation in South East Asia," even though both statements may be true. And "I was so surprised when our Education Officer told me that drinking dirty water was bad for my family's health. I'm really happy now that I have this knowledge to keep my children healthy," said one father after his family received a water filter' communicates impact far more than "we provide water filters."



MISTAKING A WELL-KNOWN CHARITY FOR A JOB WELL-DONE

Choosing a well-known charity doesn't mean you are choosing a charity that does its job well. It might be doing well at achieving its mission, or it might just be marketing itself well. Take a closer look. Likewise, just because a charity has been around for 30 years doesn't necessarily mean it is great. Look beyond the profile and examine the results it has achieved. Funnel your support to where it is going to have the greatest impact and achieve the greatest results.

MISTAKING RESULTS FOR HIGH STANDARDS AND BEST PRACTICE

Ensure that while the charity is doing good, they're not also doing harm. Improving the lives of beneficiaries in one way doesn't automatically guarantee that the charity is upholding relevant international conventions and best practice models. For example, if the organisation you want to support works with children, ensure the commitment to standards of child protection is high. Consider supporting a family-based service provider over an orphanage. If you're supporting a school, ensure they have similar visitor policies to schools in your home country. Best practice is for children to be cared for in families, and for visitors and donors to meet with program staff rather than vulnerable children.

MISTAKING BEING QUIET FOR BEING HUMBLE AND ETHICAL

Ethical business leaders tend to go about their business quietly, they don't like to broadcast the philanthropic support they provide, and fair enough, nobody likes a brag; nobody is impressed by a business who publicly support a charity in order to improve their brand or increase their market share. Yet when done ethically, sharing your support openly can be immensely effective in helping advocate for change and assisting the charity gain new supporters similar to yourself. When you choose a charity partner look for ways to support them beyond the financial; maybe you can share your business expertise, or open your networks or engage your team and clients.



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