



Corporate Funding – Diakonie Austria

Diakonie Austria providing people with disabilities access to assistive technologies in a corporate partnership

Summary

Diakonie Austria, the umbrella of the protestant diaconal social welfare organisations' network in Austria, maintains a unit ("Corporate Fundraising" – CF) to acquire and manage corporate funding, with a focus on long-term corporate partnerships. Experience has shown that it is necessary to find intersecting interests with a possible partner to be able to establish a mutually beneficial cooperation. For the organisation, corporate partnerships are an important source for funding innovative projects, but require comparatively more personnel and time than public funds, especially in the acquisition and piloting phase of the cooperation.

"Managing corporate partnerships requires excellent interpersonal and communication skills, the capacity to build up and maintain a positive relationship with decision makers of partner corporations, and being sensitive to their personal preferences, attitudes and concerns", affirms Dr. Richter, in charge of corporate partnerships and sponsoring at Diakonie Austria. The organisation's board decided to venture into this field in 2008 because corporate funding was seen as a promising opportunity to compensate for the decreasing public funds, and other charity organisations in Austria were already accessing such funds successfully.

Setting up a new acquisition structure

The big question was how to finance a unit acquiring and managing corporate funding, since starting to cooperate with businesses from scratch will at first incur expenses for an organisation but no immediate income. A performance-based internal re-financing model was agreed: Diakonie's member organisations who receive corporate funding contribute an acquisition and management fee at a certain percentage of the amount provided through CF, which, in turn, acts as an internal service provider to the members. These can thus present an idea for a project or a cooperation scheme which they want funded through CF, which then helps them to find a suitable corporate partner. For businesses, CF acts as a long-term focal point. It manages the contact and supports both sides to negotiate the specific form and content the cooperation will take. Funds generated go directly to the individual project at the member organisation, which is responsible for the entire implementation and reporting and acts as a guarantor for designated funds being used as agreed.

Identifying common ground with the partner

The focus of Diakonie Austria's corporate funding strategy is to build up and maintain proper long-term corporate partnerships with large funding sums, in which both sides actively cooperate, take decisions together, and benefit mutually from the partnership. This type of corporate funding is immensely personnel-intensive and time-consuming, because, more than is the case with other types such as one-time event sponsoring or the sale of advertisements, it is important to build up trusted relationships and identify similarities through personal contact. For Dr. Richter, whose professional background is in the private sector, it is therefore an important asset to 'speak the same language' as the partners, to be able to understand each others' needs and interests. It is vital, she emphasises, for large-scale cooperation schemes, that the business partner can identify with the project, which relates either to its products, its corporate identity or its business strategy, and hence most innovative projects are set up under such schemes.

The experience of cooperating with the Austrian electrical energy supplier Verbund showcased that, even when at first there seems to be little common ground between two possible partners, engaging closely with

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Views

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individuals at the business in a creative matching process can yield enormous results. Diakonie was envisioning support for its work with people with disabilities and sought for linking features with Verbund. Together, they identified the common lead theme of 'providing access to life' as meaningful to both sides, which gave spark to the subsequently established 'VERBUND Empowerment Fund', helping people with disabilities by providing assistive technologies and necessary counselling in order to lead an independent and self-determined life.

Jointly providing people with disabilities access to assistive technologies



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With an annual amount of about 200,000 euros, the Verbund fund supports LIFEtool, a subsidiary enterprise of Diakonie Austria which produces assistive technologies such as a mouse operated with the mouth or an eye tracking system, in its entire business operations. This includes the expansion of its counselling free from commercial interests, special support to children and youth with disabilities who receive little to no financial support through public funds, as well as financial assistance to individuals and groups in obtaining such technologies who, otherwise, could not afford them.

Another component of the cooperation is the joint lobbying of Diakonie and Verbund for people with disabilities to get a legal right to such assistive technologies. The lobbying is supported by committed representatives of Verbund personally, who accompany Diakonie to respective meetings with the ministry. The unusual engagement of an energy provider in advocating for the rights of people with disabilities bestows the lobbying work with a powerful element of surprise, which has helped to achieve for the demand to be included in a government paper.

Also, as an employee participation and social competence component, an online communication platform called 'Friends at Verbund' was set up, allowing employees of Verbund to network with people with disabilities coached by LIFEtool. Through the platform, they can interact on a personal level, create friendships, organise meetings and learn about each other's everyday life. The platform soon gained momentum, for example a joint visit of a power plant was organised, and participants have confirmed it to render an enriching and integrative experience.

Maintaining long-term partnerships

With all its components having brought about tangible positive results, this innovative cooperation is a success to both, Diakonie and Verbund. For Diakonie Austria, corporate funding has become an innovation driver because, as Dr. Richter explains, unlike public funding it provides the chance to try out new projects which, once established, might be acknowledged by the government as worthwhile financing publicly in the future. However, she concedes that the innovative aspect of projects launched under corporate partnerships also bears the risk of projects not working out, in which case it is especially important for the organisation to make use of its close relationship and keep the business partner engaged in finding other cooperation opportunities. Even while Diakonie Austria always implements corporate partnerships with large funding sums under a formal contract, the possibility of a partner cutting funds unilaterally due to personal or business decisions can be minimised by treating partners "with love and care" throughout the partnership, but not be ruled out. Funds lost can hardly be sued for. Luckily, Diakonie Austria has not been faced with such a situation. Its annual income through corporate funding now amounts to more than 500,000 euros and has seen an annual increase of about 10% for the past three years. In addition to being an important source of financial resources, accessing corporate funding has contributed to involved member organisations improving their strategic and longer-term planning and to further professionalise their project management capacities.

Dr. Richter believes that it is an interesting funding model for all bigger diaconal organisations and that the market for corporate funding is not exhausted. She encourages organisations to network, exchange their experiences and contacts so that together, they can increase their reach and efficiency, and possibly jointly access funds from international corporations who disburse their social funds in a centralised manner.



Further information:

Diakonie Austria on its corporate funding (in German):

http://www.diakonie.at/goto/de/ich_will_helfen/sponsoring

Verbund's information about the VERBUND Empowerment Fund:

<http://www.verbund.com/cc/en/responsibility/corporate-citizenship/empowerment-fund>

LIFEtool: <http://www.lifetool.at/home.html?L=1>

Friends at Verbund (in German): <http://www.verbund.com/bg/de/blog/2012/12/13/freunde-bei-verbund>

Presentation by Dr. Michaela Richter on corporate funding:

http://eurodiaconia.org/images/stories/OPM2012/diakonie_praes%20cf_barcelona_mrichter.pdf

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