

# STAKEHOLDER ENGAGEMENT

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OCTOBER 2023

ANNA KOMPANEK, CIPE, IOM

# SUSTAINABILITY WORKSHOP SCHEDULE

Mission & Leadership

October 17



Strategic Planning

October 24



Stakeholder Engagement

October 31

Diversifying Revenues

November 7

Communication & Marketing

November 14

# UNDERSTANDING YOUR *SOCIAL OBJECTIVE*

The *Social Objective* justifies your tax-exempt status:  
How does ***all of society*** – **not just your members** - benefit from what you do?

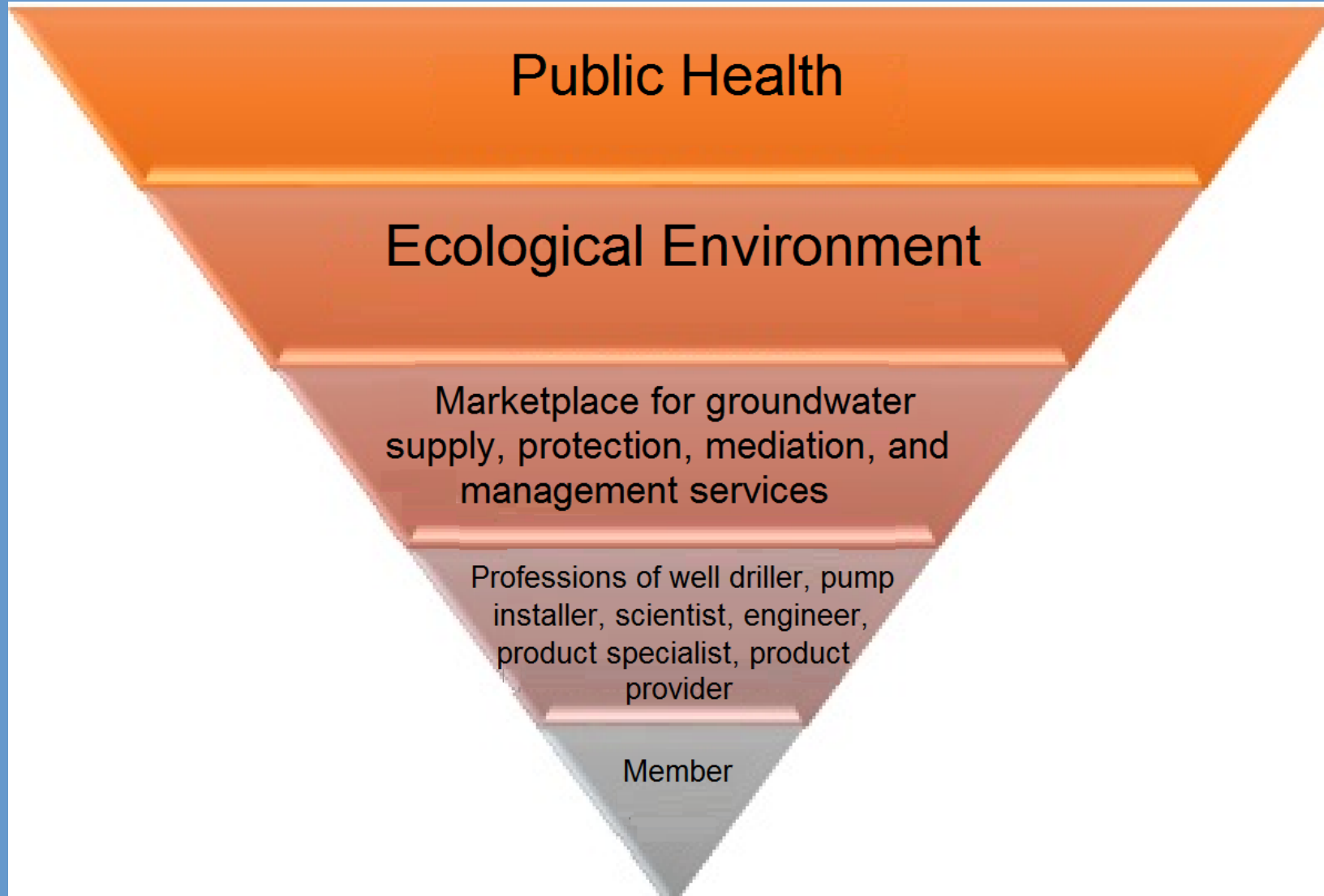
Examples:

Promoting better health outcomes by ensuring better health information – American Health Information Management Association

Ensure the communities our members serve have affordable access to ample, dependable, potable water - Kenyan Well Drillers Association

# WHY SOCIAL OBJECTIVE IS SO IMPORTANT

## National Ground Water Association's Inverted Beneficiary Pyramid

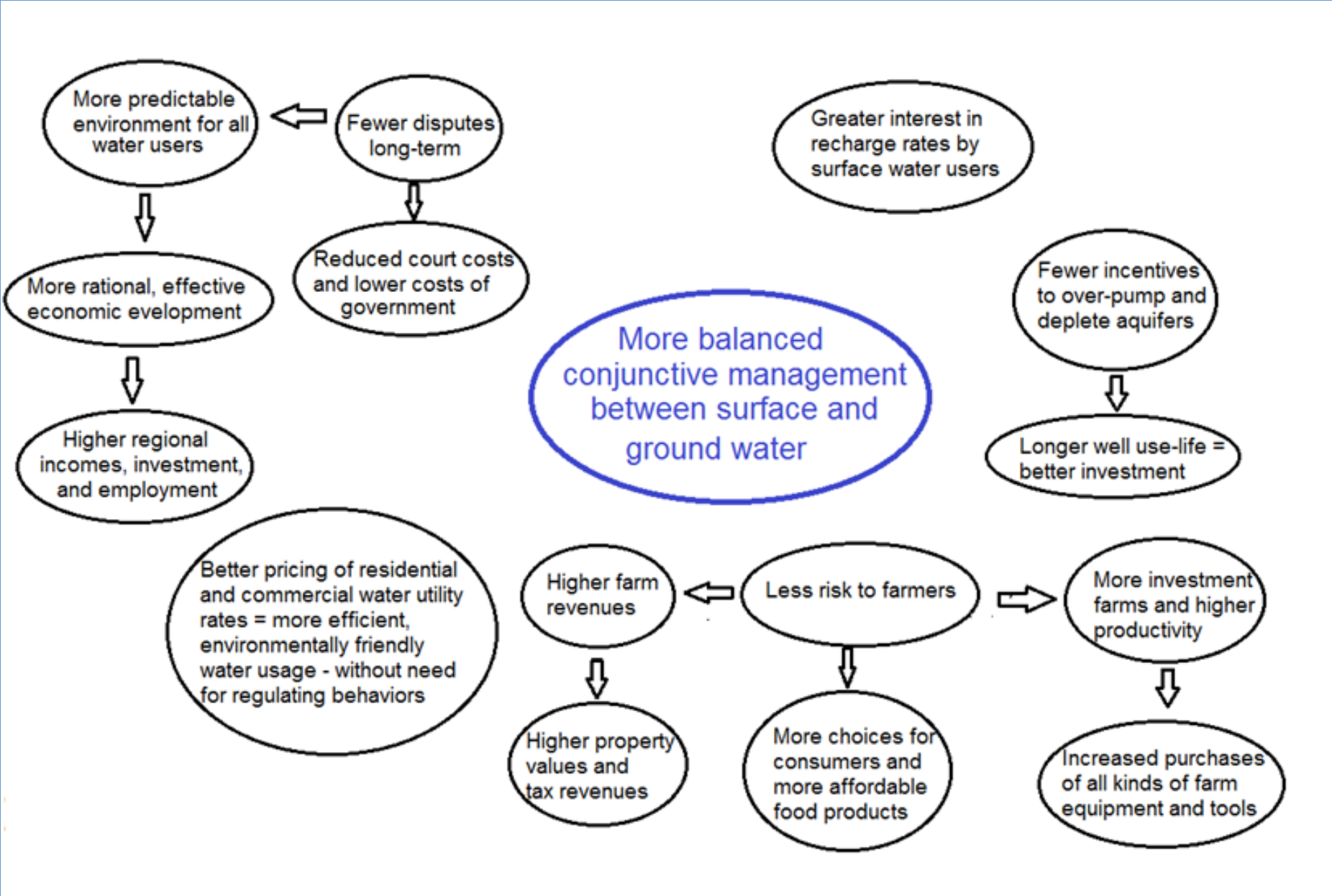


# STAKEHOLDERS BEYOND MEMBERS

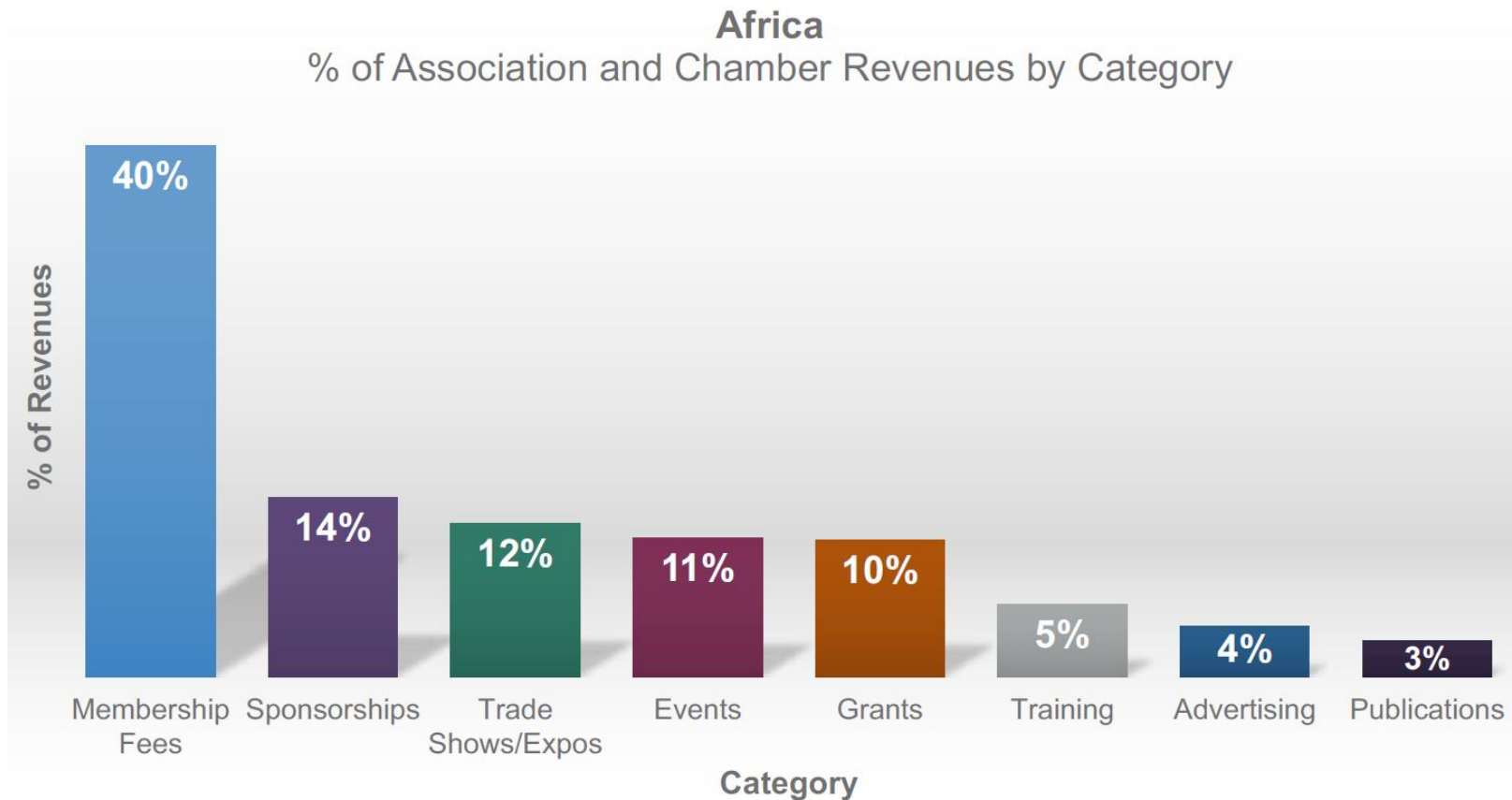
WHAT IS THE SOCIAL OBJECTIVE FOR YOUR CHAMBER OR ASSOCIATION?

IF I AM NOT A MEMBER, WHY SHOULD I CARE?

# DEMAND NETWORK MAPPING



# CIPE SURVEY OF AFRICAN ASSOCIATIONS



# THE FALLACY OF THE MEMBER-CENTRIC DUES-DRIVEN BUSINESS MODEL

What percentage of your chamber's revenues is dues?

What role does dues actually play for an association/  
chamber?

What member services do you currently offer?

How are they paid for?

Can a chamber survive on dues alone?



# WELCOME TO CAMP

The four stakeholder types of every nonprofit organization:

Customers

Allies

Members

Partners

# THE CAMP STAKEHOLDER MATRIX

## Customers: Financial Capital

By covering some fixed costs, customer fees reduce dues and encourage broader membership.

Those who have vested interests in your members' welfare but should not have a say in governance:

- Potential members who have chosen not to become members ... yet,
- Those in complementary industries/professions and their associations, members' suppliers or customers, and government agencies, especially regulators,
- Customers from other industries/ professions, help build wider advocacy support network.

## Members: Human Capital

Real voice and face of the association in the marketplace and public arena and determine the governance and direction of the organization

- Members must share the organization's social objective have an interest growing the organization,
- Contribute through volunteering, joining committees, and creating intellectual property
- Most committed and lucrative constituency.

## Allies: Public Policy Partners – Political/Social Capital

Through cross-sectorial coalitions, allies provide an independent voice supporting the organization.

Other nonprofit organizations (NPOs) who bring greater credibility to advocacy:

- Other associations in related industries/fields,
- Universities, R&D organizations, development banks, consumer groups, and government agencies
- The more different allies are, the more each brings to an advocacy effort.

## Partners: Operating Capital

Organizations that share the commercial risks of association activities

- Third-party service providers with capacities to offer product and service the association does not possess
- Include other associations, schools, and government agencies, not just businesses,
- Co-opts potential competitors in partnering activities.

# ACTIVITY-BASED FUNDING VS. FUNDING-BASED ACTIVITIES

- How an activity is funded is as important as how it is done.
- Each revenue source has its own strengths and weaknesses.
- You need to match up the right program with the right financing tool.
- Each activity should have its own business plan and budget.

Example:

In 2007, the Kenyan Medical Association decided to launch a nationwide public education campaign on handwashing.

How would you have advised KMA to achieve this goal?

# THE CAMP PRODUCT/SERVICE MATRIX

## **Customers: High value/Low risk**

*Products that benefit the association when nonmembers have access:*

Industry/profession specific standards, education, certification, and testing,  
Pass-through programs for other member stakeholders (clients, employees, customers, suppliers, etc.),  
Train-the-trainer programs,  
Member benefits as “subscriptions services” to nonmembers.

## **Allies: Shared costs**

Advocacy campaigns and joint public relations efforts that can help share costs,  
Access to each other’s constituents,  
Third-party champions and spokespersons for each other’s causes,  
Not just about direct government action, these include public-private partnerships, private-nonprofit partnerships, and other shared “public goods” programs.

## **Members: Low value/Low risk**

Governance: Voting rights, volunteering, leadership,  
Standardized, mature products/services and products with little or no competition,  
Products that are mature or have high barriers of entry for competition,  
Internal capacities already exist.  
Well-defined, nontransferable products/services,  
Markets must allow for preferred pricing.

## **Partners: High value/High risk**

New products and products for which innovation is desired,  
Innovations best done through partnerships,  
Third-party provider when internal conflicts of interest exist,  
Customized or differentiated products for specific market segments (e.g., training)  
Create competition to lower members’ costs or increase choice.

# THE GREATEST RISKS: CONFLICTS OF INTERESTS

Everything you do must be linked DIRECTLY to your Social Objective. Never, EVER undertake any activity for the sole purpose of generating revenues. This inevitably creates a conflict between the social goals and the profit motive.

Find the conflict (**All of these examples were actual CSO policies**):

1. An association of private hospitals decides to help its members build new capacities through a low-interest microfinance program.
2. A chamber enters into a bulk buying arrangement with a local supplier to save its members money.
3. A nonprofit organization supplements its revenues by creating a for-profit subsidiary, a consulting firm that specializes in the sector the NPO serves.

# HOMEWORK:

Take one programmatic activity from your strategic plan and develop a business plan that engages CAMP stakeholders. Leave out advocacy campaigns for the time being.

Examples:

Annual conference

Trade fair

Public education campaign

Entrepreneur training program

Magazine/newsletter

What are the conflicts of interest you will need to avoid?

# ADVOCACY

# ADVOCACY: BASIC DEFINITION

Advocacy constitutes the actions an NPO takes on behalf of its stakeholders to influence and support public policy decisions, such as laws, rules, or regulations to support a given position.

**Advocacy = raising awareness to achieve a goal**



# THE REAL GOAL OF ADVOCACY:

Advocacy is never just an attempt to change laws and regulations.

**The goal of every advocacy campaign is to change the economic and social behaviors of individuals and organizations.**

# THE USUAL APPROACH:

- Identify behaviors that need to change
- Propose regulation to force a change to preferred behaviors
- Ask the government to pass laws to enforce these new regulations
- Develop training programs to promote adherence to the new regulations and preferred behaviors.

# SO, WHAT'S WRONG WITH THAT?

Implementation often an issue even if the law is changed.

Success and sustainability depend on continued support from government officials (who also change).

You have not addressed the underlying causes or motivations for the behaviors in the first place.

Negative consequences are least effective in changing behaviors.

It creates opportunities for bribery and corruption.

**Government regulation is the most risky, most expensive, and least sustainable way to affect behavioral change.**

# HOW TO CHANGE BEHAVIORS SUSTAINABLY

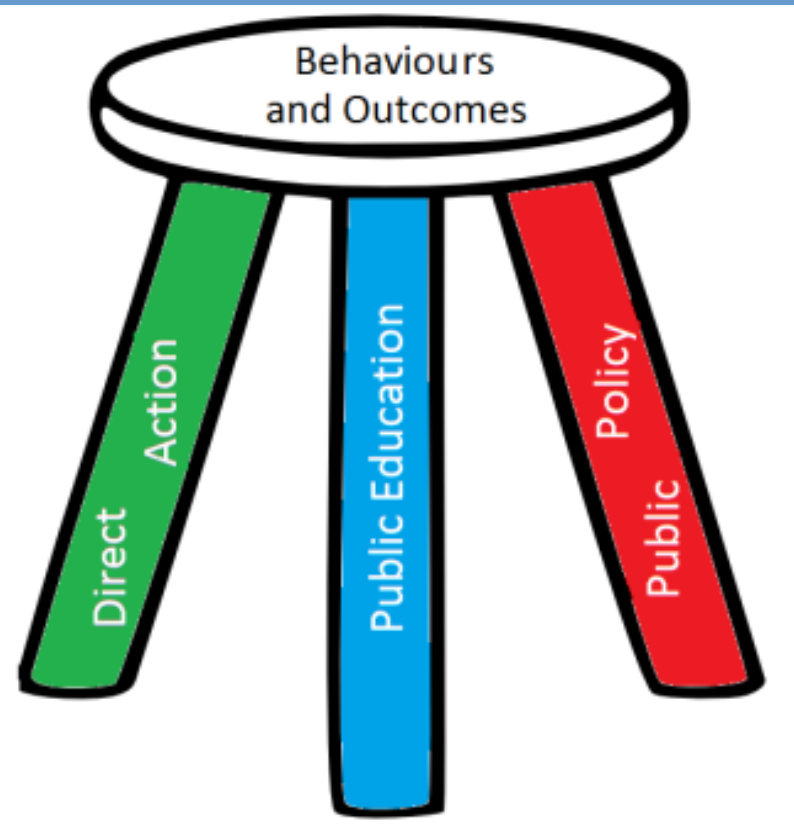
## *Determining Stakeholders' interests*

Self-interests are the result of a combination of incentives and disincentives that are:

- 1. Economic – Market forces**
- 2. Social – Public opinion, customs**
- 3. Legal – Regulatory restraints**

**Each has its role. Behaviors driven by market forces or social customs or pressures will not respond to regulatory restraints.**

# ADVOCACY'S THREE-LEGGED STOOL



1. Direct action (economic/market forces)
2. Public education (social pressure/public opinion), and
3. Public policy (advocacy/lobbying).

# WHAT IS ADVOCACY? EXPANDED DEFINITION

Advocacy, therefore, is:

**An ongoing negotiation between the governed and those who govern as to who should be responsible for managing social and economic behaviors in each situation:**

- Market forces
- Social pressure and approval
- Regulatory fines and punishments

# FIRST LEG: DIRECT ACTION



Feroza Mushtari,  
founder, the Association  
of Afghan Midwives

## Lessons from the Association of Afghan Midwives

Be a solution – not a problem

Be a partner – not a critic

Explain how your objective benefits the  
government and the general public – not  
just your organization or members

The ability to control an economic outcome  
is a valuable asset! Never give it away  
easily – especially to the government.

# GOVERNANCE IS NOT GOVERNMENT!

You can become part of the governance process – not just an advisor or watchdog.

By accepting for yourself the responsibility for the mechanisms that influence social and economic behaviors you maintain control of the process and the outcome.

These activities create revenue streams that help your organization to become self-sustaining.

By working with – instead of against – the government, you change your relationship from supplicant to equal partner.



# SECOND LEG: PUBLIC EDUCATION

Change the conversation:

Advocacy is not just about you and government.

It is always about other stakeholders and public opinion.

Win over the public and public officials will follow.

# Lessons from Kenya Medical Association:

To be credible, advocacy campaigns must be grassroots driven and respond to local problems.

Identify the “social investors” associated with the cause or objective. These are the stakeholders who will support your campaign because its success is in their own transparent self-interests.

Investments can be monetary or as operational capacities, such as expertise or access to equipment or facilities.



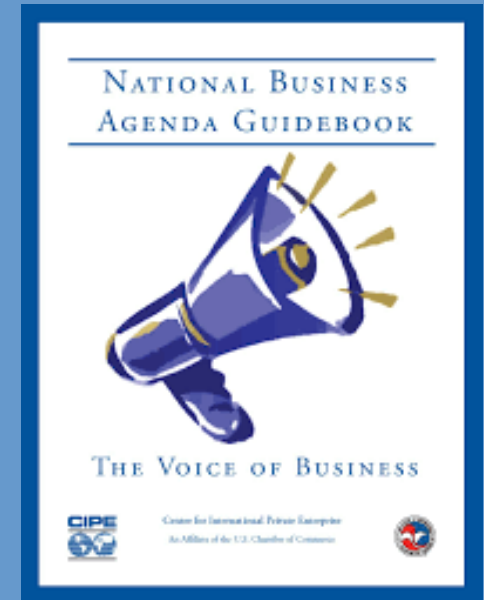
# THIRD LEG: POLICY ADVOCACY/LOBBYING

Most costly – in time, money, political capital

Most risky – Lowest level of success

Not always effective or sustainable – Coercion invites gaming the system and corruption, subject to political whims

If you pursue policy advocacy, build consensus about an issue or set of issues of shared concern and work with others



Examples: <https://www.cipe.org/what-we-do/business-advocacy/>

# EFFECTIVE ADVOCACY REQUIRES ALLIES – LOTS OF THEM!

1. **Always speak to the common good**, not just your members' – Present your cause as a social benefit  
Make sure everyone shares the same message
2. **Divide and Conquer** – Don't treat the government as a monolith. Identify agencies that will benefit from your objective.
3. **Bring solid arguments to the table**. - Facts and figures, impact on lives and livelihoods.
4. **Engage credible allies** who can make your case for you.
5. **Be part of the solution** – Explain what you are willing to do to make your solution work.

**Remember:**

**Every new regulation and law may have unintended consequences and can turn into another opportunity to extract a bribe**

# CIPE



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