

# THE BEST TIME TO BE A NON-PROFIT IN INDIA IS NOW!

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I was addressing a group of 30 mid-sized non-profits the other day in a workshop on sustainability and I asked them, “Which of you think that this is a good time to be a non-profit in India?” Barely 2 to 3 hands went up. This perception is not uncommon – non-profits are often worried about their immediate sustenance, their funding and the external forces that always seemed to loom large around their work, to even consider if the sector is growing in India.

Yet, that’s exactly what has been happening with the philanthropy sector in India – it has been growing, and growing how! India has added over a 100 million donors in the last eight years and the trend shows no signs of abating. Bain’s Indian Philanthropy Report 2015 says that over a third of the current donors are going to be investing more in India in the next 5 years. A robust economy, growing wealth and increased global interest in India have led to a vibrant support ecosystem for philanthropy.

Here are 3 compelling reasons to why I think there is NO better time to be a non-profit in India than NOW!

## **1. There is more funding available to increase non-profit ‘effectiveness’**

Evolving from the earlier years where there was only one important consideration for funding – the beneficiary, now there is more ‘investment in helping the non-profit grow’ by funding efforts in building capacity and strengthening organizational effectiveness.

**Going by the wisdom that scaling social impact starts with building internal capabilities, there are more resources today to build leadership, succession**

**planning, people development, creating sustainable models and to increase operational efficiency.**

This coincides with the rise of venture philanthropy at a global level and a similar thinking among global funders and non-profits.

## **2. Increased corporate involvement through the CSR mandate**

As Corporates across the country actively implement the provisions of the newly framed 2013 CSR Law in India, there is a significant positive infusion of funding, expertise and resources into the philanthropic sector.

We have worked with leading corporates in the last 2 years on CSR design and implementation and one of the most critical determinants of success and impact of programs has been a strong partnership with the right non-profit. Most companies are looking for credible partners who come with strong experience on the ground and are willing to work alongside the corporate for the long-term.

**If you have a balanced approach, possess expertise across your organization right up to your field staff, and possess the necessary rigour and systems in place to effectively deliver on the social goals, I can tell you that a corporate is definitely out there looking to work with you.**

Just last year, the CSR spend was about INR 8130 crores and more than 50% of the companies partnered with an NGO to implement programs on the ground. We have seen examples of non-profits growing tremendously through their association with corporates in so many ways, many of them having nothing to do with the funding.

## **3. The Ecosystem for non-profits is expanding**

**People:** The good news when it comes to human capital in the social sector – people knocking on the doors of non-profits today are not just there to pick up the spade and start digging in earnest.

The quality of human capital flowing into the non-profit sector has increased tremendously. People coming in have also gone through the reality check of working in the sector – there are more ways today for people to engage with social issues before taking the plunge. Opportunities like the Gandhi Fellowship under the Kaivalya Education Foundation where 21-25 year olds strive at achieving challenging education outcomes at the grassroots or the SBI Youth Fellowships where professionals work on solving rural development challenges; sophisticated trainings, both online and offline, and a profusion of new educational institutions for aspiring impact professionals, from the Azim Premji University to IRMA, XLRI and the top institutions across the country like the IIMs, are getting people ready.

**Tech: According to the McKinsey Global Institute’s research,** twelve empowering technologies applied in fields ranging from healthcare to agriculture, could potentially have a \$1 trillion of economic impact every year in India, fetching good jobs and increasing quality of life for millions.

The disruptive spread of technology in India is paving the way to set up scalable social innovations. Solutions have a way to reach and engage communities much faster with the help of technology, and we have so many successful examples built out of India: Digital Green that is providing continuous education for farmers, or Artoo which processes more than INR 500 crores worth of microfinance loans in 29 states through a tech platform or even Mindtree whose engineers have built a platform that connects hundreds of the city’s informal waste workers with households and institutions looking to recycle their waste. Technology is bringing in many opportunities for huge innovation and growth in the social sector.



**Knowledge sharing:** There is more cross pollination of learning across diverse ecosystems today – from startup conventions to industry conclaves and conversations on social media. These avenues are forging multi-disciplinary exchanges leading to more opportunities to bring in best practices from other sectors into social impact and vice-versa.

So, I would argue that the external environment for non-profits is at its prime today.

**The question is – are non-profits ready to identify the opportunities and grow sustainably?**

As a non-profit, are you:

Asking the right questions to prepare yourself?

Focusing on yourself and where you want to go as an organization?

Have a clear strategy and roadmap for the long term?

**Sustainability is not just about being financially sustainable**

My submission is that there are other equally important questions to ask as a non-profit:

1. Are you **relevant** to your community and market today? How updated are you in accordance with where your area of focus is growing? Are you doing cutting edge work in your domain?
2. How well do you understand the economics of your operational model? I believe that the focus on sustainability starts with a strong understanding of unit economics. Being a frugal sector, attention to detail on your economics at every level can fundamentally transform how effective you are.
3. Are you growing your **people and culture**? Are you hiring and developing good managers, attracting good talent and giving them a consistent experience?
4. If the funding comes in tomorrow, **are you ready to scale**? Do you have the systems and processes in place?

**I believe that NOW is a great opportunity for a social organization that is willing to grow inside as much as looking outside at its communities.**

I would love to hear your views – do leave me a comment and I would love to discuss it further with you.

Picture courtesy Sattva's work on the ground in Rajasthan.