

Exploration of Sustainable Funding Mechanisms

used by football for good organisations



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This report was developed by representatives of streetfootballworld member organisations and staff, with support from the Yunus Social Business for Health Hub at the School of Public Health and Community Medicine at the University of New South Wales and Australia.

**STREETFOOTBALLWORLD
IS A GLOBAL NETWORK
OF ORGANISATIONS
WORKING TO CREATE
SOCIAL CHANGE
THROUGH FOOTBALL.**

THE ‘MAGIC’ OF FOOTBALL FOR GOOD IS BY NOW IRREFUTABLE, AS DECADES OF WORK ACROSS THE GLOBE BEING CARRIED OUT BY PASSIONATE PEOPLE AND ORGANISATIONS HAVE BEEN SHARED AND AMPLY DOCUMENTED.

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The 'magic' of football for good is by now irrefutable, as decades of work across the globe being carried out by passionate people and organisations have been shared and amply documented. Thousands of lives and communities have been changed through the opportunities created by those working to engage with the sport they love to take its impact beyond the playing field. streetfootballworld (SFW) is a global network of organisations working to create social change through football. streetfootballworld members are unanimous in their love for their vocation, and new initiatives arise regularly in every corner of the globe. Yet, sustainability, or perhaps better termed financial survival, is a perpetual challenge. Social business

and social enterprise are being adopted by a growing number of organisations in order to address funding challenges. Little is known, however, about what strategies and models are being adopted and which are proving most effective for these grassroots organisations.

The following report outlines the development and results of a survey of streetfootballworld member organisations regarding their use of sustainable funding mechanisms. Based on these results, recommendations regarding how this information should be utilised are made.

This study endeavours to address this gap in the research by identifying the mechanisms used by sport for social change organisations that are members of a global

network – streetfootballworld. Through an exploratory survey, representing the first stage of this research, this study explores the different approaches to sustainable funding and identifies the key challenges facing sport for social change organisations. Respondent organisations represent a diverse range of nationalities, program offerings and funding strategies. Despite this, a number of common challenges as well as common strategies to overcome such challenges are identified. Respondents also reflect a common desire to improve their knowledge of sustainable funding practices. This research represents the first step in developing recommendations for practitioners in sustainable funding for sport for social change organisations around the world.



INTRODUCTION

Football is the most commonly used sport for social change (S4SC) programs, however, around the world hundreds of other sports including basketball, surfing and athletics, are being used to create social change in communities. The field of sport for social change (S4SC) has grown considerably in the past fifteen years.



Globally, the number of S4SC programs being delivered and researched published in the field has increased with the growing recognition of S4SC as an effective means of addressing equity [1] As has been the case generally for organisations and programs in the social sector, S4SC organisations have traditionally relied on funding from government grants, corporate partnerships and philanthropy to serve their cause [2] While such sources of funding have previously been viewed as necessary for organisations with a social, rather than a commercial, cause, ultimately they can adversely influence the operations these

businesses, including hampering their sustainability [3] Dependence on external sources of funding that are inherently unstable limits organisations' abilities to grow, maintain a reliable workforce, and innovate [4]. Financial sustainability is critical to program sustainability and yet, despite the recognition of its centrality to S4SC, limited research has been conducted regarding sustainable funding approaches of S4SC organisations [5,6]. To address this gap in the literature, this study explored the mechanisms used by S4SC organisations around the world to improve their financial sustainability.

Members of streetfootballworld were invited to participate in this research. Football is the sport most commonly used by S4SC organisations around the world [1], which renders football-oriented organisations a particularly relevant point of focus for this investigation. However, the challenges facing football-oriented organisations and the mechanisms they use to develop sustainable funding are not believed to be considerably different from S4SC organisations that utilise different sports to achieve their social objectives. The focus on organisations that engage in football for social change is therefore considered appropriate for this area of research.

SURVEY DEVELOPMENT

A small working group made up of streetfootballworld board members and ex-board members was established to enable collaboration and ensure a range of nationalities and S4SC organisations were represented in the development of this research.

Working group members were:

- Dr Anne Bunde-Birouste, Football United, Australia
- Steve Fleming, kick4life
- Paul Kelly, streetfootballworld
- Candelaria Lucero Dente, Tiempo de Juego
- George Springboro, streetfootballworld
- Esteban Reyes, Tiempo de Juego

After collaboration over email and Skype, the working group agreed that the objectives of the first stage of this research would be to:

- Find out what, if anything, members are doing in the area of social business and what other sustainable funding mechanisms they use
- Identify what these sustainable funding mechanisms involve and what they contribute to the organisations
- Identify challenges members have in trying to establish a social business or social enterprise (SB/SE)
- Determine whether members would be interested in training workshops in the area of sustainable funding and, if so, what topics would be useful
- Determine whether members would find training for youth members useful

It was agreed that a Spanish version of the survey would be created so that the Spanish-Speaking organisations, of which there were 18, could provide more detailed responses. Surveys were sent to 125 streetfootballworld members via email. Data was collected during September and October of 2017.



FINDINGS

After duplicate responses and blank surveys (n=13) were removed, 52 responses remained to be included in the analysis. Thirty-five countries, spanning six continents, were represented in the data set. Kenya and USA were the most common location for organisations to be situated, with seven organisations from each of these countries responding to the survey. The majority of other countries had just one organisation that responded to the survey.

THE SAMPLE

52

responses were included in the analysis

13

were excluded as incomplete or duplicates

35

countries were represented in the sample, across 6 continents

Kenya and USA were the most common location for organisations to be situated, with seven organisations from each of these countries responding to the survey

SUSTAINABLE FUNDING MECHANISMS

Social businesses (SB)/social enterprises (SE)

- 26 member organisations are currently operating a social business or social enterprise; 25 are not
- The age of these SB/SE ranged from 2 months to 16 years
- The vast majority of SB/SE operations had been launched in the past 4 years, as can be seen in Figure 1, below

NUMBER OF SB/SE STARTED BY YEAR

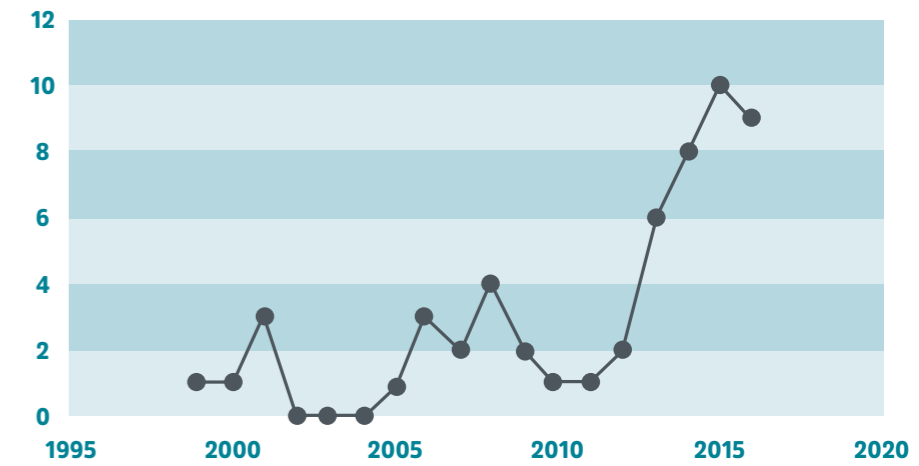


Figure 1 - Number of SB/SE started per year

- The range of annual revenue from SB/SE operations was reported to be between \$0 and \$450,000 USD.
- Approximately half of respondents indicated their annual turnover from the SB/SE was \$5,000 or less per annum, as can be seen in Figure 2, below.

ANNUAL REVENUE FROM SB/SE OPERATIONS

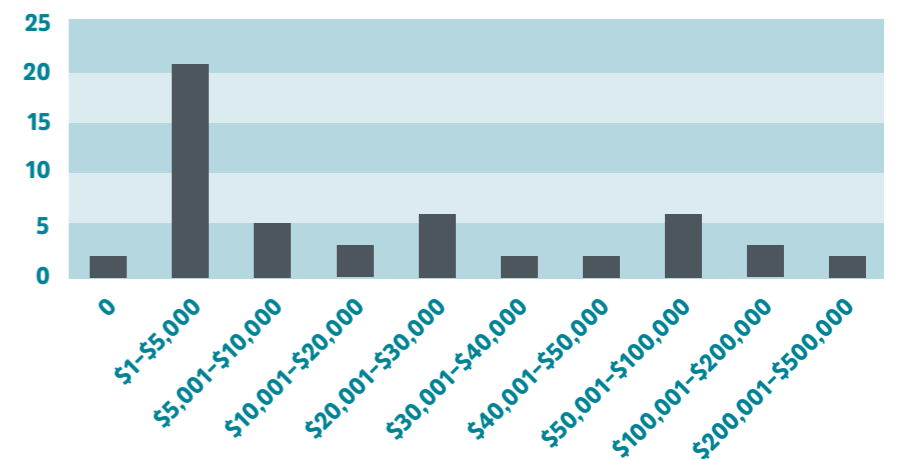


Figure 2 - Annual revenue from SB/SE



“We own and run two elementary schools. In the two nursery/primary or elementary schools we charge a token fee for those who attend. The meaning of this social enterprise initiative is to ensure the sustainability of our organization and avoid the donor syndrome – too much reliance on external funding.”

Respondent, Africa



“(Our social enterprise) is a responsible & ethical volunteering, tourism and travel organisation. (We) match volunteer skills to project needs... All conducted at significantly reduced costs as a way of giving back also affording us an opportunity to aid fund raising efforts to help sustain our programmes on the ground. Our unemployed youth leaders and mentors help deliver these projects.”

Respondent
North America

From brief descriptions of the organisations, it was evident that members were operating a vast array of SB/SEs. Of the 26 organisations operating a SB/SE, 17 were fully integrated into the organisation, seven were separate entities. Analysis of the responses indicated that many SB/SE models were linked to their football operations; these include running a football league for a fee, hosting events on and renting out their football facilities. However, the majority of business models included product or service offerings that were unrelated to football, including the operation of a bakery, café, restaurant, and sale of agricultural produce. A categorisation, resulting from analysis of the different social enterprises operated by respondents is presented in Table 1.

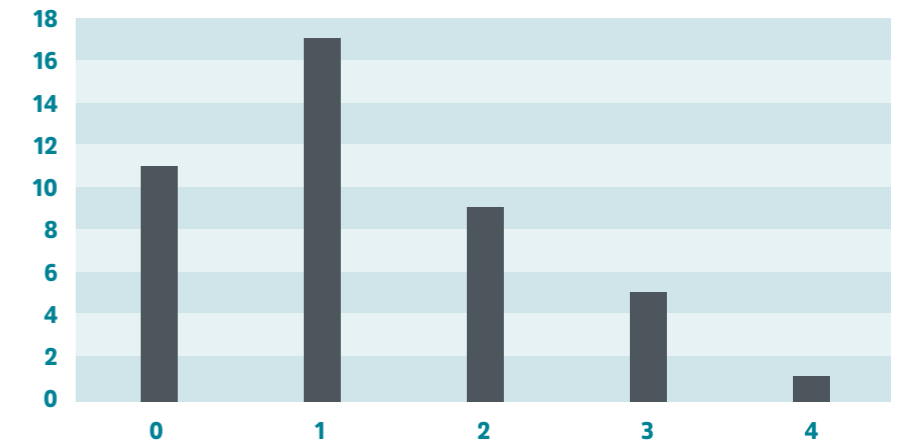
TABLE 1: DESCRIPTIONS OF SOCIAL ENTERPRISE ACTIVITIES/APPROACHES

CATEGORY AND DESCRIPTION	EXAMPLE	NO. IN CATEGORY	COUNTRIES
Hosting events & conferences	“(Hosting) an annual forum... which fosters input directly from youth, policy makers, sports tourism stakeholders, sports men and women, educators and corporate interests.”	6	Kenya, Lesotho, South Africa, St Lucia, USA, Zambia,
Restaurant / Café	“Providing healthy meals to community members and staff at a fee.”	4	Colombia, Kenya, Lesotho,
Football-related operations	“Indoor field rentals to youth and adult sports teams and leagues, athletic trainers, fitness programs”	6	Congo, Kenya, Lesotho, USA,
Selling a physical product	“Raising hybrid cocoa, oil palm, and assorted seedlings and sell to farmers at subsidized prices ”	6	Cameroon, Rawanda, Indonesia, Peru
Running workshops or selling a curriculum	“Run programs in international schools on event management”	9	Chile, Colombia, Kenya, Lesotho
School or preschool	“We have the school... which (is) purely a social enterprise by providing quality education for both vulnerable and non vulnerable children and youths in our communities. ”	3	Cameroon, Colombia, Zambia
Other product or service	“Micro-credit program, lending to small amounts to businesses” “Community Water Dispenser and Ecosan Toilet ”	11	Colombia, Zambia, Uganda, Kenya, St Lucia, Tanzania, South Africa, Iringa

Revenue-generating assets

- 38 organisations currently use some form of asset-driven revenue generation
- 17 of these operate just one form of revenue generating asset, 15 operate more than one. See figure 3:

NUMBER OF REVENUE-GENERATING ASSETS PER ORGANISATION



Number of revenue-generating assets per organisation

- Running events was the most commonly selected category. Of revenue-generating asset. The rest of the categories were fairly evenly represented across the organisations, as can be seen in Figure 4, below:

TYPE OF REVENUE-GENERATING ASSETS

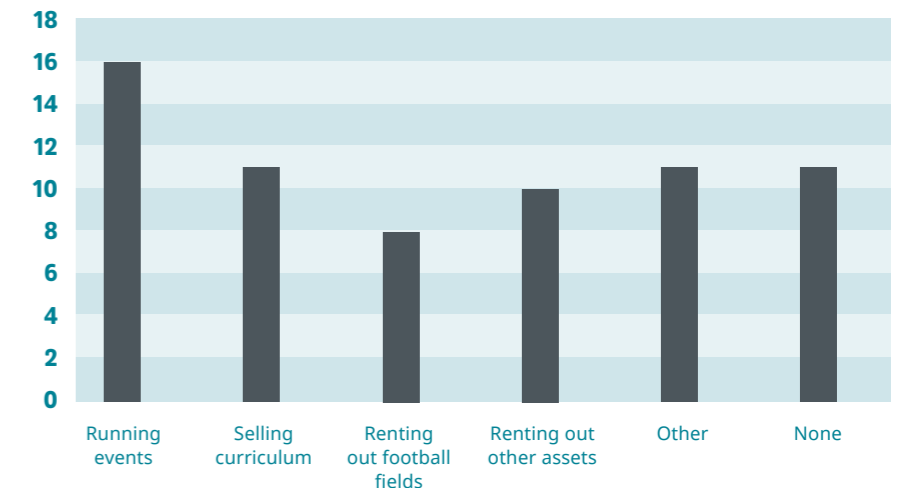


Figure 4 – Type of revenue generating asset



“We haven’t come up with a feasible model given our capacity.”

**Respondent
North America**

CHALLENGES WHEN ESTABLISHING A SOCIAL BUSINESS OR SOCIAL ENTERPRISE

Interestingly, lack of funding was identified as the most common challenge in establishing a social business or enterprise. This was the case both for organisations that had established a SB/SE and for those who indicated they had not done so. This finding suggests that, while funding is a considerable challenge, there is an opportunity for organisations to learn from those who have overcome this challenge. Further investigation of how organisations that have successfully established a social enterprise were able to fund it is merited. That even organisations with established social enterprises found initial funding a challenge may be encouraging for other organisations experiencing funding challenges as it suggests it is possible to overcome this challenge.

Other key challenges included:



Capacity of staff to manage additional operations



Knowledge of staff to implement an SB/SE effectively



Developing ideas or business models that are suitable and fit a viable market



Resistance to change, by staff, beneficiaries or customers – in particular resistance to adopting a for-profit mindset

Again, the majority of these challenges were identified by businesses that were operating a social enterprise and by those that were not. This finding suggests that many of these challenges may be overcome, potentially with adequate training as elaborated on in the discussion section of this report.



“Lack of organizational capacity to invest in the development and execution of social enterprise programs.”

**Respondent
Asia**



“We provide structured training and employment opportunities for participants through most of our social enterprises, particularly the restaurant and hotel and conference centre.”

**Respondent,
Africa**



“Programme participants, mentors, youth leaders etc are all given opportunities to participate in any of our workshops, certification courses etc that we conduct- free of charge. If they are not assisting with the delivery, they are participating in the workshops and gaining valuable lessons that will allow them to conduct similar sessions/outreach in their own communities either on our behalf or their own.”

**Respondent,
Africa**

TRAINING AND EMPLOYMENT

Nineteen organisations indicated that they currently provided training or employment for their members as part of their SB/SE operations. Business administration skills, including Microsoft Excel, financial management, and marketing, were most frequently mentioned as areas of the training. By contrast, some respondents highlighted job-specific skills, including pastry baking, physiotherapy, and hospitality training, as their primary training offering.

In terms of structure of the training, respondents were roughly evenly split between providing informal, on the job training and formalised training or workshops, with only a few indicating the members were able to gain official qualifications through the training provided. Despite the range of work experience and training offered, most organisations indicated that the purpose of their employment was to improve members’ employability for the future, as one respondent highlighted:

“We want all support staff to not just learn a few skills and earn a paycheck. We want them to build their resumes with marketable skills” – **Respondent, North America**

This finding is consistent with other research in the field, which indicates that part of the social mission of S4SC is to up-skill individuals to improve their opportunities for the future [4].

WORKSHOPS

100% of respondents indicated they would be interested in participating in training workshops on sustainable funding

Most commonly mentioned topics for training workshops:



1. Securing funding – particularly unrestricted seed funding



2. Management of the development and launch of a social enterprise



3. Assistance with idea generation – for viable products and business models



4. Marketing and communications training – including PR, branding and stakeholder consultation

Of the 52 respondents, 48 indicated that training in SB/SE for youth leaders within their organisation would be valued, while 4 indicated it would not.

CONCLUDING COMMENTS AND NEXT STEPS

The findings presented here are useful in developing our understanding of the funding mechanisms used by some of streetfootballworld's members and how these impact their financial sustainability. It is our recommendation that the next steps in this research be the following:

- 1) Identify and contact organisations that would be suitable for a follow-up interview about their social enterprise operations
- 2) Develop a suite of workshops to help train members in implementing and sustaining a social enterprise
- 3) Develop written "how to" guides highlighting the experiences of member organisations with successful social enterprises, and integrating the knowledge gained during the workshop stage



It is evident that members are using a wide range of social business and social enterprise operations and there is an opportunity to learn from the experiences of these organisations in order to develop our understanding of effective sustainable funding mechanisms. These preliminary findings merit further exploration and documentation of organisations that have been particularly successful in their social business/social enterprise operations. **Based on the brief explanations of business models and revenue generation, we suggest that the following organisations may be suitable for inclusion as case studies:**

- Mathare Youth Sports Association
- Sport 4 Life UK
- Kick4Life
- Iringa Development of Youth Disabled and Children Care (IDYDC)
- Football United
- Soccer in the Streets

These organisations have been highlighted as they represent a range of business models, product offerings and geographical contexts and have indicated they are generating a relatively high amount of revenue through these operations. However, several other organisations may be suitable for inclusion in the case study series and all respondents indicated they would be happy to be contacted to provide further information.

The survey identified common challenges to SB/SE development across vastly different organisations, geographical and social contexts, and social causes. Despite these differing contexts, respondents also suggested common topics for workshops on sustainable funding mechanisms. This suggests the possibility of developing educational workshops that are highly relevant to a number of SFW member organisations.

We recommend that a suite of training workshops be developed based on the topics identified above. These should be made available to member organisations across the streetfootballworld network. Each organisation will have different needs in terms of which and how many workshops are relevant to their business; however, the results of this survey indicate there would be substantial overlap in demand for particular training areas. Potential funding models for these workshops could be explored in consultation with the organisations mentioned above. While training was clearly valued by all respondents, funding and resource limitations restrict the ability of member organisations to engage in workshops. We do not underestimate this challenge, however, believe that it could be overcome using an appropriate approach.

Ultimately, it is hoped that this study, in combination with the information gathered from case studies, will provide a foundation for the development of “how to” guidelines for organisations seeking to launch a social business or social enterprise. The information that is generated in the creation and implementation of training workshops would also provide valuable evidence to inform such guidelines. In light of the relatively limited research into sustainable funding mechanisms for sport for social change organisations, these guidelines would be an invaluable resource for streetfootballworld members and other organisations around the world wishing to develop more sustainable sources of funding.

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