

“Investability Why should funders and supporters invest in your charity?”

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Cranfield Trust

We're an **independent charity** that works alongside other charities to offer **management advice, training and professional support**

Our **purpose**

To empower charities with the confidence and capabilities to thrive

Our **values**

- We care and connect
- We learn and lead
- We focus on impact
- We meet the moment
- We raise the bar



Building your Investability story

- What 'Investability' means – why it matters
- The psychology of making your charity "Investable"
- The architecture of high Investability
- Rapid "How to" practical steps to build 'Investability'



Defining Investability

- Attracting investment at every opportunity
 - Answering the ‘Whys’
- Understanding value trails
 - Who do you really provide value to?
- Joining up relationships
 - Donors – activities – beneficiaries
- Orchestration
 - Managing the whys, whats and whos
- Maximising yield
 - Focusing on the vital



The (irreducible) question behind Investability

Why should I invest my time, money, effort or support in your charity?

- Please spend a few moments thinking about this
- What do you think are good/compelling answers?



The world we operate in

- **Shrinking funding vs rising demand** - Cost of Living crisis
- **From 'giving' - to loaning/paying** – Social enterprise, contracts
- **Conditionality of giving** – Public and State – affordability, 'loss of acceptance and questioning (e.g. charity scandals), Politics
- **Accountability culture** – 'trial by social media', audit regimes



The world in three parts



Effort /
Precision



The Investability mindset

Why should I invest my time, money, effort or support in your charity?

Some weak/not so good answers

- We have been around for a long time – ‘Longevity’
- Our cause is current/fashionable – ‘On trend’
- Our cause is ‘prime’ or more important – ‘Lofty goals’
- Corporate Social Responsibility – Ticks a box



Some good answers

- Your cause resonates with me – e.g. the cure for cancer (makes **me feel better** in some way)
- Actually giving to you **solves a problem for me!**
- Because I believe that you are **fit to receive my investment**



The psychology of good and bad answers

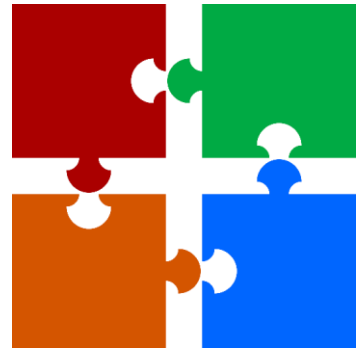
- The bad answers tend to be:
 - Inward focussed – all about us – answers the ‘What’s’
 - They **push** the charity forward – ‘We are the greatest/best’
- The good answers tend to pull the
 - **Heart strings** (the emotional need)
 - **Purse strings** (the practical need)
- The best answers show **fitness to receive support**
 - You’re credible



The value puzzle – four tough questions

1. Who do you really deliver value to in an obvious way?
2. Who do you deliver value to in unobvious ways?
3. Can you answer question 1 & 2 indisputably?
4. If not, why not?

You need excellent answers to 1 & 2



The Investability mindset

- ‘Investability is **pulling**’ – It answers the **WHYS**
- ‘Can rattling’ is **pushing** – Has no force behind it
- **Hugely important differences of approach**



Investability – The difference

- Being ‘fit for investment’ - design rather than default
- Matching with potential donors – ‘A Golden thread’
 - Much deeper understanding of stakeholders
 - ‘Donor in’ – not ‘charity out’
- Mobilising the whole charity to amplify appeal

The architecture of Investability

- **Governance** – The management of your charity/direction setting
- **Legitimacy** – Who do you represent and why should I speak to you?
- **Diversity** – In all its forms
- **Strategy & business planning** – The numbers speak/tell a story – Focus is everything!
- **Organisational health** – Pillars of effectiveness
- **Compelling engagement** – Internally and externally
- A **'learning organisation'** – Something to say about the future

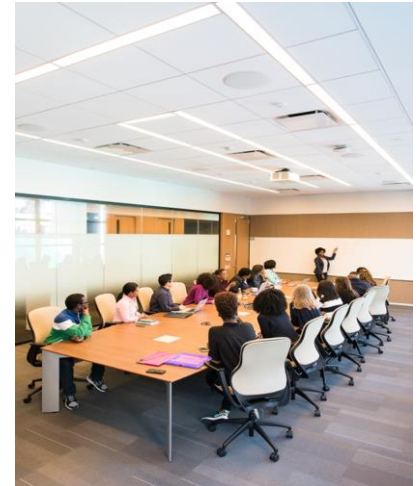
Building Investability - Governance

Investability builders

- Risk management
 - Financial risk
 - Reputational risk
 - Operational risk
- Board capability/growth
- “Purposeful Board”
- Supporting processes/docs

Investability killers

- Lack of calibre
 - Unable/unwilling to act as board
- Fossilisation
 - people/direction/impact
- Opacity
 - processes/decision making



Building Investability - Legitimacy

Investability builders

- Explicit 'voice' to beneficiaries
 - E.g. Outcome shaping. Active processes to increase legitimacy
- Purpose and outcomes build legitimacy
 - Legitimacy 'ripples' from your work
 - Expertise is attracted to your work
- You're credible – especially in bids

Investability killers

- Vague claims
 - No real substance behind them



Building Investability - Diversity

Investability builders

- Ability to harness diversity in all its forms
 - Composition of board
 - Planning and decision making processes
- Pathways to diversity
 - Creating opportunity
- Walking the talk
 - Sincerity of engagement

Investability killers

- Window dressing
 - A policy for everything yet.....



Building Investability – Strategy & Business Planning

Investability builders

- Your business plan is an Investability document
- The numbers/strategy tell a story
- You know who you deliver value to
- Your results(whys) & Activities (whats) match
- Future oriented
- Concise

Investability killers

- Superlatives
- A 'baby food' plan
 - Everything mashed up together' and it's bland – e.g. ops. Strategy, goals, claims etc etc
- Nothing to buy into or get excited about!
 - Lack of a 'golden thread'



Building Investability – Organisational Health

Investability builders

- Financial management
 - Plan supporting goals
 - Competence/awareness
 - Process
- People and capabilities
 - Right person/right place/right time
 - Active management of people
- Organisational consistency
 - A 'truth' that runs across it
- Whole- organisation effort
 - Total Investability

Investability killers

- Opacity
- Lack of financial awareness
 - Unable/unwilling
- Disengagement
 - Staff 'Drift' – no sense of cohesion



Building Investability - Engagement

Investability builders

- Active engagement processes internally and externally
 - “Whys – and more Whys”!
 - Heartstrings/Purse strings
- Ways to join up the ‘perimeter’ of the organisation
 - “Same response wherever you push”
 - Staff engagement/briefing
 - Donor engagement/invitation inwards
 - Interaction of staff and donors

Investability killers

- Scattergun management
 - Hides “no thought in application”
- Any horse will do....
 - Today’s solution is.....?



90 days to make an Investable difference

- Be absolutely sure you understand the thinking
 - The differences from traditional approaches
 - The architecture of investability
- Get busy on the four tough questions
- Make an Investability plan – Use the Invest-ability[©] Canvas
 - Tell a story and keep building it
 - Keep probing for additional ways you can ‘solve a donors problem’ – Heart strings and purse strings
- Start small
 - Start with the Invest-ability[©] canvas & shout for help if ne





Investability canvas

Remember – your goal is to attract **all** kinds of investment in your charity!

Key Relationships

Total stakeholder community

Primary value recipients

Secondary value recipients

Your investability story

Your investability architecture

Interaction with total stakeholder community
(channels/ relationships, 'Telling your story')

Organisational processes supporting stakeholder
comms

Your mission vs engagement – The problem you solve

What do you offer different stakeholders?

What do different stakeholders offer you?

What COULD you offer different stakeholders?

What COULD different stakeholders offer you?

Your investability learning

'Knowing what works'

Adapting and changing your story

Next Steps....

Learn with Leaders Webinars

1. [The art of the deal: why bidding and buying are two sides of the same coin](#)
2. [Covering the contract lifecycle](#)
3. [Financial forecasting in a time of uncertainty](#)
4. [How to write a successful bid](#)

Articles and resources

- [Make your case for unrestricted funding: Advice for charities](#)
- [Essential fundraising questions for charity leaders](#)
- [Six top tips to improve your charity's fundraising in 2021](#)

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