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Fundraising in non-profit organization

Case Pro Hanko

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Fundraising in non-profit organization Case Pro Hanko

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Fundraising in non-profit organization

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The world is filled with non-profit organizations, but when your mission is not money oriented, how do you manage your finances? Why is funding important and what are the alternatives for different types of organizations?

Thesis explains what non-profit organization really is and how it's funding works. The main purpose is to look in to the funding of case organization Pro Hanko and find solution to its current funding issues that would benefit both the organization and its members.

Pro Hanko has been facing some major challenges in its member fees as only a small portion of active members pay the member fee. Research tries to find out if the amount of member fee should be increased to meet the budget deficit or if the membership should include some personal benefits to activate the members.

Theory section focuses on member organizations funding styles and justifies the best alternatives for the case organization.

Thesis uses interview and benchmarking as qualitative methods and conducts a quantitative online survey to look into the current status of the case organization. The survey focuses on respondent's feelings about Pro Hanko's activities and different operating fields, but also on the attitudes towards the funding of the organization.

Study shows that there are many possibilities for a member organization like Pro Hanko to fund their activities. Qualitative findings emphasize the importance of a long-term funder, which is Pro Hanko's top priority.

Analysis from survey results discovers that registered members would be willing to pay more, not for personal benefits but to better reach organization's mission.

Based on the findings thesis summarises the knowledge on funding-plan that has proposals for the years 2017 and 2018. 2017 includes actions such as increasing sales, emphasizing the importance of funding, creating a personal bond between organization and member and trying to break the current preconceptions. Funding plan for year 2018 focuses on rethinking the amount of member fee and adding different funding alternatives.

Keywords: Non-profit organization, Funding, Member organization

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1 Introduction

1.1 Background

There are thousands of non-profit organizations in Finland, varying from culture to educational organizations. The amount of organizations compared to the Finnish population is very high (Infopankki 2017).

31.1.2017 PRH (Patentti- ja rekisterihallitus) Listed that there are 122 841 registered organizations in Finland, and 413 religious organizations. Hanko has over 170 registered organizations.

As non-profit organizations are not money oriented, they might face some major challenges in financing their activities. The income can come from various different places, member fees, donations or even wills. But how could non-profit organization ensure that the income is constant and enough to covers all their expenses?

This thesis will look in to the funding of non-profit organizations as a whole, and later on specify on the case organization and the development of its funding.

1.2 Objectives of the research

Objective of this research is to learn what kind of funding styles there are for non-profit organizations. What are the factors to consider and how to plan an efficient funding program?

Pro Hanko has been facing some major challenges in its funding due to only small portion of its active members being registered as paying members. Pro Hanko has over 700 active Facebook members and it constantly collects people around the costal area to its events, yet in 2016 there were only 19 members registered as paying members.

This thesis examines the current situation of the case organizations funding and seeks for better alternatives that would benefit both the organization and its members. Main focus is on the following issues: should the membership have any additional value (member magazines or coupons to local stores etc.) or if the amount of member fee should be increased to meet the deficit in budget. The final objective is to reason the issues and create a long-term funding plan.

This study was carefully planned and conducted to fulfill the role for this specific case organization, so there are some delimitations. Hanko has a very unique reputation and it has a noticeably large group of citizens with dual nationality that only live part-time in the city. This means that results can't be generalized in other city or organization.

1.3 Case Organization

Hanko is a town in the southern coast of Finland, which was founded in 1874 and has a rich history of spa business. Most of the spa-cities have their own associations in order to enhance tourism. For unknown reasons there has never been such an association in Hanko, but Pro Hanko was founded on a very similar vision. (Ekström 1994, p.59)

Pro Hanko is an association that was officially founded in 17.10.1904 but some of their documents date back to 1901. Some of the associations original intentions were to build new roads for pedestrians, upkeep the city gardens, build benches, advertise city sports and generally keep the city clean. The organization was founded by a group of wealthy Finns, which even to this day, has an effect on the reputation of the organization.

As Pro Hanko has been operating since the early 1900s, it has had a rich history with different phases. The most drastic time period is during World War 2. Hanko played a major role in the Second World War as it was rented as a military base to Soviet Union in 1940. As the continuation was started soviet troops backed down on the second of December 1941. Officially Hanko was declared to Finland in 1947 during the Paris peace treaty. During these dramatic time periods the association has had quiet times, but it has never officially been put down.

What comes to Pro Hanko today, the association has transferred its main goal from spa business to enhancing Hanko's city areas cultural activities, by arranging different events such as Seven Sleepers Day and Christmas trail where citizens can enjoy the culture and company of each other.

The History of Pro Hanko can be seen vividly in the city's landscape, as the association was the one behind of the most iconic symbol of Hanko; bathing huts in the Hanko coast area.

1.4 Structure of the thesis

This thesis includes five main chapters titled introduction, theoretical background, methodology, findings and conclusion.

Theory sections explain what non-profit organization, what different types there are and how they fund their activities. Later moving to the case organization, research methods, research findings, analysis and finally the thesis summarises the knowledge into funding plan.

2 Theoretical background

This chapter will start by explaining what a non-profit organization is, how the different types of non-profit organizations differ from each other, and it will take a closer look at the individual features in funding of each model. The chapter moves to specify the knowledge of member organizations which is a unique category to which the case organization falls into.

The last part is viewed from the case company's point of view and it represents the most common ways to fund a member organization.

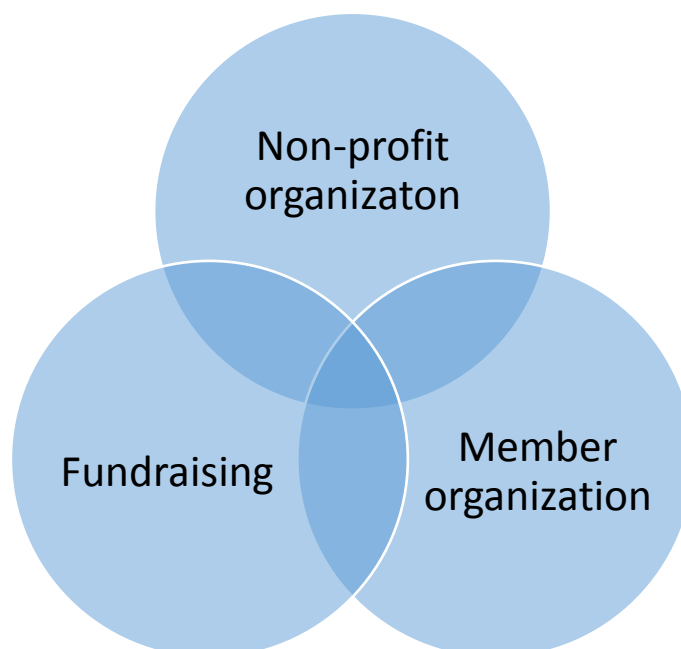


Figure 1: Theoretical background

2.1 What is a non-profit organization

There are four different sectors operating in Finland: public-, private-, third- and fourth sector. Public sector includes the government and the municipalities. The Private sector includes those companies and organisations that are seeking a profit and their ultimate goal is to increase the value of those companies and organizations for their stakeholders. Third sector is formed by different associations and organisations that are not profit oriented. And lastly the fourth sector is formed by other unofficial groups such as households and families. (Vuokko 2004, p.15)

The name “Non-profit Organisation” explains that its deepest mission is not to increase the value of the organisation but rather to reach its mission. (Vuokko 2004, p.14) The mission diversifies depending on its business field, which can vary from education to culture.

Non-profit organisations can be divided in to two groups, private and public. Public non-profit organisations in Finland are in areas of education and healthcare. While the private side in Finland has over 125000 ideological organizations, and those are only the officially registered ones. (Peter F. Drucker 2008, p.08)

	Profit seeking organisations	Non-profit Organisations
Private Sector	Companies	Associations and unions (Third sector)
Public sector	Governments business organisations (Alko, VR)	Municipalities, Governments organisations. (Schools and hospitals)

Table 1: Organisations classification (Vuokko 2004, p.16)

The fact that Non-profit organisations do not aim for big profit does not mean that they don't have financial goals, the goal could possibly be that the organization doesn't make any loss, or maybe that member fees make up for the costs. The biggest difference between private and public sectors is that in non-profit organizations the profit is not distributed to the stakeholders, but instead spent on the organization itself to reach its mission even more effectively.

There are two different goals, achieving the mission and reaching the financial goals, these can be called as “profit” and “social profit”. (Vuokko 2004, p.20)

	Task	Money
Non-profit organization	Goal	Way of reaching
Business	Way or reaching	Goal

Table 2: Non-profit organization vs. business organization (Paasolainen 2007, p.44)

As Table 2 shows, non-profit organization see money as a resource that helps to reach the ultimate mission, while business world sees different tasks as a way of reaching the ultimate goal, which is big profits.

There are many ways to divide and categorize organizations. Peter Drucker (2008) divides them into twelve smaller parts based on different roles in the organization. ICNPO- system

(International Classification of Non-profit Organizations) on the other hand lists 11 different organisation areas based on their mission, ranging from Cultural activities to religious organisations.

It is impossible to create a global standard as the activities and responsibilities of organisations may differ remarkably. Those actions that are provided by public non-profit organisations, such as education, may have business alternatives in other countries. Also sometimes non-profit organizations and organization from the private sector might be operating within one are, a good example of this is within sports organizations in Finland. SM hockey teams have paid employees and they are profit seeking companies, but at the same time a football club in a smaller town is totally depending on voluntary work, and its only mission is to provide activities to local children. (Vuokko 2004, p.18)

2.2 Fund raising in non-profit organization

Even though the main goal with non-profit organizations is not to make profit, they do need money to keep the organization active. Depending on the organization, there are three main funding styles.

So called Member-organizations are working in order to benefit its member's needs, for example a boat club that's mission is to renovate the marina. These activities are usually funded by member fees. Pro Hanko can be taught as a member organization as it provides activities to local citizens. In some cases the organization might have another organization backing it up with assistance, supplies and in some cases money. In these kind of situations part of the member fees are posted to the supporting organizations accounts.

Other forms of funding in this kind of a non-profit organization can be through sales and possible heritages. Sometimes bigger organizations might have stocks and real estates as a funding form. These kinds of actions usually do need to have professional employee as volunteer work might not be enough to compensate the amount of work.

The second type of non-profit organizations are educational- and charity organizations, their goal is not to profit the members but to provide knowledge and help to others. Usually these types of organizations do not get member fees, but depend on funds that they receive from both public and private sectors. A good example could be WWF and Plan.

People tend to fund these organizations to feel good, or to give back to society. From a business viewpoint, having an organization funded like this can be seen as positive advertisement

for the company. In Finland Ray provided 426.8 million euros to different non-profit organizations in 2016 (Ray 2017).

The last type of organization is a public sector non-profit organization that gathers its financials from tax payments. This differs from the previous categories dramatically as the donation isn't voluntary. (Vuokko 2004, p.23) Some of these payments return to the payer directly as for example with child support, or indirectly as fixed roads or free healthcare.

Fundraising and its enhancement encounter its biggest problems from a lack of consideration. Successful funding needs the commitment of the whole organization and it should be included in the organizations strategy, it should always be a long-term plan. (Suomäki 2014)

Especially in the case organization, Pro Hanko is lacking a proper strategic plan that would guarantee its funding is moving in the right direction. As the organization is working in a small scale the funding hasn't been considered as the most important part of their actions. This ideology should be changed, since if the money runs out, there will be no activities to hold.

2.3 Funding for member organization

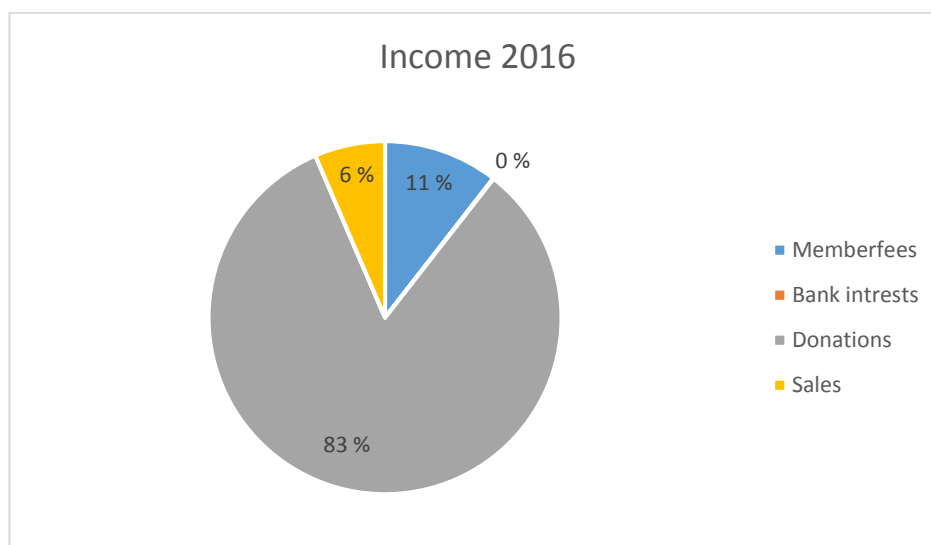


Figure 2: 2016 Pro Hanko income

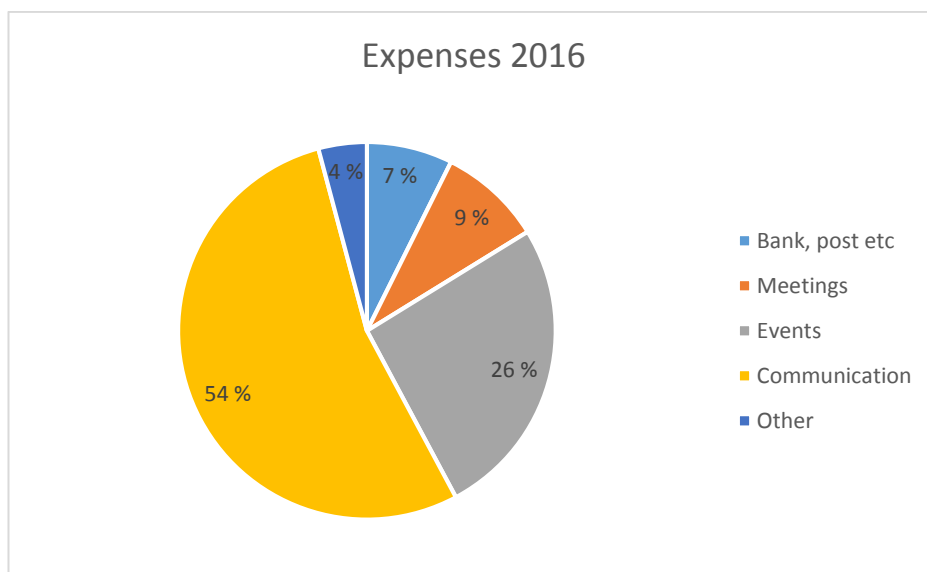


Figure 3: Pro Hankos 2016 Expenses

As Pro Hanko is labelled as a member organization, this part is focusing more detailed on how this sort of organization can divide and plan its fundraising. As stated before, member organizations usually collect their funds from members as they are the ones the activities are created for. Figure 3 shows how Pro Hanko is in a situation where it has a quite different income division compared to this assumption.

The total income of Pro Hanko was 1807, 88 and expenses were 845, 15 which means that the organization made 962, 74€ profit.

During 2016 Majority (83%) of the incomes came from donations totalling 1500€. The second largest source of came from the organizations member fees, totalling 190€ (11%). The final part of the income came from sales, which were worth 117€ (6%). It is quite common that non-profit organizations rely on donations, but as Pro Hanko is a member-organization it should try to balance the difference between member fees and donations.

The high amount of communication costs (388€) is explained by starting a new website for the organization.

2.3.1 Sales

If the member organization holds events it is common that there are some small accessories or beverages being sold. This is an easy way of making a little money for the organization, and also as the customer gets something in exchange the amount of people supporting the cause gets bigger.

When holding a sale it is important to calculate the COGS and price the product so that the organization will profit out of it. As Pro Hanko held a Christmas trail -event, they sold ginger-bread and Glögi for 1.50€ and after a day the balance showed a 117.00€. After decreasing the purchase prices the revenue was 62.86€, which makes every cup sold creating profit of 0.81€. Usually these kinds of sales are the easiest as coffee/Glögi is something that many people enjoy, and it's cheap to sell.

Christmas trail which was the only event that had any sales during 2016, which makes the 6% share the sales had on the total income even more remarkable. Serving a beverages is something that should be included in all events as previous experience shows that it works. The price could be brought a bit higher approximately to 2€/cup so it would be more profitable.

It is also common that the events have some draws and in bigger organizations even their own organization products, something as small as t-shirts or little shopping bags. In draws the total price of all the tickets should be under 2000 so you can hold the draw without separate permission (Vero 2017).

In Finland the tax obligations in non-profit organizations are not related to the amount of money made but rather on how the money was made. There are specific guidelines that have to be followed in order to make tax-free sales, such as "common good"- goal, and accessibility for everyone. As Pro Hanko is registered as a non-profit organization that is seeking after common-good, it should utilize its advantages in sales, bingos, events etc.

There are also so called "business activities" (elinkeinotoiminta) that become tributary if the total sales exceed the limit of 10 000€/ 12month financial year.

As an example, if a non-profit organization owns properties that its rents to a third party (worth 10 000€) then it's obligated to pay certain taxes. Even if the rent income would not make any profit. If the property on the other hand is used for the organizations own events, then its tax-free.

Pro Hanko could definitely benefit from its long history and visible marks in the city's landscape by printing beach huts in different products. Also as Hanko has a high volume of tourists, these could be seen as a target group for direct sales in the manner of souvenirs.

2.3.2 Donations

Donations are the number one biggest income for Pro Hanko but there are no specific amount given annually, but rather smaller donations to each event. During 2016 donations were given from 7 different organizations and they were worth a total of 1500 euros.

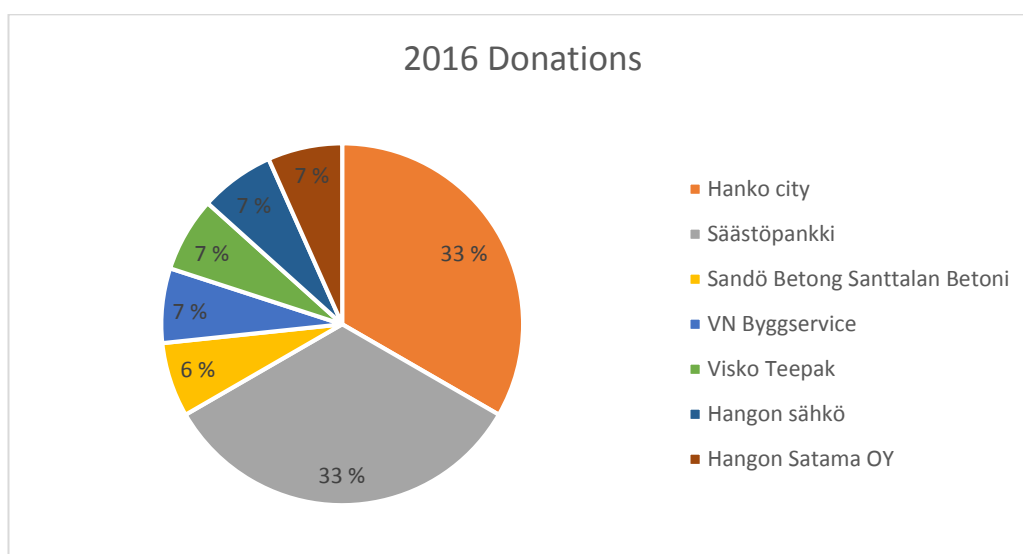


Figure 4: Pro Hanko 2016 Donations

One of the biggest donations came from Hanko City (500€) and it was targeted to Seven Sleepers Day -event. These donations are not standard and they are always adjusted to the upcoming events.

Säästöpankki also gave Pro Hanko a 500€ donation to “reach its goals by supporting common good activities.” Smaller donations came from VN Byggservice, Sandö Betong Santtalan Betoni, Visko Teepak, Hangon sähkö and Hangon Satama OY each donation was worth 100€, without any specific target.

Hanko city also supports organizations activities by offering premises for different events. As an example of this, Christmas trail -event was held in Casino’s old warehouse. The aforementioned premises were offered free of charge, only to be tied with the responsibility of cleaning after the event. Even though there is no money moving, the donated premises has a massive impact for the organizations activities.

2.3.3 Member fees

Pro Hanko has over 700 active Facebook members following their actions, and the events gather large amount of citizens from inside and out of Hanko. Somehow the number of active paying members was as low as 19 during 2016. It was budgeted that Pro Hanko would gather member fees worth of 430€ which would mean 43 paying members.

The annual member fee is only 10€ which has remained low in order to gather larger group of members. Despite this, the budget for total member fees was deficit of 240€.

In order to enhance Pro Hanko's funding the member fees play a major role. Currently member fees provide 11% of the total incomes which is relatively low for the small scale budget that Pro Hanko has.

To activate the members there should be a clear vision as to what the membership really means. Sadly there is a general understanding of that Pro Hanko is only a Facebook group where citizens may discuss city-related topics. Pro Hanko needs to draw a clear line as to what the organization is really about and how you can support its cause.

Currently the paying member doesn't get any extra value for his/hers support, some organizations have annual cards/calendars or even newsletter to thank the members. Thesis will later on study if this could bring the amount of members higher.

2.3.4 Other

There are endless options to collect funds for organization, but most common is sponsorships. Especially in sport-organizations sponsorships are a common way of funding. The organization gains money, supplies or assistance in exchange of exposure. Pro Hanko could try to make sponsorship deals with different traveling agencies or other local companies that would either offer money, supplies or locations to hold events.

3 Methodology

Research "is a process of planning, acquiring, analysing and disseminating relevant data, information, and insights to decision makers in ways that mobilize the organization to take appropriate actions that, in turn, maximize business performance" (J.K. 2008, 9).

In this section the author will present and justify the methods that have been chosen in order to commit a valid and reliable the research. When conducting a business research, it is important to analyse what is the best possible method to use as different methods may create different results. For example in interviews, memory errors can occur, which will create false data. Another example of this is if the research committed by interviewing on the streets, the end result may not offer as high quality information as prepared interview in someone's home. (Heikkilä, 2014.)

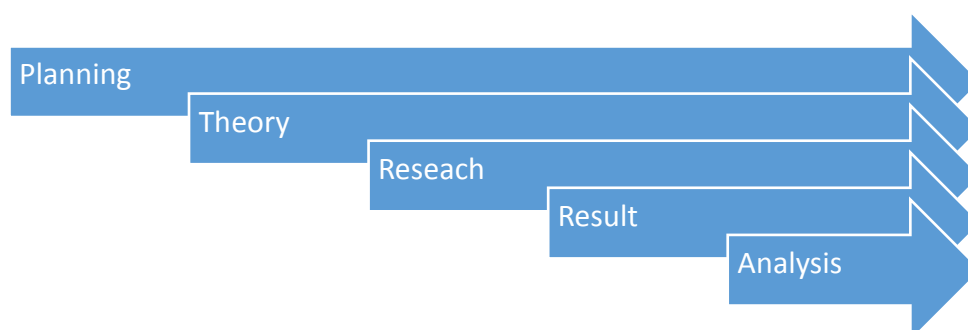


Figure 5: Research Process

Every step of the research is based on theory and later on tested for its trustworthiness and limitations.

3.1 Research approaches

There are many ways to approach a research, most of which can be divided into two smaller categories Quantitative and Qualitative approaches. Cooper & Schindler (2006) describe the difference as following “qualitative research is interpretive techniques that seek to describe, decode, translate and otherwise come terms with the meaning, not the frequency of certain phenomena.” Whereas quantitative research is described as “the precise count of some behavior, knowledge, opinion or attitude.”

In this thesis the methods used are survey, interview and benchmarking, by committing both qualitative and quantitative methods the end result offers the most trustworthy findings.

These methods offered detailed information from the volunteers at Pro Hanko, insightful conversations with other non-profit organizations, and useful data from quantitative survey from the Pro Hanko members. All methods used are carefully planned and based on the previous theory background.

Thesis’s qualitative methods focus more on efficient ways to collect funds, while quantitative methods try to explain Pro Hankos individual issues.

	Qualitative	Quantitative
Purpose	To gain an understanding for reasons and motivations, provide insights	To generalize results from a sample to the population of interest
Approach	Observe and interpret	Measure
Data	Verbal, in depth	Numerical, measurable
Group	Carefully selected, small number of respondents	Large amount of cases that represent the population of interest. Randomly selected respondents
Methods	Interview, benchmarking, observation	Survey, records and documents for numeric purpose
Information	In depth with a few cases	General information with large quantity

Table 3: Difference between qualitative and quantitative methods

3.2 Interview

Interview is an excellent data collection method, it can be defined as “two-way systematic conversation between an investigator and informant”. While interviewing someone is not only about listening what the person is telling you, but also learning from gestures, facial expressions and pauses. (Krishnaswami, O.R., Satyaprasad, B.G 2010)

Interviews can be divided into three smaller parts unstructured-, semi structured- and structured interviews. Unstructured interviews have no specific questions nor specific topics to be discussed. Semi structured interviews have some planned questions that lead to more open discussion. A structured interview often uses a questions that have been planned beforehand and are constructed in a survey kind of way. (Donald. R. Cooper 2006)

In this thesis the interview is arranged as a semi structured way as this usually creates more open discussion where you end up getting more information that possibly was even expected.

An interview was held with the Financial Manager of Piplia, also a non-profit organization. Piplia is a bible society that publishes bibles in different languages and does charity work to influence the attitudes and raise interest towards religion. Piplia is also raising awareness of HIV. (Piplia 2017)

This organization was a good match from its donation oriented approach but also because its aim is to create more common good. Pro Hanko and Piplia have their obvious differences

when it comes to comparing their missions, but you can always learn something new when comparing them as organizations.

“Our work is based on supporting the local churches and people in the countries and areas where we work. We do not send our own employees to do the translation, distribution or awareness work but support, educate and consult the local people and churches” (Piplia 2017).

3.3 Benchmarking

Benchmarking is constant and precise process which analyses the performance of a company product or service. The performance is later compared to the best, learned from them and used to develop the starting point. (K. Tuominen, M. Niva, 2005)

Benchmarking means to be humble enough to understand that someone is succeeding better than you, learning from it and even doing it even better. (K. Tuominen, M. Niva, 2005)

To fully understand fundraising issues in non-profit organizations this thesis will benchmark Pro Hanko with two different non-profit organizations, Plan and WWF.

3.4 Survey

A survey is a commonly used method which allows you to collect and analyse data within reasonable resources. “The purpose of the survey is to produce statistics - that is quantitative or numerical description of some aspects of the study population.” (Flower, 2009)

Surveys can be both qualitative and quantitative. Qualitative surveys are usually asking open-ended questions and they do not offer numerical data (Punch 2003). In this thesis the survey is carried out as a quantitative way, as it offers more knowledge in addition to other methods used.

To ensure that the survey is conducted in a best possible way, the survey needs to be tested before hand with a small group of 5-10 people, and then conduct the research with carefully selected sample.

Surveys can be carried out in various different platforms, from sending letters to internet-surveys. It is important to consider which survey supports your cause, if this thesis would be concerning Hanko as a city, then the best possible way could have been completed by walking

around the town. But as this thesis is interested about the specific organization it is important to think how to reach the target group; those people that have been interacting with the organization, not depending on their home town etc.

3.4.1 Planning and execution

The aim of the survey is to find out the reasoning behind member fee issues, author wants to deepen the knowledge on respondent's attitudes, wishes and complaints towards the organization. Finally the author wants to find out if there is simply lack of knowledge, interest or some misunderstanding towards the funding of the organization.

Pro Hanko has a Facebook page that has over 700 members, it includes both Hanko citizens and those people who just enjoy the city as a tourist. When organizing a survey there are endless ways of handing the questionnaire, from handing out papers in the city to making an online survey. This thesis is conducted virtually, by sharing it on the Facebook group, so it is easier to reach the target group; those people who most likely have some experience of its activities or at least are somewhat familiar with the organization.

Also this way the survey ensures that it offers information also from those who are already paying members, there would have been a very slim chance to reach that goal if the study was carried out in the city handing papers.

In the link to the survey, the author emphasizes that by answering the survey the member will help Pro Hanko as an organization and it doesn't matter if the answerer is a registered member. People are encouraged to answer the survey by offering a surprise gift to one lucky answerer. Later on it was found out that respondent weren't that eager to win prices, but to help the organization. Only three out 87 participated in the gift lottery.

Approximately half of the answers came within a week of the publication, and the other half came after a reminder was sent to the Facebook page. It was very important to thank everyone for answering to keep the atmosphere encouraging.

As Hanko is bilingual city, and it has many Swedish talking citizens, the survey is translated into both Finnish and Swedish. Still keeping the same style in questions ensuring the results could be comparable.

The survey is conducted in Google Forms, which is a free platform that allows to have as many questions, categories and surveys as one wishes. Questions can be formed in different ways, open-ended, yes/no, or in a 1-5 scale style, there are no limitations to the maximum

answers. One of the pros of Google Forms is that it forms simple graphs automatically, and the data can be transferred to other systems for a deeper analysis.

3.4.2 Sample size

The survey was shared on the Pro Hanko Facebook page reaching over 700 members, and it was available for 31 days, from 23.3 to 21.4.2017. A notification of the survey was published on 3.4.2016. The survey received 9 Swedish answers and 78 Finnish answers, which makes a total of 87 answers. The amount of members in the Pro Hanko Facebook page has been increasing through out the survey, growing from 714 to 740 members. The calculated answer percentage was 12.18% when compared to the total members before the growth.

As there are only few paying members and only a small portion of the Facebook group is actively taking part in Pro Hankos events, the end result is positively surprising. One of the respondents was rewarded with a flower bouquet and a treat basket.

3.4.3 Survey questions

The survey should be clear and visually attractive, questions and instructions should be clear and simple, move logically and ask only one thing at a time. Also it is important to categorize different questions as their own subgroups and number them. (Heikkilä, 2014)

According to Kananen (2008, 25), the main three issues that affect the functionality of questions are

1. Whether the respondent understands the questions asked
2. All of the required information is provided
3. Respondent is willing to offer the information

In order to fulfil these standards the survey starts from the easier questions and later on moves to the hardest open-ended questions. Because this survey is conducted in a quantitative way, most of the questions are so called closed answers, which means either dichotomy forms (yes or no questions) or multiple choice forms. (Heikkilä, 2014) The survey as a whole can be seen in Finnish and Swedish in Appendix 1-2.

Both of these question forms have their pros and cons but to ensure the best possible end result this survey includes both. Open-ended questions give lots of information but require lots of work to analyse. Also people tend not to answer open-ended questions if they don't have time to think about the answer. (Heikkilä, 2014)sub

The survey is divided into five smaller parts. Consisting a total of 19 questions. The first part of the survey asks questions about the respondent's background. Age, sex, mother language and whether the respondent resides permanently in Hanko or not.

After that it moves on to the events. This part starts by explaining what kind of events Pro Hanko has held and moves on to asking the respondents' experiences, has he/she visited any? Which one? Did he/she enjoy it? And if they will join the events in the future.

The third part of the survey questions start to focus in the different areas that Pro Hanko has been active in during its long history. It explains why and when the organization was started and what it does now. After that part, questions are in a scaled from 1 to 5 asking people to rate how important different fields are from enhancing culture to outdoor activities.

The fourth part of the survey focuses on the member fees, it starts by explaining the annual member fee amount and how it is spent. These questions are placed at the end of the survey as money is a taboo - even on surveys. But if the person answering first understands everything that Pro Hanko is doing and why it needs funding, the survey will generate more honest and informed answers.

Survey enquires if the respondent is a paying member and how they feel about the 10€ annual fee. Thesis includes a hypothesis which assumes that the 10€ annual fee could be increased with additional benefits. Survey asks if the respondent would be willing to pay more if it would benefit the organization's cause. Or maybe if it would benefit the member in some other way? The questionnaire carefully explains these different forms of this beneficial activities, which could be discounts to local stores or maybe a member-magazine. Finally there's a chance to tell which would be the best possible addition.

In the last part of the survey, the respondents have a chance of giving feedback to an open-ended question, to thank the organization or explain what she/he would hope from it in the future.

3.5 Trustworthiness and limitations

This part focuses on analysing the trustworthiness of the research through its reliability and validity. Later analysing the limitations of specific methods used.

3.5.1 Reliability

Reliability ensures that the measurements are correct and precise. The end results shouldn't be generalized but taught carefully to explain the phenomenon in its target area. (Heikkilä,

2014) As explained by Saunders et al. (2016) if someone would replicate a certain research and end up with the same result, then that study would be considered reliable. "Reliability refers to replication and consistency" (Saunders et al. 2016).

Reliability has been ensured by every step of the thesis. By considering the best alternatives and weighing on how to reach the target group. Survey was conducted anonymously, which ensured that the participants could give their honest opinions.

Also as the survey was made virtually each respondent got the same form, without any contact to the author. This creates the same starting point to each participant. Conducting the survey virtually also ensures that each participant can choose a fitting time and place to answer questions, so distractions would be as low as possible.

Thesis uses new sources, from latest tax law to no books over 15 years, with the expectation of Hangan kypylä 1879-1939 (Ekström 1994). All the web sources have been carefully selected in such manner that all the information used is reliable.

3.5.2 Validity

Validity means that the research is looking into the subject that it's supposed to be looking into. (Heikkilä, 2014.) Bryman (2003) emphasizes that validity is in many ways the most important criterion of research. If the researcher doesn't set specific goals it's easy to fall off the track.

Validity can be divided into smaller parts but generally defined it answers to the question if the research findings can be generalized beyond the specific content.

Throughout this thesis every decision and action is explained and justified in a detailed way. The author aims to be as transparent in decision making and bases everything in facts. The analysis was based on theory and facts that have been visualized in figures so that the reader will understand the data.

Survey methods were chosen to support the aim of the thesis: Explain different fundraising styles within non-profit organizations and then specify on the issues within case organization Pro Hanko. Interview and benchmarking support the first mission by looking into different organizations that offer qualitative information. Survey offers quantitative data of the issue with Pro Hanko. Also every fact presented of Pro Hanko have been checked by case organizations representatives and by the author as well.

In an ideal situation each member of Pro Hanko and member of the Pro Hanko Facebook group would have been included in the survey, but it is not possible within reasonable time- and money resources. Thesis took a certain sample and checked for any errors, it can be seen through different categories presented that it presents valid sample of the target group.

Survey was tested multiple times before hand within small group of participants and later on approved from Pro Hanko representatives. Each question was carefully constructed in such a manner that they would not favorably lead to or encourage any of the potential answers.

3.5.3 Limitations

Limitations might have an effect on the end-result and its trustworthiness of the research which is why they should be considered with every step of the process.

Limitations considered in this thesis are based on interview, benchmarking and surveys. Main risks are related within the survey where the limitations are respondent's willingness to answer, knowledge of the topic and possible data errors. These all have been taken in to account by explaining the questions carefully, giving a long period of time to answer and rewarding one of the respondents. Most important questions were marked as mandatory so the respondent couldn't send the survey until they were answered.

4 Findings

This chapter will present the findings from interview and benchmarking, followed by an explanation for the results from the survey. All the findings are explained in detailed way with visual figures to ensure that reader will understand the information provided.

4.1 Interview

Interview was held with financial manager of Piplia. Piplia was founded in 1812 and its rich history is a common factor with Pro Hanko. In other parts Piplia is very different from Pro Hanko, as it has a religious mission and it has bigger volume in its actions. During 2015 Piplia had funds over 2, 4 million euros, whereas Hanko has approximately annual income of 1500 euros.

Piplia has successfully found many alternatives for its funding and had developed its methods throughout the years, this is something that Pro Hanko should learn from as it has been stuck in its old habits.

When asked about the commitment of a donor, Vuorinen explained that majority of the donors are long-term, but when Piplia is searching for new donors they use customer information that they have received from an outsourced company. Piplia has a big database that has detailed information about the possible donor, which helps the marketing team to put up specialized campaigns for each target group.

Piplia also shares so called customer cards in every event that they have, and use them to collect useful data to save it to their CRM system. This means that for example a person who is interested about India, will receive donation request on bible publishing in India. Piplia doesn't use any chuggers.

It is important to communicate with the donors, so that the donor is aware of where the money is going and what the organization has achieved, but you don't want to bother too much either. The interest has to remain so the donors will stay for a longer period of time, Vuorinen explains.

When asked about the change during the long history of Piplia Vuorinen explained that the basic concept is still the same, Piplia offers a way to help others. But there are some changes in their funding, for example it's easier to talk about donating wills nowadays.

Biggest challenges appear on the competition of private funders. There are constantly some kind of crisis in the world which collects the private funds." During some major crisis, the bible translation doesn't seem to be the most important job." Vuorinen states.

The main things that Pro Hanko could learn from Piplia is the fact that marketing should be taught through. The key is to have a specific target group to go after. Is it elderly people or maybe families? If Pro Hanko wants to reach some specific group it should be considered on where to advertise its events.

Pro Hanko should also inform about the achievements they have managed to reach, and thank the supporting members. This could be done via email, letter or even just on Facebook. But to let the members know how much their support means, may keep them as long-term members.

Finally Vuorinen added that an organization that is working on a smaller scale should focus on gaining those long-term members as it is definitely the most cost efficient way to fund, usually when you are trying to get official funds from the government or other big institutions it takes a lot of time and effort to report and document everything as the funder wishes.

4.2 Benchmarking

Benchmarking was conducted with two non-profit organizations, WWF and Plan, some of the financial information was also compared with Piplia. These organizations are not very similar on size or motive with the case organization, but what they do have in common is that they all are aiming for the common good, although from different point of views.

As all of these organizations operate in such different fields, the income source can vary massively, this is why the total funds are divided into more general parts, Private- and public funds, company's funds and other incomes.

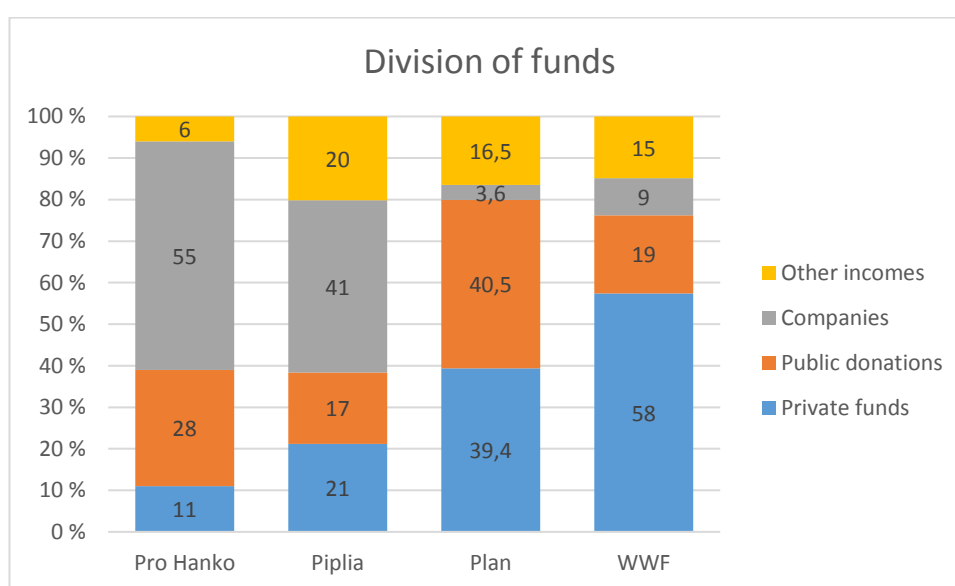


Figure 6: Division of funds between different organizations

In Private funds Pro Hanko collects its income by member fees, but in WWF, Plan and Piplia there are no member fees. They do have monthly donors, which can be thought of in the same manner. In public donations these all four organizations collect very similar kind of support, from the city to the government - Plan received donations even from EU. Category "companies" includes all those funds that companies have given to the organization, this includes also co-operations that have benefitted the organization. Other income includes everything that doesn't fall in the previous categories, Piplia for example has collects (7%) and WWF collects income out of its investments (5%).

As the graph shows Pro Hanko has the lowest amount of private fund and relays the most on the public donations. WWF has a tremendous 58% of private funds.

Piplia had 41% of income from Finnish Churches which affects the big portion of the group "Companies" as it can't really be put in the public donations category. When looking at the

public donations from WWF and Plan it's easy to notice that companies support should be rather small on the overall situation, but in Pro Hanko it is simply handed the biggest form of income.

4.2.1 WWF

WWF is one of the biggest conservation organizations in the whole world, its name stands for World Wildlife Fund which opens up its mission; conserving biodiversity, ensuring the use of renewable energy and promoting the reduction of pollution

WWF was founded in 1986 and it's located in Switzerland, it operates in more than 80 countries and it has around 6200 full time employees. WWF operates in very high scale and it has invested nearly 10 Billion US Dollars since it was founded.

WWF emphasizes the impact that one person can make, which can be seen in their large funder group. It is important to understand how this organization has come so far, one of the key elements is the easiness of the involvement, you don't need to become a registered member, and you can just make a onetime donation. WWF also arranges global events such as World Hour, which has become a massive thing that has raised the awareness of the global warming. These kind of activities might not bring direct donors but as the discussion of the topic increases the amount of donors does as well. It is important to keep the discussion alive and make participation as easy as possible.

What Pro Hanko could learn from WWF is that donating should be easy, currently it takes some effort to become a member of Pro Hanko. Also the donation is an annual thing, maybe there could be a one-time donation available for an organizations like this as well? These could be arranged for each event, for example there could be an ad which would encourage people to donate to the Christmas trail event. Or during the event you could show your support for the next one.

Pro Hanko has nowhere near any of the same resources as WWF, but it doesn't mean that it couldn't learn anything from bigger organizations. Things just need to be looked at from another point of view.

17% of all the expenses in WWF Finland go to improving their fundraising, this is also one thing that should be thought about, funds do not come on their own; fundraising is something that organizations, big and small, should invest in.

4.2.2 PLAN

Plan introduces the organization as following “development and humanitarian organisation that advances children’s rights and equality for girls. We strive for a just world, working together with children, young people, our supporters and partners” (Plan international 2017).

Plan was founded in 1937 and since then become one of the leading non-profit organizations. During 2016 Plan had a total income of 810 million euros from which it used 806 million euros to achieve its mission. 77 cents of every donated euro is targeted to life changing programs, 14 cents to fundraising and 9 cents to corporate activities.

In funding Plan focuses on child sponsorships which creates 44% of its total funds. Sponsorship means that in exchange for the money you get updates from the work in the country, but also letters, photos and postcards from their sponsor child. This is a very unique way of collecting private funds as you are building a relationship with the individual receiving your help.

Pro Hanko could definitely learn from the personalized relationship, it is something that keeps the funder for a longer period of time. The missions between these two organizations are very different, but for example thanking the funder with pictures of happy families participating in the event might make a difference.

4.3 Questionnaire results

In this part the results of the questionnaire are presented in the same order as they were in the survey. Open-ended questions are opened in the text, and closed questions are illustrated in figures.

4.3.1 Background

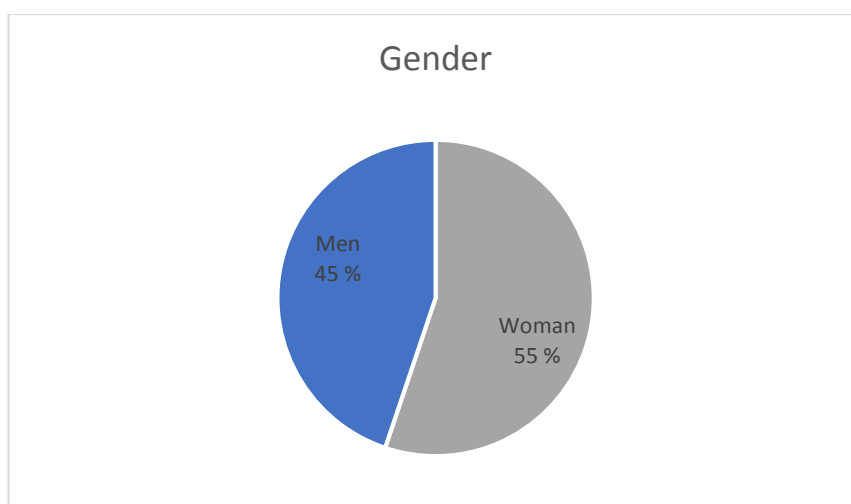


Figure 7: gender division between respondents

Figure 7 shows that the gender division is rather even, 48(55%) of the all respondents were female and 39(45%) were men.

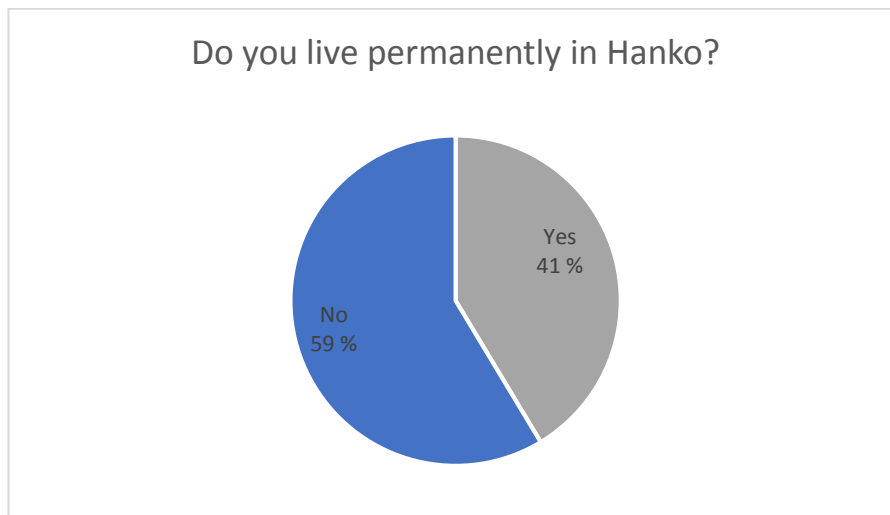


Figure 8: Hometown of the respondents

A rather surprising result from the survey can be seen from figure 8, almost 60% (51 out of 87) of the respondents did not live permanently in Hanko. So the majority of the group is so called "second Hanko citizen". Which means that they usually own a property in the Hanko area which they visit during weekends and holidays.

It is vital to recognize this group in Pro Hankos activities, all activities must be announced early to reach all members and organizations marketing shouldn't be included only in the Hanko area but by campaigns should be concluded virtually.

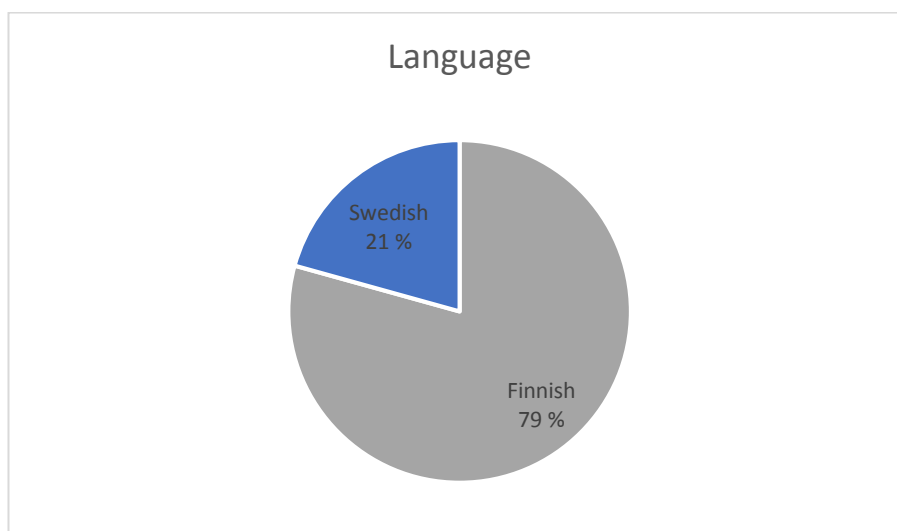


Figure 9: The division of the mother language of the respondents

Some of the people who took the survey in Finnish stated themselves as Swedish speaking, and vice versa. Figure 9 is calculated based on the respondents own asner, not depending which survey he/she took. As Hanko has lots of Swedish speaking citizens it is common that people speak both languages fluently, and sometimes even in mixed style. Figure shows that almost one out of 5 members (18 out of 87) state themselves as Swedish talking.

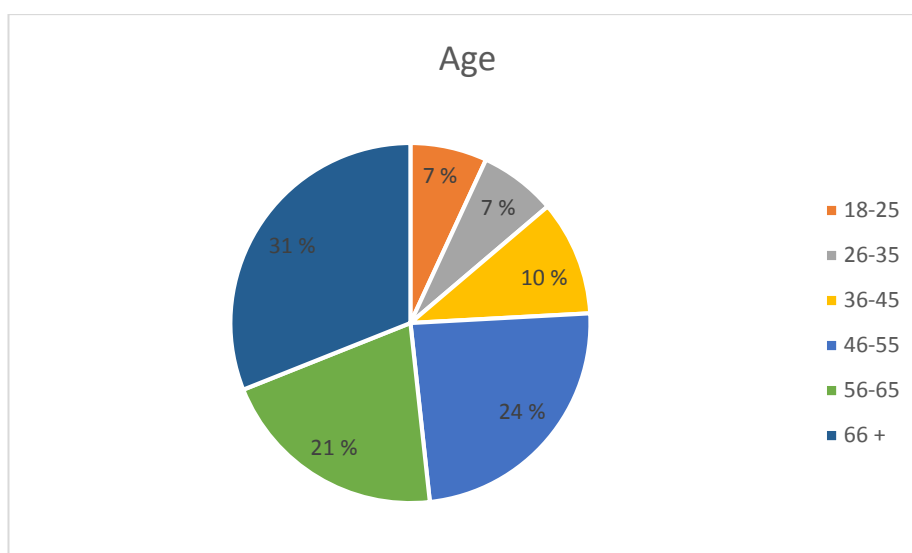


Figure 10: The age division between respondents

Respondents were divided into six age categories, 18-25, 26-35, 36-45, 46-55, 56-65, and over 66 year olds. Figure 10 shows that most of the respondents (27 out of 87) tend to be at the pension age, after that the second biggest group is people aged 46-54 (21 out of 87), thirdly 56-65 (18 out of 87).

4.3.2 Events

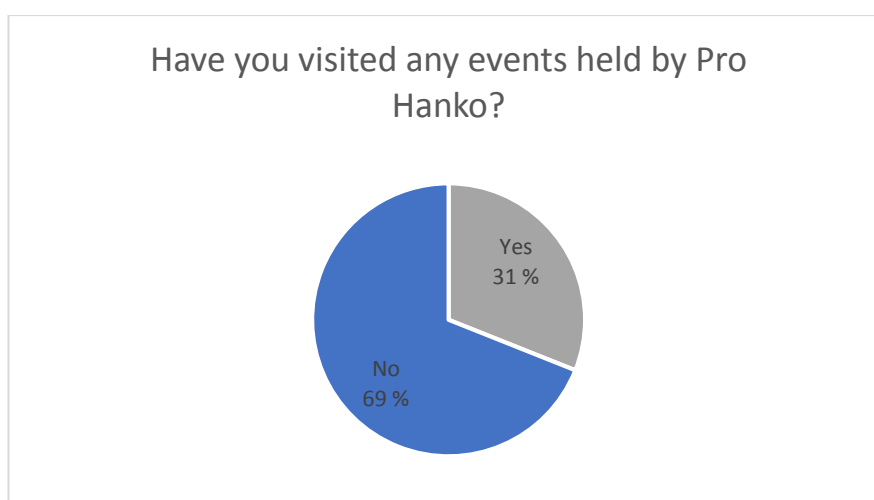


Figure 11: Respondents visitation in Pro Hanko's events

Figure 11 shows that surprisingly only a third (31%) of the respondents had actually visited any of Pro Hanko's events. Some of the people answering the question can be new members or just interested in the active discussion on the Facebook group. Based on this figure it is important to activate the current Facebook members to join the events, so that they will more likely pay member fees.

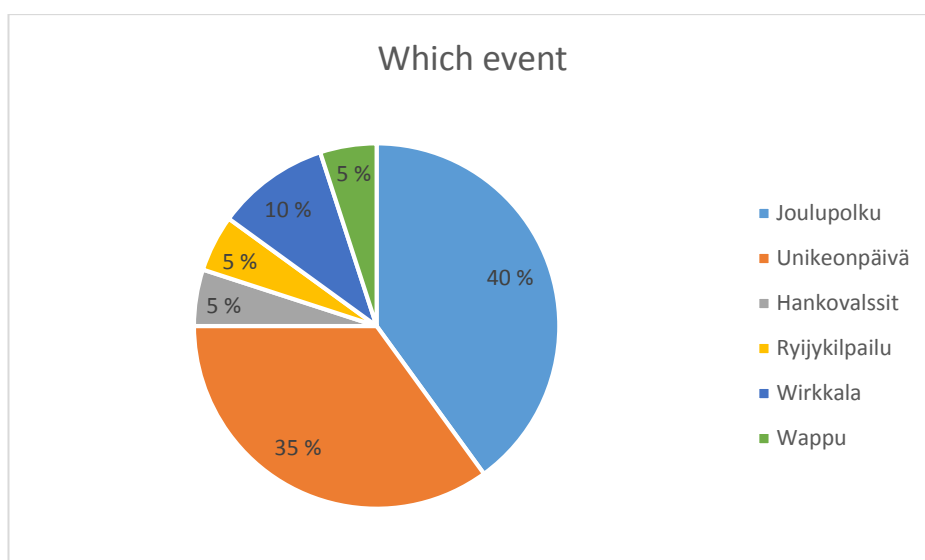


Figure 12: Division between attended events

If the respondent had visited any event, she/he then answered to which event he/she attended. Christmas trail and the Seven Sleepers Day were the most visited ones, collecting 45 answers out of the total 60.



Figure 13: respondents' feedback on the events

Those who had visited any event, gave a very positive feedback, on a scale 1 to 5, 1 not enjoying at all and 5 enjoying very much. The average was 4.55. 39 out of 66 (59%) marked their experience as a 5 and 24 (36%) marked their experience as a 4.

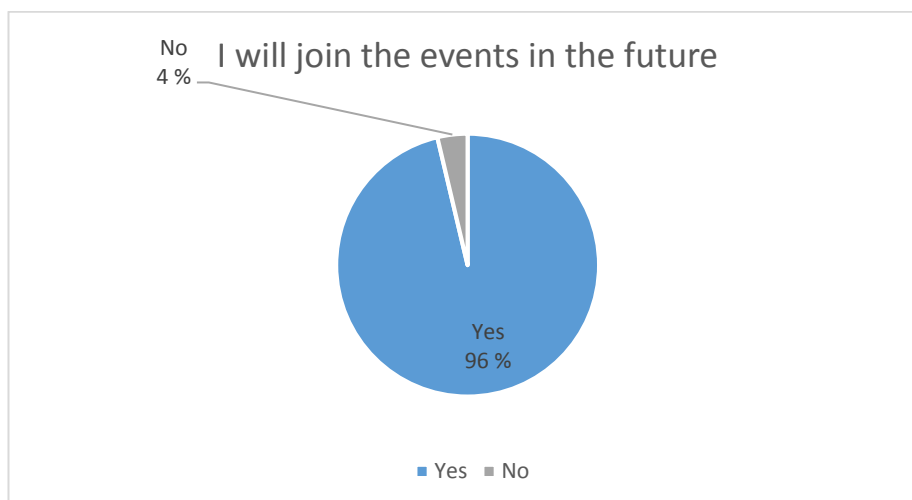


Figure 14: respondents likely to join the future events

Figure 14 shows that an amazing 96% (78 out of 81) of the respondents stated that they will join the events in the future, entailing that a majority of the people who had never participated in any events, are looking forward to participating in them. Figures 13 and 14 together show that Pro Hanko doesn't need to change their activities as the received feedback is very positive.

4.3.3 Pro Hanko's activities

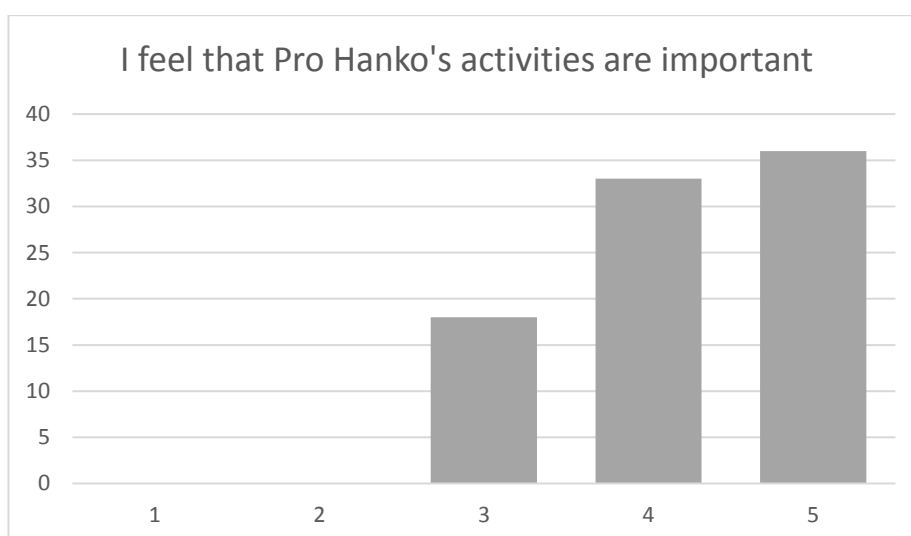


Figure 15: Importance of Pro Hanko

When asked about the importance of Pro Hankos activities, 41% (36 out of 87) marked their answer as a 5. 38% (33 out of 87) answered a 4 and 21% (18 out of 87) answered a 3. This creates an average of 4.2.

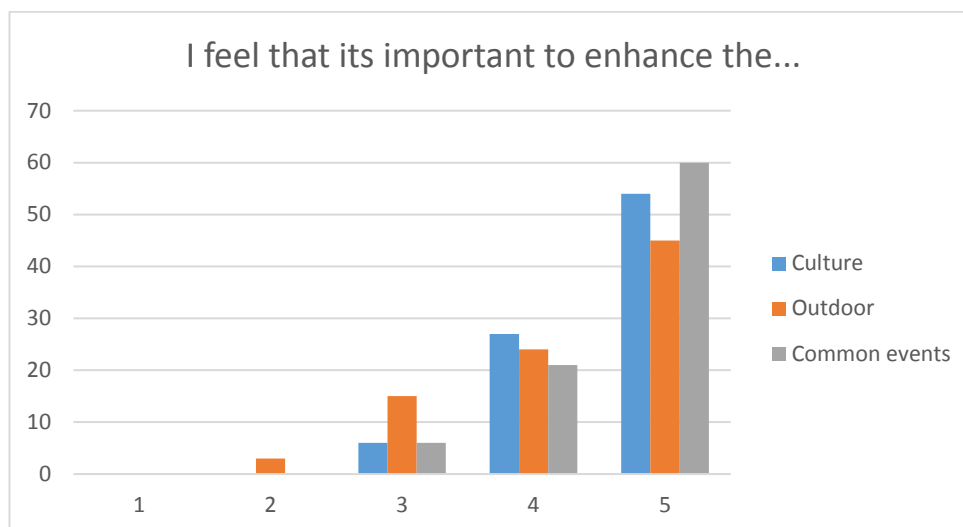


Figure 16: Division of the answers

Figure 16 shows similar kind of answers from the respondents, in culture, outdoor activities and common happenings. Majority of respondents gave positive feedback, but there is some differentiation in each category.

In cultural activities 62% (54 out of 87) marked their answer as a 5, 31% (27 out of 87) as a 4 and only 7% (6 out of 87) gave a mediocre answer of 3. The average answer was 4.6.

Figure 16 also shows that outdoor activities are not rated as the most important object to focus on, this might be due to the fact that Hanko already has such a beautiful possibilities for different activities and the citizens are fearing that they will be ruined.

Even though outdoor activities received somewhat low scores, it is still clear that majority of the respondents feel that enhancing outdoor activities is important. 52% (45 out of 87) marked their answer with best possible grade. 28% (24 out of 87) marked their answer as a 4. 17% (15 out of 87) marked a mediocre result of 3 and 3% (3 out of 87) marked their answer with a low 2. The total average still remains as a high 4.3.

In common happenings 69% (60 out of 87) of the respondents marked their answer as a 5. 24% (21 out of 87) marked theirs as a 4, and finally 7% (6 out of 87) marked their answer with a mediocre 3. The total average was 4.6.

4.3.4 Member fees

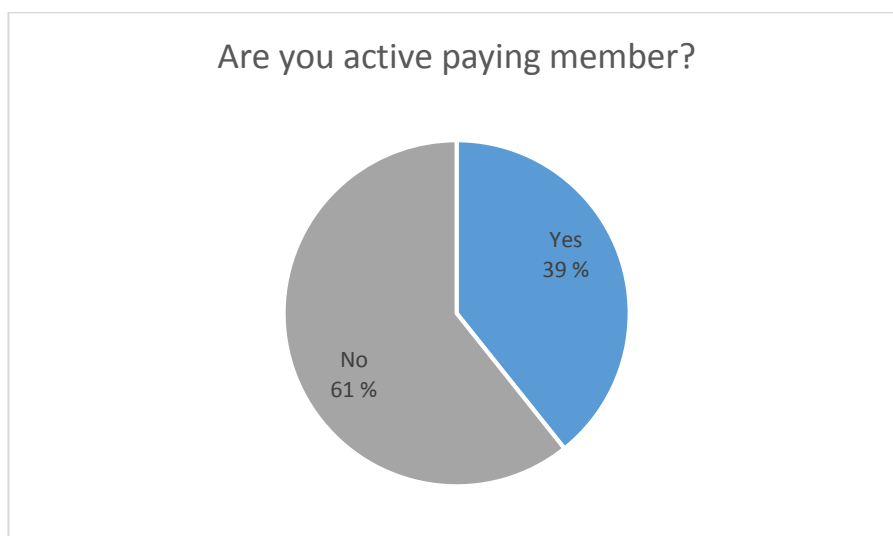


Figure 17: Division of paying members

As predicted the amount of paying members was low, only 39% (33 out of 84) told that they were paying members. But even though the majority of the respondents weren't currently paying members, majority answered the remaining questions about the member fee, which created helpful data.

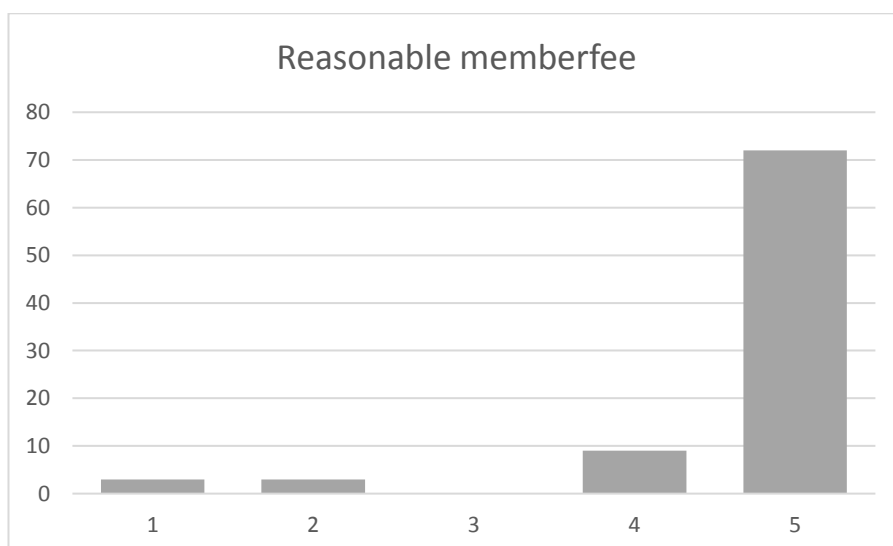


Figure 18: Respondents' opinion on the reasonability of the member fee

Figure 18 shows that the majority of the respondents felt that the annual 10€ member fee is completely reasonable. A tremendous 83% (72 out of 87) marked their answer as a 5, 10% (9 out of 87) marked their answer as a 4. Number 1 and 2 got both 3 answers, and the mediocre score of 3 didn't have any answers.

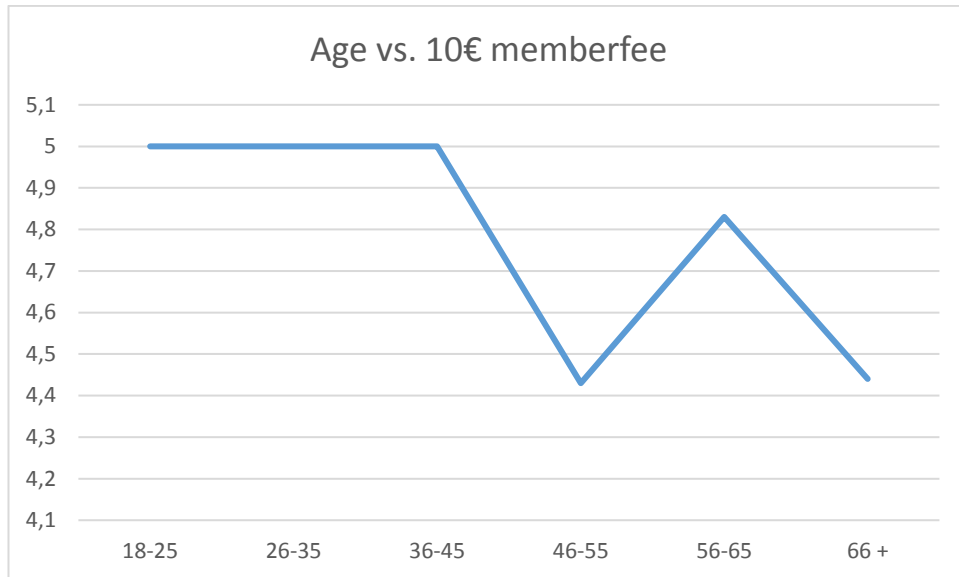


Figure 19: Age division between the member fees

Figure 19 also gives us data about how different age groups reacted to the memberfee of 10€. The younger age groups from 18-45 year olds felt that the 10€ is a totally reasonable amount for the memberfee. However there was some resistance with the age groups of 46-55 and over 66 year olds, as the average was 4,4.

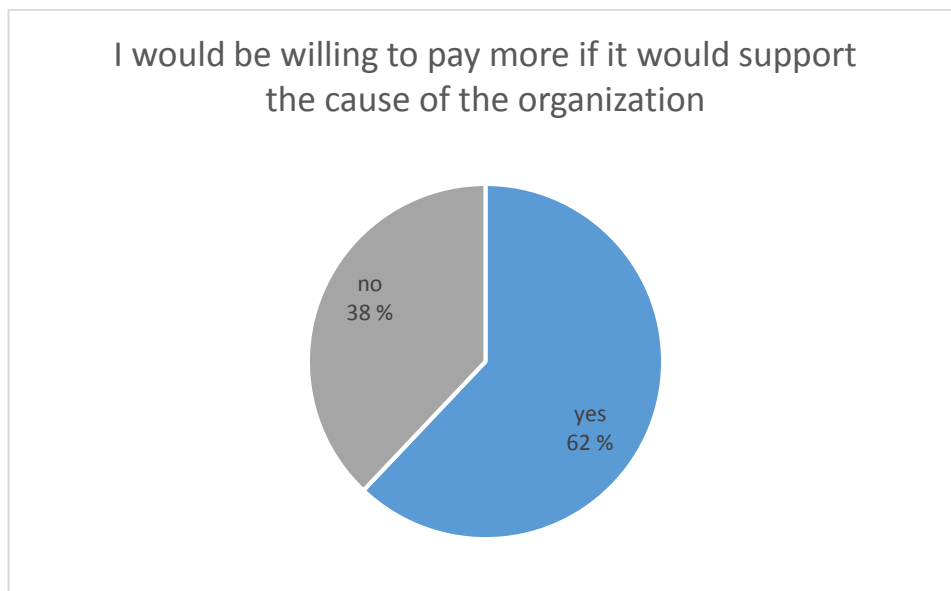


Figure 20: Respondents' willingness to pay more to support the organization

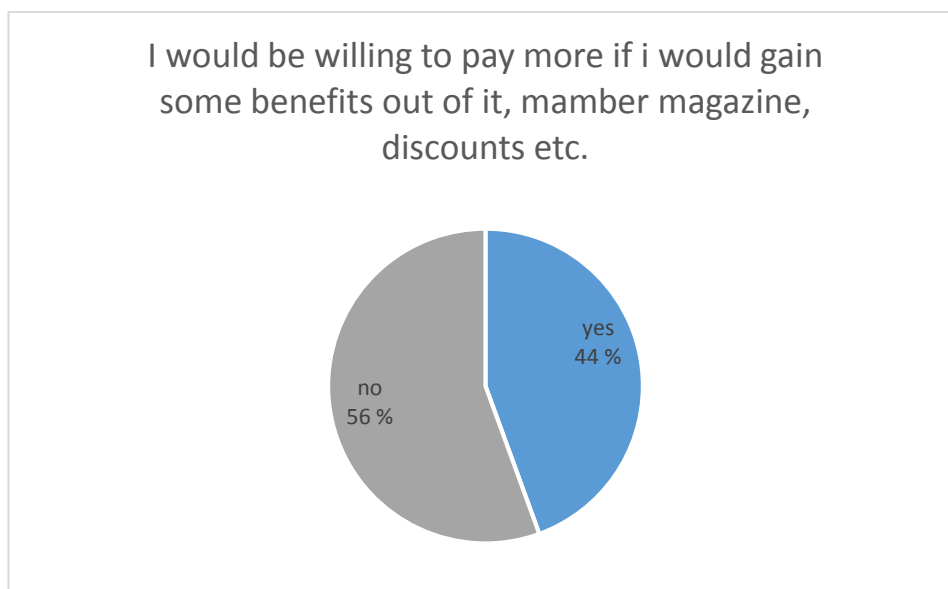


Figure 21: Respondents' willingness to pay more to gain additional benefits

Figures 20 and 21 show surprising fact of how respondents are more likely to pay a higher member fee if it supports the organizations causes. But not if the risen member fee was directed towards the benefit of the member individually.

62% of the respondent's would be willing to pay more to support the cause, while only 44% would be willing pay for their own benefit. Thus, figures correct a hypothesis; members wouldn't like to have an additional benefit for paying membership.

4.4 Anlaysia

To better understand the findings of the survey thesis uses inferential statistics. Inferential statistics can be divided in to two groups; non-parametric- and parametric statistics. Non-parametric statistics are normally used with categorical data, while parametric data is used with numerical data. (Saunders et al. 2016)

Significance testing is comparing two variables and testing the probability of a pattern between them. Most software's calculate significance testing by degrees of freedom (DF) and probability (p-value.) Thesis used IBS SPSS -software to analyse the significance of variables with chi-square test.

The Chi-Square test is a statistical test that determines the likelihood that two variables are independent. The test compares observed frequencies to expected frequencies of two variables presented in crossable. (Saunders et al. 2016)

Null-hypothesis states that two variables are independent and have no relationship with each other, if the P-value from Chi-square is 0.05 or smaller, test indicates that there is a strong relationship between variables and null hypothesis can be rejected.

$$X_c^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

4.4.1 Factors affecting willingness to pay member fee

To understand reasoning behind member fees chi-square is used to compare the relationship between age, language, home town and attendance to previous events.

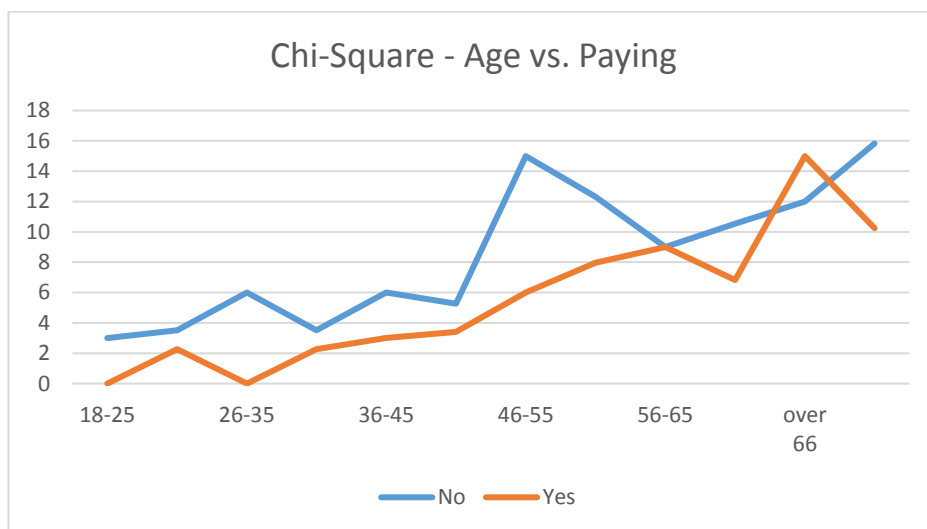


Figure 22: Chi-Square - Age vs. Member fees

P value is 0.00000010665 which means that the age has significant relationship to the probability of member paying the member fee. As seen in the Figure 22, the older the respondent got the more likely he/she was paying the member fees.

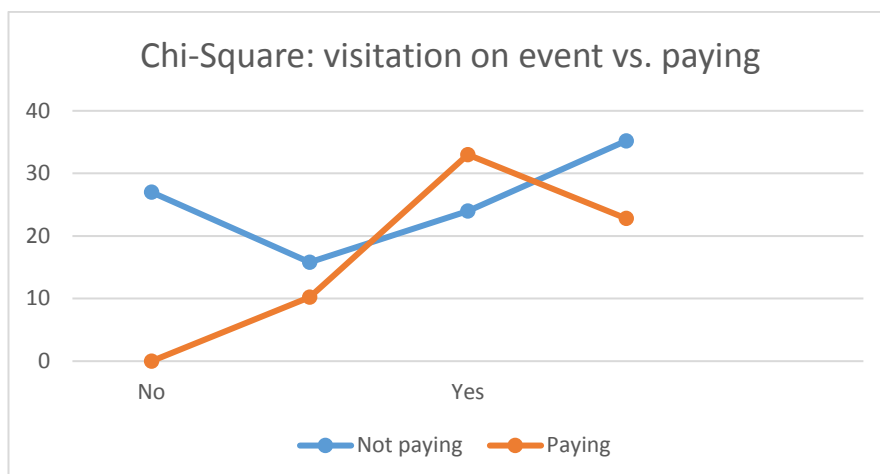


Figure 23: Chi-Square - Visitation to previous events vs. paying member fees

When comparing the relationship with paying members who had and hadn't visited any events Chi-square analysis stated with a p-value of 0,000000998 that those who visited events were clearly more likely to pay the member fee. As only a third of the respondents had visited any event, this finding is rather remarkable. If Pro Hanko is able to activate the members to visit future events, the member fees will increase as well.

Surprising on the other hand was that gender (P-value 0,109), language (P-value 0,560) or home town (P-value 0,072) did not have an effect on the member fees. This shows that the target group shouldn't include any of these factors, but rather a specific age group of over 65 year olds, and those who are visiting but not paying.

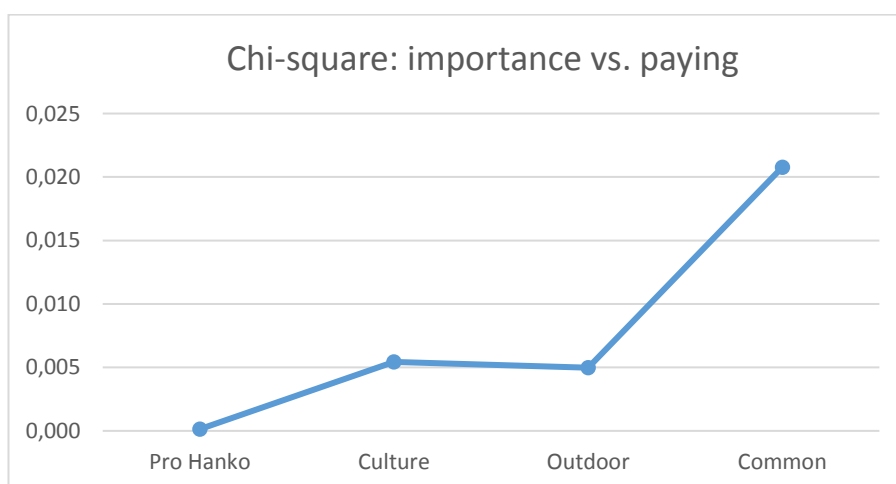


Figure 24: importance of different factors vs. paying member fees

Figure 24 gives a representation on how people rated the importance of different factors affecting the paying of the member fees. The importance of Pro Hankos work had P-value of 0,000137 which means that there is a significant relationship with these two variables. Other

factors such as importance of culture, outdoor activities and especially common happenings scored from 0,005 to 0,021 which means that the null-hypothesis can still be rejected, but not with the same significance.

4.4.2 Factors affecting the amount of member fee

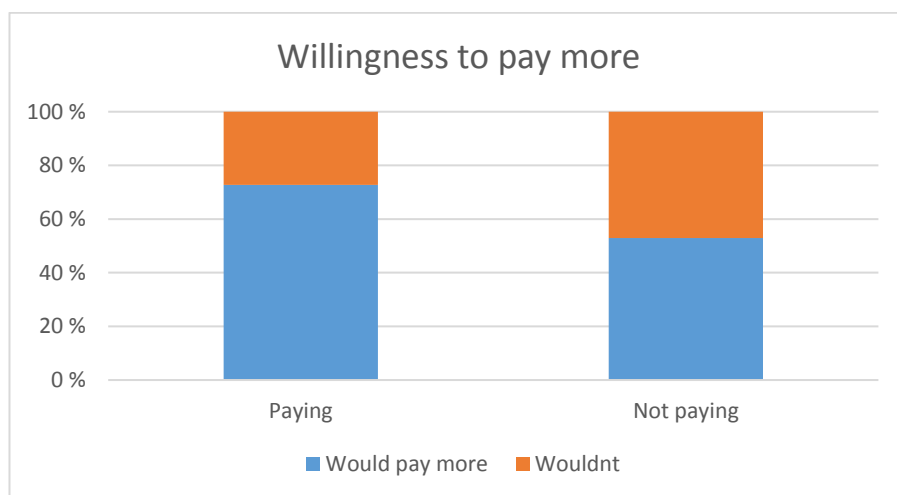


Figure 25: Respondents willingness to pay more vs. current status

This thesis examined if there was any relationship between the willingness to increase the member fee to the current paying status of the respondent. P-value in organizational benefit was 0.00... and in personal benefit the value was 0.023...

P-value of under 0.05 states that in both cases, bringing additional value to the organization or the individual, the null-hypothesis's can be rejected, which means that if you are already a paying member this will affect your opinion on the amount of member fee. Surprisingly those members who already were paying their member fees were willing to pay more in both cases, whether to benefit the organization or themselves. P-value verifies that people are more willing to increase the member fee for organizations own benefit, rather than additional personal interests.

As a majority of the respondents weren't currently paying member fees Figure 25 is made in percentages to demonstrate the same findings from the chi-square test. So even though 40% of the respondents felt like the amount of the member fee shouldn't be increased, it could be an option, as the actual paying members disagreed. This means that the risk of losing existing funders would be slim.

4.5 Funding plan

Funding plan is the estimated income budget for the financial year, how and where the funds will be collected? As the year 2017 has already kicked off the following funding plan will be

conducted in two parts for current year as well as 2018. Chapter will be divided in to general possibilities and realistic approaches.

Later on proposals are discussed with the organization and the actions of the organization are explained.

4.5.1 Possibilities

No additional work	Some additional work	Requires lots of work
Increase the member fee	Building personal bond	Possibility of donating goods
Emphasize funding during events	Sales	
	Possibility to donate immediately	
	Activate "sleeping" members	

Table 4: Funding alternative by the involvement required

Research findings show that that Pro Hanko has several possibilities to enhance its funding. Figure 29 illustrates different possibilities to enhance Pro Hankos funding by its required time-resources.

As the analysis stated already existing members would be willing to increase the amount of member fee, this also could be taught as one realistic option which doesn't require any additional work.

The other easy way to increase member fees is to emphasize the meaning of the fees during the event- so that the visitor understands and remembers to pay. As the events are marketed all around Hanko, it is possible that there are first-timers who have never before heard of the organization. This can be done in various different techniques. One possibility is to make a poster that explains Pro Hanko as an organization, its history in brief and specify its current activities.

Findings from the survey, benchmarking and interview all state that long-term funders are the vital part of successful fundraising. Pro Hanko needs to create a personal connection with the donor and emphasize the importance of the funds. This process is a long-term plan and it requires some additional work depending on the chosen style. The approach possibilities are endless, thanking the members personally via letter/card or commonly thanking everybody on the Facebook page.

Sales should be included to every event Pro Hanko arranges, at the beginning sales can focus on hot and cold beverages or small snacks, later on specifying to small accessories.

Events should have clear instructions how to join and support the cause. If possible every event should include a possibility to show support by paying the member fee/donation instantly.

Figure 23 stated that people who visit the events, typically pay the member fees. It is important to activate those Facebook members who haven't yet participated in any events.

Previous studies show that people are more willing to donate goods rather than money (Anttila, 2016). Pro Hanko could arrange draws out of these donations, or even sell the goods at a flea market. This kind of activity requires more work and there is a risk of receiving use-less goods, depending on the willingness to work towards improved funding Pro Hanko has many different alternatives to choose from.

4.5.2 Proposal for Pro Hanko

As Pro Hanko is working with limited time- and money resources the third category of Table 4 can be thought of as an option, but for now is rejected.

As the year 2017 has already started, eight people have already paid their member fees which means that the possibility of increasing the amount should be considered for year 2018. The amount increased should be steady and realistic so no current members would back off.

Remaining parts illustrated in Table 4 should all be involved, the main issue is creating the personal bond which is currently missing. This is a long term plan which is created by transparency and communication. Pro Hankos Facebook page has already gathered such a massive amount of people which is why this platform should be utilized in the process.

Upcoming events for the year are seven sleepers' day, Christmas trail and additional arts event. Seven Sleepers day is happening in July, which is the deadline for all the new activities.

Seven Sleepers Day should involve:

- Poster about Pro Hanko, history and current activities
- Advertisement of the Facebook group
- Sales

The easiest way to achieve many different suggestions, thesis focuses them on a poster. Poster would be a way of briefing with the organizations background and trying to create the personal bond between organization and visitor. Poster should be printed professionally so that it will last during all the upcoming events. Pro Hanko has a professional photographer among its active members who can prepare the photographs, for a small compensation.

As Pro Hanko has a reputation of being an elitist organization the fundraising issues should be as transparent as possible, it is vital to break the preconceptions about the organization. The poster should include the fact about Pro Hankos activities and its funding. Poster should also include advertisement of the Facebook group, by collecting customers together Pro Hanko ensures future advertisement and communication is effortless. Pictures of the events should be posted on the Facebook page with a letter thanking the funders and participants.

A possibility to donate immediately can be included either on the poster via bank-account information, or with a collect. Before putting up a collect it is important to request a permission from the police department, as in Finland it is illegal to start your own collects without separate permission. (Finlex 2017) Also if the permission is admitted all the contract rules must be met, process may include some additional time-resources at the beginning.

Even if these actions will be involved in Pro Hankos strategy the growth of member fees will be steady, the main issue is to gain few new member fees and keep those donors as long-term funders. Also as year 2016 included some major expenses, such as creating a new website on, the future expenses will be more reasonable, and will be focusing on the actual events. This means that the organization has more both time and money resources to focus on sustainable funding.

2017	2018
Increase sales	Rethink the amount of member fee
Advertise Facebook page	Possibility to donate immediately (File for collect)
Create personal bond- active participation in Facebook page. → Long-term funders.	Rethink the possibility to donate goods
Emphasize funding → break preconceptions	
Activate “sleeping” members	

Table 5: Funding plan in brief

Table 5 finally summarizes the funding plan in brief. The Possibility to donate immediately is marked to year 2018 which is thought of as the deadline, as if Pro Hanko decides to request permission for collect the process might require some time and effort. It would be important to create an opportunity to donate while visiting an event, so it is vital to start the process as soon as possible.

Survey results offered lots of first-hand knowledge on the members which should be included in the marketing strategy. 59% of the respondents didn't live in the Hanko are, so marketing should be included in Facebook/Web-page. 21% were Swedish speaking, so every announcement needs to be done in both Finnish and Swedish. And lastly it is extremely important to activate that 69% who hadn't visited any previous event by Pro Hanko.

4.5.3 Actions of the organization

Survey results were presented and discussed with Pro Hanko representatives and later published on the Facebook page. The publication of results created two more member fees. The steady growth is nothing surprising as usually member fees increase after events.

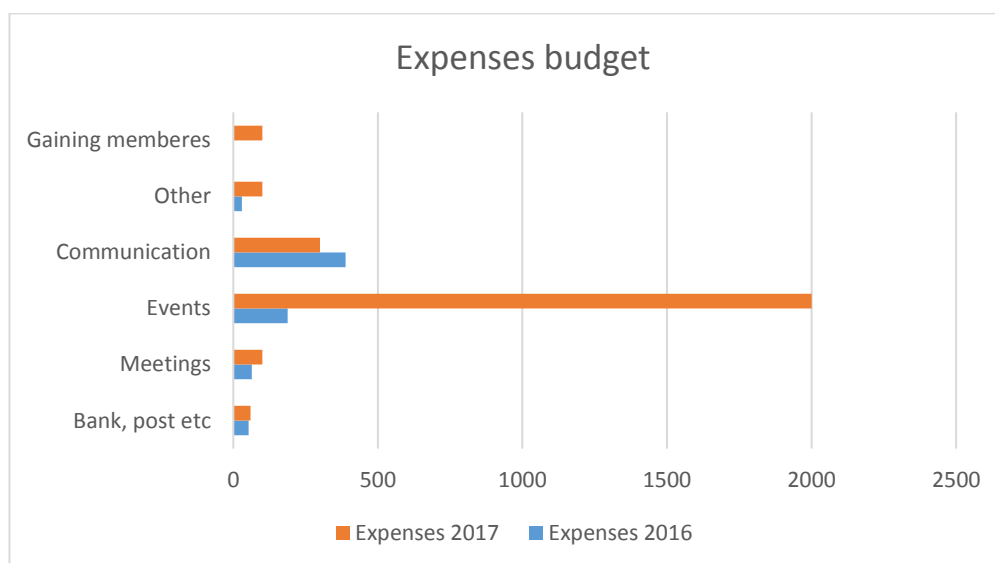


Figure 26: Budgeted expenses compared to 2016

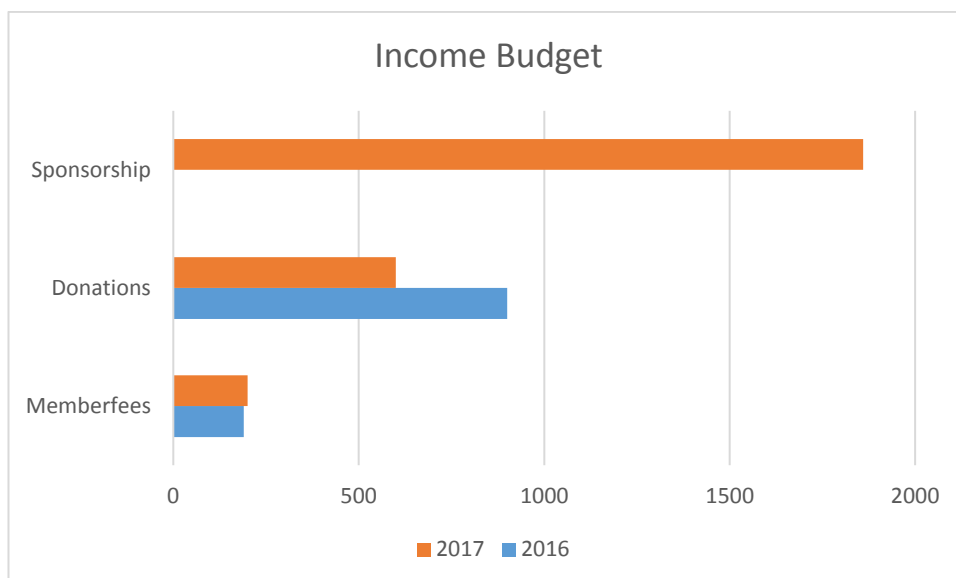


Figure 27: Budgeted incomes compared to 2016

Based on the results Pro Hanko has rearranged its strategy. The information in figures 27-28 are based on previous years accounting and 2017 official budget. Budget was conducted by the representatives.

Expenses have been budgeted higher, since the future events have been planned to grow and reach more visitors. As stated before, people who join the events are more likely to pay the member fee, thus it is important to gain new visitors. Reasoning behind increased expenses in events is also based on the facts stated in chapter 2.3.1; sales are one of the most important funding styles for small-scale organizations that base their activities around different events. By adding the expenses, such as buying goods and beverages, it will additionally increase the income.

Biggest change is the fact that Pro Hanko agreed to budget a 100€ investment for gaining new members, this is a huge improvement since there hasn't been a kind of a part in the official year budget. 100€ is a realistic starting point as majority of the changes require more time than money resources, the only additional cost will be laminated poster that costs approximately 20€ (Digipaino.info 2017). Pro Hanko will be conducting the recommendations, especially focusing on the targeted marketing and building a personal bond with funders.

Figure 28: shows that even with small realistic goals the overall situation will be better and the division will be moderated. Member fees are budgeted to have a small but steady growth and public donations are collected via donations and sponsorships. Pro Hanko didn't include sales for this year's official budget, but they are expected to be around couple hundred euros.

5 Conclusion

Finland has a high amount of non-profit organizations within various different fields. The purpose of non-profit organization is to achieve the common goal, and while the goal is not money oriented many organizations face difficulties on funding their activities.

The objective of the research was to investigate different non-profit organizations, their funding styles and later on specify on factors affecting case organization Pro Hanko's funding. Especially on the lack of member fees and the funder's possible willingness to increase them, thesis summarizes the knowledge into funding plan. Main methodology was survey, which was conducted carefully and results were valid, thus the research questions can be answered.

Qualitative methods state that it is important to educate people how much their support means and what value it adds to this specific organization. As proven from the benchmarking and interviews communication is the key, by creating a personal bond with the funder and organization the funder will stay for a long period of time.

Quantitative research and chi-square analysis prove that those members who are currently paying the member fee would be willing to increase the amount for the organizations sake. It was proven that the amount of member fee can be increased steadily, and the hypothesis that members would require additional personal benefits can be rejected.

Analysis also discovered that majority of the respondents haven't attended any previous event, but to visitation had a clear relationship with the likelihood to pay member fees. This emphasizes the fact that Pro Hanko needs to activate the Facebook members to visit these free events.

Based on these findings thesis summarizes the knowledge into funding plan that encourages to add sales and increase the communication, thus create personal bond with the funder.

Research reports the current state of the organization and its members, which means that in order to have long-term funding plan the attitudes and values must be studied regularly via survey, interview or other forms of feedback.

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Appendix 1: Survey, Finnish

Pro Hanko

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Pro Hanko

*Pakollinen

Yleistiedot

- Sukupuoli ***
Merkitse vain yksi soikio.
 Nainen
 Mies
- Asutko vakituisesti Hangossa? ***
Merkitse vain yksi soikio.
 Kyllä
 Ei
- Kieli ***
Merkitse vain yksi soikio.
 Suomi
 Ruotsi
- Ikä ***
Merkitse vain yksi soikio.
 18-25
 26-35
 36-45
 46-55
 56-65
 Yli 65

Tapahtumat

Pro Hanko järjestää vuosittain erilaisia tapahtumia, kuten Joulupolku sekä Unikeonpäivä.
Muut tapahtumat vaihtelevat vuosittain, kuten Wirkkalan 100 vuotta juhlaseminaari.

5. Oletko käynyt Pro Hangon järjestämässä tapahtumissa?
Merkitse vain yksi soikio.

Kyllä
 En

6. Missä tapahtumassa olet käynyt?

7. Pidit tapahtumasta
Merkitse vain yksi soikio.

1 2 3 4 5
En pitänyt Pidit erittäin paljon

8. Tulen jatkossakin käymään Pro Hangon tapahtumissa
Merkitse vain yksi soikio.

Kyllä
 En

Pro Hangon toiminta

Pro Hanko perustettiin vuonna 1904 parantaakseen kylpylä toimintaa, lisätäkseen penkkejä ja kävelyteitä. Nykyisin yhdistys keskittyy kaupungin kulttuurin edistämiseen.

9. Koen Pro Hangon toiminnan hyödylliseksi ja tarpeelliseksi
Merkitse vain yksi soikio.

1 2 3 4 5
En lainkaan Erittäin hyödyllinen ja tarpeellinen

10. Koen Hangon kulttuurin kehittämisen tärkeäksi
Merkitse vain yksi soikio.

1 2 3 4 5
En lainkaan Erittäin tärkeä

11. **Koen Hangon ulkoilumahdollisuuksien kehittämisen tärkeäksi**
Merkitse vain yksi soikio.

1 2 3 4 5

En lainkaan Erittäin tärkeä

12. **Koen Hangon yhteisten tapahtumien kehittämisen tärkeäksi**
Merkitse vain yksi soikio.

1 2 3 4 5

En lainkaan Erittäin tärkeä

Jäsenmaksut

Pro Hangon jäsenmaksu on 10€/vuosi jolla katetaan toiminnassa syntyneet kulut.

13. **Oletko maksava jäsen?**
Merkitse vain yksi soikio.

- Kyllä
 En

14. **Koen 10€ kohtuulliseksi vuosimaksuksi**
Merkitse vain yksi soikio.

1 2 3 4 5

Summa on liian suuri Varsin kohtuullinen

15. **Olisin valmis maksamaan enemmän, mikäli se edistäisi yhdistyksen toimintaa**
Merkitse vain yksi soikio.

- Kyllä
 En

16. **Olisin valmis maksamaan enemmän, mikäli saisit muuta vastinetta rahalle.
(Esim, jäsenlehti, alennuksia paikallisiin yrityksiin.)**
Merkitse vain yksi soikio.

- Kyllä
 En

17. Mikä etuus olisi erityisen mieluinen?

Vapaita kysymyksiä

18. Mitä toivoisin yhdistykseltä

19. Mistä haluaisin kiittää yhdistystä

Appendix 2: Survey, Swedish

Pro Hanko - SWE

Page 1 of 4

Pro Hanko - SWE

*Pakollinen

Allmänt

1. **Kön ***
Merkitse vain yksi soikio.
 Man
 Kvinna
2. **Bor du ständigt i Hangö? ***
Merkitse vain yksi soikio.
 Ja
 Nej
3. **Spåk ***
Merkitse vain yksi soikio.
 Finska
 Svenska
4. **Ålder ***
Merkitse vain yksi soikio.
 18-25
 26-35
 36-45
 46-55
 56-65
 66 +

Evenemang

5. **Har du besökt Pro Hangos evenemang? t.ex. Hangö Sjusovare**
Merkitse vain yksi soikio.

- Ja
 Nej

6. **Var?**

7. **Jag gillade evenemanget**
Merkitse vain yksi soikio.

	1	2	3	4	5	
Dålig	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Mycket bra

8. **Jag kommer att besöka evenemangen också i framtiden**
Merkitse vain yksi soikio.

- Ja
 Nej

9. **Jag anser att Pro Hangos verksamhet är nyttig och viktig**
Merkitse vain yksi soikio.

	1	2	3	4	5	
Inte alls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Mycket

Det är viktig att...

10. **utveckla kultur i Hangö**
Merkitse vain yksi soikio.

	1	2	3	4	5	
Inte alls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Mycket

11. **utveckla frilufts möjligheter i Hangö**
Merkitse vain yksi soikio.

	1	2	3	4	5	
Inte alls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Mycket

12. **Utveckla gemensamma evenemang i Hangö**
Merkitse vain yksi soikio.

	1	2	3	4	5	
Inte alls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Mycket

Medlemsavgifter

13. **Är du en betalande medlem**
Merkitse vain yksi soikio.

Ja
 Nej

14. **Jag anser att 10€ är ett rimligt pris**
Merkitse vain yksi soikio.

	1	2	3	4	5	
Orimlig	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Rimlig

15. **Jag skulle vara beredd att betala mera om det befrämjade föreningens verksamhet**
Merkitse vain yksi soikio.

Ja
 Nej

16. **Jag skulle vara beredd att betala mera om du fick t.ex. Medlemstidning, rabatter i nätföretag.**
Merkitse vain yksi soikio.

Ja
 Nej

17. Vilken förmån skulle du helst använda?

Öppna frågor

18. Mina önskemål till föreningen

19. Jag skulle vilja tacka föreningen för...

Appendix 3: Invitation to survey, Finnish

Hei!

Olen kolmannen vuoden Business Management opiskelija Laureasta, teen parhaillani opinnäytetyötä voittoatavoittelemattomien yhdistysten varainkeruusta ja tutkin Pro Hankoa case-yrityksenä.

Olen tehnyt kyselyn johon toivoisin teidän vastaavan. Vastaamalla autat kehittämään järjestön toimintaa. Jos vastaat ja kommentoit alle "Vastattu!" niin osallistut samalla yllätyslähjän arvontaan!

Ystävällisin terveisin,

Emmi Vuorensyrjä
Laurea Ammattikorkeakoulu

Appendix 4: Invitation to survey, Swedish

Hej!

Jag är tredje års studerande i Business Management vid Laurea och håller på att skriva mitt examensarbete om pengainsamling av icke vinstdrivande föreningar och Pro Hanko är mitt case företag.

Jag har gjort en enkät som jag vänligen önskar er att svara på genom att svara hjälper du till at utveckla föreningens arbete.

Om du svarar och kommenterar vindan "svarat" så deltar du i dragning av ett överraskningspresent.

Med hälsning,
Emmi Vuorensyrjä

Appendix 5: Reminder

Hei!

Lämmin kiitos jo kaikille kyselyyn vastanneille.

Mikäli et ole vielä vastannut kyselyyn, niin olisin iloinen jos käyttäisit hetken aikaasi ja osallistuisit opinnäytetyöhöni vaatimaan tiedonhankintaan.

Kertomalla mielipiteesi autat myös yhdistystä kehittämään toimintaansa.

Kiitos vielä kaikille Pro Hankolaisille aktiivisesta osallistumisesta.

Terveisin, Emmi