

Deep or Wide? Strategies on Mission Scope for Philanthropic Support

Jessie ST Cheung, Business School, Singapore

In the wake of growing global pressure on environmental and social sustainability, ventures with missions for the public good are increasingly recognized as champions for tackling grand challenges. Philanthropic support, such as grants, awards, and low-interest loans, plays a crucial role in enabling nascent ventures to execute socially innovative ideas and scale their businesses without diluting their social missions. However, securing philanthropic support often requires more than just presenting heartwarming, inspiring testimonies of enterprises creating an impact in society.

As a grant approver for a publicly funded social entrepreneurship ecosystem builder in Singapore, I have had opportunities to listen to numerous pitches from passionate founders of new ventures with a social or environmental mission. Often lacking a substantial track record, these startups need to convincingly articulate their potential to create significant value through missions dedicated to the public good. They must do this through detailed, concrete measures that highlight their mission's impact, all while demonstrating a modest level of financial potential for long-term survival. This raises a crucial question for entrepreneurs: how should you define the scope of your mission to best demonstrate value creation? Is it better to aim at a single impact goal or to encompass multiple objectives?

Broaden the Scope, Strengthen Synergies, and Deepen the Impact

My recommendation is to broaden the mission scope for a deeper, holistic impact on your target beneficiaries without compromising financial sufficiency. Based on global data from over 3,000 early ventures with missions for the public good, my recent research shows that embracing multiple impact goals is more likely to secure philanthropic support—up to an optimal level where financial sufficiency is not compromised. Impact goals help structure your attention, drawing from an attention-based perspective. Committing to more impact goals facilitates a holistic consideration of processes and relationships, strengthening the creation of synergies across various impact areas. With synergies, you can maximize the value derived from each unit of philanthropic support through more efficient use of resources. This not only enhances your venture's appeal to philanthropic funders but also amplifies the impact on your target community. Moreover, your ventures can attract a wider array of philanthropic funders who are dedicated to different causes.

However, embracing too many impact objectives is not without its pitfalls. Stretching too broadly can strain the cognitive limits of founders, reducing their ability to deliver value in the committed impact areas. A director from a prominent corporate foundation in Asia, which supports social enterprises, echoed this sentiment. He noted, "When ventures demonstrate synergy by focusing on a select few impact objectives, it stands out in our assessment, offering a higher return on every philanthropic dollar invested. However, too many objectives can signal a scattergun approach that lacks a clear focus and spreads resources too thinly."

Founding Team Size Matters

A larger founding team can mitigate the concern of stretching too thin when committing to more impact objectives. Additional co-founders can pool in more cognitive resources such as intelligence, knowledge, and experience, which helps convince philanthropic funders of your venture's ability to deliver a deeper impact with a broader mission scope. However, more co-founders also introduce more potential conflicts, making it more challenging to align on a unified strategy to maximize social impact while maintaining business viability.

Practical Advice:

1. Synergistic Design: Develop a business model that inherently integrates and leverages the interconnections between various impact objectives to enhance the effectiveness and appeal of the venture to potential philanthropic funders.
2. Engagement with Funders: Beyond simply communicating your goals, engage potential funders in discussions that highlight the synergies and strategic thought behind your approach.
3. Cognitive Load Management: Be acutely aware of your team's cognitive limits and avoid overextending yourselves. Effectively managing cognitive resources is crucial for maintaining focus and ensuring the execution of your business plan.

Once again, broaden the scope, strengthen synergies, and deepen the impact. By weaving the above-mentioned strategies into your operations, you can enhance the viability and impact of your ventures, appealing to a broader spectrum of philanthropic funders. This balanced approach not only positions you as credible agents of change but also ensures you have the resources necessary to transform your visionary social and environmental goals into tangible, sustainable outcomes.

CONTACT: Jessie ST Cheung; jessie.cheung.liow@gmail.com; Nanyang Business School; 50 Nanyang Avenue, South Spine, S3-01B-73, Singapore 639798