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CONSULTING TO SOCIAL ENTREPRENEURSHIP INITIATIVES

USING BUSINESS SKILLS TO HELP SOLVE SOCIAL PROBLEMS

ERG: A Sustainable Approach

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ABSTRACT

Escolinha de Rugby da Galiza is a Social Entrepreneurship project from *Santa Casa da Misericórdia de Cascais* that uses an innovative approach to social integrate children from the community of *Fim do Mundo*. Through the study and analysis of this project, it was identified the need to improve the sustainability approach currently used. A set of proposals were developed to diversify its sources of donations and generate its own revenues in order to guarantee its long-term sustainability.

Keywords: Social Entrepreneurship, Sustainability, Rugby, Empowerment.

CHARACTERIZATION OF ESCOLINHA DE RUGBY DA GALIZA (ERG)

Established in September of 2006, *Escolinha de Rugby da Galiza*¹ is a not-for-profit project of social intervention from the *Santa Casa da Misericórdia de Cascais* (SCMC). Its main goal is to promote the social inclusion of about 100 children (between 3 and 15 years old) from the community of Fim-do-Mundo (FdM), parish of Estoril and Adroana neighborhood, in Alcabideche. Through rugby, ERG pretends to instill in children values like team work, solidarity, and acceptance and also to promote social and ethical values to encourage a healthier growth, involving the families and schools in the project.

The foundations of the project started in 1983, with the beginning of the ATL (Free-time Activities) of Galiza², which emerged because of the social and academic difficulties of the children from FdM that attended the school EB1 of Galiza. FdM is a troubled and deprived community, being one of the most at risk communities from the region of Cascais. It is mainly composed by people from the PALOPS (African Portuguese language countries such as Angola, Mozambique and Guinea), Brazil, East Europe and gipsy ethnicity.

¹ <http://escolinhaderugbydagaliza.blogspot.com>.

² <http://atldagaliza.blogspot.com>.

The Galiza's ATL was created with the vision of "building a more fair and just society where the life of every human being is loved, respected, defended and promoted in all dimensions (culture, ethnics, religion, sex and color of the skin) since his conception until death"³. Three strategic objectives were designed: welcoming the children with more difficulties; follow their lives in school and after school, providing them positive experiences and make them believe in their capabilities; individualize every child, taking in consideration the background (family, culture, and personality). In order to meet their objectives, Galiza's ATL started involving the families in the project and soon they went overcrowded due to the lack of resources available. In 2001, Galiza's ATL received a donation from the American foundation JB Fernandes Memorial Trust that, with the help of the Cascais Municipality (CMC), allowed them to build a new place to go over with their work. The Casa Grande (CG) project was created and could now properly serve the needs of the FdM community, with a much more sustained organization.

The social intervention was then divided into 3 distinct projects: *Family project*, which aimed to support the most vulnerable families (giving food and clothing, legal advice, home assistance, etc.); *Saber + project*, which includes literacy courses for adults, Portuguese courses, computer training, etc.; *Sports project*, that pretended to integrate children in different clubs of a variety of sports and, since 2006, led to the ERG.

SCMC had no economic conditions to support this new project, so ERG would have to be self-sustaining. It was with a group of volunteers, a sports coordinator, the children and a cement field that the project began, pretending to intervene in three areas: sports, educational and behavioral.

ERG areas of intervention

The *sport area* consists on the rugby teams of ERG ("mega-Bambis", for children under 6 years; under-8; under-10; under-12; under-14; the girls' team). The choice of rugby was proposed by the

³ Source: <http://atldagaliza.blogspot.com>.

director of ERG, Maria Gaivão, who saw in this sport a way to pass to children values of unity, team spirit and mutual aid. The decisive factor was that this sport suits all children, with room for fat, skinny, tall and short, white, gipsy or black. All the players have their place in the team, working towards a common goal. Finally, Maria Gaivão thought that rugby would be a way to integrate these children in a totally different environment, because in Portugal rugby is mostly practiced by people from an elitist social class.

The *educational area* has emerged with the study rooms, where after class support is given to the players. They are helped in doing homework, learning and studying to prepare for tests, with the assistance of four volunteers per room, a coordinator and a psychologist. The children's presence is mandatory and those who miss class are temporary expelled from rugby activities.

The *behavioral component* focuses the transmission of moral, ethical and social values which leads to assimilate positive behaviors while trying to show the negative behaviors and the consequences, diverting from lawless behaviors to which the children are exposed daily at their community.

The contracts

In order to monitor and encourage the children of ERG, individual contracts were designed where the three aspects described above take part⁴. In each three months, every child has a meeting to stipulate a contract with goals for the following months. This meeting is attended by the child, a board member of the ERG, the child's parents and the child's rugby coach. The contracts set sportive goals (e.g., the child is committed to attend all training sessions, to improve passing the ball, etc.) educational goals (e.g., having no bad reports, have top marks in some disciplines, etc.) and behavioral goals (e.g., behave well in school, rugby and study room). If the overall assessment is good, there is an honorable mention where is given to the child a merit award for

⁴ See an example of a contract on appendix: Illustration 4 – Tote's contract

his performance. If the overall assessment is not good, there is a penalization. The award and the penalization are chosen by the child at the time of signing the contract.

Project in figures

So far, 173 players from 150 households have participated in the ERG project, with the support of 104 volunteers, as well as coaches and health professionals such as doctors, dentists, psychologists and physiotherapists (five of them are paid on a retainer basis)⁵.

The ERG project was shown on five TV reports in Portuguese channels (RTP, SIC, TVI, Sporttv) and an international one (International Rugby Board's Total Rugby Magazine)⁶. This project has already received two nominations, one from the *Associação Cristã de Empresários de Gestores de Empresas* ("As melhores causas" award) and the other from the *Instituto de Empreendedorismo Social* ("Iniciativa de Elevado Impacto Social" award). The ERG has made more than 10 partnerships by now. The most important ones are with the Cascais Municipality, EDP Foundation, and Calouste Gulbenkian Foundation.⁷

Budget numbers

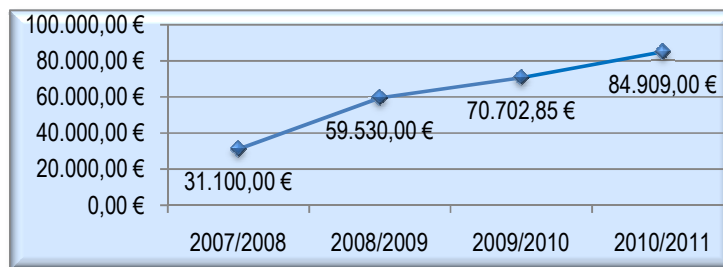


Illustration 1 - Budget Evolution

The budget for the 2010/2011 season is 84.909€. It is a high amount taking in consideration that in the 2007/2008 season the total costs were 31.100€, but at that time ERG had only about 60 children and the project of the study rooms had not started yet. In the 2010/2011 season, ERG

⁵ See Appendix 2: Table 4 – Human Resources, to know about the number of people involved.

⁶ Some of these TV reports can be seen on the blog <http://escolinhaderugbydagaliza.blogspot.com>.

⁷ For more information about partnerships, see Illustration 5 - Stakeholders Map on Appendix 3.

will also create the under-16 team, which requires more expenses, and the total number of children will be around 140. In addition, ERG has been improving year by year the extent of the support provided to the players and families, which made the costs increase. Despite this, they have been able to reduce the costs in materials, clothing and health⁸.

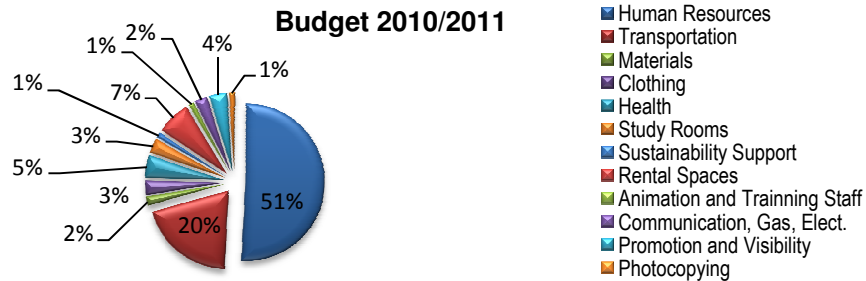


Illustration 2 - Budget 2010/2011

The most relevant costs of ERG are the human resources, transportation, rental spaces and health. The costs with human resources are required because ERG must have people working 100% focused on the project and that is only achievable by paying full-time jobs for the sports, logistics and study-rooms coordinators, psychologist, physiotherapist and some rugby coaches. This cost counts for 51% of the budget. The transportation is the second most expensive item. ERG has 2 trucks with 9 seat capacity each. One of them is almost obsolete and is only used to transport children above 12 years old, food and materials. The transportation is made through a rental system to a company called *Delta Bus* that makes a lower price to ERG. The buses are rented to take the players and the staff to the rented fields and games. The rental spaces costs are mainly fields renting as ERG does not own a proper rugby field. One of the fields (ISQ on Taguspark) is for free, although it does not contain the official measures for the under-16 level. Despite the number (84.909€) and the increasing costs every year, it is hard for ERG to reduce costs as the analysis confirmed the budget is already quite lean. With the exception of a golf

⁸ See Appendix 4 - Table 5: Budget from 2007/2008 to 2010/2011, for a detailed description of the budget costs.

tournament and an annual dinner organized by ERG (which grant about 12.000€), the budget is guaranteed by the support of the CMC and the donations from the private companies and foundations, which are negotiated on a yearly basis.

PURPOSE OF THE WORK

This work project (WP) was developed under the Social Entrepreneurship Institute (IES) supervision, in the context of its empowerment methodology through a consulting lab, with the purpose of helping initiatives with high potential of social impact. Like many social projects, ERG does not have the capacity to generate funds. Instead, it relies on donations, having, thus, the risk of not gathering sufficient funds to ensure full operation of the project throughout the year. This work project pretends to improve this reality, in an innovative way.

METHODOLOGY

The first step of this WP was the research about Social Entrepreneurship (SE) using recommended bibliography and searching information on the web, in order to understand the role of the state and private organizations in the combat of social problems. After that, I moved on to the internal scanning process which started with some visits to the headquarters of ERG with the purpose to know “in loco” the project, the team, the facilities and the players. Soon after, some interviews were made to the most important collaborators such as Maria Gaivão (the director) and Prof. Rómulo (sports coordinator). With the help of Maria Gaivão, we analyzed the ERG annual budgets since 2007, the agreements with the donors and the player’s contracts. I also took part of the team that prepared the application to the Beyond Sport Award by introducing the initiative, giving technical support and helping on the application. Later then, I met the IES mentor of ERG project, Ricardo Jorge, who gave his technical feedback.

The second phase consisted in finding the best recommendations to improve ERG sustainable approach. I started by consulting web information about national and international sustainability

practices of social projects. This phase was consolidated with some interviews to specialists in the rugby subject (Portuguese Rugby Federation President Eng^o Carlos Amado da Silva and Portuguese Rugby National Coach Tomaz Morais) and in the social subject (Miguel Alves Martins of the Social Entrepreneurship Institute, Manuel Forjaz, founder of the *Pais Protectores*, a “godfathering” project in Mozambique, and Marta Dias, responsible for Swatch Social Responsibility in Portugal) to deepen the context of the problem and to substantiate our proposals. Regarding the proposals, I also conducted interviews to two Portuguese rugby National Players, *Vasco Uva* and *Miguel Portela* to request their participation in the campaign *Pilares da ERG*. For the merchandising proposal, I consulted *Crocodilo Azul*, the supplier of some of the ERG clothes.

A GENERAL OVERVIEW: THE CITIZEN SECTOR

In order to understand why the social problems in the FdM community had to be addressed by an entrepreneurial approach that, through innovation, wanted to solve a social problem, it is useful to understand the role of the Portuguese state and private sector in this matter.

Since the 1970's, the Portuguese state has launched programs to address social problems in three different categories: health, housing and family⁹. Those programs have been disarticulated because there seemed to be no long-term and sustainable strategic plan. Throughout the time, the state realized the projects didn't have the capacity to respond to local needs and started passing the responsibility to local government. Despite this, soon they realized the lack of resources of the local entities and the power of the political interests that overlapped the social issues. Local governments have been sharing social responsibility with social organizations, especially IPSSs (Social Solidarity Private Institutions), ONGs and specific associations and foundations.

⁹ **Rodrigues, Samagaio, Ferreira, Mendes and Januário**, ed 1999. “A Pobreza e a exclusão social: teorias, conceitos e políticas sociais em Portugal”. Vol. 9, *Sociologia*, 63-101. Porto: FLUP.

The private sector has had an important contribution to help solving social problems, mainly since the state created tax benefits to companies involved in solidarity projects, like the *Mecenato Law*. Despite their involvement, private companies tend to support existing programs by providing resources, rather than launching programs by their selves. The most common kind of help from the private sector comes through the Corporate Social Responsibility (CSR). According to one *green paper* of the Commission of the European Communities¹⁰, “Corporate Social Responsibility is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment”.

In terms of CSR, there is the tendency for big companies to act more globally, while the smallest ones tend to act more locally. There are two dimensions of CSR: the internal dimension, which is most related with the workers, human capital, wealth, safety, etc; the external dimension that is related to the extent of the social responsible actions of a company beyond their sphere, from human rights to global environmental concerns.

Social Entrepreneurship

Entrepreneurship is, according to William A. Sahlman, in *The Entrepreneurial Venture*¹¹, “the pursuit of opportunity without regard to resources currently controlled”. The people who act as entrepreneurs “identify opportunity, assemble required resources, implement a practical action plan, and harvest the rewards in a timely, flexible way”. There are two types of Entrepreneurship: the commercial and the social. Both approaches use innovative ways to solve problems, but while the commercial perspective has the clear intention to create monetary value (profit-driven) to personal or shareholders, the social has the objective to solve social problems in a permanent and sustained way. It is in this last concept that ERG relays on.

¹⁰ **Commission of the European Communities**. 2001. *Green Paper: Promoting A European framework for Corporate Social Responsibility*. Brussels.

¹¹ **Sahlman, Stevenson, Roberts, Bhidé**. 1999. *The Entrepreneurial Venture*. Boston: Harvard Business School Press.

The IES

There are organizations around the world whose purpose is to identify and support projects of social intervention. Among organizations like Ashoka, Skoll and Schwab foundations, the IES is a not-for-profit association, created in Portugal in 2008, with the mission of working with organizations to “identify, support, form, promote and connect initiatives, inspiring and enhancing for a better world”¹².

IES work can be characterized in 3 steps: awareness, empowerment and knowledge. The awareness step has the objective of identifying and promoting social projects all over the country in order to provide them with visibility and to attract partners to give support in any possible way. The empowerment step aims to support social project on their resolution through the help of skilled people. The objective of the knowledge step is to teach the subject of SE trough workshops, academic conferences, investigation and knowledge sharing.

IES has identified the potential of ERG and recently attributed the prize of *Iniciativa de Elevado Impacto Social* award (high social impact initiative), not only for their effective work, but also because of the possibility to replicate this practice to other regions of Portugal.

CHALLENGES AND SUSTAINABILTIY OF ERG

In order to understand more deeply the project and to identify problems that could be attacked, a SWOT Analysis was used:

¹² Source: www.ies.org.pt.

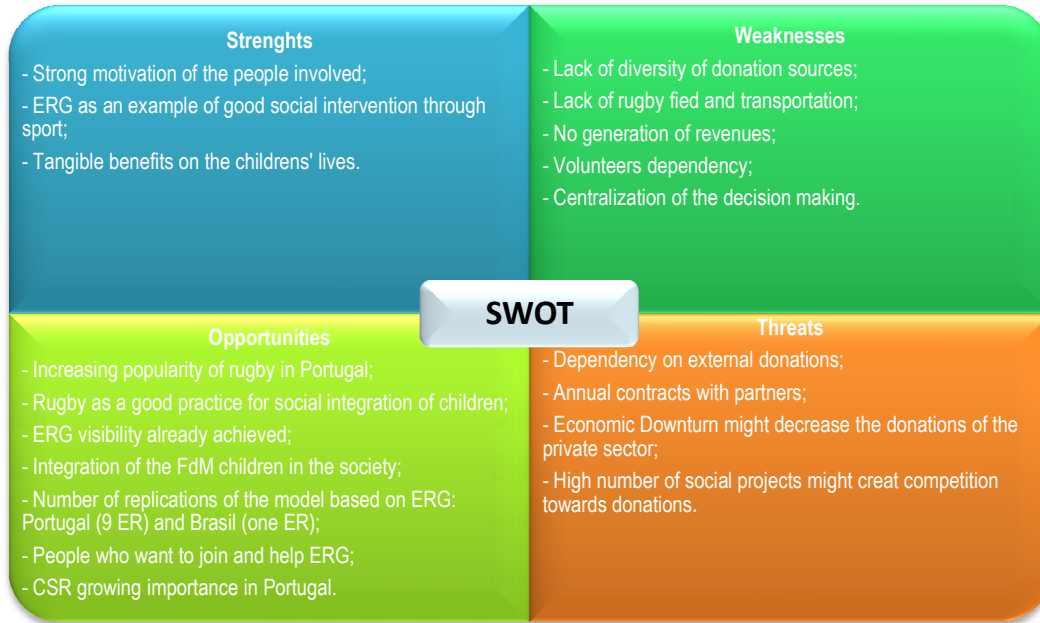


Illustration 3 – SWOT

Looking at the SWOT, it is possible to realize the richness of the ERG opportunities. The idea of rugby as a sport to promote social integration is the starting point, not only by the advantages of the sport itself, but also because of the increasing impact and visibility that it has had in Portugal¹³. There are more and more rugby lovers in Portugal, the majority of them coming from a high socio-economic level with economic power to support this kind of projects. The effectiveness of the project, translated not only in the children gains but also by the replications that have already taken place, is an excellent visit-card for potential supporters.

The above factors, if well used, can annul some of the weaknesses and threats of the project, such as the low diversity of donations that are based on annual contracts with no long-term prospects. The possibility of having a specific group of donators (rugby lovers) decreases the risk of not getting the financial resources required to the project, increasing, on the other hand, the ability to sustain the project in the future.

¹³ On 10/5/2010, the Portuguese rugby federation and the Ministry of Education signed a deal which will make rugby one of the mandatory sports practiced in schools. It is expected that next year there will be 25.000 children playing rugby in schools.

In addition, there are two fundamental forces: the strong motivation of the people involved and the benefits caused to the children. The first one facilitates the implementation of strategies to guarantee the sustainability of the project, by the internal generation of revenues, reducing the constant threat posed by the dependence on donations. This will permit to fight two strong weaknesses: the lack of a rugby field¹⁴ and transportation and the dependency of volunteers. Having the possibility to pay to qualified workers will guarantee total dedication to the project and also permit the decentralization of the decision making, another weakness of the ERG.

SUSTAINABILITY PROPOSALS

The proposals of this WP are related to the ERG sustainability, the greatest risk identified in the SWOT analysis. Two main analyses were made in order to make the better and more suitable proposals: the study of the ERG resources such as people, money, time and facilities, and the review of some national and international practices of social projects sustainability.

Relating some efficient practices to the ERG resources, it was clear that, in the first place, it is fundamental to promote visibility and attract people to get to know the project, something that ERG is already well underway. The second most important thing to do is to create channels to capture donations. Looking at the ERG project, it was clear that the *donations process* has to be modified in order to be easily accomplished.

The sustainability proposals described below are based on these two assumptions that, in our opinion, will increase the ERG revenues, not demanding too many resources, ensuring the success and continuity of the project.

¹⁴ According to ERG director, the Cascais Municipality has promised to arrange a proper field to ERG but it is hard to know when it will be ready.

I. Beyond Sport Award

Beyond Sport Foundation (BSF) is an international organization that brings together social projects worldwide which use sport to create a positive impact on society, providing financial, advisory and educational support. In addition to these grants, the Foundation organizes annual awards in various categories to new social projects related to sports (Beyond Sport Award).

Given the global projection of the foundation, which has partners like Barclays Bank, Time magazine, UNICEF, United Airlines and ambassadors such as former British Prime Minister Tony Blair, being part of Beyond Sport is an important opportunity for any charity project.

With the partnership of IES, we consider the Beyond Sport Award (BSA) a great opportunity for ERG to win financial support (11.000€) but, more than that, to gain visibility all over the world.

In order to transmit to the BSA judges the good practices of ERG, we collect the most relevant information about the project, with the help of the ERG board and, on the 16th of April, we proposed the application on two categories: "Sport for Social Inclusion" and "UNICEF Sport for Education." On the 1st of June, the short-list for the BSA 2010 was revealed. Unfortunately, ERG was not among this list.

Despite this, it was an important step to ERG that, applying to the awards, become part of the Beyond Sports Foundation community, having access to a worldwide network of contacts from other organizations and other social projects, enabling the exchange of experiences, the access to the international best practices and the possibility of advisory support.

II. Pilares da ERG

It is common for social projects to have godparents programs, whose objective is to gather people to donate an amount to pay the annual expense of an individual in the project. The

program created by Manuel Forjaz from *Ideiateca Consultores*, called *Pais Protectores*¹⁵ (*Protecting Parents*), was a successful example. In these projects, it is expected that the continuous contribution throughout the years creates a relationship between the donors and the receivers (the children), and an emotional bond, constituting the greatest output for the donor.

ERG has already launched a similar project to gather godparents for their players but it has failed to achieve good results as it has only gathered 19 godparents in two years. I think that the failure of the program has to do with the little visibility it had and the lack of structure to support it.

After studying some of the *parenting practices* such as *Afectos com Letras Association*¹⁶ and *Pais Protectores*, I have decided to propose the launch of a new program for ERG called *Pilares da ERG*. To build a successful program, I have identified 3 requirements: to guarantee to the donors that the donation is entirely spent on his/her player; to emotionally involve the donor with the cause and with his protected child; to target a community and involve them in the cause.

The name *Pilares da ERG* was chosen because of the meaning of the word “pilar”, which refers to a key position in rugby executed by individuals generally thicker and stronger that holds their teams’ scrum¹⁷. It is a position of great sacrifice but highly respected by all players. In Portuguese, the word “pilar” refers as well to the basis that holds a structure (similar to columns). As the meaning of the metaphor in Portuguese, the *Pilares* of the ERG will be the players’ foundation of support, as the donors will pay all the expenses of each child that belongs to ERG.

[Pilares costs](#)

In order to calculate the amount this program should cover, I have added the budget items that are strictly spent with the players (excluding overhead). As we can see in the table below, taking

¹⁵ This program supports over more than 700 children in Mozambique. It is now called *Ser Humano* project (www.serhumano.org) and the main objective is to support children and young orphans in Mozambique.

¹⁶ <http://afectoscomletras.blogspot.com/>

¹⁷ According to the website www.answers.com, a *scrum* is “a play in Rugby in which the two sets of 8 forwards mass together around the ball and, with their heads down, struggle to gain possession of the ball”.

into account the values contained in the budget for the 2010/2011 season, the total value of the campaign would ensure 21.485€, which divided by 100 players equals the amount paid by each single *pilar*. This number was rounded to 215€ per pilar.

Expenses	Value (in €)
Clothing	1.000
Tracksuits	6.600
Rugby accessories	1.500
Training Materials	1.000
Rugby coach	3.600
Insurance	775
Medical examinations	1.700
Players injured expenses	910
Oral health	600
Honorees mentions	1.200
Physiotherapist	2.000
Physiotherapist materials	600
TOTAL	21.485

Table 1 – *Pilares* costs

In order to ensure, the fastest possible, the desired amount to cover the operating costs and facilitate the monitoring of payments, ERG will give a discount to those who make one only payment of the total value of the program. So, those *Pilares* will pay 215€ and those who choose to make a monthly transfer will pay 20€/month for a total of 240€. Payment must be made exclusively by bank transfer¹⁸.

The Target

To ensure the success of the project, in my opinion, it will be essential to specify a *target*, to find a group of people who share a common set of characteristics and who identify with the mission of ERG. The target should feel that the campaign was designed especially for the "Me" that "I have a good chance to help someone", and that "my contribution is decisive for the life of this child."

The rugby lovers, practitioners and former practitioners of the sport, will be at the top of the list. These are people who know closely the spirit of rugby and will want, more than anyone, to

¹⁸ For the purpose of this campaign, ERG has requested to SCMC a bank account to be used only by ERG.

provide to young people and children the opportunity to practice the sport and enjoy from all its benefits and teachings. This is a very united and cohesive community, whose number increases every year. The ease of propagation will be a positive factor to be taken into account.

After the first *target* exploration, we want to extend the list of possible *Pilares* for the nearly 10,825 companies existing in Cascais, mainly the small-medium ones from the community of *Galiza* and *FdM* such as pharmacies, coffee shops, butchers, bookstores, etc. The identification with the project will come from the fact that they share the same local community, benefiting from ERG's work through the education of socially at risk children.

[Pilares Outputs](#)

The *Pilares* will be able to track *their* player, through a quarterly report sent by e-mail about their performance at sports, school and behavior. These reports are already made by ERG for the performance evaluation of the players through the contracts, which will spare ERG from extra work. *Pilares* will also be invited to participate in tournaments in which ERG takes part, through online publication about each sportive weekend. Finally, it will be publicized the tax benefit under the *Mecenato* Law that the *Pilares* are entitled because of their donation to a IPSS. Companies that act as *Pilares* will also have the opportunity to advertise the sponsorship in the media, the ERG's blog and in their own internet or journal pages.

All these conditions pretended that the *Pilar* creates an emotional connection with the player, within the necessary limits outlined by the ERG, taking into account their social/family conditions.

[Disclosure of the project](#)

To start the notoriety of this initiative I requested the support of the national rugby coach, Prof. Tomaz Morais and two national players, former captain Vasco Uva and centre Miguel Portela. It was requested a one minute movie with each one of them, to be published in the ERG's communication channels, where they reported their knowledge of the project and their support to

the campaign. To establish the contacts, I have attended some rugby matches of the national team, having the opportunity to talk, explain and request their support that was accepted by the two Portuguese players.

Internationally, it was also made an attempt to make the initiative known to New Zealand rugby player Daniel Carter, considered the best rugby player in the world. I sent an email to the New Zealand Rugby Federation with the support of Manuel Forjaz from the *Pais Protectores* project. It was not possible to get any answer yet.

In order to bring to the project the Cascais companies, the campaign will be initially guaranteed by ERG's volunteers who will visit some of these companies, passing the message in a personalized way that will better raise awareness in the population concerned.

[Project implementation and management](#)

The management of the *Pilares* project will be in charge of the donations fundraising team, the image and public relations coordination and the ERG's board with the support of the pedagogical coordination. For the implementation process, it was designed a process map to explain the steps required¹⁹. The project preparation involves the rules stipulation with the directors (especially about the involvement of the *Pilares*), the organization of the program information (graphical design and information about the campaign) at the communication channels (website, Facebook and blog), the video recording with the national rugby team players, the preparation of a teaser (that should be distributed to the potential *Pilares*), the elaboration of the contract document and the creation of a mailing list with potential *Pilares* (request contacts to rugby clubs and Portuguese National Federation).

The people directly linked to the project preparation will be those who will manage it as well. I suggested to the ERG Direction that the team responsible for this purpose should be António

¹⁹ See Appendix 5: Process Map 1 – *Pilares* campaign implementation.

Cunha (responsible for the sustainability and visibility of ERG), Mariana Gaivão (volunteer that usually produces ERG's videos), Rowan (the volunteer photographer), Raquel Pombo (psychologist responsible for the children reports), Maria Gaivão (ERG director) and a volunteer for the accountability (the management of the payments and the sending of the donations receipts to each *Pilar*).

This team (the *Pilares* team) should be composed by people with different but complementary roles and jobs inside ERG that demonstrated interest to join the campaign. The *team on the field*, that will have the responsibility to take the campaign to the former and actual rugby players, is already appointed: Miguel Pardal and Miguel de Mascarenhas Gaivão, two former rugby players that we contacted and have shown interest in participating.

The project will be launched through the communication channels, with the sending of an email to the mailing list, the teasers distribution by the volunteers and with the *team on the field* in action.

After the launching, ERG will start receiving admission proposals that should be analyzed according to the rules stipulated. If an applicant does not match the requirements, it should be forwarded to other ERG's donation initiatives. If the candidate matches, ERG will inform the acceptance of the future *Pilar* by email. At this time, it will be asked the donor's address to send the donation receipts. The contract should be attached to be signed by the *Pilar* and sent by letter, or in person, to ERG. After this process, the *Pilar* will be informed about who is the player he is "godfathering". Every 3 months the *Pilar* will receive an email with the news about the campaign and the information about *his* player.

III. ERG friends

The *ERG friends* proposal is the promotion of support through the blog and Facebook, where any person can give its donation. The contribution can be done by monetary payment, the *Pilares* campaign, volunteer work or other source that the visitor might be interested.

The requirements are to prepare and dispose a way to invite people to join, help and support the activities of ERG in the communication channels²⁰. This idea is usual among social projects and was based on the *Fundação do Gil*²¹, a Portuguese foundation whose objective is to raise funds in order to help social projects.

IV. Merchandising

Merchandising initiatives are common practices among social projects, although it is not often to rely on merchandising revenues in a long term perspective. Despite this fact, there are some ONGs, such as Magic Bus in India²², who have developed merchandising models based on social businesses that have been very successful, being its main source of sustainability.

In order to enrich the process of donations, it was made a study of a merchandising campaign with two objectives: to contribute to the sustainability in terms of financial revenues and to improve the visibility by promoting the image of ERG. This viability study required a consultation of national and international benchmarks (such as Candeia, WACT, Magic Bus and the Homeless World Cup) by studying the issues related with the decision and implementation of the merchandising project, comprising the type of item to be sold, the costs, the prices, the quantities and the distribution channels.

Costs and Decision Making

In the tables 4 and 5 below, we can analyze the information regarding the acquisition and selling of white, red or blue t-shirts (“TS”), white or blue polo’s and white or blue girl tops. For each one it was requested the costs of ordering 1, 10, 100 and 250 units²³.

²⁰ See Appendix 6: Illustration 6 – ERG’s Blog with Friends Campaign, to visualize this proposal on the blog’s entrance page.

²¹ www.fundacaodogil.pt.

²² www.magicbusindia.org.

²³ Note: This study was based on the Crocodilo Azul costs, a company that supports ERG with accessible prices to acquire items such as t-shirts and shirts for the players and collaborators of ERG.

The tables show the costs for 100 and 250 units. In my opinion, among all the 12 alternatives, the best one is to acquire 250 units of white t-shirts with the ERG logo stamped on the front. This option is the third less risky (investment of 810€) with the second highest sales margin per unit (6,76€) and total profit (1.690€). Taking into account the limited financial resources of ERG, it seems that investing 810€ to get 1.690€ (210% profit margin) is the best alternative. Thus, white t-shirts are one of the most common items to be sold through social organizations. In this context, buying a white t-shirt is not a matter of taste but a way to donate. It also adapts to men, women, children and elderly.

COSTS	White TS	Colour TS	White Polo	Blue Polo	White Top	Blue Top
Costs 250 units	675,00 €	875,00 €	2.050,00 €	2.125,00 €	1.112,50 €	1.275,00 €
VAT	1,2	1,2	1,2	1,2	1,2	1,2
Total Costs	810,00 €	1.050,00 €	2.460,00 €	2.550,00 €	1.335,00 €	1.530,00 €
Unit Cost	3,24 €	4,20 €	9,84 €	10,20 €	5,34 €	6,12 €
SALES						
Sale Price	10,00 €	11,00 €	15,00 €	15,00 €	10,00 €	10,00 €
Margin per unit	6,76 €	6,80 €	5,16 €	4,80 €	4,66 €	3,88 €
TOTAL MARGIN	1.690,00 €	1.700,00 €	1.290,00 €	1.200,00 €	1.165,00 €	970,00 €
Break-even (units)	81	95	164	170	134	153
Required % of Sales	32,40%	38,18%	65,60%	68,00%	53,40%	61,20%

Table 2 – Study of acquisition and sales of 250 merchandising units

COSTS	White TS	Colour TS	White Polo	Blue Polo	White Top	Blue Top
Costs 100 units	325,00 €	435,00 €	875,00 €	935,00 €	510,00 €	575,00 €
VAT	1,2	1,2	1,2	1,2	1,2	1,2
Total Costs	390,00 €	522,00 €	1.050,00 €	1.122,00 €	612,00 €	690,00 €
Unit Cost	3,90 €	5,22 €	10,50 €	11,22 €	6,12 €	6,90 €
SALES						
Sale Price	10,00 €	11,00 €	15,00 €	15,00 €	10,00 €	10,00 €
Margin per unit	6,10 €	5,78 €	4,50 €	3,78 €	3,88 €	3,10 €
TOTAL MARGIN	610,00 €	578,00 €	450,00 €	378,00 €	388,00 €	310,00 €
Break-even (units):	39	47	70	75	61	69
Required % of Sales	39,00%	47,45%	70,00%	74,80%	61,20%	69,00%

Table 3 - Study of acquisition and sales of 100 merchandising units

Distribution Channel - Internet

There will be several ways to sell the merchandising items. The first one will be through ERG's blog and *Facebook*, where the buyer can order an item indicating the size and quantities.

In the first place, it is important to create an email address for the purpose of the merchandising campaign (ERG uses the Outlook email system which enables to create an email account to be used exclusively for this campaign, such as, for example, *ergmerchandising@scmc.pt*). This will facilitate the management of the orders avoiding to overload the direct email of ERG.

All the process has to be done with organization²⁴. After the email reception by ERG, the items requested should be placed to be sent to the buyer and registered in an excel sheet. All the buyers must receive an email confirming the reception of the order and the stock availability with the bank account reference for deposit. At this time, ERG will confirm the payment (accessing the ERG's bank account or receiving the buyers order confirmation), and the order has to be sent by mail²⁵. The order will also include a standardized letter with the buyers name to thank for the acquisition. This process seems to be aligned with the resources available at ERG, which will require having two of the effective volunteers responsible for the management of the orders with the support of José Luis, the logistics coordinator.

Other distribution channels

Churches: it is a common practice of social projects (such as Candeia and WACT) and ONGs to sell goods at the entrance of churches. ERG must target churches in the community and surroundings, where people are more willing to contribute to social initiatives. ERG can use some volunteers' teams who can be helped by the children.

²⁴ See Appendix 7: Process Map 2 – Merchandising campaign through internet, for detailed description of this process.

²⁵ According to the CTT, the cost of sending an object with 200g through green email is 1,32€ .This cost will be added to the buyers purchase.

ERG facilities: this is where the merchandising items will be stored, which turns this process very easy every time they are visited by people who want to know about the project.

Events: for every event ERG participates or organizes such as the tournaments, Portuguese rugby national team matches and the Senior Portuguese rugby championship games, ERG should organize a volunteers' team to bring some merchandising items to be sold to the people involved in the events. The objective is to target people emotionally involved with the sport²⁶.

Sportive stores: a request was made to the owner of a rugby store in Lisbon (Amoreiras Plaza shopping centre) to know about the possibility of selling ERG merchandising t-shirts. We are still waiting for an answer. Other possible way is to suggest agreements with sportive stores and retailers in Portugal, such as Decathlon and SportZone.

Considerations

This study takes into account and investment of 810€ in the acquisition of 250 white t-shirts to be sold through the merchandising campaigns, with an expected profit of 1.690€. Before incurring in this investment, ERG will try to get the support of a partner to pay the expenses of the acquisition cost, a common practice of Candeia and WACT. This will prevent ERG of assuming the risk of the investment and will increase the revenues (according to the numbers of this study, it would mean that selling 250 t-shirts at 10€ each would grant 2.500€ for ERG). If the campaign is successful, ERG should keep on doing this practice considering small amounts per order and diversify the type of items (for example, in order to target the rugby community, ERG could create a new merchandising campaign to sell the black and white polo's used by their rugby teams²⁷).

It is important to have in consideration that the t-shirts can be used in very different ways, like being given by a gift to the players who achieve an honorable mention. This may save some

²⁶ For the Churches and events, it was made a merchandising sheet to be used by the sales team – Appendix 8: Illustration 7 – Merchandising information sheet.

²⁷ See an example of ERG's polos on Appendix 9: Photo 1 – ERG's Polos.

money in periods of financial struggle (according to the 2010/2011 budget, the cost of the honorable mention gifts are 1.200€).

V. Long-Term Contracts

So far, ERG negotiates the corporate sponsoring in a yearly base. ERG should put an effort to request a 3 year-deal contract with the partners (it is the practice of organizations such as Fundação do Gil). The advantage is the stability that this measure can bring to ERG because it guarantees an amount every year for three years, eases the pressure for not getting the donations, reduces the yearly efforts to renegotiate the contracts and gives more time to look up for new partners. On the donors side, the advantage is to measure the investment done in ERG in a better way (the longer the horizon of contributions, the greater the results can be seen), transforming a donation into a relationship.

CONCLUSIONS

The objective of this Work Project was to diversify the sources of donations of ERG, as well as to improve visibility in order to guarantee the sustainability of the project. After studying and analyzing the project, the major problems were identified and a consulting lab was design in order to empower ERG to generate some of its own revenues. The objective was to fight a problem that, in the words of Yunus in *Creating a World Without Poverty: Social Business and the Future of Capitalism*, is common to a high number of social projects: "Charity has a significant built-in weakness: It relies on a steady stream of donations by generous individuals, organizations, or government agencies. When these funds fall short, the good works stop"²⁸.

²⁸ Yunus, Muhammad. 2007. *Creating a World Without Poverty: Social Business and the Future of Capitalism*. United States: PublicAffairs.

The Beyond Sport Award was a quick win opportunity that pretended to make ERG part of a global social networking. The *Pilares* campaign intended to create a source of recurring revenue on an annual basis, which can assure 25% of the yearly budget.

In order to guarantee that every person who wanted to help ERG had an immediate way to do it, a third proposal - *Amigos da ERG* – was designed. The merchandising project, on the other hand, aimed to, not only acquire some money for ERG, but also to improve its visibility. Finally, the last proposal suggests longer-term contracts with the intention of giving more stability to ERG.

Altogether, I am confident that the proposals of this WP can accomplish our two main goals: improve the visibility of ERG and diversify the sources of donations. All the proposals are already or will be adopted by ERG, turning this study into a real impact to ERG initiative and the community it serves.

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APPENDIXES

Appendix 1


Escolinha de Rugby da Galiza
CONTRATO

Eu, Tote James declaro
que me comprometo durante o 3º Período, de Abril a Junho de 2010, a:

- a) ler mais
- b) ajudar os outros no Rugby
- c) não mentir mais

Se eu cumprir/não cumprir este compromisso, pode acontecer o seguinte:

- a) uma playstation
- b) uma bola de Rugby e um capacete
- c) ir ao McDonalds com o Henrique e o Jorge.

Galiza, 6 de Maio de 2010

O aluno Tote P'la ERG Mariafeiva

O encarregado de Educação Bruna Bulde'

Illustration 4 – Tote's contract

Appendix 2

Players	173
Families	150
Volunteer Leaders	6
Volunteer Hostesses	14
Volunteer Tutors	40
Volunteer Animators	30
Volunteer for Logistics	14
Coaches	16
Health Professionals	21
Total number of people involved	314

Table 4 - Human Resources

Appendix 3



Illustration 5 – Stakeholders Map

The stakeholder Map resumes what is involved with the ERG project, mainly the people and the entities, which can be defined by the FdM community and surroundings, the rugby community, the partners and the collaborators.

The main beneficiaries of ERG are the children of the FdM community, who are involved in a project that promotes their social integration. Also, the families of the children as well as the

whole population of this community benefit from the visibility of the project and the battling of FdM social problems, the improvement of its welfare and its image.

The rugby community is also involved in the project by having the example of a pioneer project in Portugal that uses rugby to social integrate children at risk and the good visibility it gives to the sport by building and sustaining a project of social intervention. Not only the good example but also the number of replications (9) that already have been created demonstrate the power of the project and the capacity to involve people beyond their reach. This project has putted around 173 children playing rugby in Portugal, and the replications contribute with more 200 children, with the potential to increase in the future. The rugby served these children through the access to a sport that contributes not only for their health but also for their personality, social and human development.

The partners of the project, most of them the ones who prompt the donations, are also connected to the project by supporting the sustainability of ERG, receiving back the image of association to a noble project, embracing the values of ERG. The main partners of the project are: the Cascais Municipality (CMC), *EDP* Foundation, *Calouste Gulbenkian* Foundation, *Caixa Geral de Depósitos*, *Associação D. Pedro V*, *Banco Alimentar*, *Unicer*, *Associação de Rugby do Sul*, *Escola Superior de Saúde de Alcoitão*, *Agrupamento de Escolas de S. João do Estoril* and *Junta de Freguesia do Estoril*.

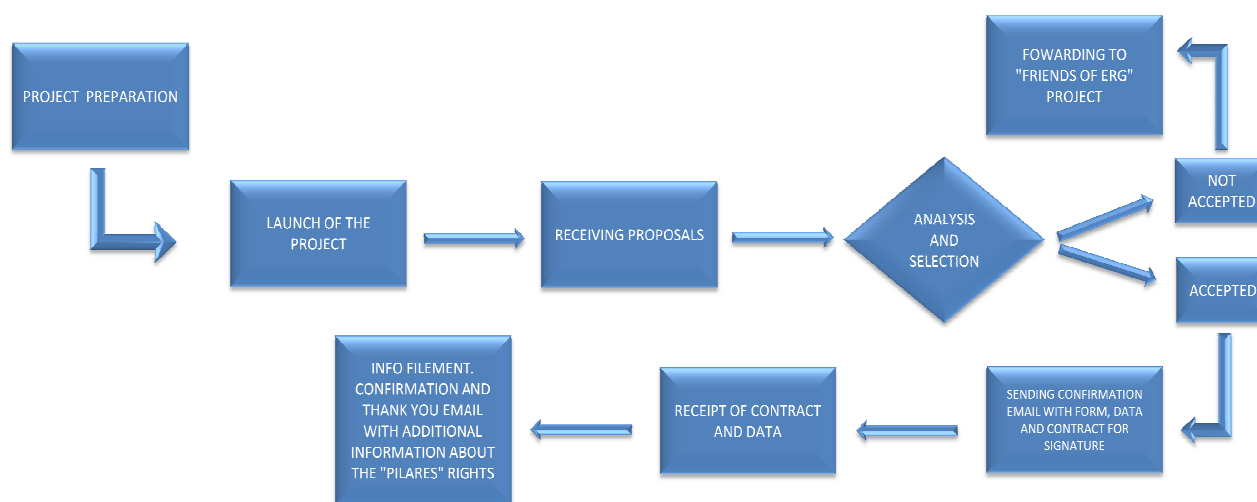
The collaborators (mainly the board, volunteers and the remaining people that work directly and indirectly in the project such as food and cloths suppliers) are also stakeholders, because of their huge involvement in the project and players lives, and the consequent gratification for the good results achieved.

Appendix 4

	2007/2008	2008/2009	2009/2010	2010/2011
ERG Constitution	1.500,00 €	-	-	-
Human Resources	6.000,00 €	27.625,00 €	37.747,85 €	43.124,00 €
Transportation	2.000,00 €	8.100,00 €	7.050,00 €	16.840,00 €
Materials	3.000,00 €	1.335,00 €	4.100,00 €	1.600,00 €
Clothing	5.000,00 €	950,00 €	6.500,00 €	2.500,00 €
Health	800,00 €	6.350,00 €	4.875,00 €	3.985,00 €
Rental Spaces	7.500,00 €	3.040,00 €	3.160,00 €	5.960,00 €
Visibility/Publicity	5.300,00 €	5.000,00 €	3.100,00 €	3.100,00 €
Training of Staff	-	2.230,00 €	400,00 €	510,00 €
Study Room	-	2.400,00 €	1.400,00 €	2.600,00 €
Events Organization	-	2.500,00 €	-	-
Animation	-	-	450,00 €	450,00 €
Communications/Elect/Gas	-	-	1.920,00 €	2.240,00 €
Sustainability Support	-	-	-	1.000,00 €
Photocopying	-	-	-	1.000,00 €
TOTAL	31.100,00 €	59.530,00 €	70.702,85 €	84.909,00 €

Table 5 - Budget from 2007/2008 to 2010/2011

Appendix 5



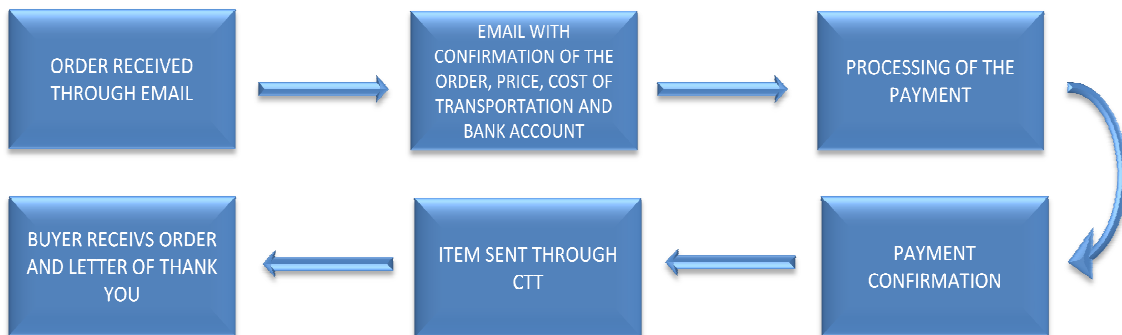
Process Map 1 – Pilares campaign implementation

Appendix 6



Illustration 6 – ERG’s Blog with Friends Campaign

Appendix 7



Process Map 2 – Merchandising campaign through internet

Appendix 9



Photo 1 – ERG's Polos

Appendix 10

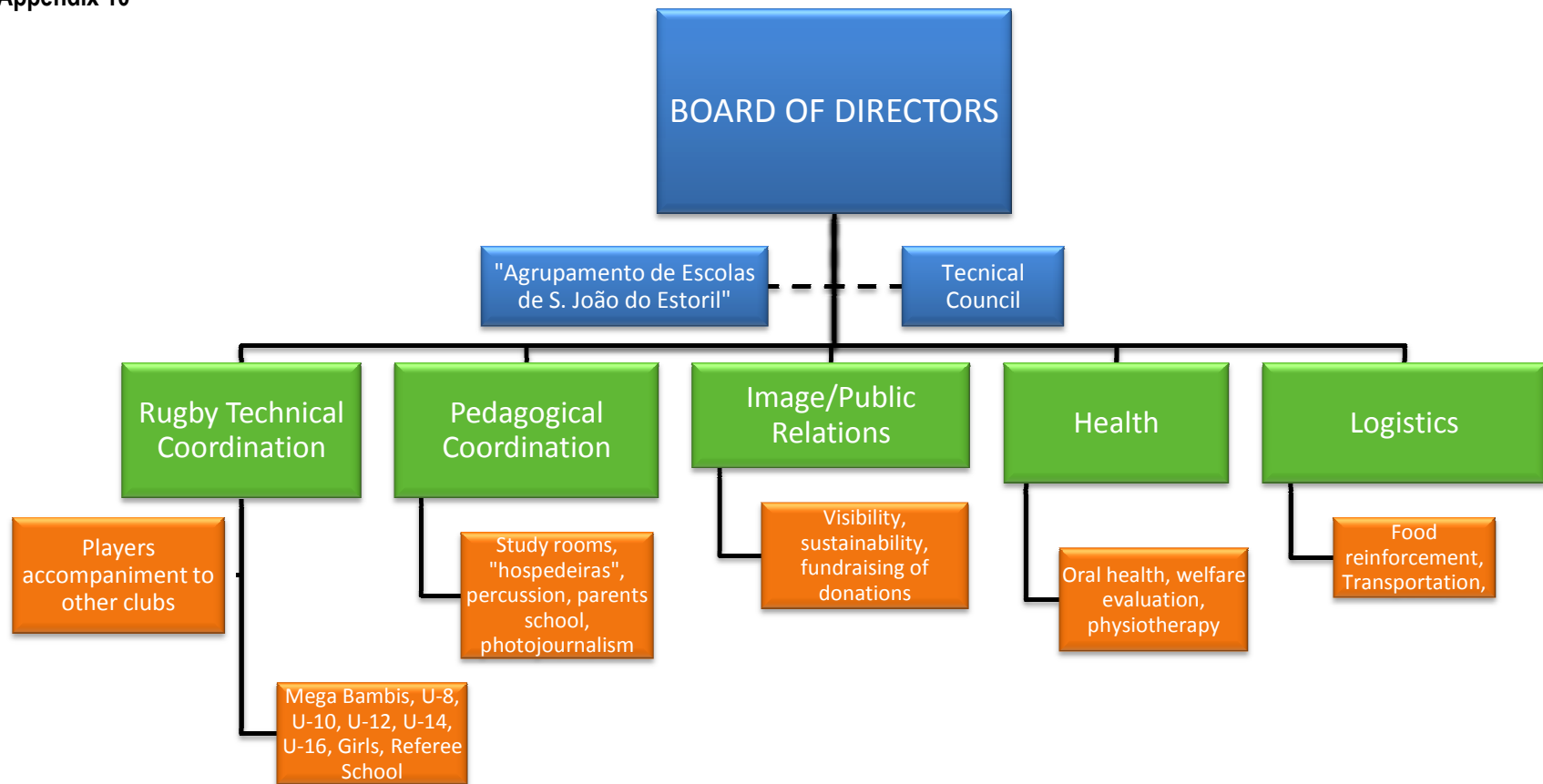


Illustration 8 – ERS's Organigram

Appendix 11



Photo 2 – ERG’s objective: *Make a child smile!*