

THE STATE OF INTERMEDIARY-LED

PRO BONO

A 2014 REPORT



INTRO

Much of the pro bono service delivered to the nonprofit sector comes through intermediary organizations that connect the people or companies who want to do pro bono with the nonprofits that need their services.

This report is based on a survey conducted by the Taproot Foundation in January 2014. The purpose of this survey was to collect data from those intermediaries and better understand the current state of this segment of pro bono service.

For this report, we surveyed 43 intermediaries in the US and abroad (a total of 8 countries). Except where noted, all data in this report is from that survey.



A NOTE ON TERMINOLOGY

Throughout this report, we'll refer to the surveyed organizations as "intermediaries" and the professionals they recruit to do pro bono as "pro bono consultants". And while this report refers to the social change organizations they serve as "nonprofits", some of them do also serve social enterprises or small businesses as well.

1

INTERMEDIARIES BRING A LOT OF VALUE TO THE SOCIAL SECTOR—AND A VERY HIGH RETURN ON INVESTMENT.

All told, we estimate these intermediaries provided around **\$68.5M in pro bono services to more than 2,500 nonprofits in 2013.** (Fully half of those intermediaries are providing more than half a million dollars worth of services each year.) **With an average budget size of about \$1.5M,** we estimate intermediaries are delivering at least a dollar in pro bono value for every budget dollar.

When it comes to calculating the value of services, most organizations told us they use the typical hourly rate for the people doing the pro bono, while a second large segment are using the total fair market value of a project.

11% of the intermediaries we surveyed are using the valuation standards developed by the Committee Encouraging Corporate Philanthropy (CECP) and the Taproot Foundation, which were developed in partnership with a leading research company. Using the same base calculation methods would allow intermediaries to better show the value of their services and make it easier for foundations to see collective impact.



What would it take for all intermediaries to use the same valuation standards?

HOW INTERMEDIARIES ESTIMATE THE VALUE OF PRO BONO SERVICES



Typical hourly rate for the people doing the pro bono	67.9%
CECP / Taproot valuation standards	10.7%
True Impact ROI calculator	7.1%
Total fair market value of a project (what it would cost to do the same full project with paid consultants—this can result in a different figure than hourly rates)	32.1%
Other	7.1%



These figures are currently a very conservative estimate—our questions asked for ranges in value and ranges in budget size, rather than exact totals, because so many had told us they could not be exact on the value provided. And some of the surveyed organizations have programs and budgets that stretch beyond the pro bono service they deliver.

That said, the value delivered versus budget size number looks particularly small, given that Taproot, for example, reports \$6 in value for every \$1 invested in its flagship Service Grant Program. Tracking and reporting volume, value, and impact of services, both individually and collectively, is a great opportunity for the pro bono movement.

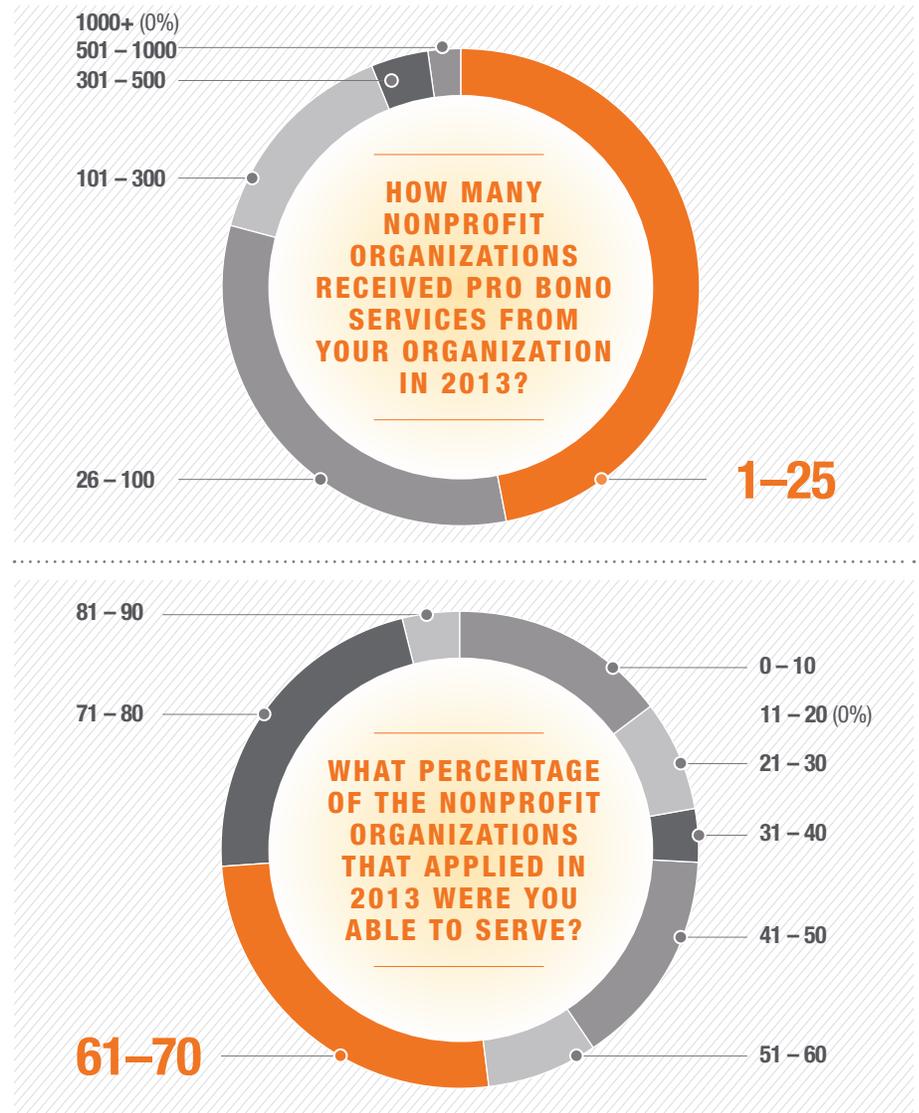
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INTERMEDIARIES SERVE A LOT OF NONPROFITS... BUT COULD BE SERVING A LOT MORE.

Each intermediary we surveyed reaches, on average, **85 nonprofits a year.**

But the demand is far higher; most intermediaries also tell us they were approached by far more organizations than they could work with in a year. Taproot knows from our prior field research that **92% of nonprofits** say they could use more pro bono.

FTI Consulting and Taproot Foundation, September 2011. Product Concept Research Summary.



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WHAT'S STOPPING THEM? CONNECTING TO MORE, AND BETTER-PREPARED, NONPROFITS.

Nonprofit readiness—the ability of a nonprofit partner to fully and effectively engage pro bono resources—remains a concern for intermediaries who provide those resources: the most common reason for turning away a nonprofit applicant was that the intermediary did not think the nonprofit was prepared for pro bono in general or for the particular service they applied for.

Other common reasons for declining a nonprofit include the nonprofit not fitting basic criteria (such as being outside the intermediary's service area location); the organizational capacity of the intermediary was also cited as a limiting factor.



How can intermediaries create more ready nonprofits and raise the profile of pro bono? After the 2013 Global Pro Bono Summit, participants pledged to train 1000 nonprofit leaders and 1000 board members on pro bono. Can the group meet and exceed that number this year?

WHY DID YOU CHOOSE NOT TO WORK WITH NONPROFIT APPLICANTS?

(Ranked from most to least popular answer)

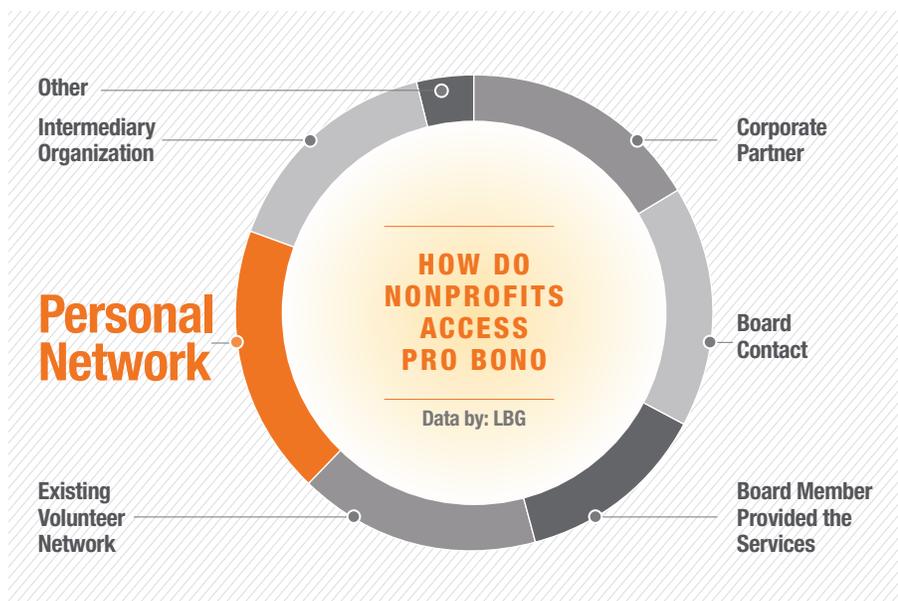


- 1 We didn't think the nonprofit was prepared for pro bono or that particular service
- 2 We don't offer the service
- 3 We do not support the nonprofit's issue area
- 4 The nonprofit is outside our service area
- 5 We didn't have pro bono consultants with the right skill set
- 6 We didn't have organizational capacity to manage the project
- 7 We didn't have enough pro bono consultants
- 8 We didn't have funding to deliver the service
- 9 Other

Why aren't we seeing more of the right set of nonprofits? General awareness of pro bono, and the potential of pro bono service, could be an issue. According to a March 2013 study by Capital One and LBG Associates, of organizations that reported not using pro bono, 25% said they "*did not know about pro bono service*".

LBG Associates (March 2013), in partnership with Capital One, Common Impact, Points of Light and Taproot Foundation. Corporate Pro Bono Readiness.

Even if they know about pro bono, nonprofits might not know about the power of intermediaries to bring them good resources. The same LBG Associates survey reported that only 17% of nonprofits who did get pro bono, got it through intermediaries.



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IF WE CAN MAKE IT EASIER TO ACCESS GOOD PRO BONO, WE'LL BE DOING THE SECTOR A HUGE SERVICE.

The 2013 LBG survey notes that of nonprofits who did not use pro bono, finding the right provider was by far the greatest obstacle—**47% said they did not know how to access pro bono service.** Identifying the right need was also a major challenge—**19% said they did not know what type of support their organization needed.**

(LBG Associates (March 2013))

This research reinforces independent research by the Taproot Foundation: articulating needs and finding the right resources are keeping many nonprofits from accessing high-quality pro bono through intermediaries.

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INTERMEDIARIES WANT TO OPTIMIZE THE PRO BONO MARKET—AND THERE ARE PLENTY OF WAYS TO DO SO.

The intermediary organizations we surveyed offered services in a range of functional areas, *from Marketing to Facilities*. When it comes to the work we actually do, however, the allocation looks a little different—we’re doing a significant chunk of our work in *Marketing, Communications, and PR; Design and Strategy* are the runners-up.

Are we tackling the areas of greatest need (and taking best advantage of the professional skills at our disposal)? According to a 2012 study from TCC Group and the Weingart Foundation, nonprofits self-report a wide range of capacity building needs. The biggest gap between those needs and the services we’re delivering appears to be in talent management, including leadership development and HR management.

(TCC group, in partnership with Weingart Foundation, M.J. Murdock Charitable Trust. Building the Capacity of Capacity Builders: How Funders Can Strengthen Organizations that Provide Consulting, Training, and Other Management Assistance Services to Nonprofits. March 2012.)



Are intermediaries tackling the areas of greatest need and taking best advantage of the professional skills at their disposal?

SELF-AWARENESS OF NEED FOR ORGANIZATIONAL STRENGTHENING

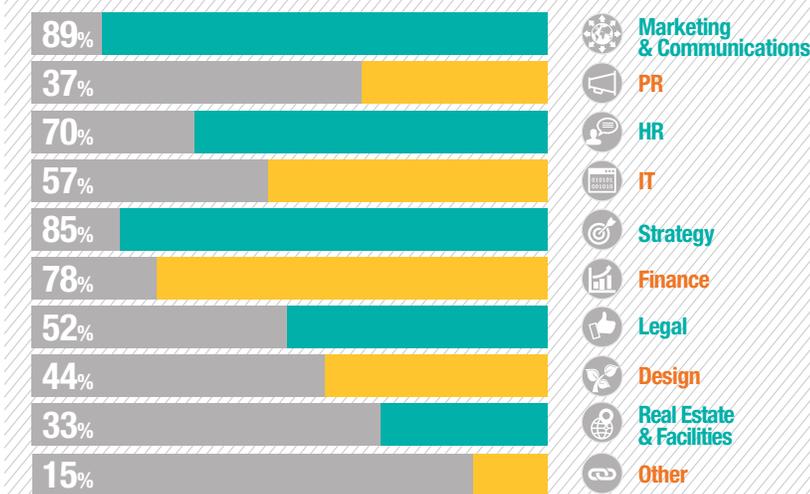


Data by: TCC/Weingart

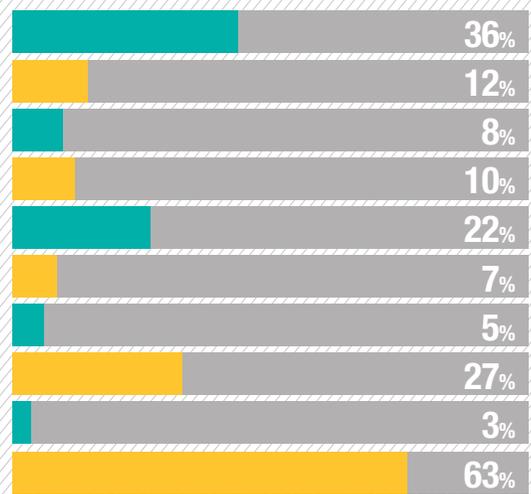
One thing is clear: when it comes to pro bono versus paid capacity building, there appears to be more than enough work to go around. According to a 2013 Compass Point survey, “The State of Nonprofit Consulting”, 59% of the nonprofit respondents were forced to forgo needed consulting services in the previous 2 years. For most of those organizations, financial constraints were the limiting factor: 90% said they did not have funding, and 25% said that **“the available consultants were too expensive.”**

(Compass Point. The State of Nonprofit Consulting: National Survey and Focus Group Highlights. February 2013.)

IN WHAT FUNCTIONAL AREAS DOES YOUR ORGANIZATION OFFER PRO BONO SERVICES?



WHAT PERCENTAGE OF YOUR WORK FELL IN EACH OF THESE FUNCTIONAL AREAS IN 2013?



MOST SERVICE ENGAGEMENTS DELIVER A LOT OF CONSULTING HOURS, AND MOSTLY IN PERSON.

The average service engagement delivered about **85 hours of service**, over the course of about 9 weeks. A full third of organizations reported that **none of their work was virtual**.

As for service models, a few organizations charged volunteers (7.1%) or nonprofits (26.6%), but most did not. By far the most common model for an engagement was team projects.

WHAT PERCENTAGE OF THE PRO BONO WORK YOU FACILITATE FALLS IN THE FOLLOWING SERVICE MODELS?



Loaned employee: an individual or team uses a sanctioned leave of absence to pursue a pro bono project.	26%
Coaching: an individual matches up with a nonprofit peer to share functional expertise. Typically, coaches do not do complete deliverables, but advise on work the nonprofit employee is doing.	4%
Marathon: teams or organizations work on a pro bono project for a short, predetermined time frame (usually 24 hours).	28%
Solo projects: individuals are matched with a nonprofit to complete a specific scope of work.	33%
Team projects: teams are matched with a nonprofit to complete a specific scope of work.	53%
Open-ended outsourcing: an organization provides pro bono service to one or more nonprofits on an ongoing, as needed basis.	9%
Other	16%



Is there an opportunity for intermediaries to learn more from other models, even the models they don't plan to use?

HOW MANY PRO BONO HOURS DO YOU DELIVER ON A TYPICAL PROJECT?



1 – 20	7.7%
21 – 40	23.1%
41 – 60	3.8%
61 – 80	15.4%
81 – 100	7.7%
101 – 150	23.1%
> 150	19.2%

WHAT IS THE DURATION (FROM KICKOFF TO CLOSE) OF A TYPICAL PRO BONO PROJECT?



< 1 week	6.7%
1 – 2 weeks	0.0%
2 – 4 weeks	10.0%
1 – 3 months	36.7%
> 3 months	46.7%

HOW MUCH OF YOUR PRO BONO WORK IS CONDUCTED VIRTUALLY?



0%	33.3%
1 – 25%	16.7%
26 – 50%	16.7%
51 – 75%	23.3%
75 – 99%	10.0%
100%	0.0%

7

INTERMEDIARIES HAVE A LOT OF GREAT PRO BONO CONSULTANTS AVAILABLE... BUT THEY'RE NOT USING ALL OF THEM.

40% of intermediaries have more than **1000 consultants in their database**. The majority of those volunteers are unaffiliated (meaning they don't come in through partners such as companies or universities).

HOW MANY PEOPLE DO YOU HAVE AVAILABLE AND TRAINED TO PROVIDE PRO BONO SERVICES?



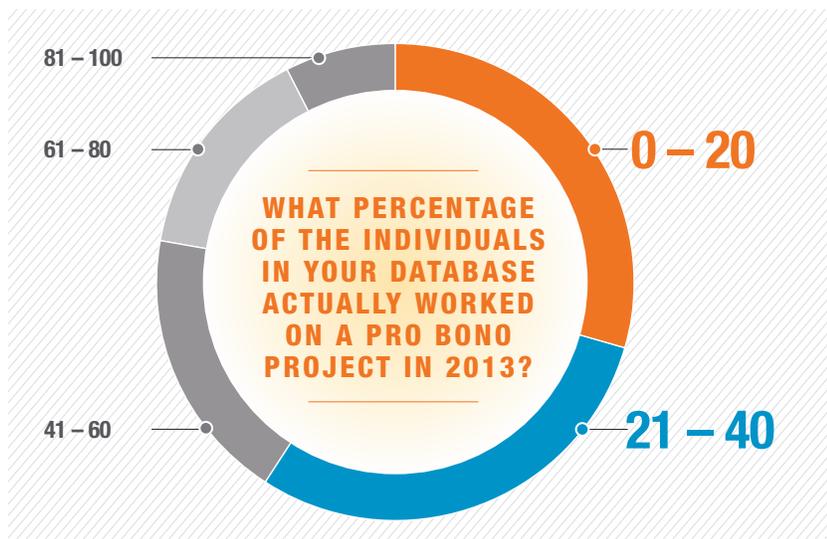
< 1000	20%
100 – 500	26.7%
501 – 1,000	13.3%
1,001 – 5,000	23.3%
> 5000	16.7%

WHAT PERCENTAGE COME DIRECTLY FROM THESE SOURCES?



Corporate Partners	31%
University Partners	19%
Association Partners	7%
Unaffiliated	57%
Other	44%

Intermediaries aren't engaging many of those volunteers, however; **60% of intermediaries** reported engaging fewer than 40% of those people in 2013.



Can intermediaries do better at engaging volunteers? Do they need to? How could they use qualified pro bono consultants to increase their own capacity to serve more nonprofits?

8

NOT NEWS: OUR BIGGEST CHALLENGE (BESIDES PREPARED NONPROFITS) IS FUNDING.

After ready nonprofits, **the biggest obstacle to scale is funding**—which directly affects our internal capacity. We depend on foundations for a lot of our income, and run very lean for the value we deliver.

While some intermediaries have some corporate partners paying us for services, corporate engagement is one of the biggest opportunities for scaling. According to a recent report from CECF, **“non-cash contributions accounted for more than 95% of the aggregate [corporate] giving increase between 2007 and 2012.”**

(LBG Associates (March 2013), in partnership with Capital One, Common Impact, Points of Light and Taproot Foundation. Corporate Pro Bono Readiness.)

FEEDBACK IS A CHALLENGE IN PAID CONSULTING — CAN WE TURN IT INTO A SELLING POINT IN PRO BONO WORK?

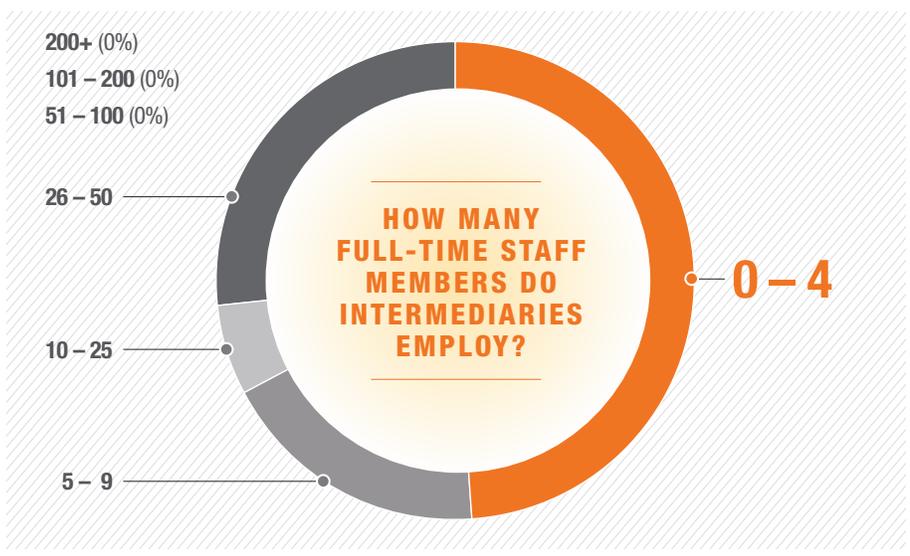
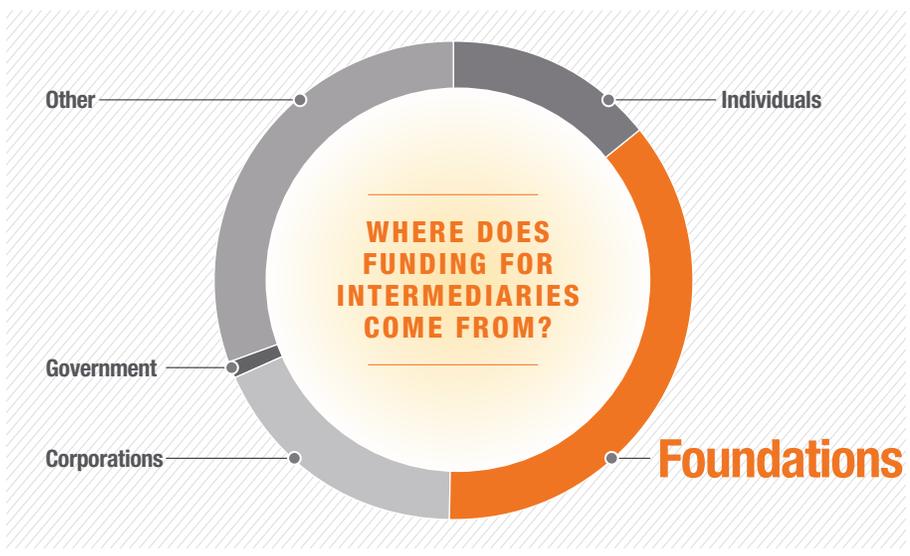
Our intermediary survey did not ask about evaluation—*gathering more data about how we evaluate our success* is an opportunity for the next version of this report.



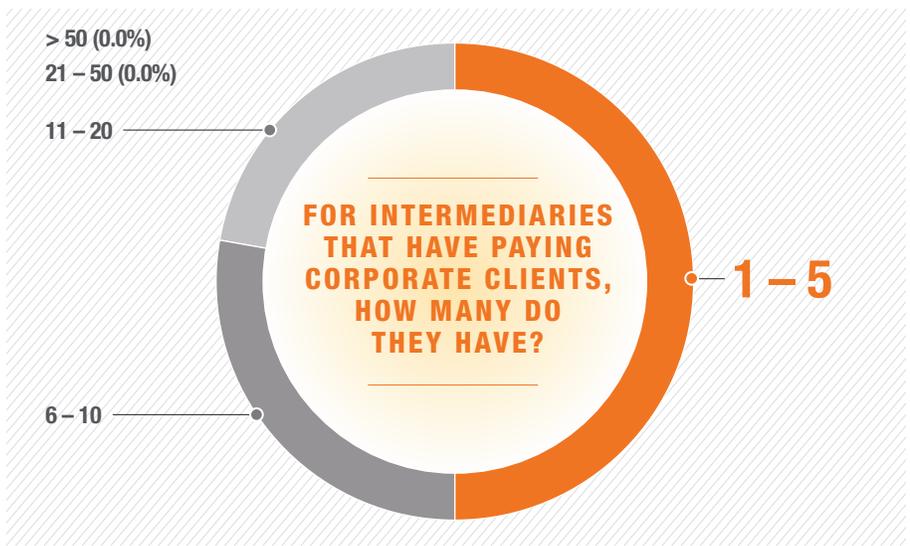
According to the 2013 CompassPoint survey of nonprofits who engaged paid consulting, however, evaluation and feedback is somewhat inconsistent. For example, 30% of leaders regretted that they did not know how to give real feedback to the consultant during the project; 43% of leaders reported that there was no evaluation process at the end of their project; and 46% of leaders have never given a negative reference for a consultant they have worked with. (Compass Point—February 2013)



Feedback is hard. But also necessary! What can intermediaries do to increase transparency in their work, and make that a selling point as they approach nonprofits for services?



And corporations want to do more pro bono in particular. The same CECP report found that **68% of corporate respondents** wanted skills-based or pro bono volunteering to be **26% or more of their program**—but only a third of the corporations surveyed have achieved that goal. This is a great opportunity, as growing corporate partnerships is a reported priority for intermediaries as a whole.



INTERMEDIARIES ARE NOT JUST PRO BONO MANAGERS... THEY'RE ALSO CLIENTS!

The majority of intermediaries reported that a large portion of their budgets came from pro bono, and that they engage a significant number of volunteers in *back-office or professionalized functions to help their own organizations*, as well as in delivering pro bono to nonprofits.

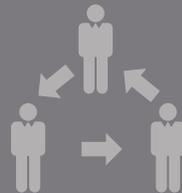
And pro bono works! **80% of intermediaries said** they would be likely to recommend pro bono services to a friend or colleague at a similar organization.

WHAT PERCENTAGE OF YOUR BUDGET DOES PRO BONO SERVICE REPRESENT?



0	7.4%
1 – 25	55.6%
26 – 50	25.9%
51 – 75	7.4%
76 – 100	3.7%

HOW LIKELY IS IT THAT YOU WOULD RECOMMEND PRO BONO SERVICES TO A FRIEND OR COLLEAGUE?



0	3.4%
1	3.4%
2	0.0%
3	0.0%
4	0.0%
5	6.9%
6	0.0%
7	6.9%
8	20.7%
9	10.3%
10	48.3%

HOW MANY VOLUNTEERS DO YOU USE EACH YEAR TO RUN YOUR OWN ORGANIZATION?



0 – 4	43.3%
5 – 9	16.7%
10 – 24	16.7%
25+	23.3%



Intermediaries are the experts here. Can they use more pro bono to increase their own capacity? And how can they use their own experience to tout the value of pro bono?

SUMMARY

Where are the biggest opportunities?

The pro bono delivered by intermediaries is a large and growing segment of the pro bono field. As specialists, intermediaries have a lot to offer, from best practices to data. Working together, intermediaries can make pro bono an even more reliable and attractive source of much-needed resources for the nonprofit sector.

Here are some of the biggest opportunities we see:

1

Compile the right data—and share it.

- Use standard valuation metrics, such as the GECP/ Taproot valuation standards, so that intermediaries can report on the value they deliver in a coherent, powerful way.
- Compile or contribute to intermediary data (such as this report) so that intermediaries can collectively and individually make a good case for growing the capacity, and the impact, of intermediary-led pro bono.
- Work to increase transparency or accountability in the work intermediaries do. Intermediaries can lead the way in making nonprofits feel comfortable giving and receiving feedback, and in using feedback loops to improve the way they are delivering services to nonprofits. This transparency will help intermediaries make the right case for pro bono, increase funding for intermediary efforts in general, and make nonprofits feel empowered and ready for pro bono services.

2

Make pro bono a must-have resource in the nonprofit sector.

- Work on pro bono readiness. The lack of ready-to-go nonprofit clients is one of the biggest challenges to more impact.
- Raise the profile of pro bono with shared or individual marketing and storytelling. Taken together, the impact of intermediaries is greater than the sum of its parts.
- Consider advocacy campaigns or technologies that can make it easier for nonprofits to access the high-quality pro bono that intermediaries deliver.

3

Scale smart!

- Consider how to augment capacity building (rather than duplicating services). Aim to fill those big gaps between what organizations want, and what they can pay for, in capacity-building.
- Look at other models of pro bono service. Diversifying delivery might get more pro bono to more organizations, or interest more funders or corporations in the concept of pro bono.
- Use the supply of underused pro bono consultants to build intermediaries' own capacity. Where could you bring pro bono or other volunteer resources to bear on key challenges for you? And can you use your own successes with pro bono to make a better case for pro bono in general?
- Explore new partnerships or models to address the key challenges to scale. Where in your market is there a potential partner? What can you learn from service models that are very different from your own?

TAPROOT FOUNDATION is a US-based nonprofit organization that is a leader in pro bono service. Through its programs, advisory services support and field-building work, Taproot leads, mobilizes and engages professionals in pro bono service that drives social change.

www.taprootfoundation.org

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