

# Five Tips to Secure Commercial Contracts

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**MzN**  
International



# About us

- ✓ We help NGOs to be better funded, operate better and deploy smarter strategies
- ✓ A social enterprise with many services subsidised. Training is already free for partners.  
**In-person training is back!**



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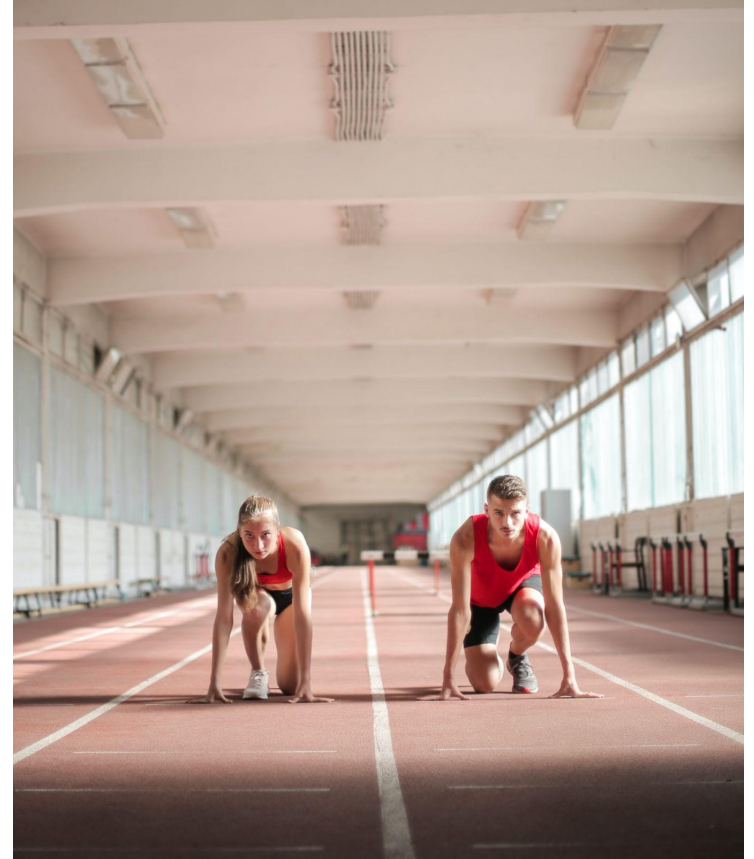
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# Go for it (mostly)...

- Because Commercial contracting opportunities far exceed grant allocations, they could become a key funding source.
- If NGOs don't adapt, it risks the **development and aid sector becoming too commercial**.
- BUT: Commercial contracts prefer achievable projects where **risk is manageable and likelihood to get fully paid is high**. That means marginalized communities could receive even less help.
  - For most NGOs, success will require a combination of grant, contracts and other income sources: For that, a commercially capable organization that remains an NGO at heart will make a huge difference here.

# 1. Get ready and serious

- **Get ready!** Are we set up to contract? Do we know our costings? Can we store a profit?
- **Hit the sweet spot** between commercial viability and a programmatic fit. Serve NGO mandate and earn unrestricted funding. Pre-selection is crucial.
- Define and develop a **realistic plan!**
- **Competition.** Don't mirror the competition, add your NGO characteristics as a unique selling point.





## 2. Be prepared to make a fast decision

- **Short timelines.** Make go or no go decision fast, typically within 3 to 7 days.
- NGOs struggle with the **Administrative burdens of a contract.** But most of it can be pre-planned. Prior, proper preparation helps to reduce the costs and time of compliance and reporting.
- **Streamlined processes** need to enable critical project decisions to be made in a few days only as contracts are inherently more agile.



### 3. Get used to a new way of thinking about budget

- NGOs usually work with a capped cost budget plus a management fee both set by the donor.
- Commercial contracts **do not** usually come with a **pre-determined price tag**. Bidders put the most innovative, cost-effective and relevant cost structure to suit the projects.
- **Payment by results** needs to be understood.
- A program with a competitive & reasonable budget requires a **change in thinking and detailed knowledge about an organization's own cost base**.





## 4. Build alliances from the get-go

- **Rarely does the lead agency implement a project alone.** Alliances, subcontracting and consortia are the norm. Build them early.
- NGOs are very accustomed to working through implementation partners. **For commercial contracts, this arrangement needs to be better defined, with clearer task delegation and contracts between partners.**

## 5. Rethink project management

- **Managing a commercial contract to the required service level is different from managing a grant program.** Requirements for administration, reporting and management are often more onerous.
- Contracting agency becomes **less of a partner and more of a client** who expects excellent customer service to satisfy taxpayer demands.
- To build long term success, **a new project management mindset is required (from compliance to impact).**





# Training Courses



## Write Winning Proposals

In this course you will learn how to write, manage and negotiate a winning proposal. You will improve your proposal writing skills through exercises on real proposals, case-studies from the world's leading donors and learn together in small groups. Before and after the course, you can benefit from our online learning offers.



## NGO Financial Sustainability

Successful NGOs need the right funding mix to create impact and build a better world. But with donor funds severely restricted, and constantly changing priorities and demands, the key question is how can we build a financially sustainable NGO?



## Write winning proposal budgets and monitor project budgets

The budget is the most frequent reason why proposals fail to win funds. And many projects are limiting their impact due to budget management issues. Let's fix that!

<https://mzninternational.com/training-courses/>

# Stay in touch!

We are here to make doing good better. We help non-profit organisations secure more funding, drive innovation and develop smarter strategies.

By 2030, most of our services to NGOs will be free of charge or subsidised. Training already is.

## CHRISTIAN MEYER ZU NATRUP

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New blog, podcast and upcoming events  
[www.mzninternational.com](http://www.mzninternational.com)



## Upcoming webinars:



### How to Get Donor Mapping Right

20 September 2023

3:00 pm - 4:00 pm CEST



### Write Better Proposals to Secure Better Funding

5 October 2023

3:00 pm - 4:00 pm CEST





**Thank you for listening.**

**Any Questions?**

