CLASS NOTE

B.Com SEM----4

Subject: ENTREPRENEURSHIP DEVELOPMENT(E.D)

TEACHER: DR B.CHANDRA

LECTURE NO. 01

What is resource mobilization?

Resource mobilization refers to all activities involved in securing new and additional resources for your organization. It also involves making better use of, and maximizing, existing resources. Resource mobilization is often referred to as ‘New Business Development’. The figure below shows how New Business Opportunities – which are intended to mobilize resources – form part of an organization’s overall functioning.

Why is resource mobilization so important?

Resource mobilization is critical to any organization for the following reasons:

1. Ensures the continuation of your organization’s service provision to clients

2. Supports organizational sustainability

3. Allows for improvement and scale-up of products and services the organization currently provides

4. Organizations, both in the public and private sector, must be in the business of generating new business to stay in business

What is meant by sustainability?

Although sustainability is often identified with having sufficient funds to cover an organization’s activities, it is actually a broader concept. There are three fundamental streams of sustainability: institutional, financial and programmatic. Each is vital to the survival of an organization. Below are the definitions of these three areas of sustainability:

Programmatic sustainability. The organization delivers products and services that respond to clients’ needs and anticipates new areas of need. Its success enables expansion of its client base.

Institutional sustainability. The organization has a strong, yet flexible structure and accountable, transparent governance practices. Its structure and good governance allows it to respond to the shifting priorities of its supporters and to new responsibilities toward its clients, while creating a positive work climate for its staff.

Financial sustainability. The organization draws on various sources of revenue, allowing it to support its ongoing efforts and to undertake new initiatives.

The strategic plan is the anchor, in which an organization’s programs, structure and systems, as well as financials are reviewed and new business opportunities are identified. These new directions or new business opportunities are then pursued using a distinct resource mobilization strategy, such as writing proposals, submitting grant applications, or drafting business cases or business plans. All of these instruments are designed to showcase an organization’s programs, institutional structure, and financial health.

In signing off, I would like to share with you 10 truths about resource mobilization:

1. Organizations are not entitled to support; they must earn it.

2. Successful resource mobilization requires a lot of work and takes a lot of time.

3. If your organization needs additional revenue one year from now, start today!

4. Be ready, willing and able to sell your organization and the programs for which you are raising money.

5. Resource mobilization efforts should align with your organizational mission, objectives and strategic plan.

6. Resource mobilization is also about the needs of the (prospective) funder.

7. Understand the needs of your clients (target population/funders).

8. Be prepared to provide evidence-based results.

9. Your organizational performance today impacts your ability to generate resources tomorrow.

10. You must establish and maintain organizational credibility and reputation.

Resource mobilization is the process of getting resources from resource provider, using different mechanisms, to implement an organization's pre-determined goals. It deals in acquiring the needed resources in a timely, cost-effective manner. Resource mobilization advocates having the right type of resource, at the right time, at right price with making right use of acquired resources thus ensuring optimum utilization of the same.

According to resource mobilization theory, a core, professional group in a social movement organization works towards bringing money, supporters, attention of the media, alliances with those in power, and refining the organizational structure. The theory revolves around the central notion of how messages of social change are spread from person to person and group to group. The conditions needed for a social movement are the notion that grievances shared by multiple individuals and organizations, ideologies about social causes and how to go about reducing those grievances.

This theory assumes that individuals are rational: individuals weigh the costs and benefits of movement participation and act only if benefits outweigh costs. When movement goals take the form of public goods, the free rider dilemma has to be taken into consideration. Social movements are goal-oriented, but organization is more important than resources. Organization means the interactions and relations between social movement organizations(SMOs) and other organizations (other SMOs, businesses, governments, etc.). Efficiency of the organization infrastructure is a key resource in itself.

Resource mobilization theory can be divided into two camps:

• John D. McCarthy and Mayer Zald are the originators and major advocates of the classic entrepreneurial (economic) version of this theory, while

• Charles Tilly and Doug McAdam are proponents of the political version of resource mobilization called political process theory.

The entrepreneurial model explains collective action as a result of economics factors and organization theory. It argues that grievances are not sufficient to explain creation of social movements. Instead access to and control over resources is the crucial factor. The laws of supply and demand explain the flow of resources to and from the movements, and that individual actions (or lack thereof) is accounted for by rational choice theory.

The political model focuses on the political struggle instead of economic factors. In the 1980s, other theories of social movements such as social constructionism and new social movement theory challenged the resource mobilization framework.

Types of resources

Edwards and McCarthy identified five types of resources available to social movement organizations

• Moral: Resources available to the SMO such as solidarity support, legitimacy and sympathetic support. These resources can be easily retracted, making them less accessible than other resources.

• Cultural: Knowledge that likely has become widely, though not necessarily universally, known. Examples include how to accomplish specific tasks like enacting a protest event, holding a news conference, running a meeting, forming an organization, initiating a festival, or surfing the web

• Social-Organizational: Resources that deal with spreading the message. They include intentional social organization, which is created to spread the movement's message, and appropriable social organization, which is created for reasons other than moving for social change. Examples include spreading flyers, holding community meetings and recruiting volunteers.

• Material: Includes financial and physical capital, like office space, money, equipment and supplies.

• Human: Resources such as labor, experience, skills and expertise in a certain field. More tangible than some of the others (moral, cultural and social-organizational) and easier to quantify.