

**Presentation**

*for the Board Meeting*

**Social Synergy Foundation**

*([sosynergy.org/info](http://sosynergy.org/info))*

*02nd October, 2023*

*In continuation of presentations made on 14<sup>th</sup> December, 2022 & 24th March, 2023*

**“Do not be deceived: Bad company ruins good morals.”**

*First Corinthians, 15:33*

## **Context of the presentation (1 / 2).**

- Social Synergy Foundation was registered under the section 8 of the Companies Act, 2013, on the 14th March, 2014 to provide organisational development support to civil society actors. It is presently in the 10th year of its operation, and over this past decade, it has had the occasion to work with over 50 different non-profits and three institutional donors.
- Over this time, it has also generated a surplus of over Rs. 50 lakhs. As a publicly registered body, it is incumbent that it handle this surplus responsibly. Accordingly, it effected a Surplus Distribution Policy in 2019 under which it has donated nearly Rs. 9 lakhs till date.
- Beginning 2021, SSF started a formal apprenticeship programme to institute a mechanism whereby one generation is able to transfer its know-how to another. So there is only one apprentice; nonetheless this experience has sparked conversations on how to respond to inter-generational differences without deviating from the core.

## **Context of the presentation (2 / 2).**

- Cumulatively then, its practice, its surplus distribution policy and its apprenticeship programme have validated the founding premise behind SSF: how decisions are made lies at the heart of any organisational development practice and that the quality of any decision is foremost determined by the moral basis behind it.
- It is the function of Governance which is charged with upholding this moral basis and thereby this function constitutes the heart of any organisation. A decade of experience has also brought home the fact that it is also the weakest link in civil society today. Therefore, much of SSF's practice today is concerned with strengthening governance mechanisms of its clients.
- It is but natural that if SSF is to advise its clients on governance, it must always strive to keep its own house in order. This presentation attempts to formalise the scheme of SSF's governance. A result of several conversations, it aims to bind together all who may be involved closely with SSF today, and in the future.

## **Notable influences that have shaped SSF's practice.**

- Literature in regional Indian languages.
- A variety of religious literary / scriptural sources.
- The evolution of Berkshire Hathaway as a conglomerate.
- The principles of value-investing in the field of finance as articulated by Prof. Benjamin Graham.
- Teachings of M. K. Gandhi and Dr. Ambedkar.

## **Principles that inform SSF's practice** *(and their realisation).*

- **Always attend to** small & medium-sized organisation: *intended from inception and focus sharpened over time.*
- **Find meaning through** reciprocity: *innate to character of founding team; realisation articulated more clearly from 2021 onwards.*
- **Hold on to** the meaning of trusteeship and custodianship: *importance made plain after a chance to work with a wider range of organisations after COVID-19 as well as working with the next generation across our clients.*
- **Strive to** behave as an institution through marrying claim and conduct: *a result of engaging with the question of what is an institution since 2018.*
- **Remain** small, independent and accountable: *an innate preference, now firmly resolved-for-good as a central principle of governance.*
- **Stay close to** the true meaning of the word professional at all times: *crystallised through conversations and experiences gathered under the apprenticeship program.*

## **Our mandate.**

Our long-term mission is to assist small and medium-sized non-profits in India to preserve and grow their intangible (institutional) capital, as well as counsel donors to carefully 'invest at the margin' in institution-building of these non-profits so as to contribute to the creation of steady, consistent and durable impact over a period of time.

**Unpacking the mandate after a decade.**



## Engagement with the long tail in the current portfolio.

Category	Number of organisations	% of Portfolio
Micro (0-1 Cr)	6	27%
Very small (1-3 Cr)	7	32%
Small (3-7 Cr)	5	23%
Medium (7-15 Cr)	2	9%
Large (15-40 Cr)	1	5%
Very Large (>40 Cr)	1	5%

} 82%

*As of 31st March, 2023, 82% of organisations that we have worked with lie in micro, very small and small category.*

## **‘Institutions’**

An institution is that which enables its participants to be part of a collective, contribute to it without sacrificing their individuality, and benefit handsomely from this process of participation itself. All institutions, without exception, exist to help society achieve a sense of balance. **It is their willful and unnatural abuse which results in disequilibrium.**

*For more details, please refer to [sosynergy.org/whatareinstitution](http://sosynergy.org/whatareinstitution)*

## **Counselling donors to ‘Invest at the margin’**

Till date we have engaged with three donors: Womanity Foundation, Welthungerhilfe and Ford Foundation. To all three, we have counselled them to direct small sums of money regularly on strengthening culture, governance and administration (the core of institutional capital), instead of large programmatic funding or series of projects.

## **‘Preservation’, + ‘Steady, consistent and durable’**

Accordingly, our stance has evolved over years from one of directing (consultant), to caring intensely as an owner-investor who is possessive and imposing himself, to one of participation as an **owner-entrepreneur** who deeply trusts and values those he is cooperating with.

## An ‘owner-entrepreneur’ and ‘custodianship’

An owner-entrepreneur is one who plants a seed *today* and **watches over it** so that it bears **fruits** *for several generations to come*.

An owner-entrepreneur to whom members of society have willingly entrusted their property becomes a custodian.

In law, and spirit, every civil society organisation is obligated to behave as a custodian who safekeeps a commitment to preserve public institutions.

The test of custodianship therefore forms the primary test to govern SSF, i.e., **to watch over** whether SSF is able to bring to the fore this principle in its work and conduct.

**The starting premise: What is to be a professional?**

## **A real-life anecdote ...**

A doctor, the elder son of a middle-class joint family in Indore, purchases a car. Back in the 1980s, a car was both a novelty and a statement of status, not to forget that, to be a doctor in the Indore of 1980s too was no small feat. The son after all was “accomplished”, and the car was a further sign of having “arrived”. The son enters the home, proudly announcing the purchase of his new toy, expecting to hear congratulatory words.

The mother however stares right back, and without a moment’s hesitation, in a room full of the father, the second & younger son and the two daughter-in-laws, delivers a stern warning to her eldest son that “**he better ensure his patients do not end-up paying for his fancies, else the car is going back to where it came from.**” The apparently happy occasion was, of course, duly busted and dusted up and an important lesson taught (for life).

... The lesson taught was certainly effective for the daughter-in-law of the younger son, now in her early 60's, could not fail to vividly recount it even after 30 long years to two young strangers.

**In its core**, this lesson highlighted the fact that a family ought to operate on a **time-tested value-system** carefully guarded by the elders, who were to be given the respect they deserve. The duty of each member of the family, including its guardians, was to ensure their conduct did not cross the bounds.

**Hidden within** is more obvious (lesson) was another: the idea that a professional is, by definition, “first and foremost a trustee of true public interest.” The son had to, at all costs, uphold the ethos of his profession. By no means, a specialized qualification was to be misused **to satisfy private desires, whims and wants at the expense of the public needs.**



## **The basis of Social Synergy Foundation.**

That, then, is the tradition – good old-fashioned family values and trusteeship – to which are attached the roots of Social Synergy Foundation (SSF): the desire to live by the ethos that “character in conduct” shall precede all other considerations.

It (SSF) belongs neither to the Left nor the Right. It is simply conservative: aiming **to preserve the good of the past in the chaos of the present**. It has no “developmental agenda” of its own and does not subscribe to any isms apart from what can be understood from the **actions men of wisdom from the past**.

Nothing exemplifies the idea of conservatism more than that of institutions. It is the reason that the entire professional practice of SSF is closely held to align to the idea of “institution-building”.

## Addressing a myth.

**Myth:** *You* can afford to speak of values and trusteeship only because your own financial interests are taken care of. The practicalities of life mean that others still have to struggle to break their bread and cannot afford to do this. In short, you are taking a moral high-ground.

**Response:** An analogy is helpful: the definition of the discipline of value-investing is publicly available for nearly a century now, and many in the world of finance are aware of it. Yet, why do so few practice it **consistently and without fail?**

The choice of to do a certain kind of work is not a choice of circumstances, but one of temperament. Some individuals are naturally inclined to think and act in a certain manner *no matter what*. They are naturally drawn to certain role models while others are drawn to others. In our view, **it is a matter of aesthetic or taste.**

...

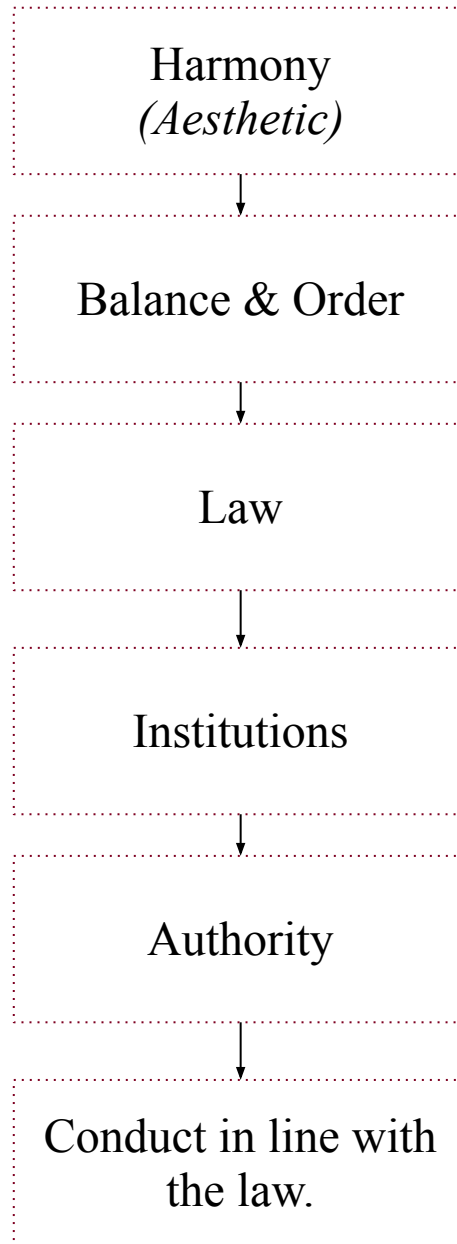
The current members of Social Synergy have a temperament (aesthetic) which makes them suitable to operate only in this manner. Their bread is broken out of the work they do aligned to ethos of “being a professional”.

If they tried their hands at anything else, including a corporate career, they would not only fail but also put their families in financial jeopardy. Not only us, but quite a few of the clients that SSF works with, too seem to confirm that some people are naturally predisposed to the aesthetic behind the idea of a civil society.

The idea that acting, using the frame of first-person plural (**We**), is more fruitful than a first-person singular (**I**) is neither circumstantial nor optional but **constitutional and habitual to some**. And this idea of acting from the frame of **We** begins from *after gaining conviction in* a particular way of thinking.

*Expanding the “We” ...*

## *We, the people of India, ...*

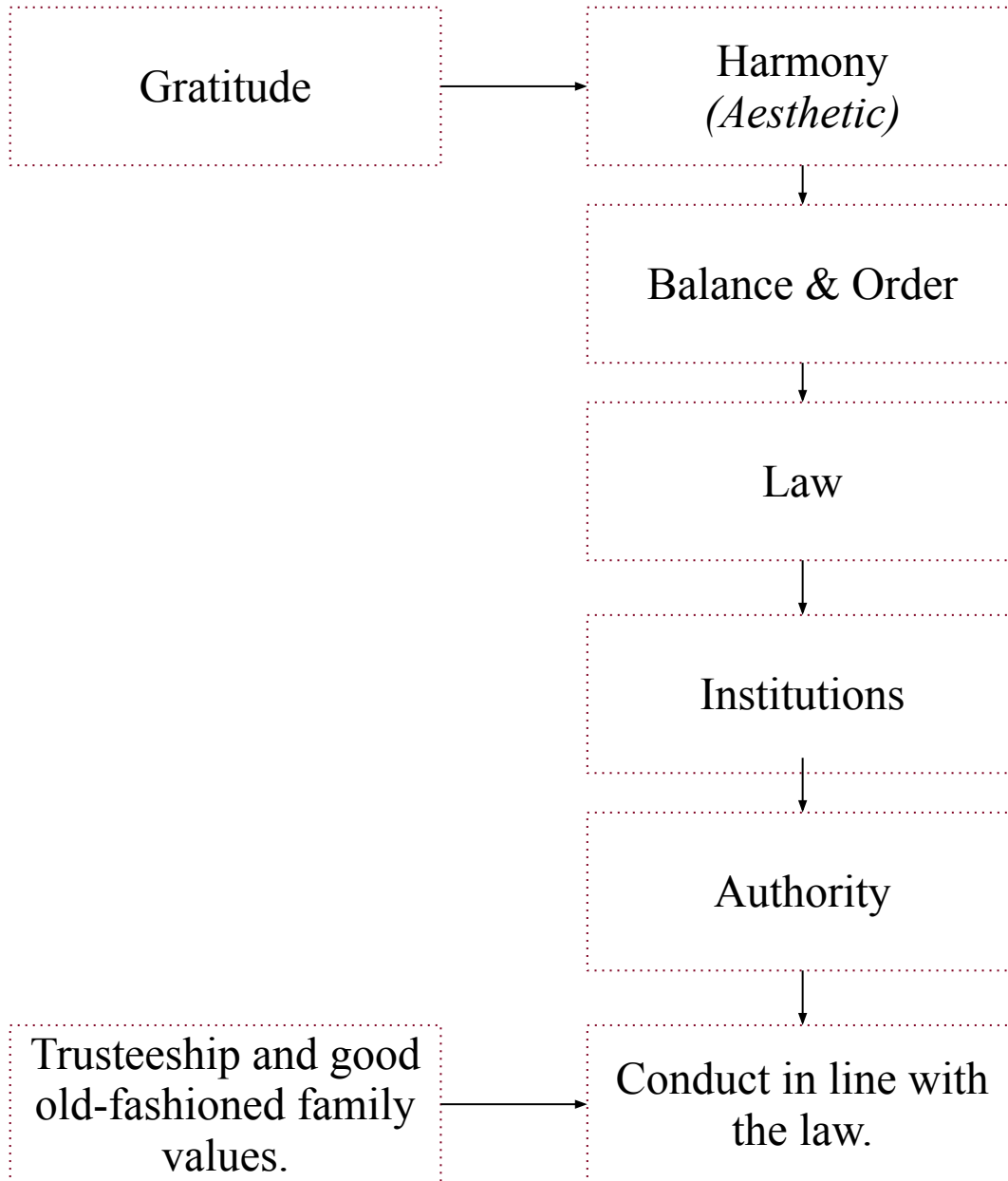


*What enables acquisition of aesthetic of harmony?*

## *An Attitude of Gratitude*

How can I participate in societal institutions from whom I have drawn much and for all that they have generously given me? In other words, how may *I reciprocate to repay my debts?*

## *We, the people of India, ...*



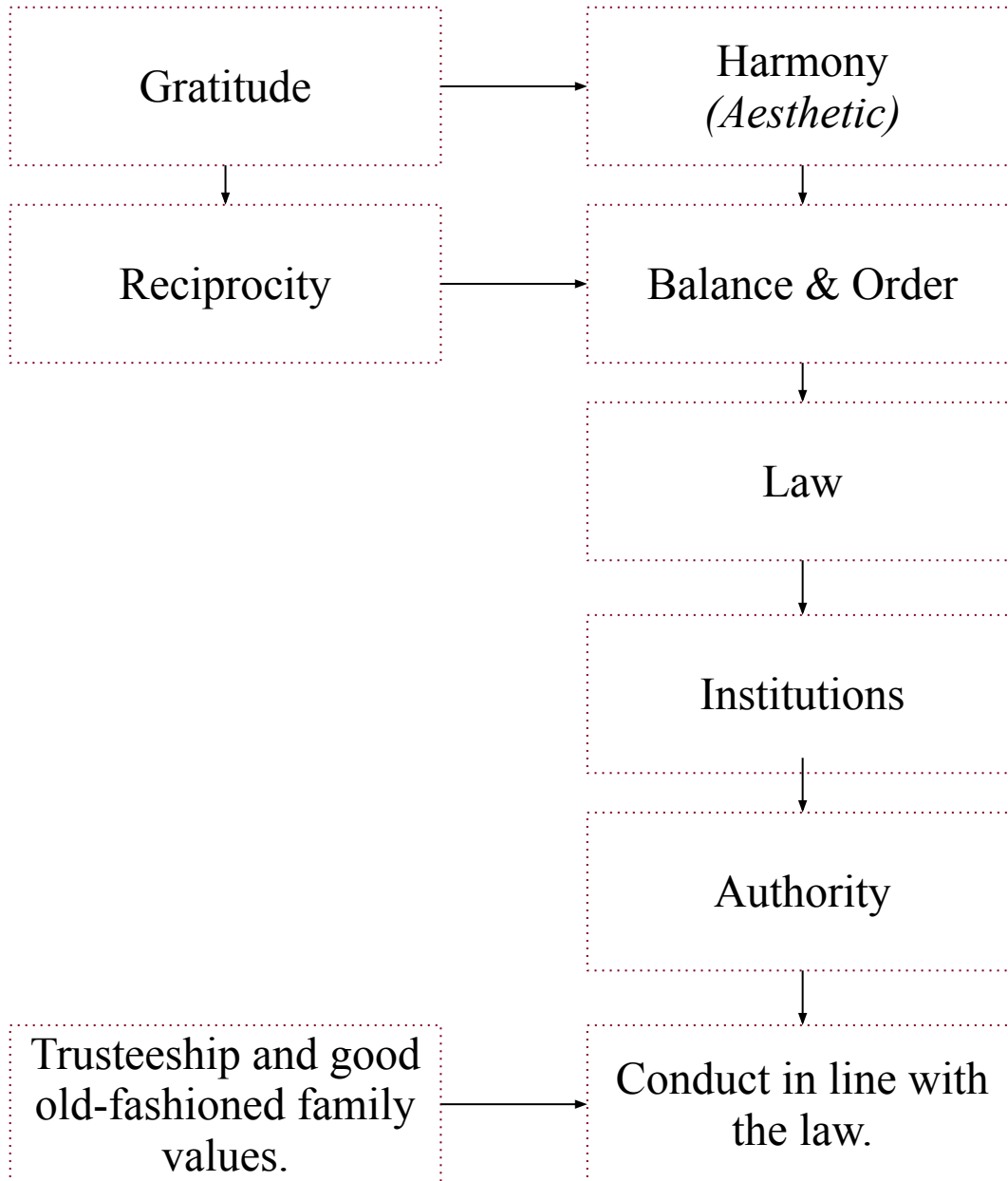


**Practising gratitude.**

# Reciprocity

*Reciprocity is the forging, sustenance and deepening of a **self-reinforcing mutually beneficial** relationship between persons or collectives.*

## *We, the people of India, ...*



...

A self-reinforcing mutually beneficial relationship, in turn,

- is one which does not cause harm to either side;
- offers benefit to both sides in an equitable (not equal but fair) manner;
- provides an opportunity to each to rise above their own self-centred considerations, likes, dislikes, prejudices, preferences;
- and thereby, create a whole that is more than the sum of its parts.

*It is based on non-material considerations; or in other words, the basis of the relationship does not lie in expectation of a gain, but in seeing the relationship as an end in itself.*

## **From Gratitude to Goodwill**

Reciprocity leads to the creation of an intangible asset called Goodwill, and goodwill in turn ultimately leads to generosity of strangers. The evidence of over a decade of SSF, both its finances and clientele, stands in confirmation of this.

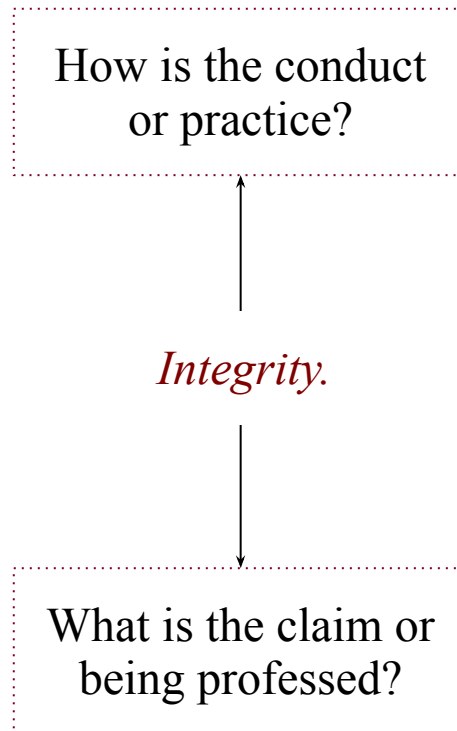
If an undertaking starts with and stays with the the aim to give back to society, the society, in turn, finds a way to sustain that undertaking. That is how SSF has got its work so far and sustained itself financially.

N.B. That is also the reason SSF leans neither Left or Right, as both ultimately end-up taking more than they intend to give.

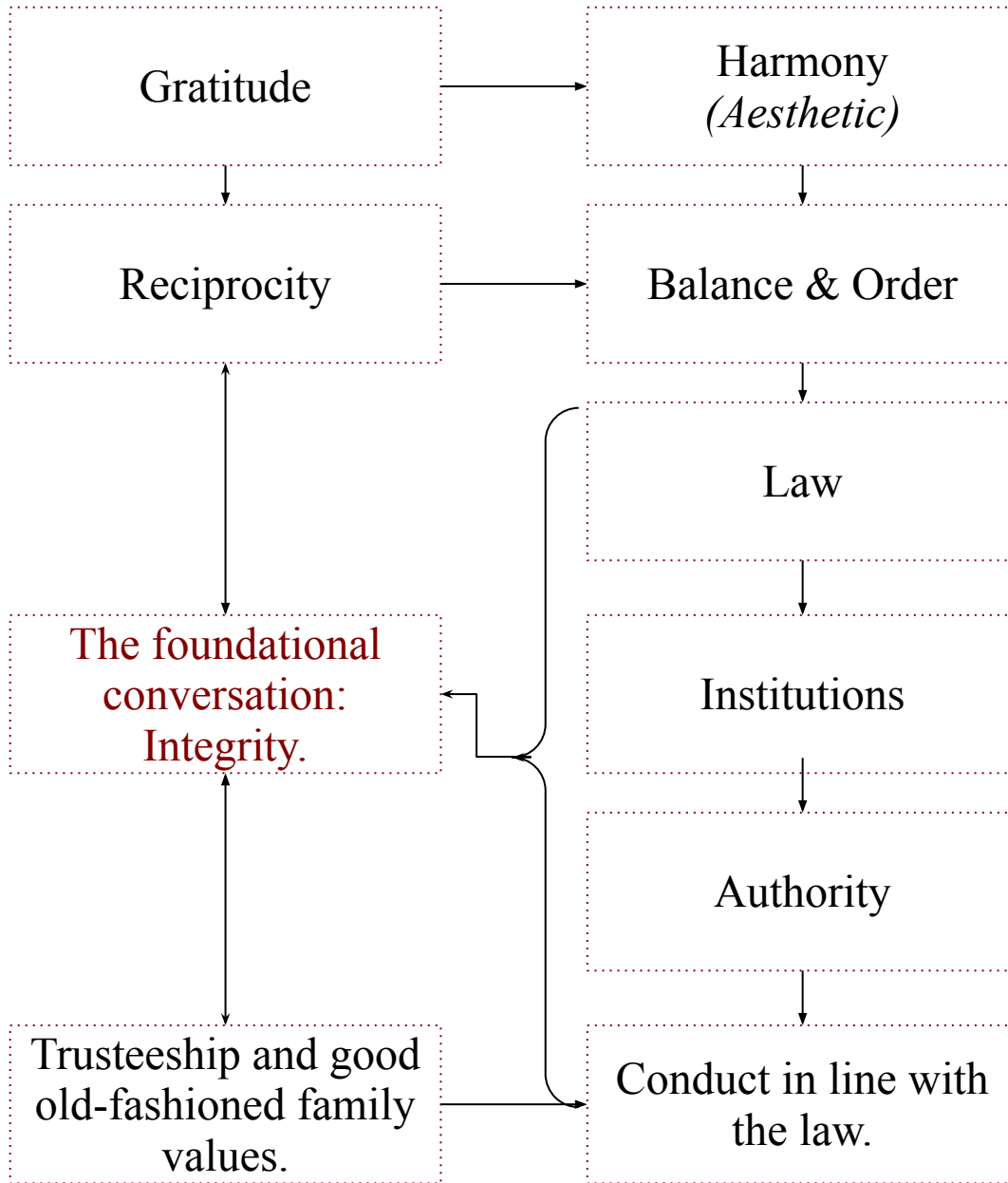
**Establishing goodwill through “conversations”.**

**Conversation:** An inquiry of some consequence between man and man.

# The foundational “conversation”

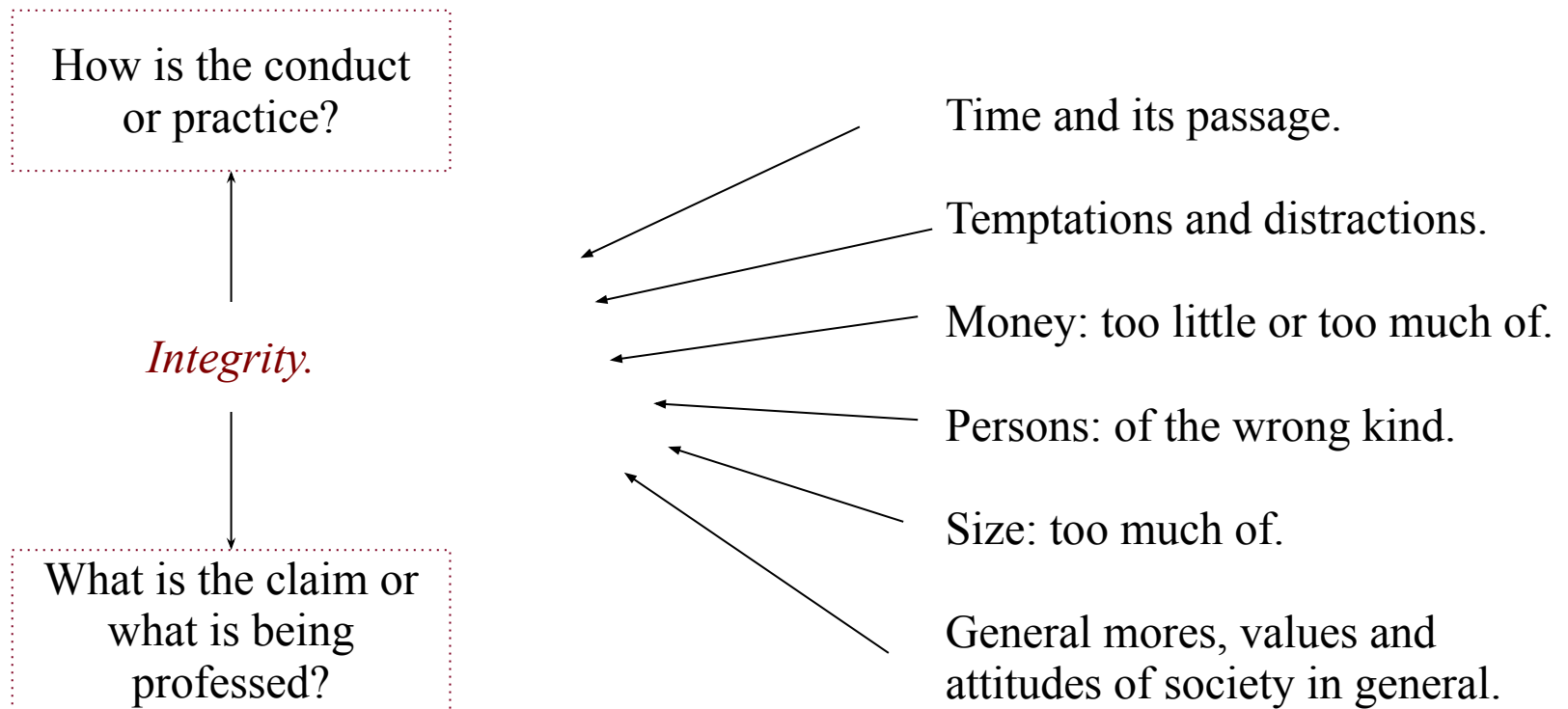


## *We, the people of India, ...*





## Number of factors continually impinge upon it.



**Conversation: An inquiry of some consequence between man and man.**

Skill in language of  
accounts & law.

Skill in nurturing  
relationships.

Skill in designing, and  
organising your own  
thoughts.

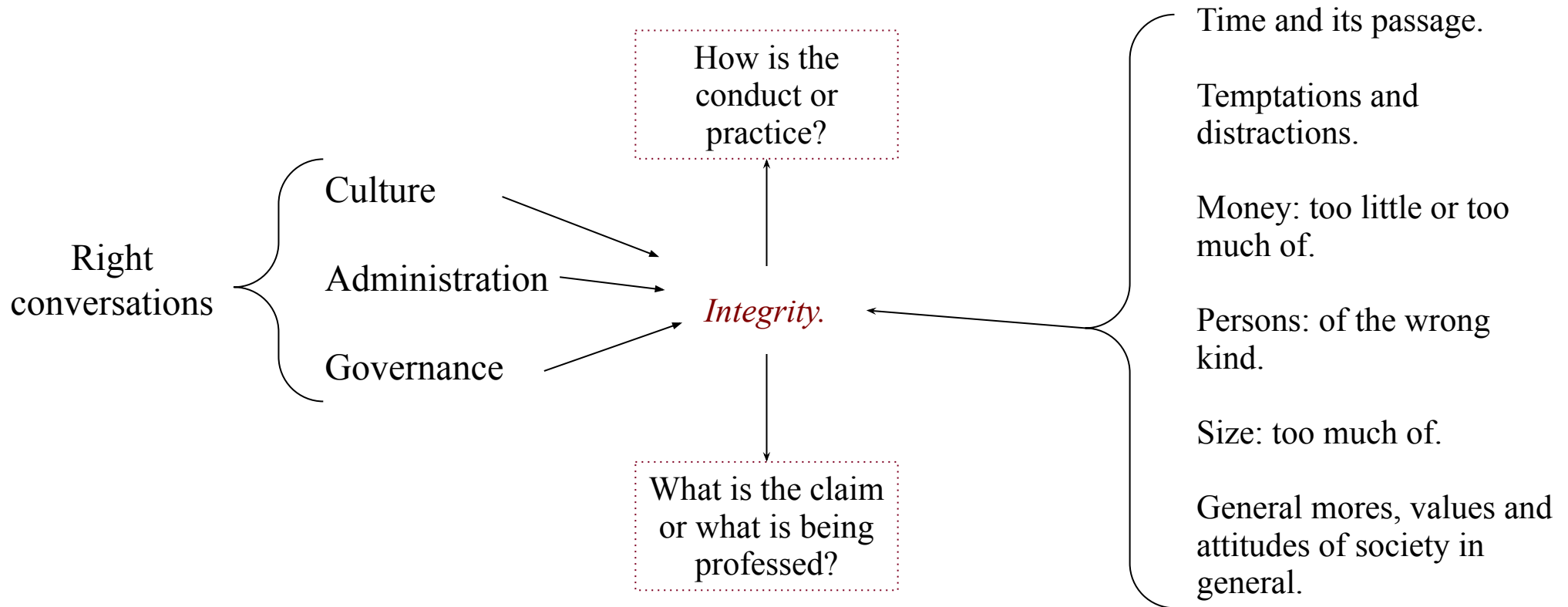
**To Govern**

**To Build**

**To Administer**

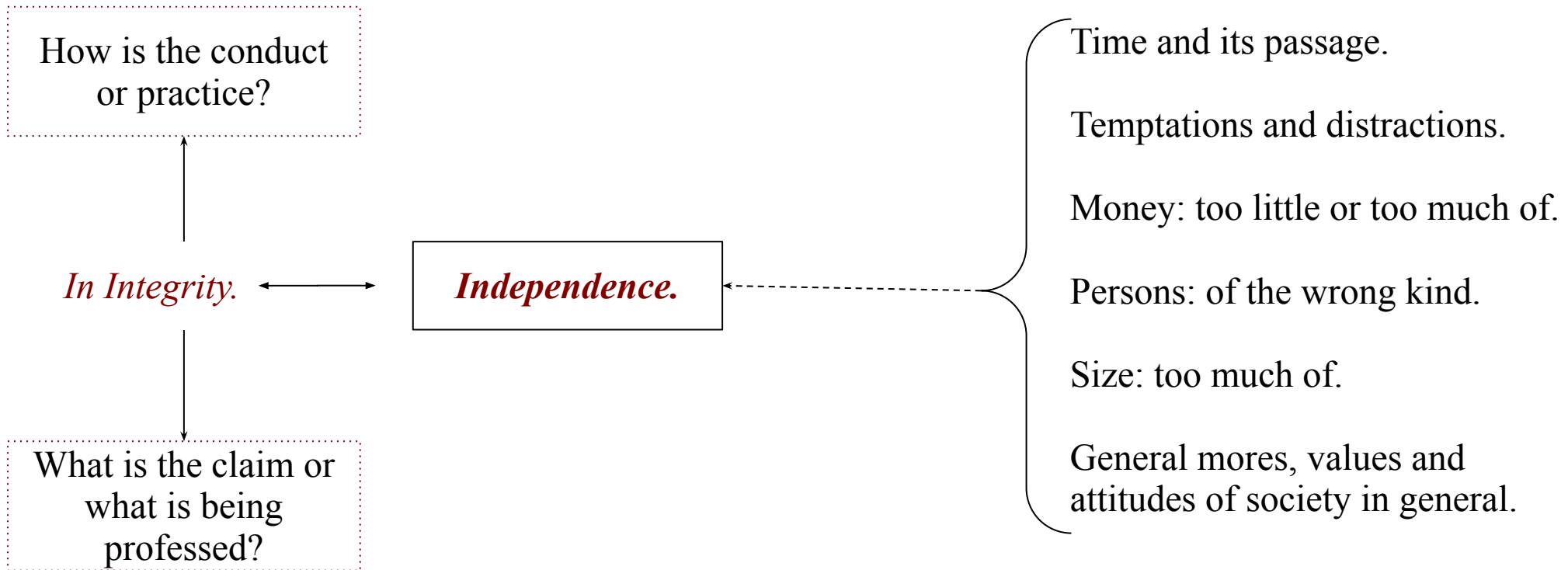
*Three foundational skills of SSF's practice.*

# Civil society needs to counter-act with forces inside

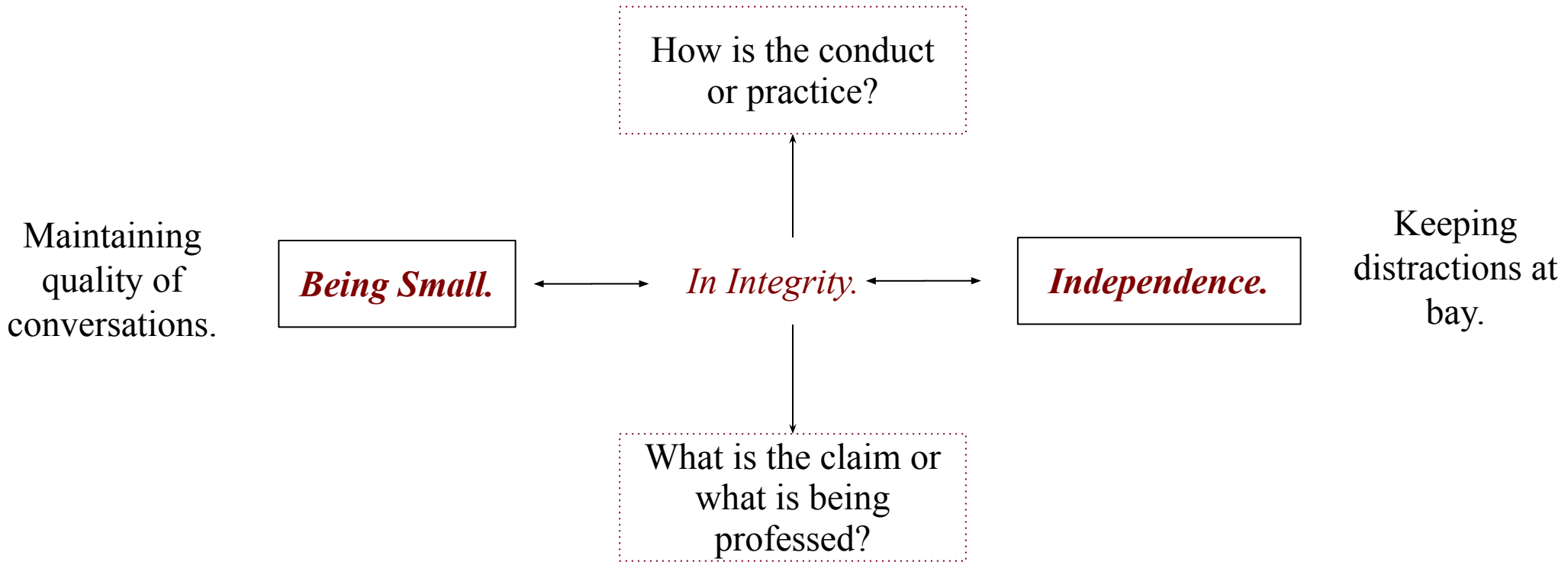


**Practising Integrity.**

# Independence: Fortifying the Institution.

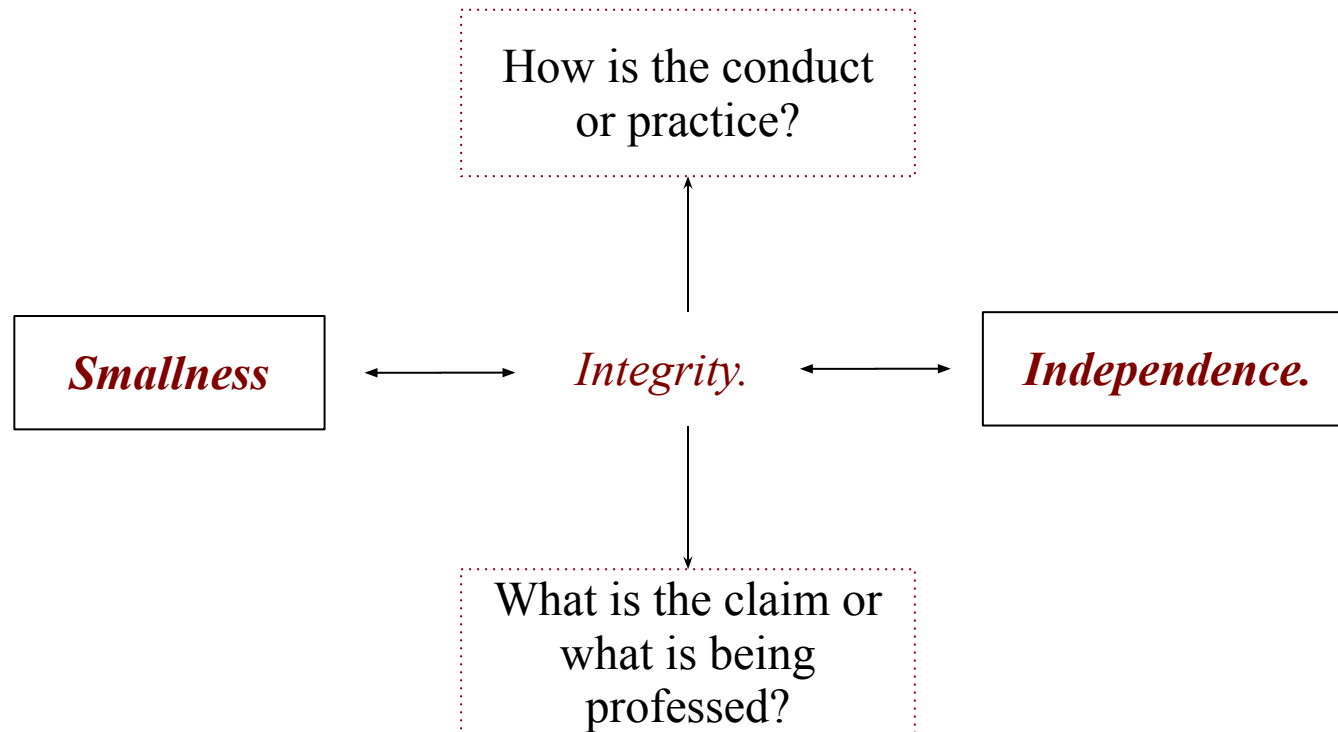


# Being small: enables the quality of conversations to be maintained.



# The permanent form of SSF to preserve Goodwill & Gratitude.

*Being small, independent and accountable.*



## **Implications for Governance at SSF**



## *The “Governing” principle*

*Order you mankind to conscientiousness<sup>1</sup> and forget your ownself while you recite the Writ? Will you then not use reason?*

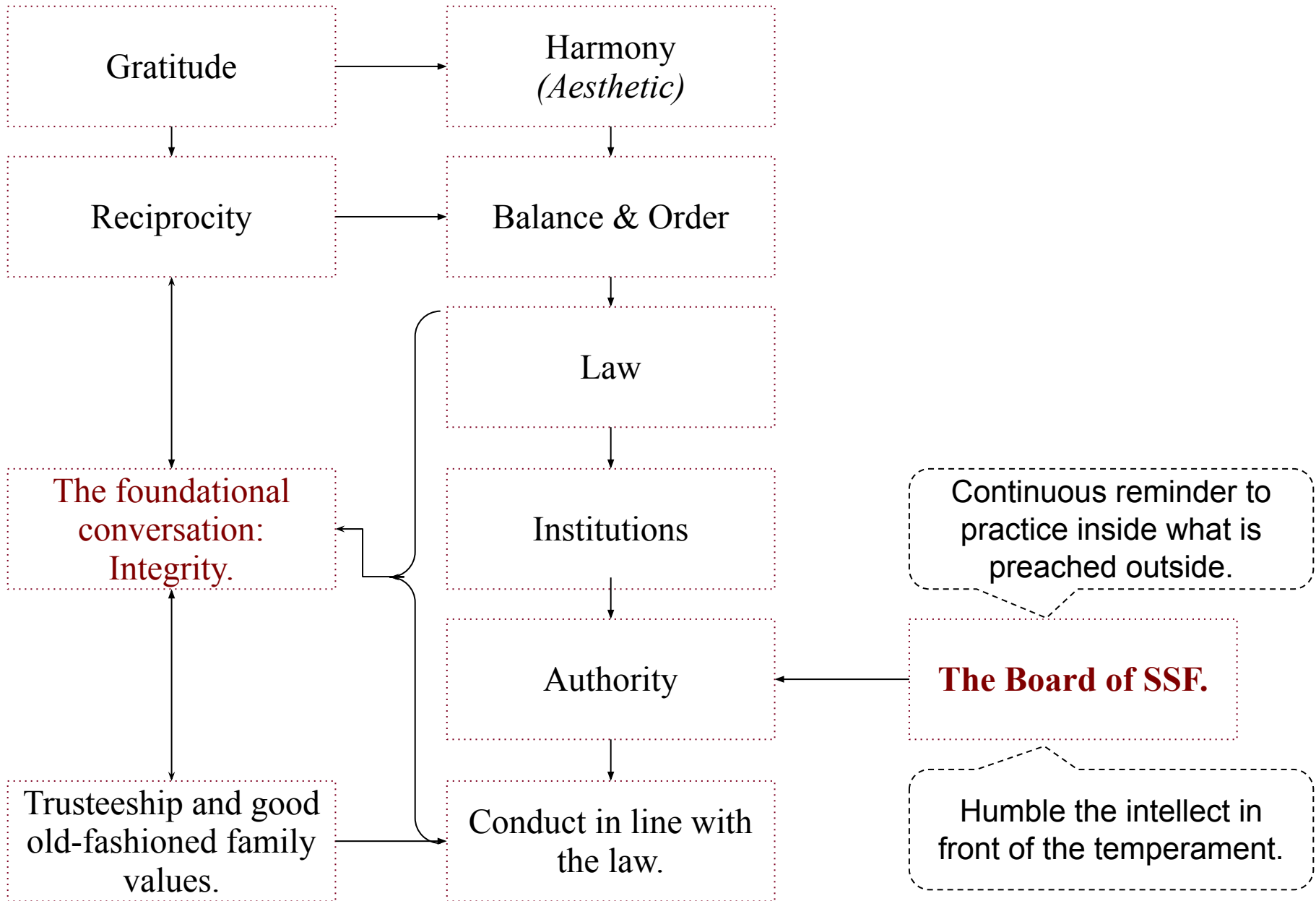
*And seek help through fortitude<sup>2</sup> and close alignment<sup>3</sup>; and, indeed, it surely is difficult except for the ones humble and meek.*

*2:44-45, The Qur'an.*

### Notes:

1. Conscientiousness is the root meaning of the Arabic term *biri* which is also translated. variously. as righteousness, virtue and piety.
2. “Orderly conduct under all circumstances” is the closest English translation of the root meaning of the Arabic term *sabr*, more commonly translated as patience.
3. “Maintaining alignment / not falling out of line” is the closest English translation of the root meaning of the term Arabic term *salat*, most commonly translated as prayer, but also as duty, “following closely”, adherence.

# *We, the people of India, ...*



## The “Conversation” of Governance

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### **Ask.**

- Are you compliant with the law of the land?
- Is your financial integrity intact?
- Who all do you choose to associate with and what kind of relationship do you have with them?
- What is the meaning of your mandate? Has this meaning deepened with time?
- Is diligence in your conduct improving with time, or have you become relaxed?
- Are you making a sincere effort to transfer what you know to others?

### **Don't ask.**

- What is your impact?
- How are you going to scale or grow?
- What is your mission, vision, agenda, strategy and plan?
- How much money do you make? Why are you not interested in making more money?
- Why don't you raise your profile?
- Why don't you expand your team?

**Thank you**