GIVING HOPE

THE JOURNEY OF THE FOR-PURPOSE ORGANISATION AND ITS QUEST FOR SUCCESS

Robinson Roe, Peter Dalton

Giving Hope: The Journey of the For-Purpose Organisation and Its Quest for Success

Robinson Roe • Peter Dalton

Giving Hope: The Journey of the For-Purpose Organisation and Its Quest for Success

Robinson Roe
Managing Director, OneTrust
Australia & New Zealand
Melbourne, VIC, Australia

Peter Dalton
Director, Fundraising Futures
Melbourne, VIC, Australia

Cover Image: © mattjeacock / Getty Images
Cover Design by Ran Shauli

This book is dedicated to Lyndee, Jemima, and Jacob, and to Sharyn, Ross, Brett, and Erin.

FOREWORD

Why write *Giving Hope*?

There is a need for this book because so many brilliant Fundraisers and Fundraising Teams are being restrained, by the very Organisations they work for, from achieving great fundraising.

With over 30 years as a fundraising professional, working with For-Purpose Organisations, their Boards, and Executives across a wide range of causes and countries, I find the fundraising profession remains a mystery to many.

In most of the For-Purpose Organisations I have consulted to, the Programmes Team held the prime position in the organisational pecking order. The Fundraising Team was typically somewhere further down.

This ongoing problem is not simply a lack of recognition of fundraising as a profession or knowledge of best fundraising practice, but how to apply best fundraising practice successfully in an organisational context.

Many of the very best fundraising professionals recruited to For-Purpose Organisations are being set up to fail, even if the Organisation has a good understanding of fundraising. They will fail because the Organisation recruiting them has the wrong structure, the wrong culture, and does not have the organisational learning culture to enable great fundraising to thrive.

I realised what the problem was but didn't know how to solve it, how to change the organisational culture of my clients not only to enable great fundraising to thrive but for great Fundraisers and Fundraising Teams to even survive!

I had at least understood I needed to find an organisational change guru to solve my fundraising problem. What I didn't realise, when I invited Robinson Roe to co-author this book, was the very organisational changes needed to create great fundraising also change how Marketing and Programme Delivery Teams relate to Fundraising and to each other.

Even more profoundly, I discovered that the changes needed to achieve great fundraising can positively impact the entire For-Purpose Organisation and realign it to its purpose.

CFRE FFIA   Peter Dalton
Melbourne, VIC, Australia

CONTENTS

About the Authors

Peter Dalton CFRE is a former National Chairman of the Fundraising Institute Australia (FIA). In recognition of his outstanding contribution to the profession of fundraising, Peter was awarded FIA's 2016 Arthur Venn Fundraiser of the Year. As Principal of Fundraising Futures, he provides strategic fundraising counsel to major Australian and international For-Purpose Organisations.

Robinson Roe is Managing Director of OneTrust Australia & New Zealand; he has a Masters of Management, Bachelor of Engineering, and global experiences of leading teams in America, Europe, and Asia. This combination of experience and academic study has led to the formation of the Integral Organisation Model.

About the Contributing Writer for Chapter 9, Profit with Purpose

Tanya Carter MBus (Marketing), MFIA, is a marketing communications and fundraising professional with extensive experience in senior roles for the public health sector and fundraising, including Austin Health, the Olivia Newton-John Cancer Wellness & Research Centre, and the Royal Women's Hospital. Tanya works with strategic fundraising consultancy Fundraising Futures and a Melbourne-based technology start-up EYEfi Pty Ltd., and is Board Director of the Outback Spirit Foundation and the Graeme Clark Foundation.

List of Figures

LIST OF TABLES

Three Stories

PLAN INTERNATIONAL PART I

Great

Small

No

Great Doubt

Small Doubt

No Doubt

Great Doubt, Great Learning

Small Doubt, Small Learning

No Doubt, No Learning

Zen Proverb

Plan International Chief Executive Officer (CEO) Ian Wishart had great doubt! He was staring at a blank sheet of paper that was to become, under

1

his watch, the fourth strategic plan for Plan International and he didn't know where to start.

Ian knew that Plan International had to change direction. Around the globe the For-Purpose model of children sponsorship was in decline. When asking the inbound contact centre staff what people usually called about, the answer was 'mostly sponsorship cancellations' followed by questions 'where does the money go?' The balance of income from fundraising had now shifted away from most funds coming in through child sponsorship and face-to-face cash giving, to chasing government and NGO grants.

Plan International's programmes and fundraising activities needed reshaping, or to evolve or be revolutionised, but to what, and how? With great doubt comes great learning. Ian sent the Plan International Team out to learn about what other Organisations were doing, both For-Purpose and For-Profit. They read books and white papers outside of the normal reading list for a For-Purpose Organisation. They visited other companies and spoke with business leaders, consultants, and the board members.

From these learnings, a paper was produced and presented to the board. The board, already in agreement with Ian's belief that Plan International had to change, said it was a good start but it didn't go far enough. With the board's encouragement and blessing, Ian's team went even broader. This support gave the team courage to look in places that may have been previously dismissed.

From all this work, two management concepts started to take centre stage. They were Lean Thinking and Agile Development with both having roots in the same place, the Toyota Production System. Given the Toyota background, it is easy to understand why Lean Thinking is often thought of with respect to manufacturing process improvement, while Agile Development is used in the world of software development by technology companies.

A key underpinning belief of both Lean Thinking and Agile Development is the focus on the creation of Value. If any organisational activity doesn't create, increase, or improve Value, then it is considered waste and should be stopped.

> The strategy is premised on the idea that value must always be relevant and contemporary, refreshed in every decade, to meet the needs of stakeholders. Value for donors attracts them to the organisation and creates a relationship that invites financial support. Value for clients encourages participation in programs and significant change in lives and communities. While neither

financial support nor development change can be absolutely guaranteed, our role as an agency is to *ensure that we offer value to our stakeholders.* (Plan International Strategic Plan FY17–FY19)

This was the platform that guided Plan International in a different direction. The approach gained board approval. It was time to write the strategic plan.

The Plan International Strategic Plan FY17–FY19 took six months to write. There was much internal consultation and still more learning. The plan was signed off by the board in September 2016. Following this new direction of Plan International, the strategy was launched at an all-staff function in October 2016.

Now the major challenge was how to execute the plan. As it turned out this was led by a new CEO.

Mater Foundation Part I

Nigel Harris, CEO, Mater Foundation, would be considered by many fundraising executives to be in an enviable position. Mater Foundation had the freedom, the critical mass, and the functional control to choose what they did.

But as the saying goes, 'be careful of what you wish for'.

In most For-Purpose Organisations, the Programmes Team holds the highest position in the organisational pecking order. We usually find the Fundraising Team somewhere down the lower rungs. Not so at Mater Foundation, the Fundraising Team was the entire Organisation, made up of over 100 people.

However, at Mater Foundation, being able to choose to do anything quickly leads to trying to do everything. People at Mater Foundation were becoming overwhelmed with the workload and the constant meetings. 'We are doing too many things' was the often-repeated comment.

The problem was there were so many opportunities being presented to Mater Foundation, especially from their community. These opportunities offered a way to offset the flattening of growth of the home lotteries operation and the fact that Mater Health no longer managed a Children's Hospital, which was a valuable source of fundraising support.

The question on Nigel's mind was, 'how can we do more with the same amount of resources, without burning our people out, while staying true to our purpose?'

Nigel had many moving parts to juggle. Mater Foundation had grown rapidly, mainly due to the success of the home lotteries operation but also because of the many fundraising programmes: Mater's Little Miracles; Chicks in Pink; Smiling for Smiddy; Prostate Cancer; Ovarian Cancer. Adding to this were the many community-based 'Fundraise Your Way' campaigns.

The rapid growth had meant the Organisation was now spread across five different offices. This physically separated the people and stifled communications between different departments. The result was more meetings, shuffling between offices, and ultimately less time to get the work done.

But hope was on the horizon.

In January 2017, Mater Foundation moved into their new office. This meant that instead of five separate, 'rabbit warren' offices everyone would be working in the same space, albeit spread across three floors. The teams could more easily reach across the floors to discuss cross-functional matters with members from other teams.

Mater Foundation had also implemented an impressive set of performance metrics. Nigel's monthly Strategic Performance Dashboard would make all managers jealous from both For-Purpose and For-Profit Organisations.

To continue the operational improvement Nigel employed a Senior Manager for Business Performance, Improvement, and Change. With all the meetings, informal processes, and 'stuff getting done by who knew who', it was time to become more efficient. Staff were trained up in base-level project management skills. A change management programme—'Stepping Up'—was launched.

More disciplined processes were introduced where new projects went through a qualification stage before being accepted. The aim was to address the basics before looking at concepts like Lean Thinking or Six Sigma.

The Mater Foundation Strategic Plan 2016–2021

These change activities were captured in the Mater Foundation Strategic Plan 2016–2021. The central theme of the Strategic Plan was the mission: 'Position donors at the core of all we do.'

It was this mission statement that was keeping Nigel awake at night.

Nigel was worried that with all this activity under way they were losing their focus on achieving progress. He witnessed actions that didn't put the Donors at the core of all they did.

To put it another way, he wondered whether Mater Foundation was becoming more efficient but creating inhibitors for being more effective.

OXFAM PART I

In the mid-2000s Oxfam was given a wake-up call. They were basically told 'to go look in the mirror'.

Globally, Oxfam's leadership was exasperated at the multitude of different government programmes from countries around the world. Nothing was coordinated, programmes were cutting across each other, and Oxfam was lobbying for a better, cohesive approach.

But Oxfam International was guilty of the same problem. Oxfam, in the 2000s, had grown to 14 different affiliates from around the world. For example, in Australia, Oxfam's beginnings were that of Community Aid Abroad. Each affiliate was operating under their own management. Therefore, just like multiple government programmes operating on top of each other in Africa, multiple Oxfam's affiliates were also operating the same way, causing the same problems. This was reported in the major press and gave Oxfam the wake-up call they needed.

Starting out by better coordinating their overall approach, Oxfam made good progress in the early years. Then in 2013 Oxfam's newly appointed Executive Director, Winnie Byanyima, pushed the global alliance to go even further. From her urging came the global organisational structural plan called Oxfam 2020.

> The world is changing at lightning speed and Oxfam needs to keep modernising too, staying ahead of the curve to ensure we continue to fight poverty with maximum impact. Oxfam 2020, our confederation-wide change process, is an exciting opportunity to shape what kind of organisation we need to be. The aim is to create a much stronger Oxfam that is globally coordinated in every country in which we work. Throughout this 2020 journey our ambition is to:
>
> - Become more globally balanced—and strengthen Oxfam's accountability, legitimacy and relevance by becoming more rooted in the countries where we work, bringing greater equality and stronger representation and influence from the global 'south' of our planet;

- Strengthen our ability to influence greater global, regional and national change, and run better quality programs, through strengthening our ability to build and share knowledge evidence and expertise across the network of affiliates and country programs;
- Simplify and streamline our ways of working, especially in country programs, to be more effective and efficient through greater integration and collaboration and further reducing cost and complexity in country management structures, and sharing HR, IT and financial services. (Oxfam 2020)

What is very interesting about Oxfam 2020 is that it doesn't follow the usual approach followed by For-Purpose Organisations and For-Profit companies alike. When faced with the need to better coordinate activities in Region, State, Country, or the World, the natural tendency is to centralise management. The common thinking is to create central reporting lines that can control all the activities of all the affiliates to avoid inconsistencies, inefficiencies, and duplication of effort. This creates a centralised Programmes division, Fundraising division, Operations, and more. Through this we create vertical silos that reach from the coal face to the corporate towers. Sound familiar?

Oxfam chose to do the opposite, it decentralised.

But again, they didn't decentralise with the usual approach, they created ownership.

Oxfam 2020 gave each country the authority to decide which programmes were best for their country.

At the country level, the ultimate goal is to move from affiliate coordinated strategies, multiple country programs and multiple country teams to one single program strategy, one team and one budget per country. (Oxfam 2020)

Each country was given the empowerment to write the Oxfam Programme plan for their country. When we think about this it makes sense. Who is in the best position to know what they need; the in-country teams. But with this empowerment came the accountability to plan and execute.

Accountability for the delivery of the country strategy is clearly established from each country to the Oxfam International structure (so country to region and region to global) as well as to the CGG [Country Governance

Group]. The same principle applies for responsibility over all program related issues (alignment to strategy, good quality program delivery, learning loops, etc.) and in particular social accountability to partners and communities. (Oxfam 2020)

When a team has the combination of Empowerment and Accountability we create Ownership. An important part of what Oxfam 2020 is doing is creating ownership within each country to deliver successful programmes. If you take away Empowerment, that is, someone else makes the decisions for you, or if you take away Accountability, that is, who cares what the outcome is, you lose Ownership. You must have both.

The important dynamic about creating Ownership is that this is an 'intrinsic' driver. It is not the 'extrinsic' driver of being told what to do. With the intrinsic driver that ownership creates, we are self-motivated to achieve the best outcome we can. When we are told what to do we deliver to what is expected of us, not what might be possible.

CEO of Oxfam Australia, Helen Szoke, embraced Oxfam 2020. Maybe given her background as a former Equal Opportunity and Human Rights Commissioner, Helen understood the power of self-motivation. In fact, when asked what she would wish for if she could 'wave a magic wand', Helen said:

I would like to accelerate two things. To increase the change we are doing around delegation, mandates and accountability. And to leverage Information Technology more to underpin the execution of our strategy.

The major challenge for Helen was that to achieve the 'new' they had to dismantle the 'old'. This shift didn't just involve changing processes, delegating authority, and putting in accountability measures. It also involves restructuring teams, moving people from being organised around functions to be organised around outcomes, where many of these outcomes are being delivered in a different country.

Helen needed to lead her team across a chasm and, when you leap across a chasm, you can't do it in two steps.

CHAPTER 2

Six Fundraisers' Dilemmas

When working with fundraising executives and teams in For-Purpose Organisations across a wide range of causes, countries, and sectors, there kept appearing a repeated set of Six Fundraisers' Dilemmas. Wanting to solve these Dilemmas for fundraising executives and teams was the genesis of this book.

At the start there were some 'quick fix' ideas. Simply make sure that the fundraising director reported to the chief executive officer (CEO) and had a seat at the executive leadership table and all Dilemmas would disappear. But many fundraising directors already report to the CEO and the Six Dilemmas persist.

The root causes of the Six Dilemmas were much deeper than trying to put band-aids on the symptoms. The causes start with how Organisations operate, are structured, align to their mission, delegate decision-making, coordinate, collaborate, and communicate both internally and externally.

Therefore, to provide a solution for the Six Fundraiser's Dilemmas we leveraged the skills, experience, and knowledge of two authors from two different worlds. One was a deep domain expert in the fundraising world of For-Purpose Organisations. The other was an experienced global For-Profit executive that had delved into the extensive business and academic research to understand the root causes of these types of Dilemmas.

The result is this book, *Giving Hope*.

The Six Fundraisers' Dilemmas, their causes and solutions, are referenced throughout this book. At the end we provide a summary of the Six Fundraisers' Dilemmas and the solutions.

The Six Fundraisers' Dilemmas are:

1. The Staff Turnover Dilemma
   Staff retention data shows not only that people are leaving For-Purpose Organisations in larger numbers but also that the length of their tenure is getting shorter, while the time to backfill these positions is getting longer.

2. The Cost Ratio Dilemma
   For-Purpose Organisations are constantly being asked, 'what is your overhead?' Often underfunded, For-Purpose Organisations striving to fix some of the world's hardest problems are being asked to operate more efficiently than their For-Profit counterparts.

3. The Tied Funding Dilemma
   It is a long way from the Donor, through the For-Purpose Organisation, to the Beneficiaries. However, often the Donor, be it a government department or foundation, believe that they know best and tie their funding to a specific programme. This typically creates 'a disconnect' in delivering a total solution for the problem.

4. The Product or Hope or Misery Dilemma
   This Dilemma is based on the ongoing discussion inside For-Purpose Organisations about the most effective way to raise funds. Many For-Purpose Organisations become synonymous to their products: child sponsorship, lotteries, fun runs, and so on. These become what their brands are known for and not the work they do for their Beneficiaries. The marketing people want to offer stories of hope. They want to portray a positive brand. The Fundraisers say that images of misery raise the most money. The answer is they need all three but that will only come together if they collaborate.

5. The Crowded Market Dilemma
   'Not another charity' is the cry Fundraisers hear from prospective Donors. The market space for fundraising is getting more crowded by the day with a constant increase of new foundations and For-Purpose Organisations having to meet the increasing needs of more and more, well-deserving Beneficiaries and causes.