

Surplus for Purpose

**A Workshop in Funding Resilience
and Systemic Impact**



Surplus for Purpose – Deliverables and Capabilities

The workshop will deliver –

Operational and Financial Insights. How to leverage our comprehensive analysis of ACNC data to lift organisational health and drive operating surplus.

Benchmarking Tables. Detailed operational and financial benchmarks, by NFP type, to guide managers and directors.

Diagnostic Studies. Surveys that managers and directors can deploy to understand the DNA of their organisation, its vulnerability to a changing environment, and to assess the viability of programs and services.

Mission Goals Growth. Tools and frameworks to define the optimal mission and goals, and to develop and assess options for scale and growth.

Funding the Organisation. Strategies for cost recovery, understanding the science of giving, and preparing and engaging with outcome-based funding.

Managing for Purpose. Developing a culture of outcomes and purpose, how to establish and implement evaluation frameworks relevant to the organisation, and the tools and processes of evaluation frameworks and how to implement.

Managing Strategic Risk. Anticipating and managing volatility in costs and funding.

Surplus for Purpose – Who Should Attend

- ✓ CEO, CFO, COO and Directors
- ✓ General managers, program and services managers, funding managers
- ✓ Funding organisations that want a detailed perspective on optimal management of NFPs, Charities, and Social Enterprise Organisations.

Surplus for Purpose

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Day One – Strategic Vulnerability and Financial Governance

1.0 The Big Picture and the Imperative for Change

Themes

- NFP Sector Profile. Size, distribution, costs, revenues, and profitability
- Economic Context and Funding Pressures. Philanthropic and Government
- Donations and Donor Base. Review and forecasts
- Demand. Trend and forecasts
- Sector Concentration (by type) and Merger Feasibility

2.0 Governance – Financial and Operational Benchmarking

Themes (by Type and Size)

- Revenue. Averages, Revenue per Employee, % by Source
- Operating Expenses. Averages, Expenses per Employee, % Composition
- Employment. Averages, Responsible Persons, Full Time Equivalent, Volunteers
- Operating Surplus (\$ and %). Averages, Surplus per Employee, Surplus by Profitability Status
- Operating Surplus Deep Dive. Profitability vs Size, Drivers of Surplus, For-Profit Comparisons.

Workshop Takeouts Participants will receive benchmarking tables (percentiles 25th, median, 75th) by Sector Type for (a) Revenue, Revenue per Employee, Revenue Composition, (b) Expenses, Expenses per Employee, Employee Expenses by Direct and Estimated Overheads, (c) Operating Surplus \$ and %, and (d) Financial Vulnerability – Liquidity and Revenue Concentration.

3.0 Organisational DNA Strategic and Financial Vulnerability

Themes

- Organisational DNA and Capacity to Transform. How to meet the challenges of self-sufficiency, rising demand, donations collapse, restricted funding, and managing for purpose and outcomes.
- Organisational Vulnerability. Gauging strategic and financial vulnerability, the differences between sectors, and how to reduce strategic and financial vulnerability.

Workshop Takeouts Participants will receive scales to self-assess Organisational DNA and Strategic and Financial vulnerability

4.0 Economics of Footprint and Mission Drift

Themes

- Impact of national footprint on revenues
- Impact of mission drift on operating surplus. Leveraging mission drift

5.0 Inadequacy of current ACNC Size Categories and Alternatives

Themes

- Inadequacy of Small, Medium, Large categories for benchmarking and learning
- Optimal Size Categories based on Revenue and Operating Surplus

Day Two – Funding Resilience and Systemic Impact

6.0 Setting Strategic Direction – Precisely and Rapidly

Themes

- Defining the core of the organisation
- Applying Logic Models and Theory of Change to crystallise strategic direction efficiently and accurately
- Program Review. Doing it right leveraging *Financial vs Alignment* thinking
- Surfacing and determining viable Strategic Options for Growth
- Mission Drift – Escape or Leverage

Workshop Takeouts Participants will receive frameworks to precisely and rapidly clarify the core and determine the strategic direction of their organisation.

7.0 Growth and Scaling – Delivering on the Needs

Themes

- Growth vs Scaling. Why the difference is important for NFP strategy
- Scaling
 - The nature of scaling and where and what to scale
 - Leveraging latent forces
 - Due diligence for scaling opportunities and the cost of failure
 - Speed vs Control

Workshop Takeouts Participants will be given a map to explore scaling opportunities and a due diligence framework to assess scaling initiatives.

8.0 Funding the Organisation

Themes

- Beyond the 'sad story' – the Science of Philanthropy and Giving
- Cost Recovery and the Myth of Employee Overheads. Cost recovery strategies and insights of our Human Capital Analysis
- Social Impact Bonds and Outcome Based Contracts. Leveraging, Preparedness, and Best Practices

Workshop Takeouts Participants will receive a toolkit to drive full cost recovery, including key insights of the Human Capital Analysis of the ACNC financial statements.

9.0 Managing for Purpose and Outcomes

Themes

- The Principles of Managing for Purpose
- Culture over metrics, evaluations, and dashboards
- Developing a Monitoring and Evaluation Framework
- Selecting Outcomes. Not all outcomes can or should be measured, Risk vs Control thinking
- Impact and Outcomes. Best practices in selecting and deploying

Workshop Takeouts Participants will receive associated principles, frameworks, and tools.

10.0 Mitigating Risk to Impact and Outcomes

Themes

- Surfacing the trends and uncertainties that jeopardise impact and outcomes
- Developing an aligned 'Background Canvas' for strategy development
- Developing positive and negative scenarios that align (or not) with current operations, strategy, and capabilities.
- Leveraging 'Testable Hypotheses' to future-proof strategies, impacts, and outcomes.
- Building strategic preparedness, funding resilience and systemic impact.

Workshop Takeouts Participants will receive associated tools and frameworks to future-proof strategies, impacts, and outcomes.