

STRATEGIC THINKING FOR COMMUNITY ORGANISATIONS



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**"A good head and a good heart are
always a formidable combination."**

Nelson Mandela

What is Governance?

“... processes, activities and relationships that make sure your organisation is effectively and properly run ... more about working as a collective than individual responsibilities”

Codifies the purpose and objectives of the organisation

Good governance is always forward looking

Governance is derived from a Greek word meaning “to steer”



Governance



What does good governance look like on NFP boards?



- Clearly defined purpose and **strategic** direction (forward looking)
- Goals and objectives are well understood and communicated
- The role of board is clearly defined and documented
- The board is clearly aware of its duties and responsibilities (including directors duties and conflicts of interest)
- The composition of the board has the right people
- The board appropriately monitors performance and the financials

Good governance ensures cohesion by:

- Providing clear direction (documented in the **strategy plan**)
- Overseeing effective decision making (appointing the CEO)
- Always maintaining transparency
- Being accountable
- Making responsible and ethical decisions



Governance suffers most when boards spend too much time looking in the rear view mirror and not enough scanning the road ahead

Good governance is always forward looking

Governance Challenges

- ↳ Passion can sometimes cloud business sense
- ↳ Financial pressures and funding issues
- ↳ Ever-increasing intense government and public scrutiny
- ↳ Compliance
 - ↳ ACNC and legal duties
- ↳ Technology
- ↳ Competition
 - ↳ Pressure to amalgamate
- ↳ Maintaining relevance



Positive culture for any organisation is critical

- Your organisation must be purpose driven
- You must have the right people doing the right things at the right time
- You must have honest open communications based on sound business judgment
- Remember, leaders create and promote the culture of an organisation

“Culture eats strategy for breakfast” – Peter Drucker



Increasing Focus on Governance



- 86% of NFP directors believe the quality of governance has improved
- Governance performance varies by size
- Boards are focused on governance improvements
 - 47% seeking more highly skilled directors
 - 41% better information for decision making
 - 35% higher levels of governance skills

2014 NFP Governance and Performance Study

AUSTRALIAN INSTITUTE
of COMPANY DIRECTORS

What is strategy

“Strategy is an activity to achieve an overall aim with regard to the organisation and its environment”

- True to purpose (vision)
- True to mission (how/what)



**LEADERSHIP
VICTORIA**

Example (CMY)



Vision

“Young people from migrant and refugee backgrounds are connected, empowered and influential Australians”

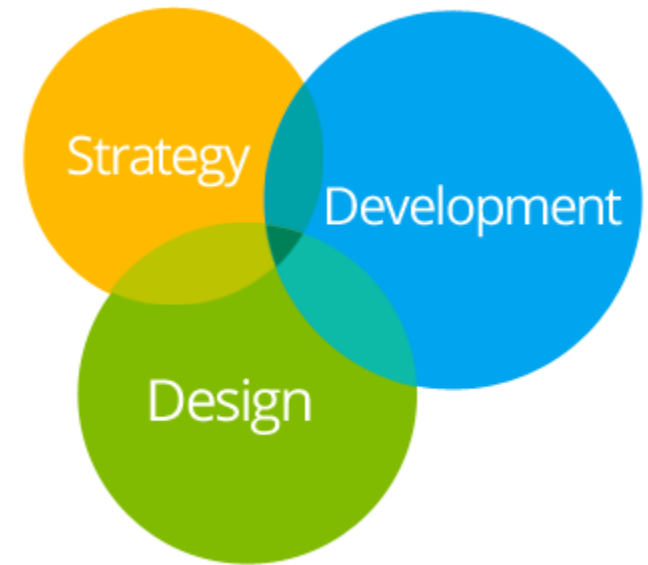
Mission

“We support positive social networks for recently arrived young refugees through local learning and community development activities”

Developing Strategy

(Once mission and visions clarified)

1. Conduct environmental scan
2. Conduct stakeholder scan
3. Conduct SWOT
4. Set 3-4 strategic objectives
5. Set strategic goals



3 key top-level objectives of an NFP strategic plan:

1. Support for direct stakeholder group
2. Influencing our stakeholder group's strategic environment
3. Sustain and/or develop our organisation

Strategy plan format

Series of goals under each objective:

1. What's to be done
2. Outcome: how will we know it's done?
3. Who by?
4. When by?



Strategy

- Where to play?
 - Vision
- How to win?
 - Value proposition
- How will your organisation be relevant in the future?
- Persuading your preferred stakeholders to choose to engage with your organisation



Our Strategic Framework





**We can change
the world
and make it a better
place. It is in your hands
to make a difference.**
-Nelson Mandela

Useful references

- Australian Charities and Not-For-Profit Commission (ACNC)
www.acnc.gov.au
- Australian Institute of Company Directors:
www.companydirectors.com.au
- Not-For-Profit Compliance Support Centre:
www.nfpcompliance.vic.gov.au
- Our Community
www.ourcommunity.com.au
- Philanthropy Australia
www.philanthropy.org.au
- PilchConnect
www.pilch.org.au

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