

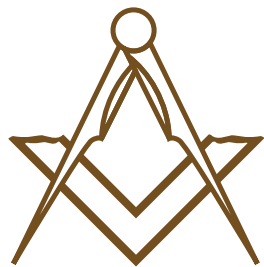
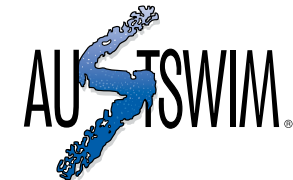
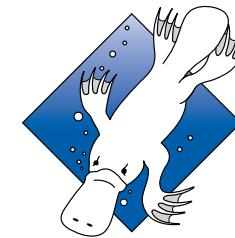
NFPs 2012-2020:



...Where Are We Now, Where Will We Be
& How Will We Transition to 2020?



Catholic
Homes



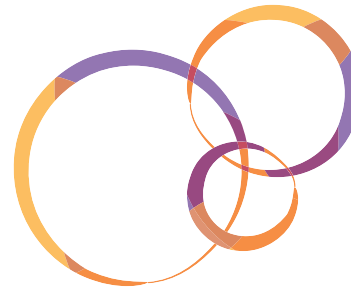
FREEMASON
Victoria





ASTERIA

A COMMUNITY BUSINESS



ALCHERINGA
GROUP



MONASH Univ
Medicine, Nursing and He

PRESBYTERIAN CARE
TASMANIA



HERD IMPROVEMENT
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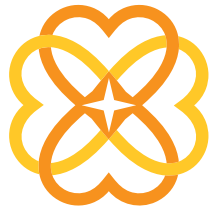
BONEHAM
aged care services

Disability
Employment
Australia

Represent, Support, Resource



Lifeline
Gippsland



benetas
THE CARING SPIRIT

VILLA MARIA



**THOMAS HOLT
VILLAGES**



RichmondIRA



victoria
police legacy



**THE
SALVATION
ARMY**



Employment

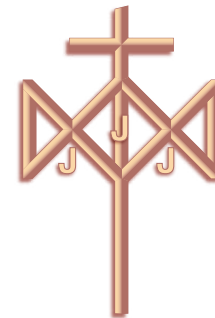
Empowerment through Employment



**desert
channels**
GROUP



**ADVENTIST
AGED CARE**
NNSW



Sisters of St Joseph



STEPS GROUP
AUSTRALIA

Ready. Step. Go.



Palliative Care

VICTORIA

Specialist health care and practical support



SUPPORTED

NORTH EAST

HOUSING
SERVICE



peterharcourt
DISABILITY SERVICES

Shaping the Future



NORTHERN
TASMANIA
DEVELOPMENT

Visit ▼ Live ▼ Invest



**Australian Network
on Disability**
FOR EMPLOYERS MAKING A DIFFERENCE



general
practice
sa

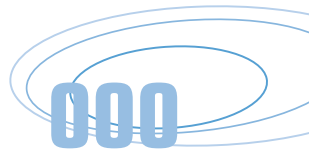


GLAMORGAN SPRING BAY
COUNCIL

Genetocs
AUSTRALIA



ALPMA
Australian Legal Practice
Management Association



emergency services
telecommunications authority



BALLAN
DISTRICT
HEALTH
AND
CARE



Aged & Community
Services Australia



national employment services association

McLean Care



committed to caring

CDS

Centre for

Disability

Studies

INGT

INNER NORTHERN
GROUP TRAINING



CommunityWest
Advancing Community Services



MICAH PROJECTS INC



A I S S A



ASSOCIATION of
INDEPENDENT
SCHOOLS of SA



ANZSPM

Australia & New Zealand
Society of Palliative Medicine



FOOTBALL
FEDERATION
VICTORIA



*A pessimist sees the difficulty in every opportunity;
an optimist sees the opportunity in every difficulty*
Winston Churchill

Contents

- ◆ Not For Profits Today...
A Snapshot Of Key Statistics,
Activities & Characteristics
- ◆ Not For Profits Tomorrow...
Strategic Considerations For Your
Board, Chief Executive Officer
& Senior Management Team
- ◆ Mission Critical Strategies
For Transitioning Your NFP To 2020
- ◆ Questions & Discussion

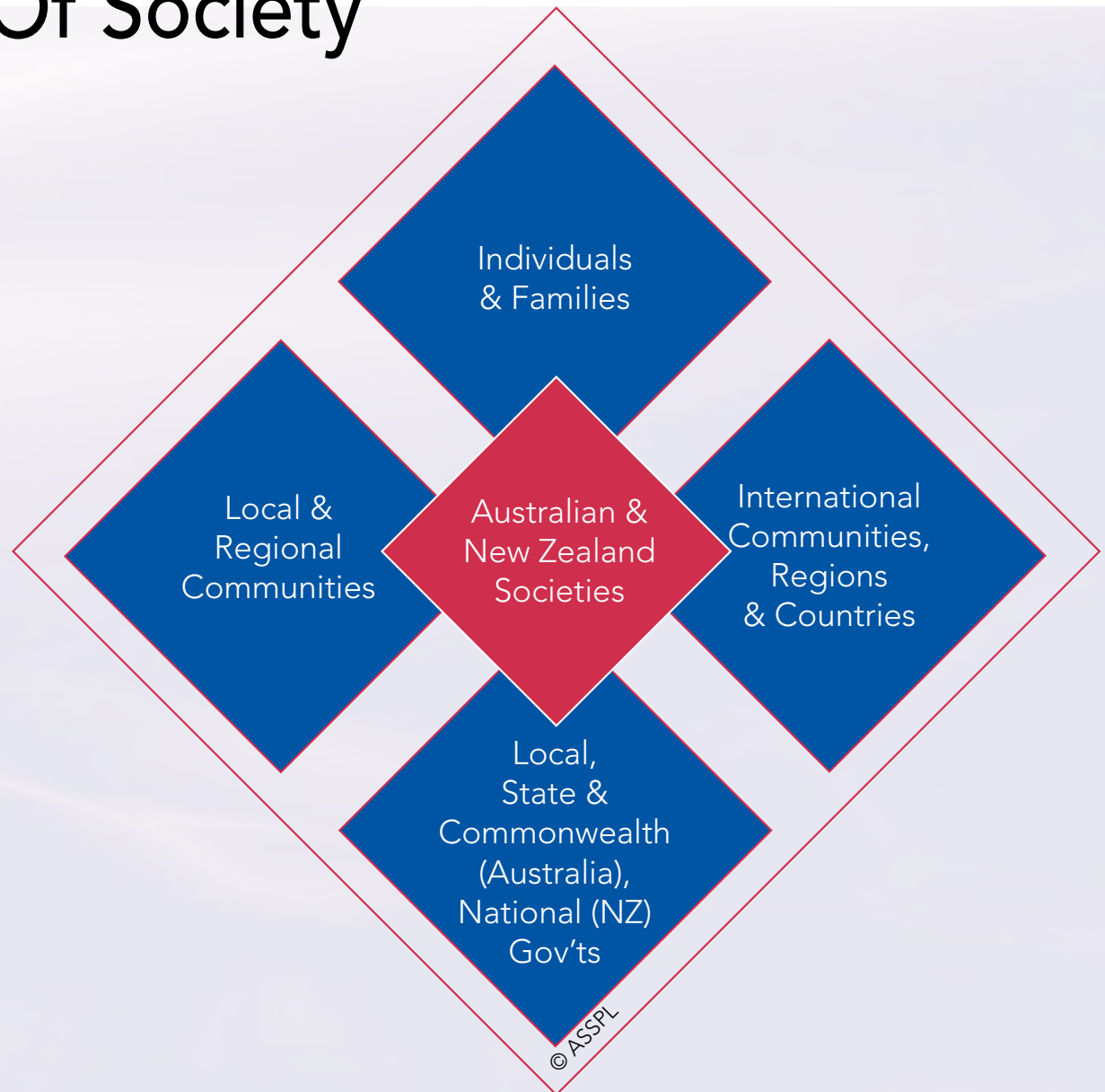


Not For Profits 2012... A Snapshot Of Key Statistics, Activities & Characteristics

- MORE CLIENT FOCUS
- POSITIVE RELATIONSHIPS IN COMMUNITY
 - RSL
 - OP SHOP
 - SCHOOLS
- REPUTATION IMPROVING.
- BETTER APPEARANCE/PROFESSIONALISM
- BETTER BOARD OF GOVERNANCE (QUALITY)
- D/S + E/s staff working better together (no us + them)
- FUNDRAISING SUCCESSES

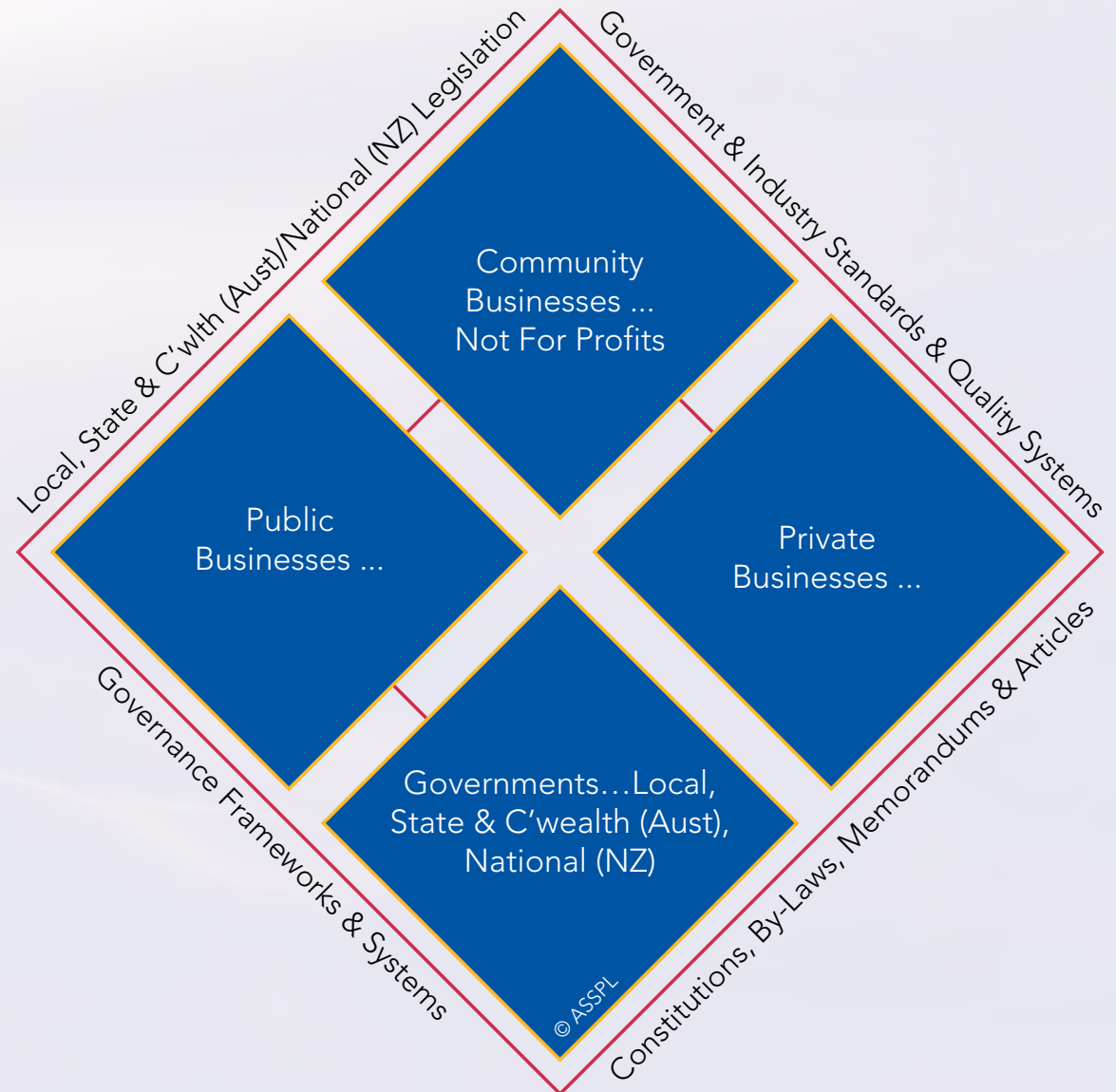
Snapshot 1: NFPs, A Vital Part Of Society

- ◆ NFPs have an important place in local, regional and national societies
- ◆ NFPs primarily deliver a social or community dividend, whilst private and public businesses deliver primarily a financial or economic dividend



Snapshot 2: NFPs, Are A Vital Part Of An Economy

- ◆ NFPs are a vital part of an economy
- ◆ NFPs not only deliver services and products, they engage in economic development, regional development, community development activities and outcomes



Snapshot 3: NFPs, Australia & NZ, Vital Statistics

AUSTRALIA
(figures are estimated)

NEW ZEALAND
(figures are estimated)

◆ Number of NFPs	* 600,000 ¹ –700,000 ² ("58, 779 economically significant" ³)	* 97,000 ⁴
◆ \$ Contributed	* 4.1% GDP ⁵	* 4.9% GDP ⁶
◆ Categories/Sectors	* 35–37 industries/sectors	* 11 industries/sectors ⁷

¹ Productivity Commission 2010

² Dr Mark Lyons

³ ABS Satellite Account 2006–2007

⁴ Statistics New Zealand 2005

⁵ ABS Satellite Account 2006–2007

⁶ Statistics New Zealand 2005

⁷ Statistics New Zealand 2005

Snapshot 3: NFPs, Australia & NZ, Vital Statistics

AUSTRALIA
(figures are estimated)

NEW ZEALAND
(figures are estimated)

◆ *Employees*

* 889,900⁸

* 105,340⁹

◆ *Volunteers*

* 4.6 million volunteers
(317,200 full time
equivalent)¹⁰

* 436,506 volunteers

⁸ (8.5% of total employment) ABS Satellite Account 2006–2007

⁹ Statistics New Zealand 2005

¹⁰ ABS Satellite Account 2006–2007

Snapshot 3: NFPs, Australia & NZ, Vital Statistics

◆ Legal Types of NFPs

AUSTRALIA *(figures are estimated)*

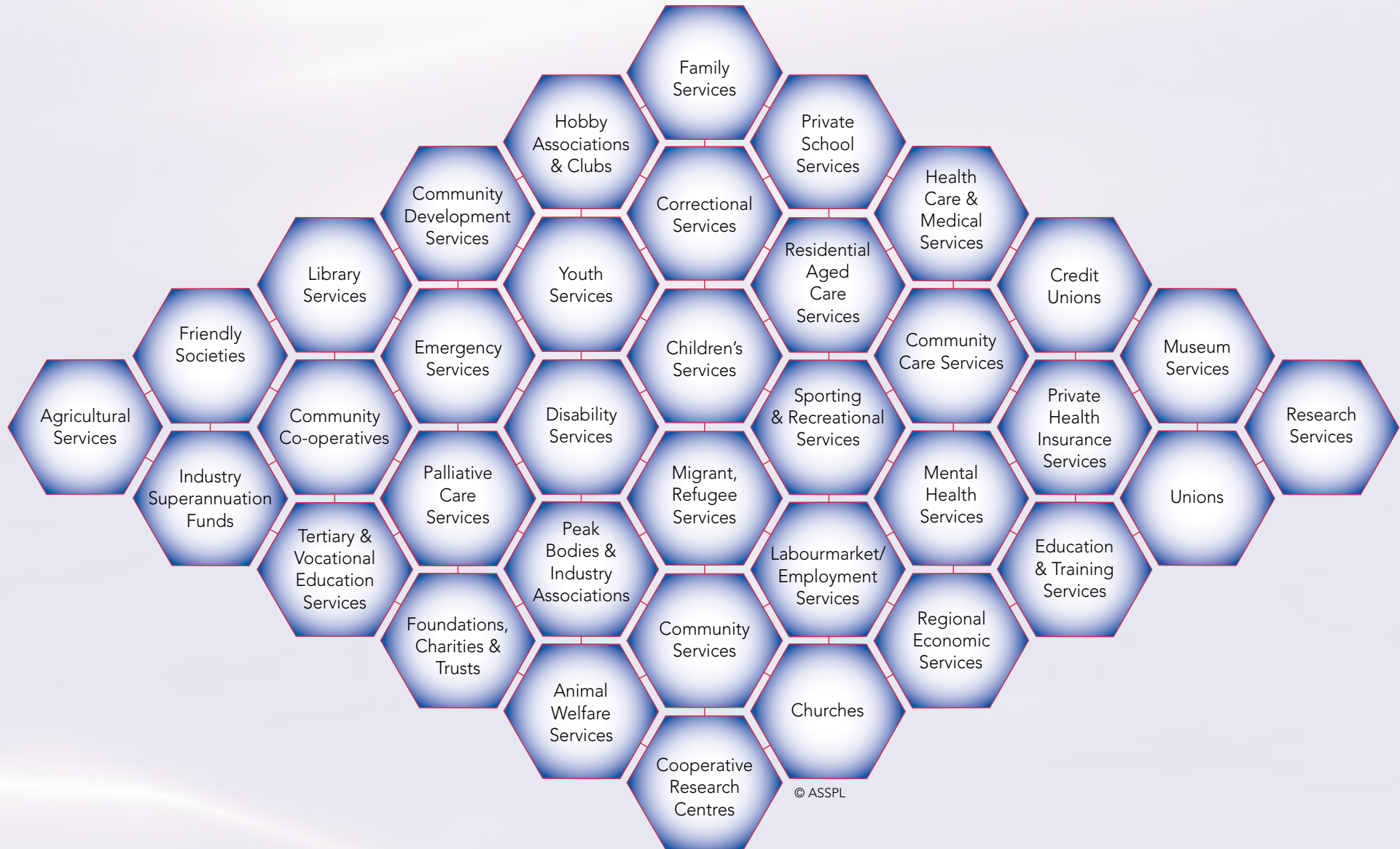
- * 74% unincorporated associations
- * 23% incorporated associations
- * 2% companies limited by guarantee
- * 1% other organisations

NEW ZEALAND *(figures are estimated)*

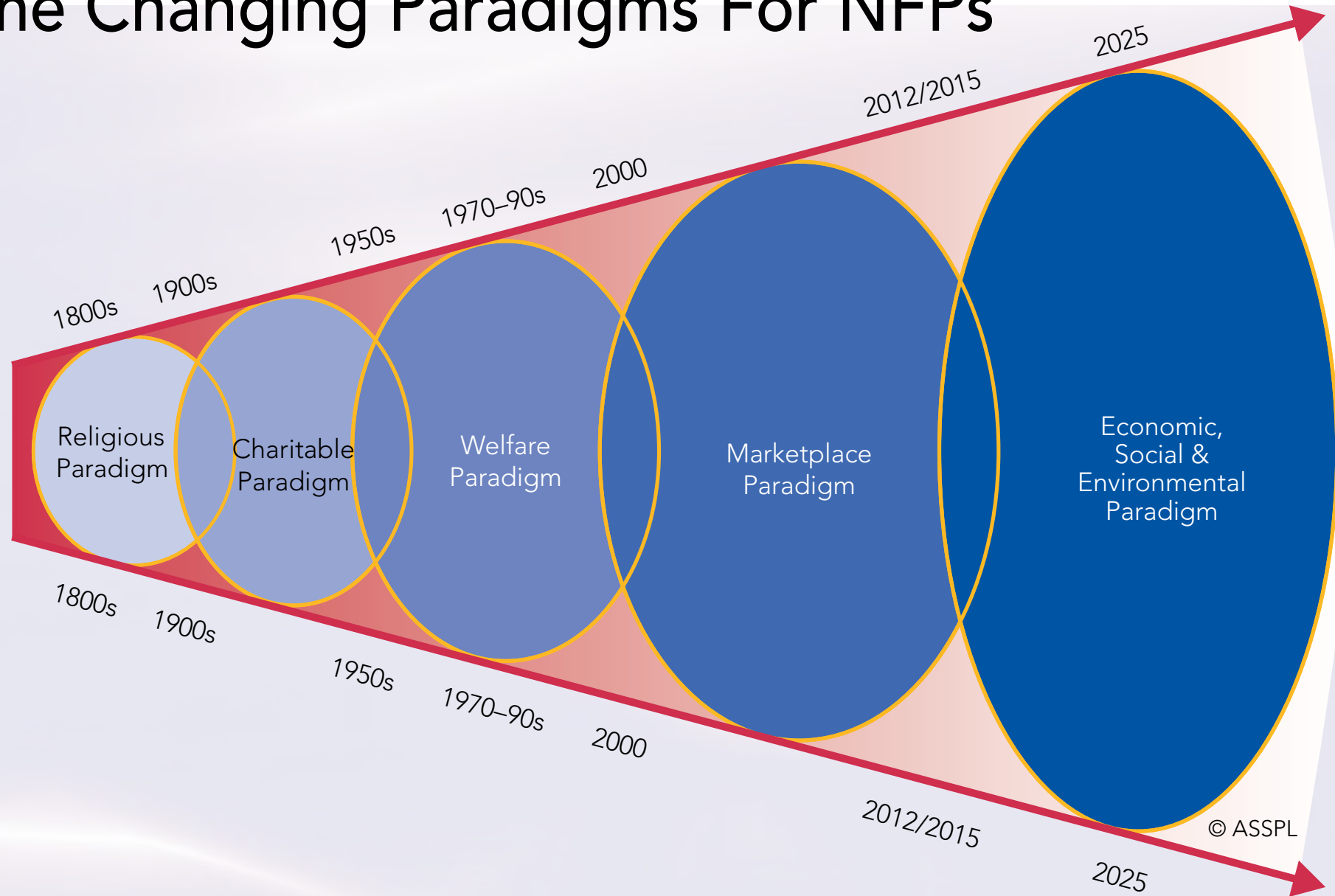
- * 61% unincorporated societies
- * 22% incorporated societies
- * 15% charitable trusts
- * 2% non-charitable trusts and charitable companies



Snapshot 4: So Who's Who...In The Oz & NZ NFP Zoo?

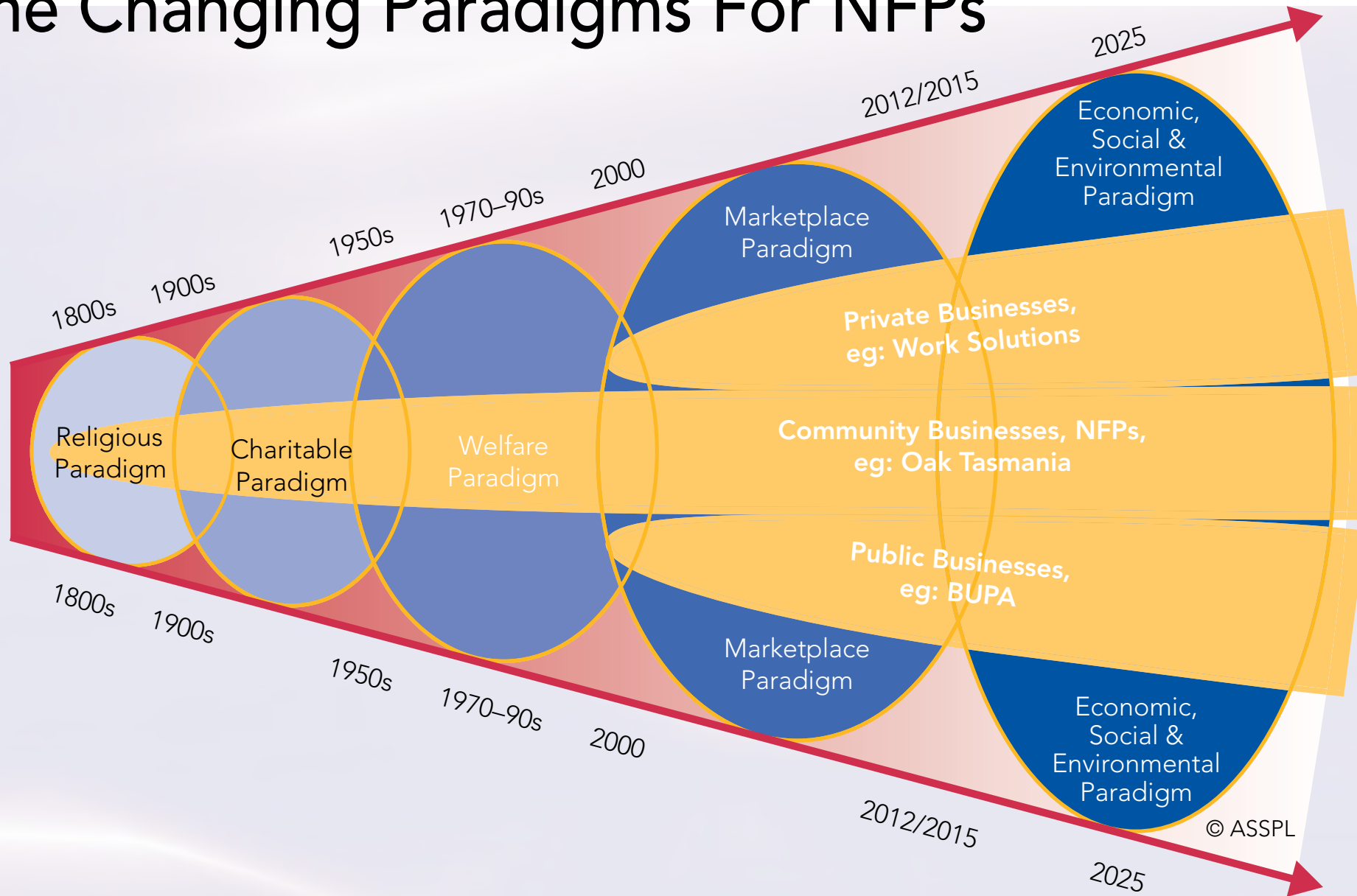


Snapshot 5: The Changing Paradigms For NFPs



© ASSPL

Snapshot 5: The Changing Paradigms For NFPs



Snapshot 6: NFP Boards' Mentality & Approach Is Changing

- ◆ The majority of Australian and New Zealand NFPs are now:
 - * not walking backwards into the future, looking back at their glorious past
 - * not in love with their shadow, only to find their shadow doesn't reflect their true form
 - * operating with their heads and hearts connected
 - * recognising that they must govern the organisation whilst management must manage the organisation
 - * focusing on making a profit/surplus in order to develop and deliver their vision, mission and/or core business

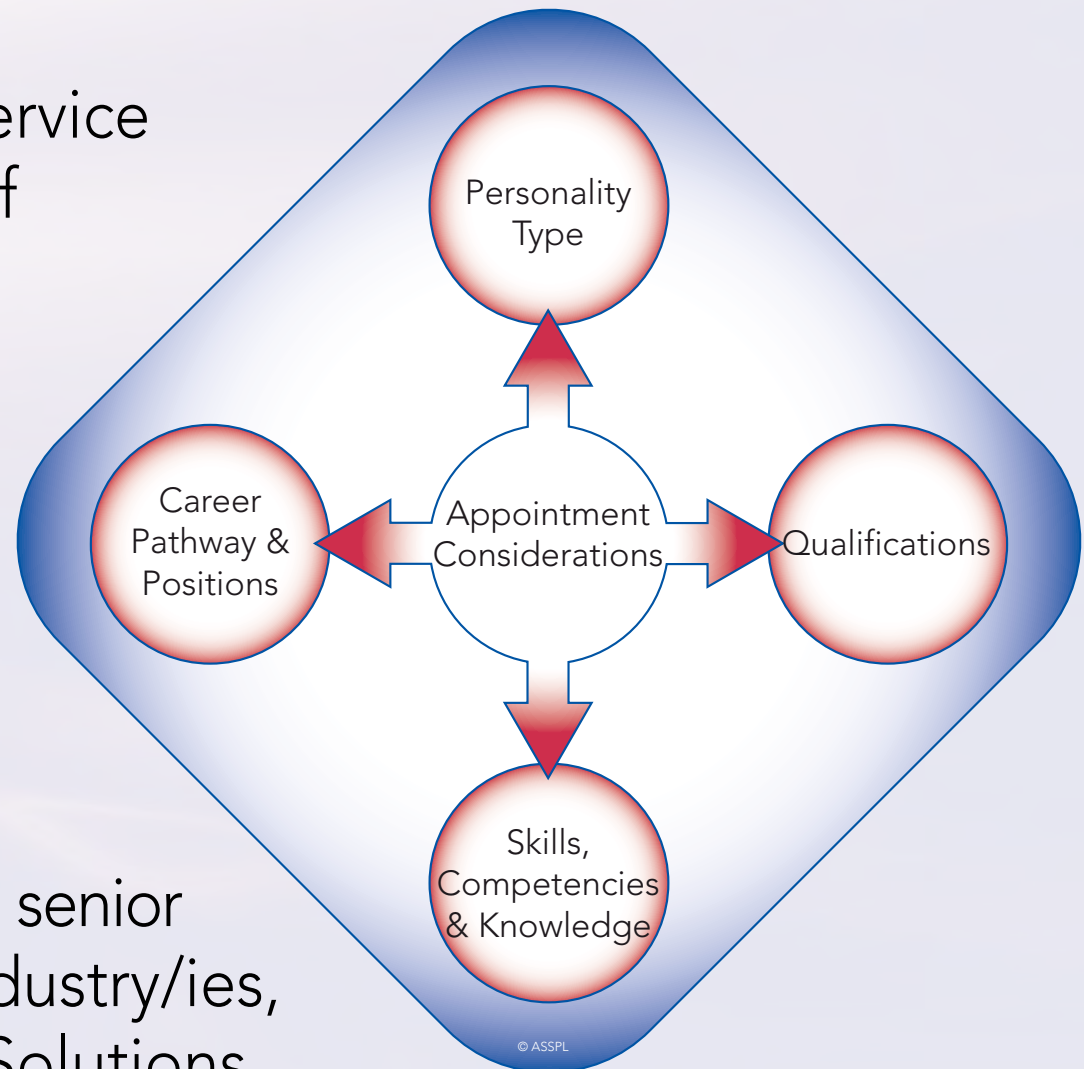
Snapshot 7: NFP Board Trends

- ◆ Small boards, 5–7 board positions, length of service 5–7 years•
- ◆ Average age of boards 51–60 years•
- ◆ Five males, two female directors•
- ◆ 12–14% of NFPs remunerate board members, \$10,000–\$30,000•
- ◆ Professionalised boards, directors fill board positions based on agreed competencies, skills, knowledge, qualifications and experience
- ◆ Boards are moving from paper to e-boardrooms
- ◆ A continued move to bi-monthly – quarterly board meetings and committee meetings in between board meetings

• *Better Boards Remuneration Survey 2012*

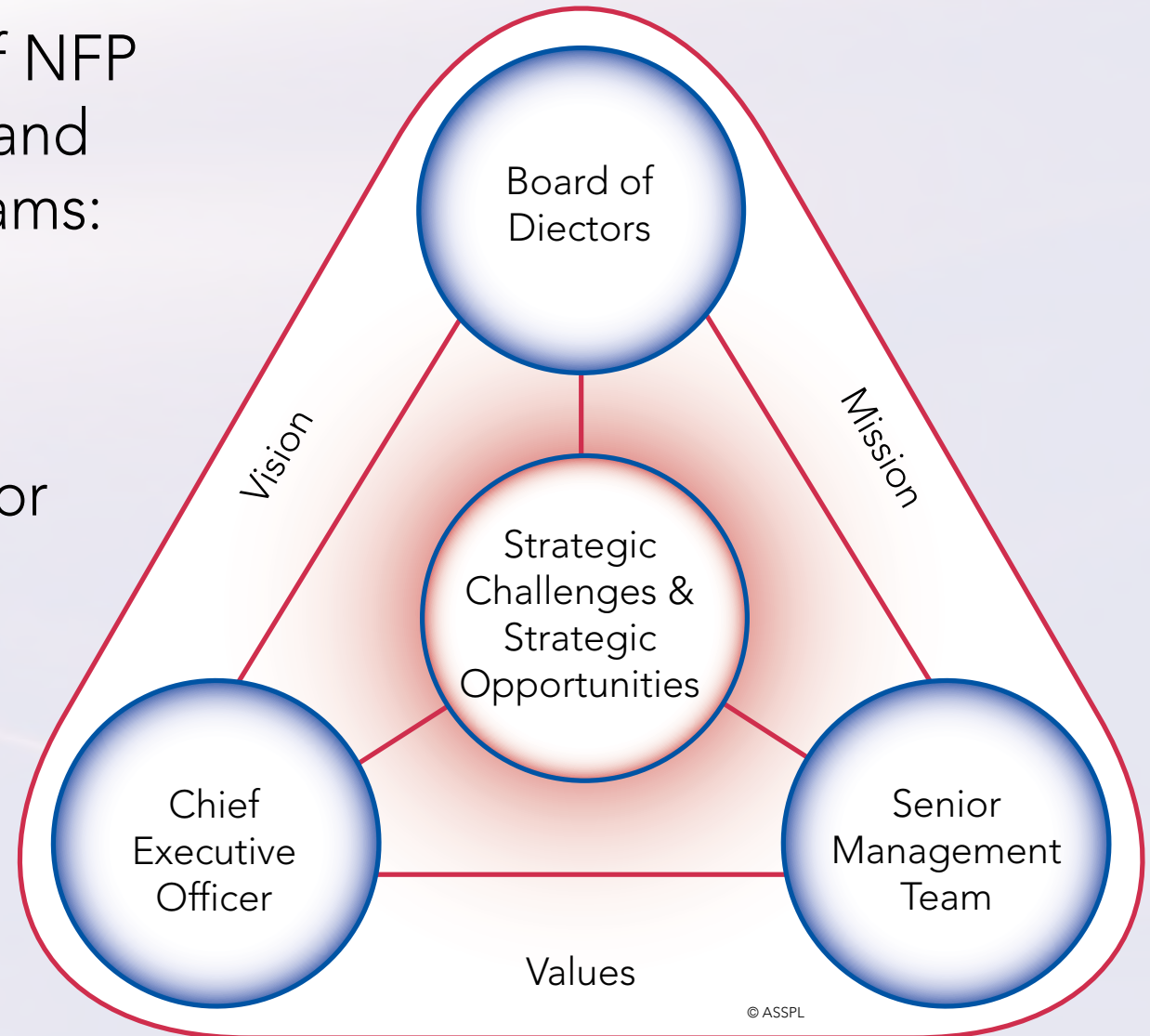
Snapshot 8: NFP Chief Executive Officer, Executive & SMT Trends

- ◆ Smaller NFPs moving from service coordinator/manager to chief executive officer from within industry/sector
- ◆ Medium–large NFPs appointing:
 - * commercial chief executive officers from external industry/ies
 - * commercial, executives and senior managers from external industry/ies, eg: Prescare, Community Solutions



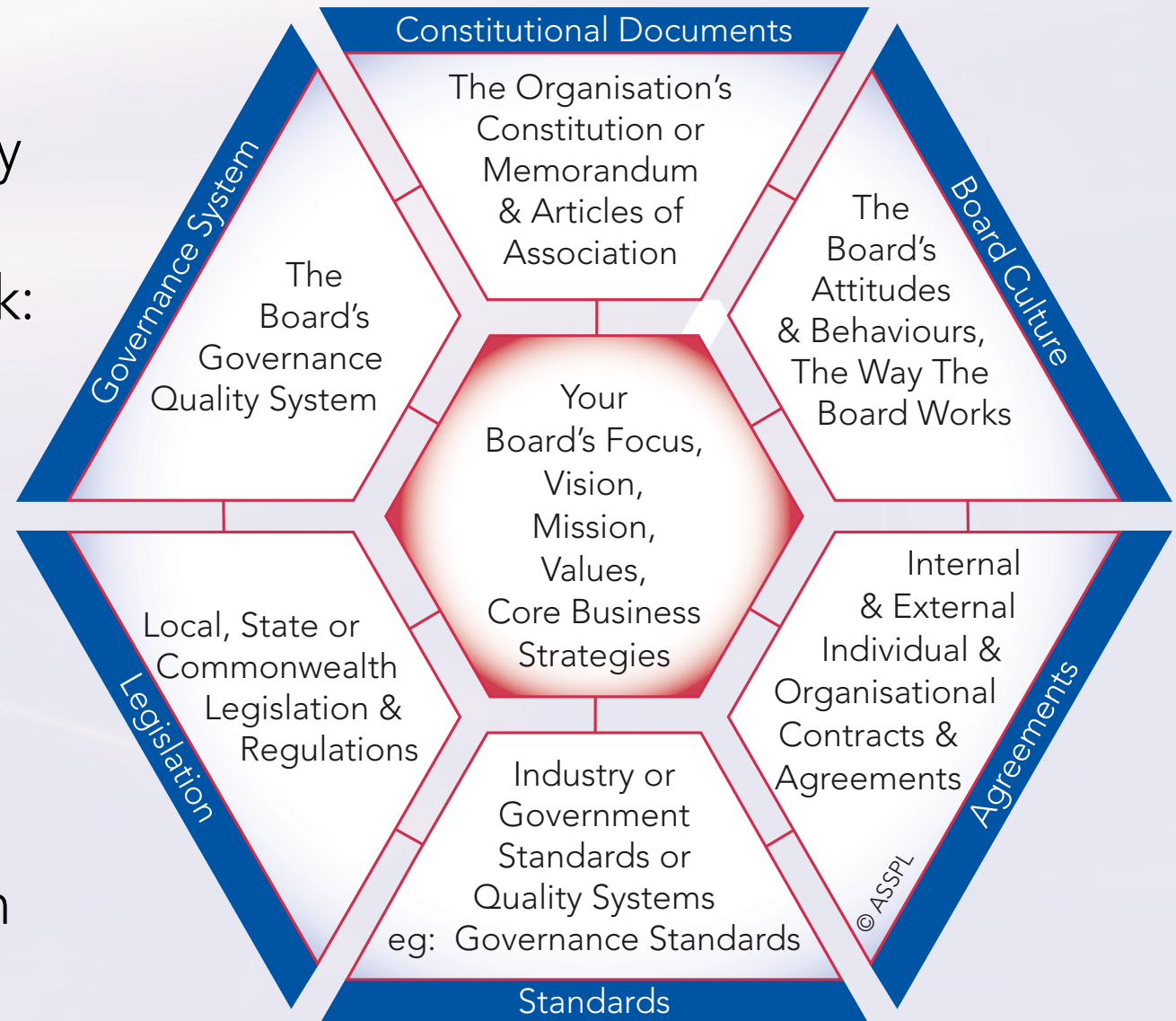
Snapshot 9: Establishment of NFP Leadership Teams

- ◆ An increasing number of NFP boards are establishing and operating leadership teams:
 - * board of directors
 - * chief executive officer
 - * executive and/or senior management team

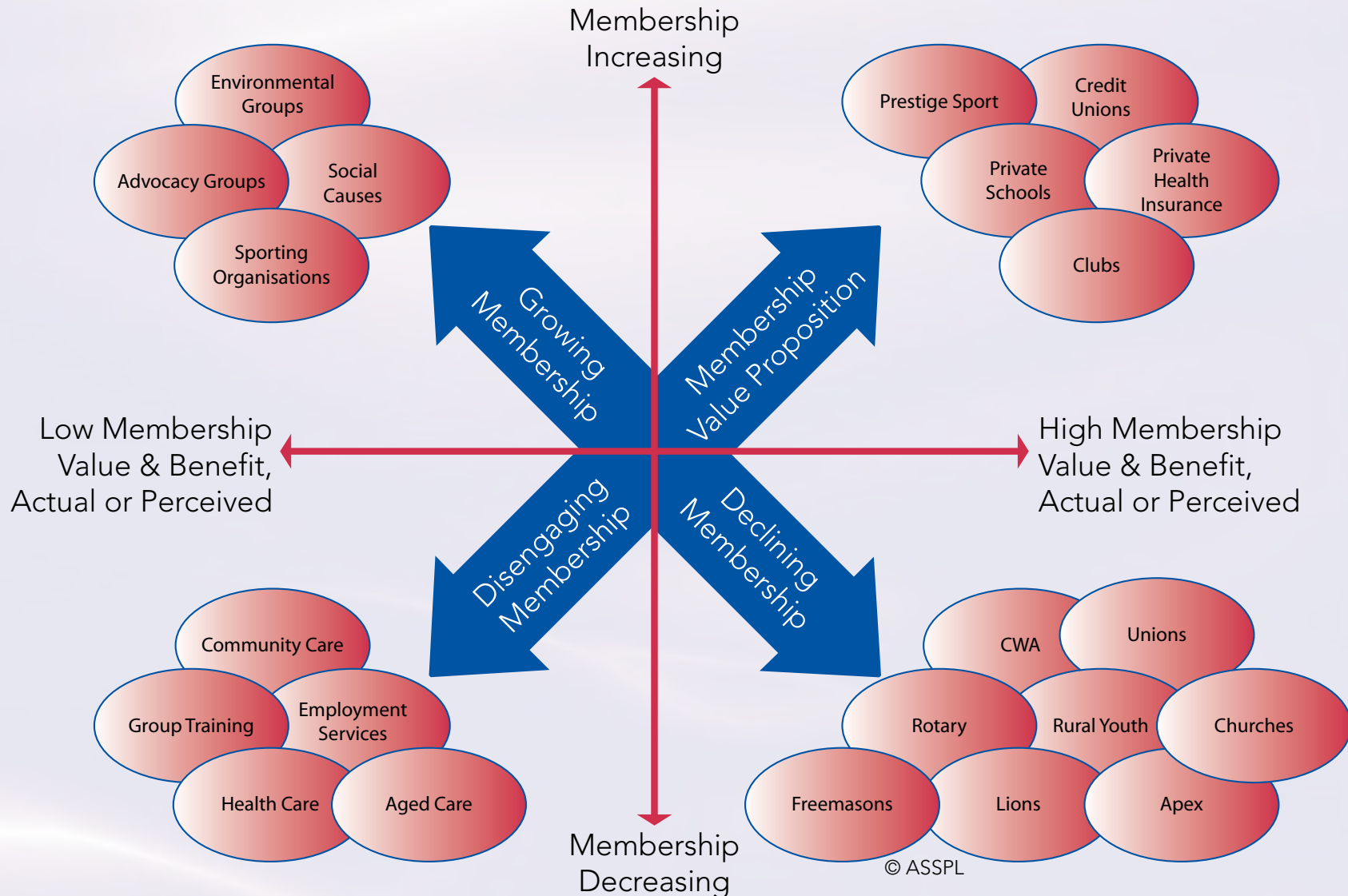


Snapshot 10: New NFP Governance Frameworks Are Emerging

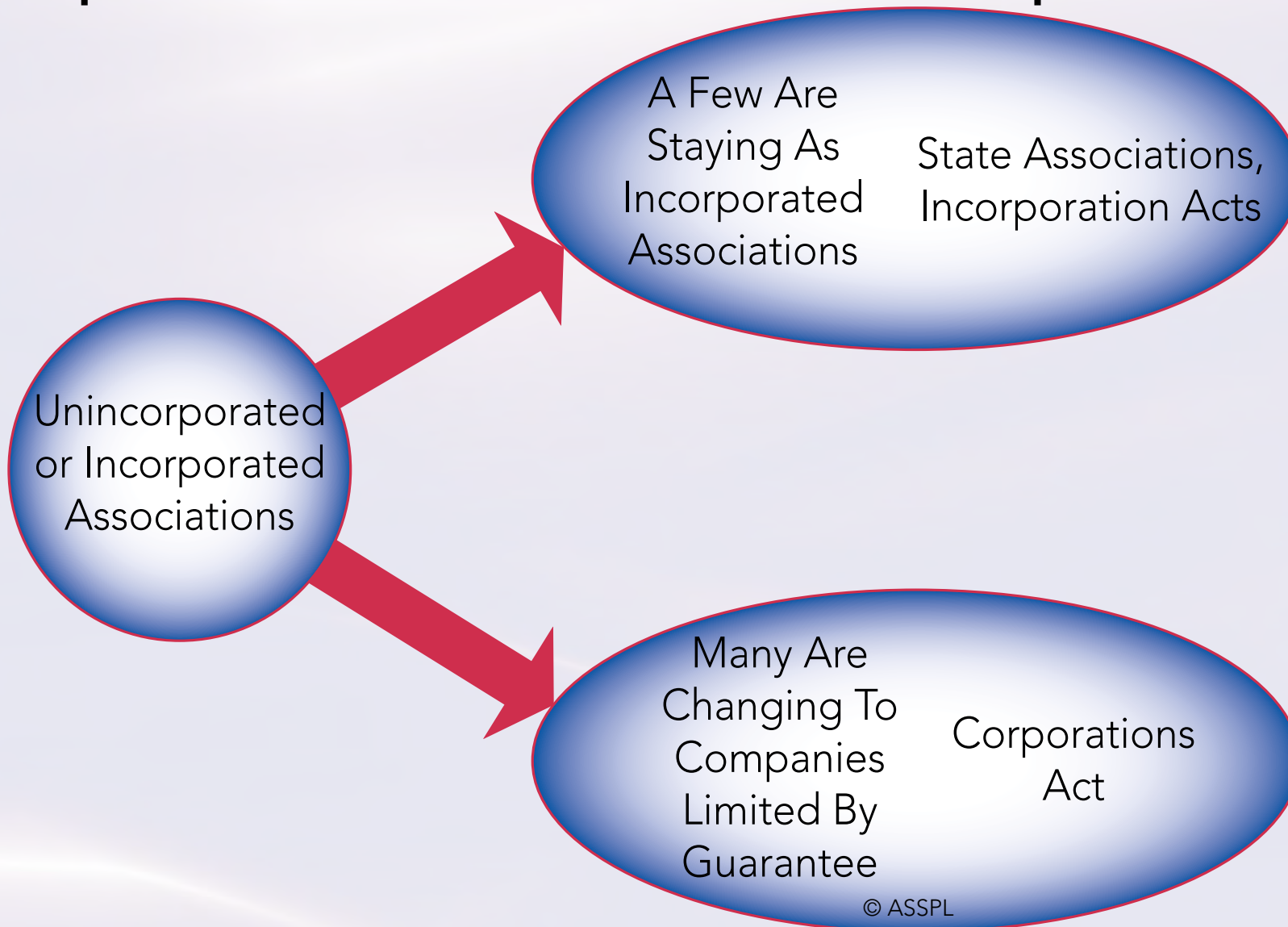
- ◆ Boards are increasingly working within a governance framework:
 - * Constitutional Documents
 - * Board Culture
 - * Agreements
 - * Standards
 - * Legislation
 - * Governance System



Snapshot 11: Membership Is Moving In Different Directions



Snapshot 12: Incorporated Associations To Companies Limited



Snapshot 13: Companies Limited Establishing Other Companies

- ◆ Some boards of companies limited by guarantee are establishing other companies, foundations or trusts
- ◆ For example, Community Solutions, www.communitysolutions.org.au



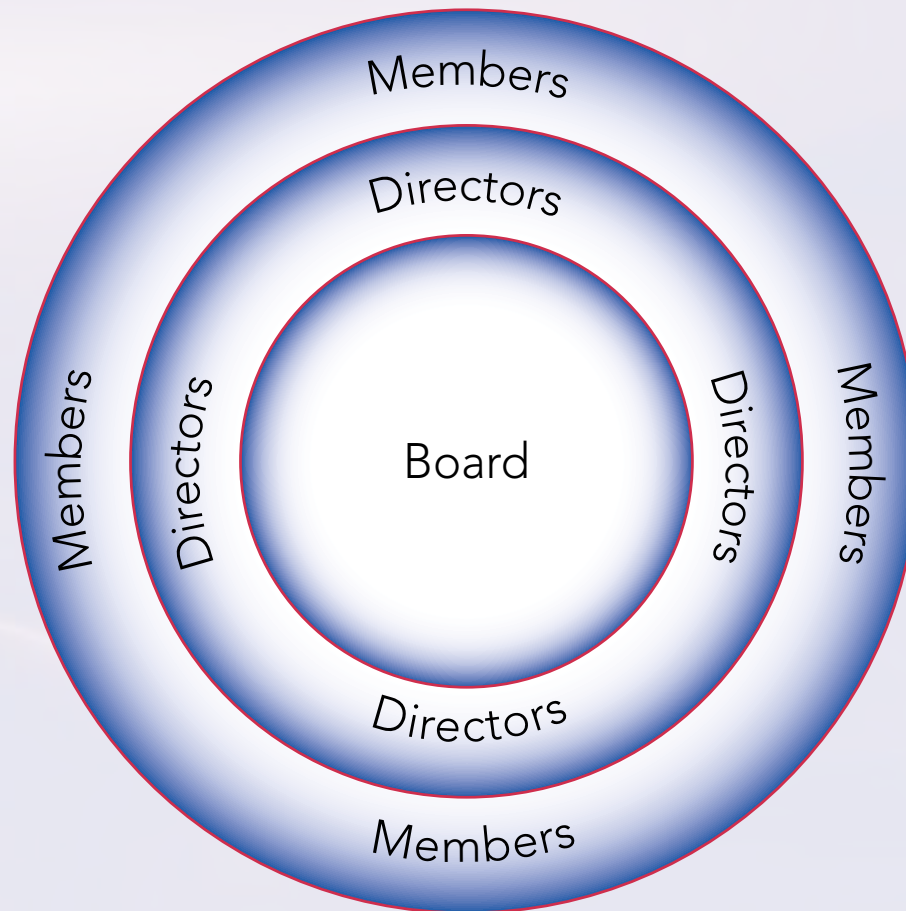
Snapshot 14: Community Democracy To Privately Owned NFPs

Community Democracy
NFP Model

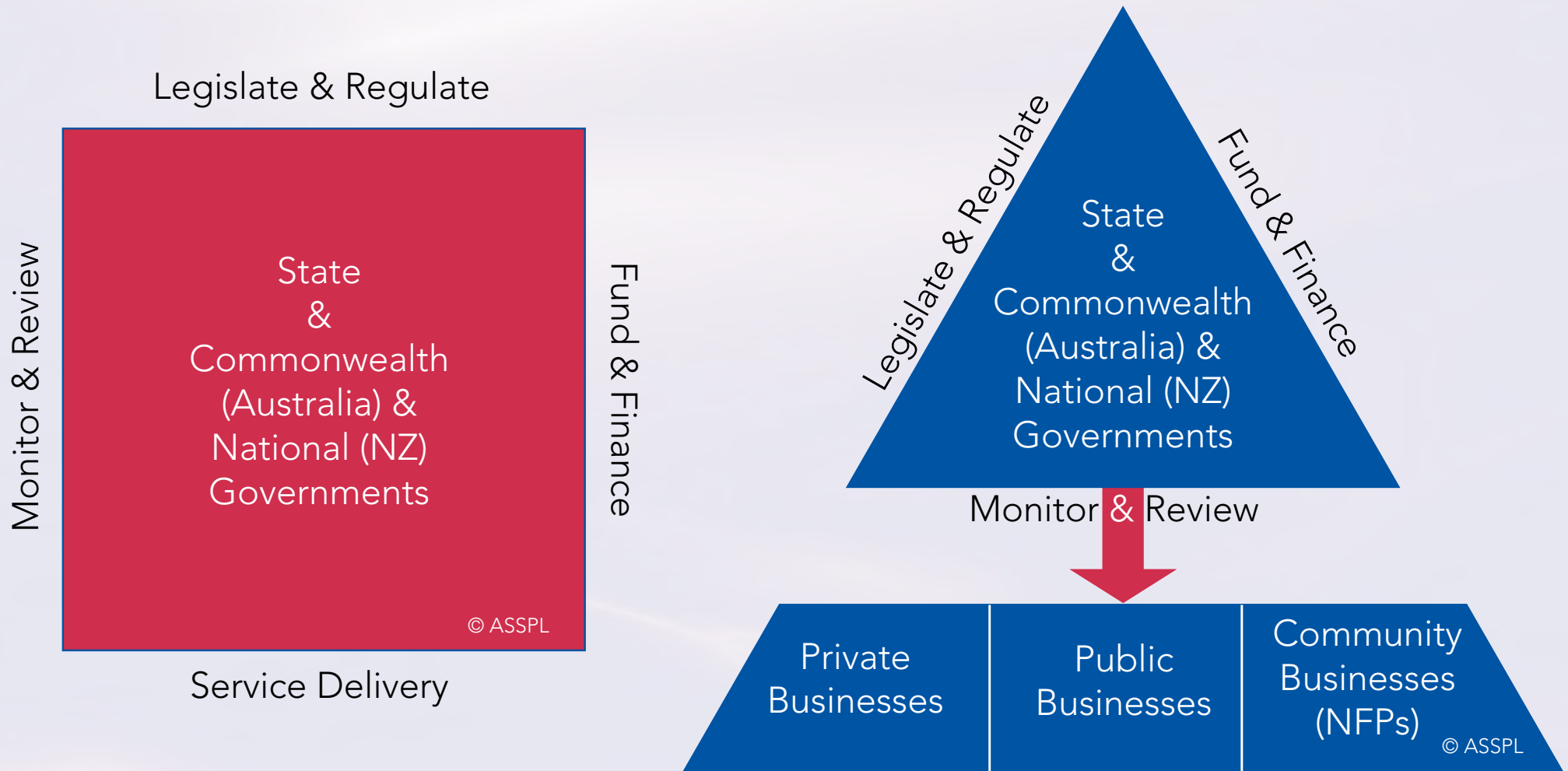


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Privately Owned
NFP Model



Snapshot 15: Changing Government Roles, Cause NFP Growth



Snapshot 15:

Changing Government Roles, Cause NFP Growth

- ◆ In the past, State and Commonwealth (Australia) and National (NZ) governments, legislated and regulated, funded and financed, monitored and reviewed and undertook service delivery
- ◆ Over recent years, State and Commonwealth (Australia) and National (NZ) governments have moved, or are moving, to legislate and regulate, fund and finance and monitor and review, leaving service delivery to public businesses, private business and community businesses (NFPs)
- ◆ In so doing, State and Commonwealth (Australia) and National (NZ) governments focus on their core roles and responsibilities and aim to reduce their risk, costs, liabilities and political exposure

Snapshot 16: Transitioning From A Service To An Organisation

Stage I

- ◆ 'We Are A Service'
- ◆ Strong Operationally
- ◆ Weak Organisationally
- ◆ Few Services/Products
- ◆ A Manager Of A Service

Stage II

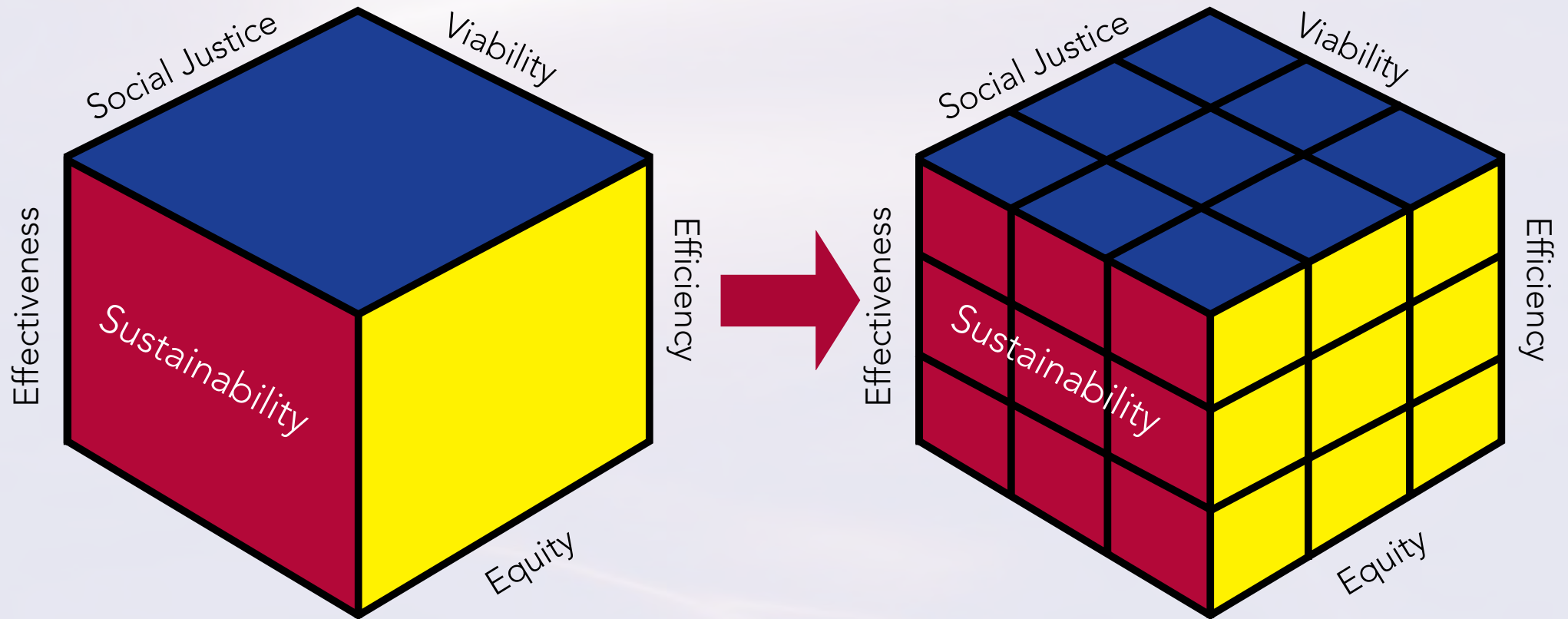
- ◆ 'Are We A Business, Are We A Service?'
- ◆ Stronger Operationally
- ◆ Fitter Organisationally
- ◆ Several Services/Products
- ◆ Manager Transitioning To Manager/Leader

Stage III

- ◆ 'We Are A Community Business'
- ◆ Strongest Operationally
- ◆ Strong Organisationally
- ◆ Integrated Services/Products
- ◆ Leader & Developer Of An Organisation

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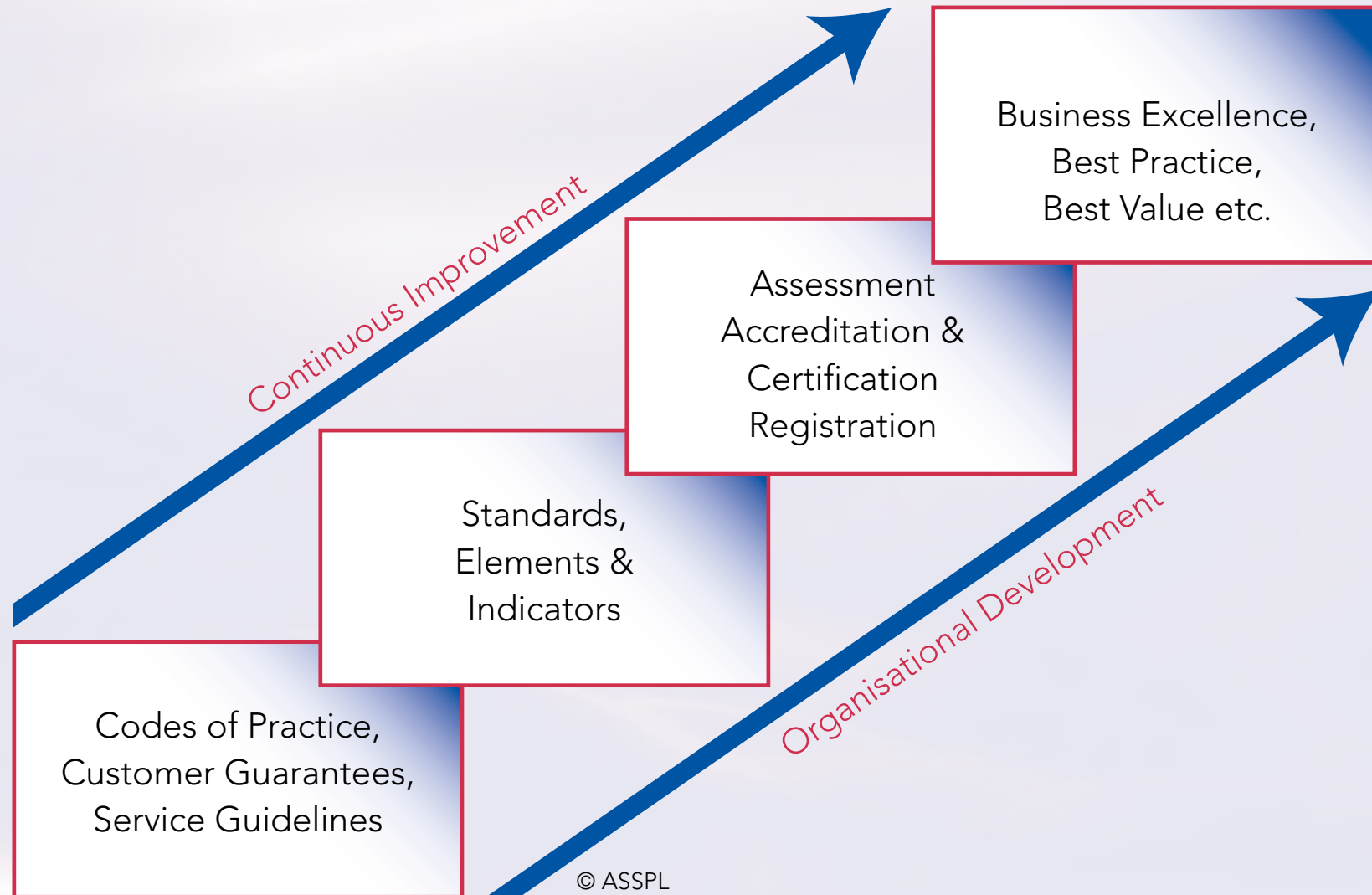
Snapshot 17: From A Solid Cube To A Rubik's Cube



Specialist Niche NFP...
one–two services

Multi-Service NFP...
from "a service" to an organisation

Snapshot 18: Many NFPs Are On A Quality Journey



Snapshot 18: Increasing NFP Accreditations & Registrations



Snapshot 19: Government Reports...Creating New Paradigms

- ◆ It is not by coincidence that in both Australia and New Zealand Commonwealth Government/Productivity Commission (Australia) and National Government (NZ) reports have/will all come together at the same time, creating:
 - * new paradigm/s of service delivery
 - * new environment/s in which NFP organisations will need to adapt and operate

Australian Reform Model

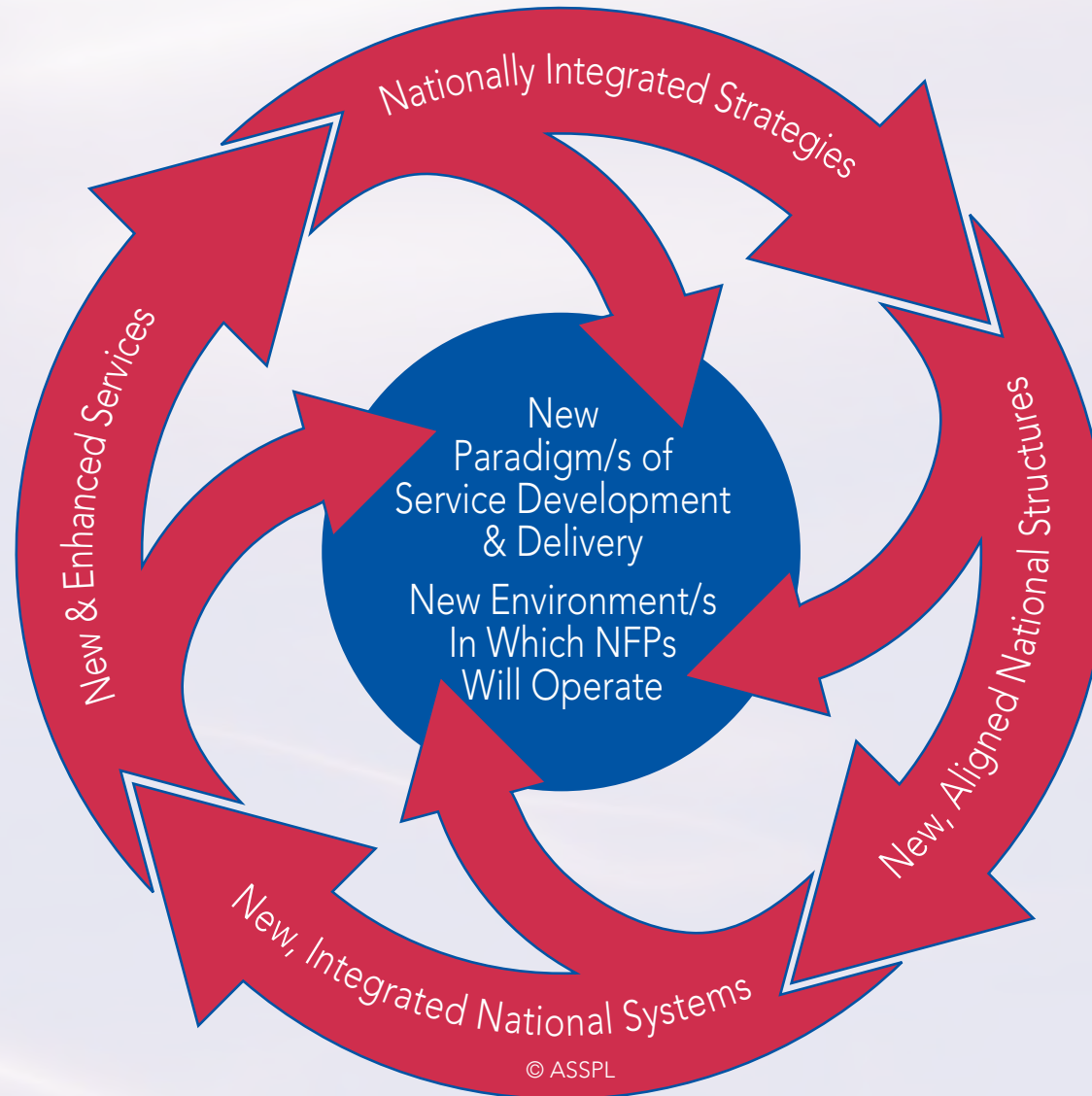


Snapshot 19:

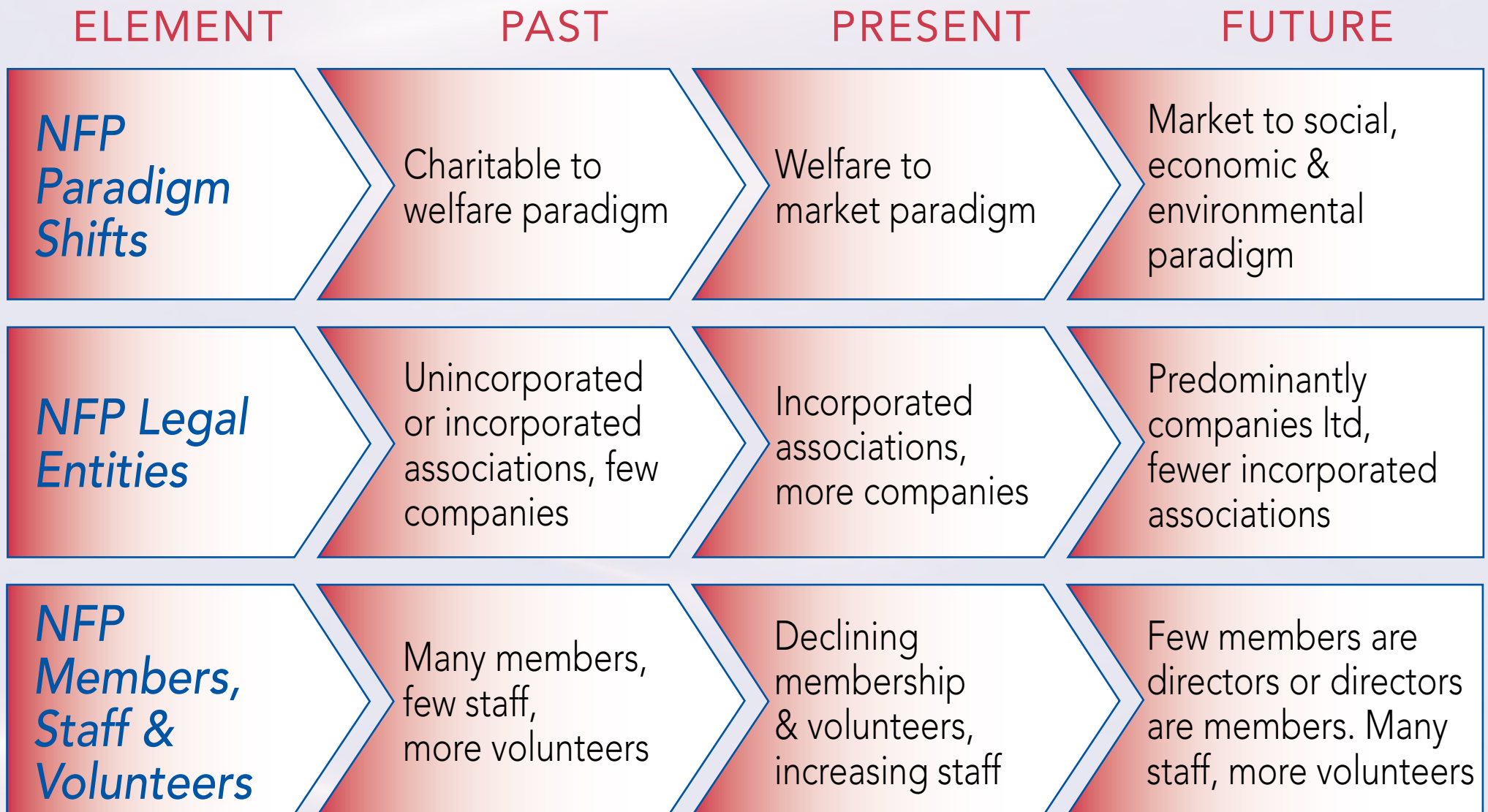
Government Reports In Summary

- ◆ In a nutshell, all Commonwealth Government/Productivity Commission (Australia) reports come down to:
 - * **National Strategies:** to reinvent services, eg: NFPs, aged care, hospital and health, allied health, disability, natural resource management
 - * **New Structures:** are being established and used, eg: Medicare Locals, Local Health Networks
 - * **New Systems:** the development and use of new systems, eg: e-Health system, DoHA Gateway, individualised funding
 - * **New/Redeveloped Services:** an opportunity for your organisation to redevelop its existing services and research and develop new client/customer focused services

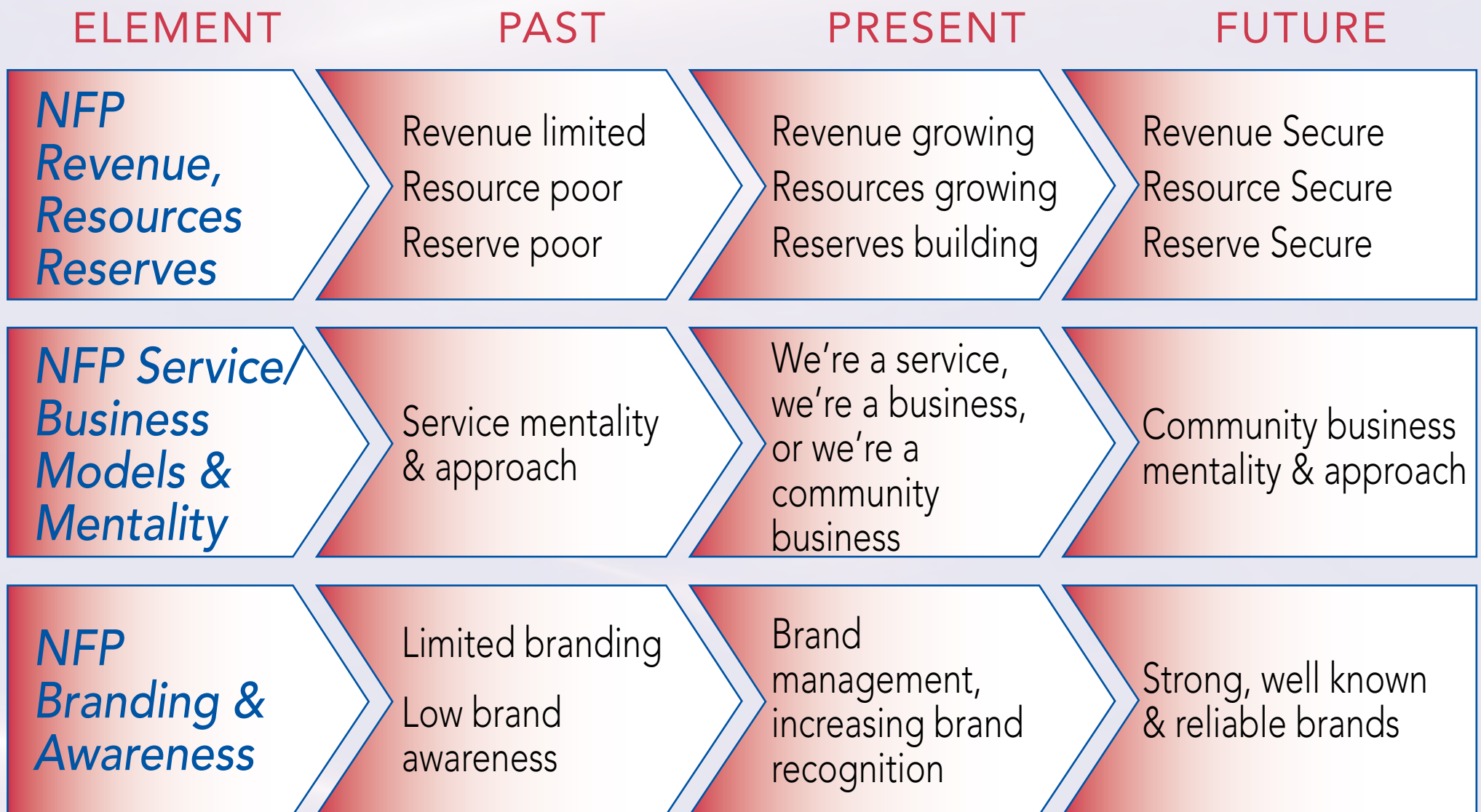
Snapshot 19: Australian & NZ Government Reports



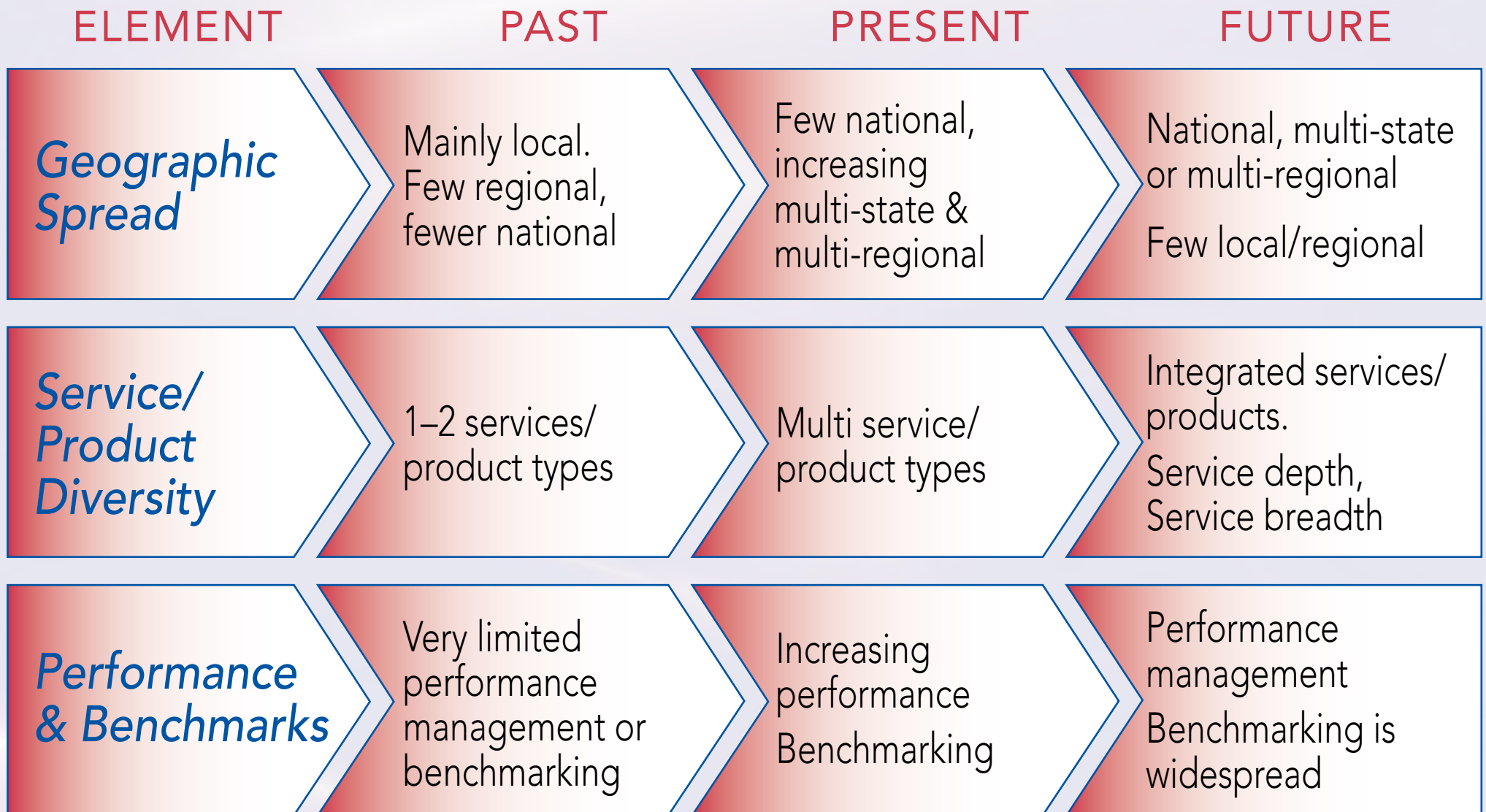
Snapshot 20: NFPs Past, Present & Future



Snapshot 20: NFPs Past, Present & Future



Snapshot 20: NFPs Past, Present & Future

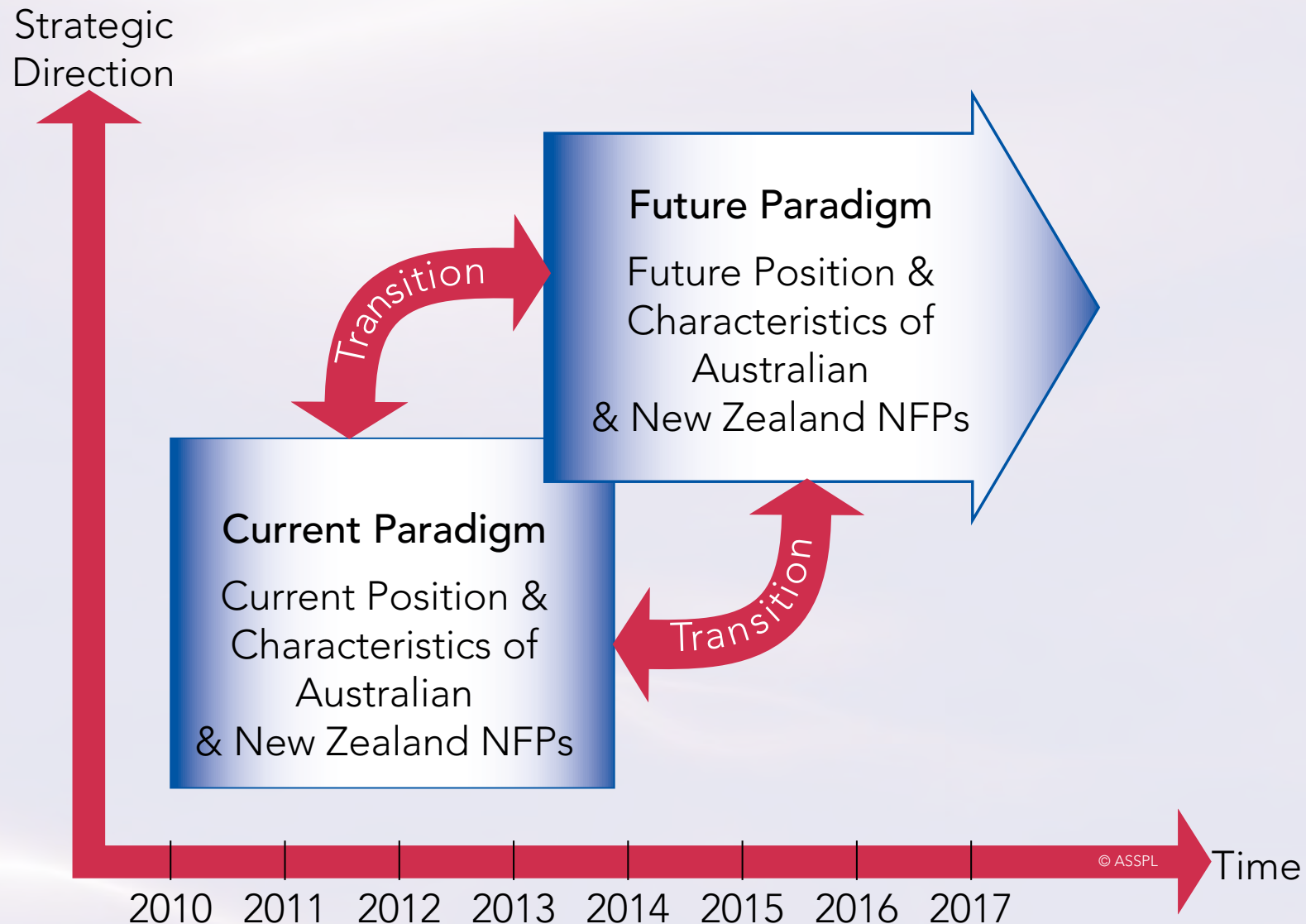


Snapshot 21: NFPs Go International

- ◆ There are many non-government organisations, NGOs operating overseas work, eg: Red Cross, Oxfam
- ◆ There are, and will continue to be, an increasing number of NFPs which develop and deliver services internationally
- ◆ An increasing number of NFPs, particularly in the human services industry are winning overseas contracts



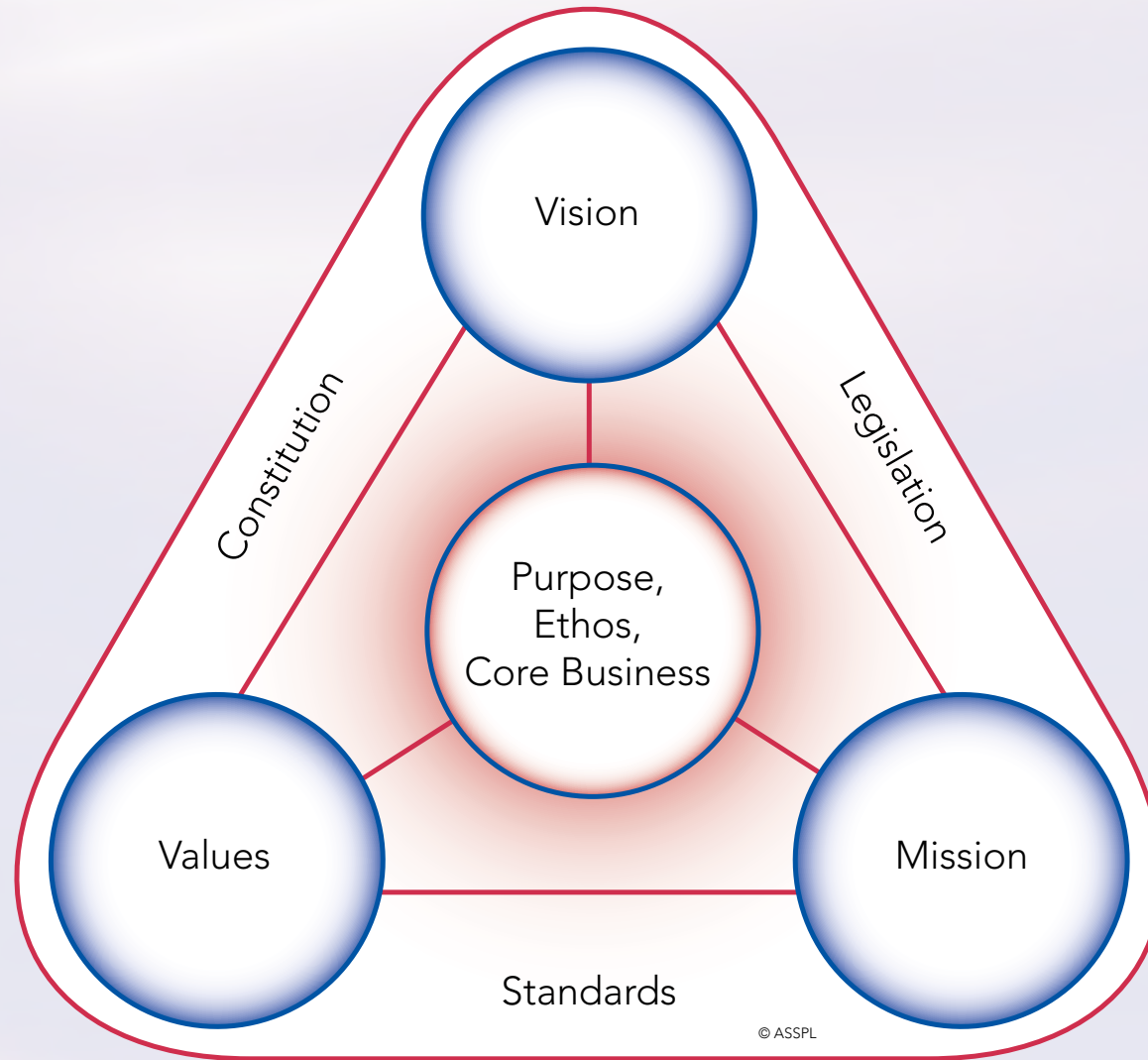
Snapshot 22: In Essence, NFPs...Are Making A Paradigm Leap



A modern conference room with a long, dark wood conference table surrounded by black leather chairs. The room features large windows with blue blinds and potted plants on the windowsill. The walls are blue and wood-paneled, and the ceiling has recessed lighting.

*Not For Profits Tomorrow...
Strategic Considerations
For Your Board, CEO & SMT*

Consideration 1: NFPs Will Be United By Vision, Driven By Mission



Consideration 2: Client Demand & Expectations Will Increase

- ◆ For the majority of NFPs, client/customer requirements and expectations, together with demand, will continue to increase
- ◆ Clients/customers will be increasingly aware of:
 - * their rights and responsibilities
 - * their financial/service entitlements
 - * price and performance



Consideration 3: Client Profile Of 2020

- ◆ Attuned to choice, options and decision making processes
- ◆ Low–nil brand loyalty
- ◆ High expectations and needs
- ◆ Rights and responsibilities oriented
- ◆ World views, world travel and a multi cultural attitude
- ◆ Independent, self managing
- ◆ Accumulating wealth versus significantly disadvantaged
- ◆ More people with tertiary/VET qualifications and careers

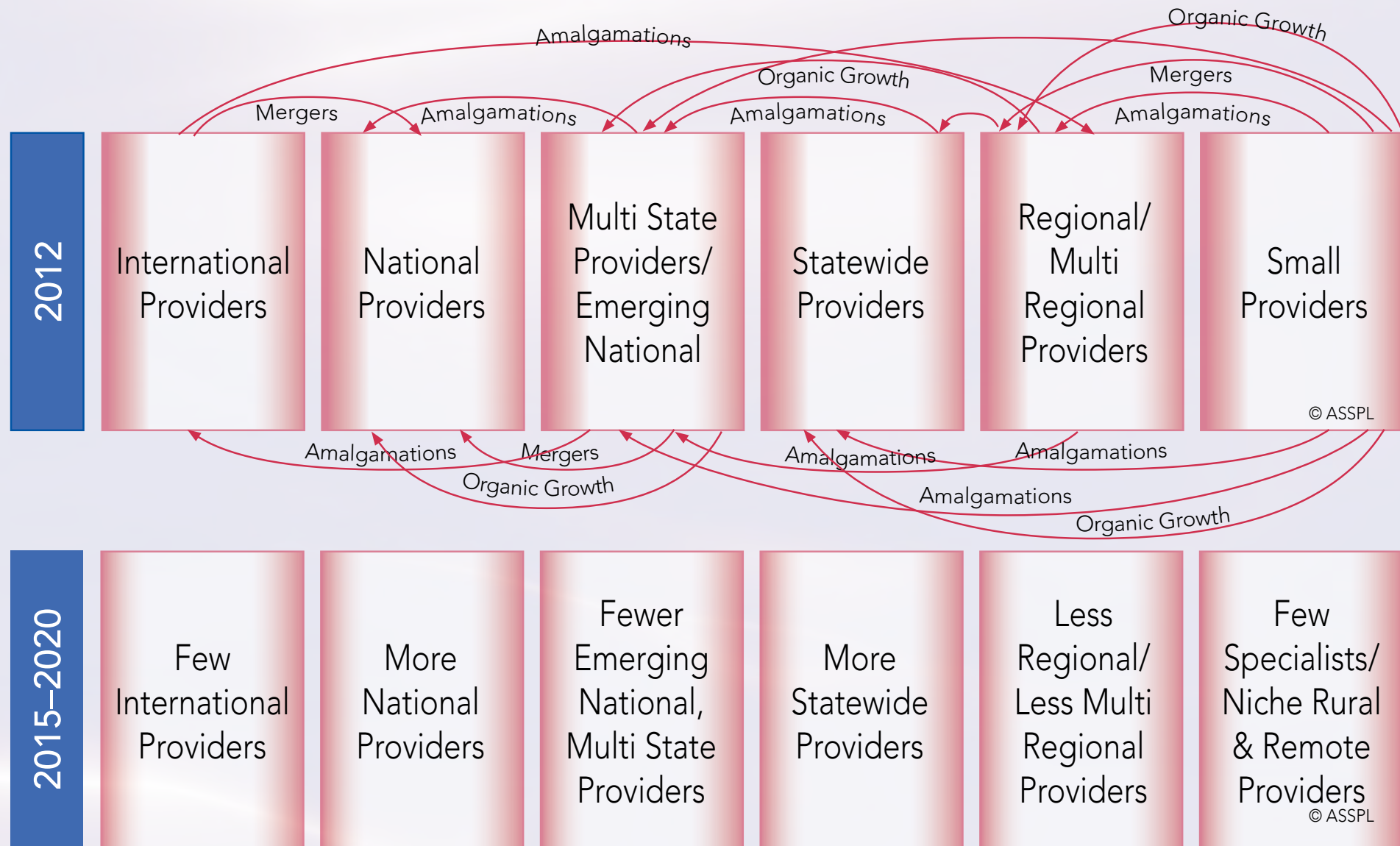


Consideration 4: Client Funding, Client Choice, Client Mobility

- ◆ With the introduction of new funding models such as Individual Support Programs (ISP) in Disability and Consumer Directed Care (CDC) in Community Care,
 - * client funding
 - * client choice
 - * client mobilityare set to become the norm
- ◆ These policies are just the start of putting the power into the hands of clients. Similar models of funding will spread to other human service organisations



Consideration 5: The Big Get Bigger, The Small Go Niche Specialist



Consideration 5: The Big Get Bigger, The Small Go Niche Specialist

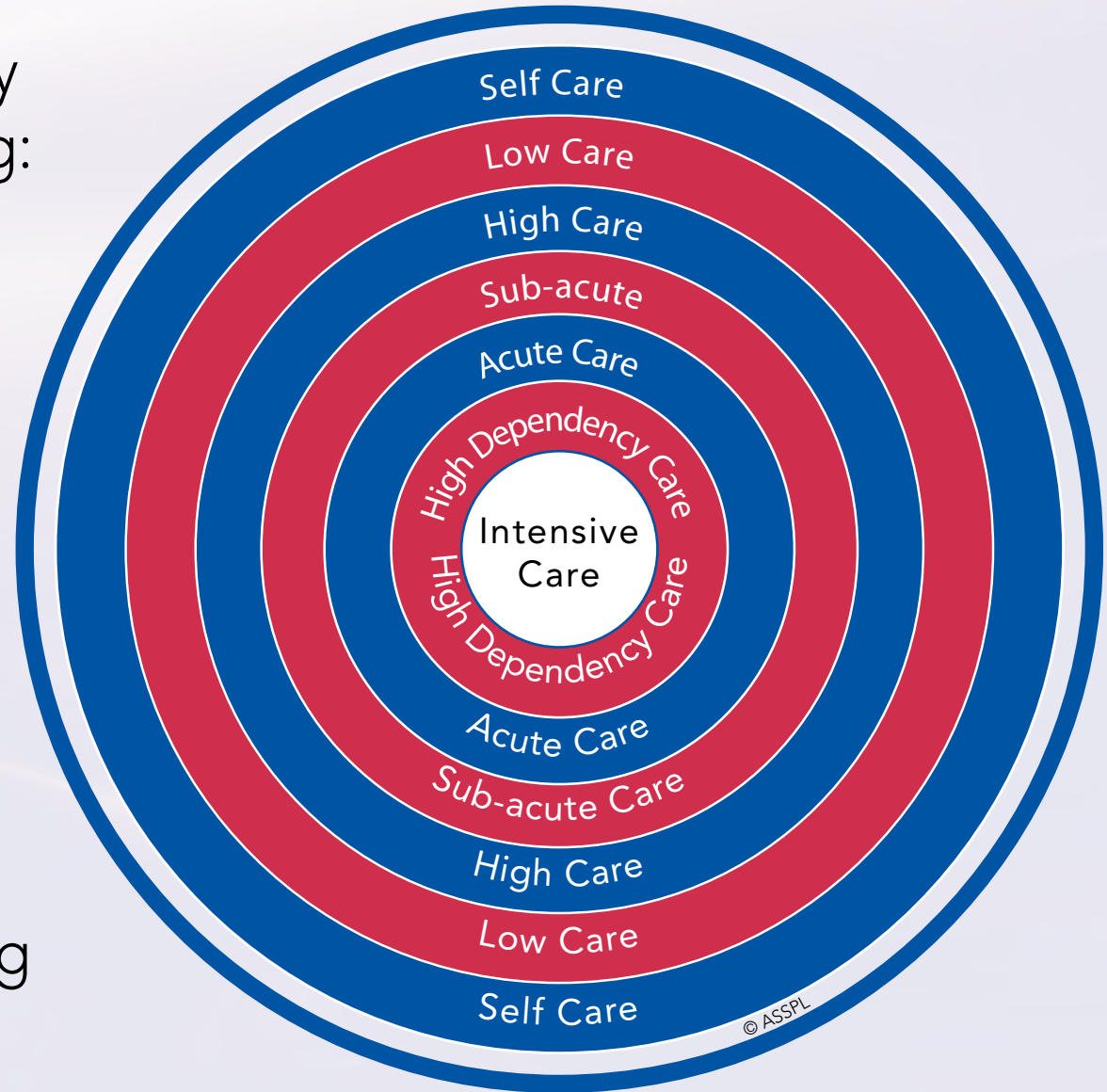
- ◆ With “client/customer choice” and market forces prevailing, boards, chief executive officers and senior management teams need to discuss and develop serious strategies to enable their organisations to adapt to their organisation’s new paradigm and environment/s in which they operate
- ◆ The number of NFP amalgamations, mergers, sales and closures will continue to increase
- ◆ Remember, as big trees grow, there is plenty of room in the forest for medium sized trees, shrubs, bushes and even fungi; it’s a case of survive by adaption...or die

Consideration 6: If You're Into Care...Care Is On The Move

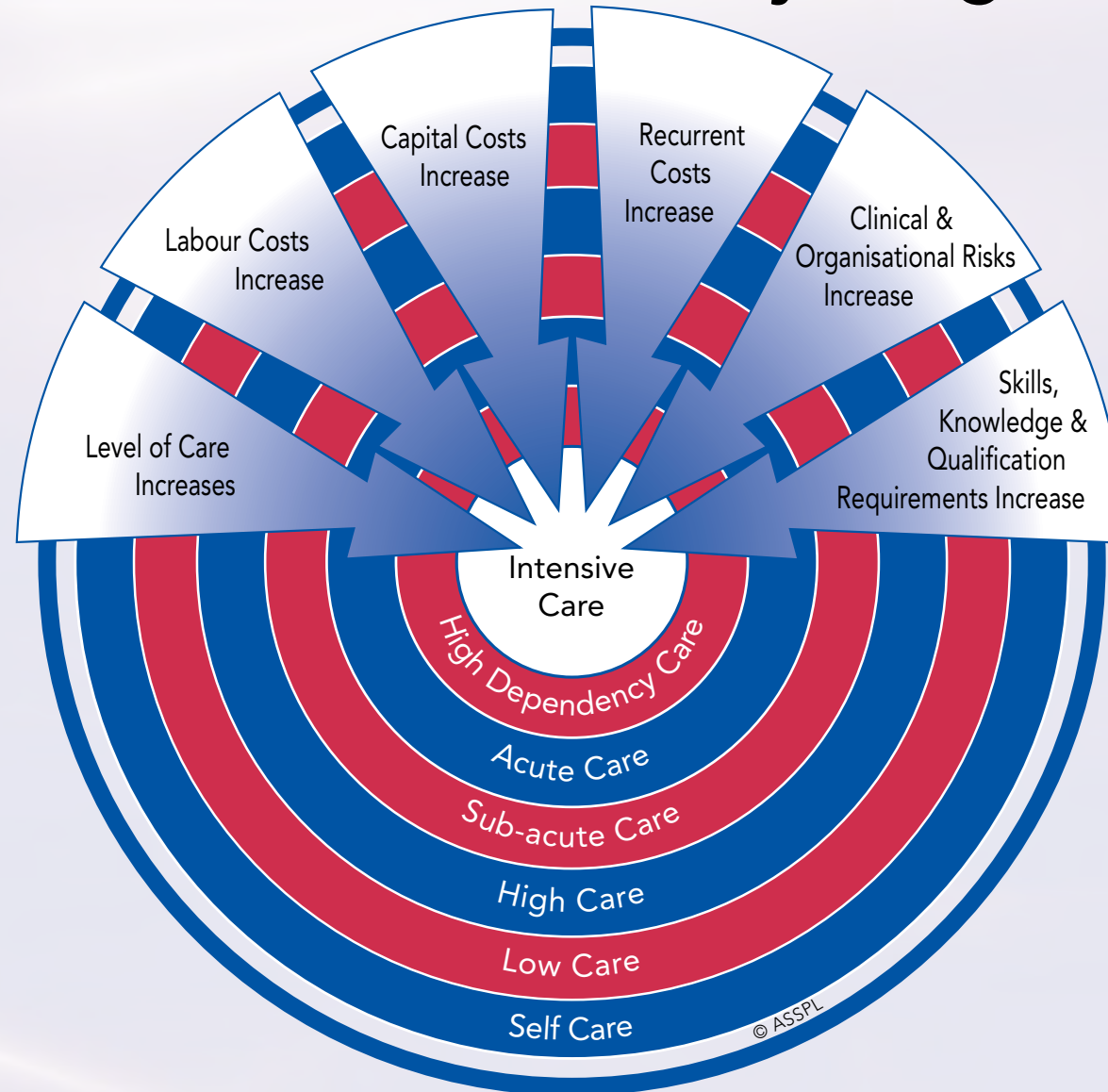
◆ If your NFP provides any form of care services, eg:

- * Disability Services
- * Day Services
- * Health Care
- * Mental Health
- * Child Care
- * Drug/Alcohol
- * Massage Services

consider the adjacent model and the following model



Consideration 6: As Care Levels Increase...Everything Else Increases



Consideration 7: From Isolated Services To Integrated Services

Example Isolated Services



Example Integrated Services



Consideration 8: Increasing Use Of External Expertise

Small to Medium
Organisations



Medium to Large
Organisations



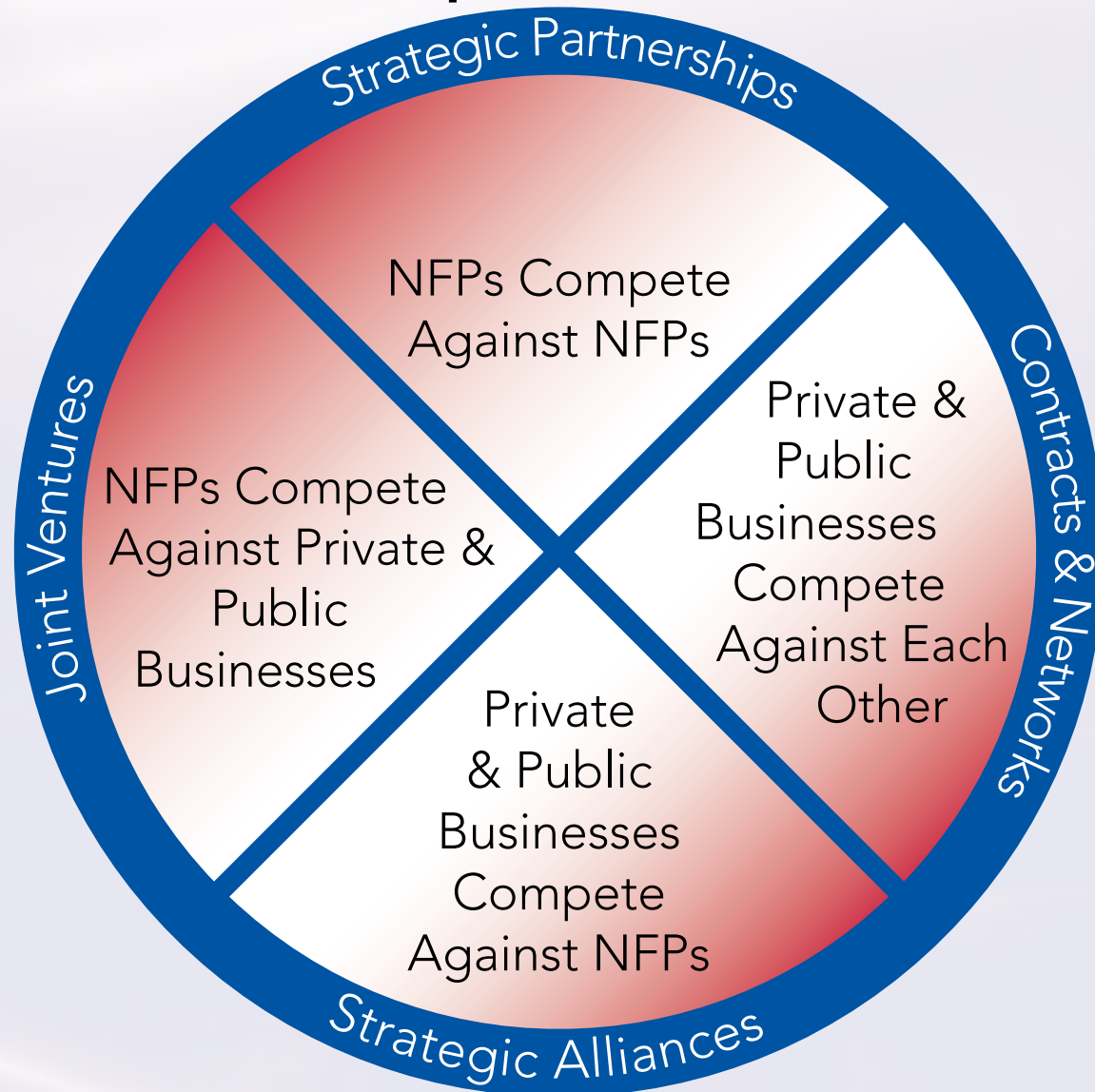
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Consideration 9: 2020 A New World, New Relationships

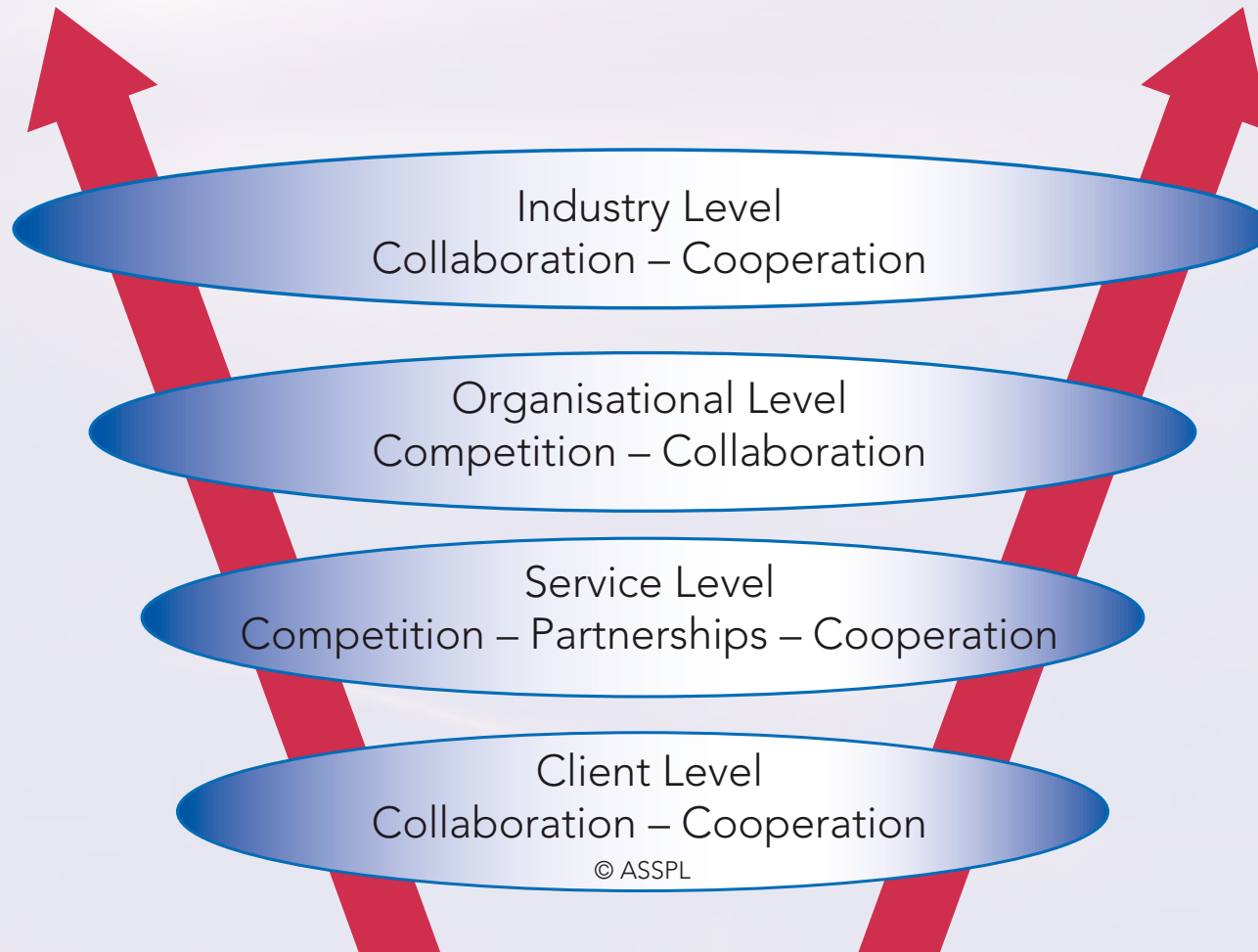
- ◆ The new paradigms and environments of each NFP industry/sector will bring new players
- ◆ Therefore new relationships will need to be created and nurtured, eg: Medicare Locals, refer adjacent model



Consideration 10: Market Forces & Competition Will Prevail



Consideration 11: Collaboration – Cooperation – Competition



Consideration 12: Preferred Providers Will Rule The New World

- ◆ Where services have been privatised and private businesses, public businesses and community businesses (NFPs) compete for market share, service delivery and clients/customers, the principles and practices of the “Market Bell Curve” prevails

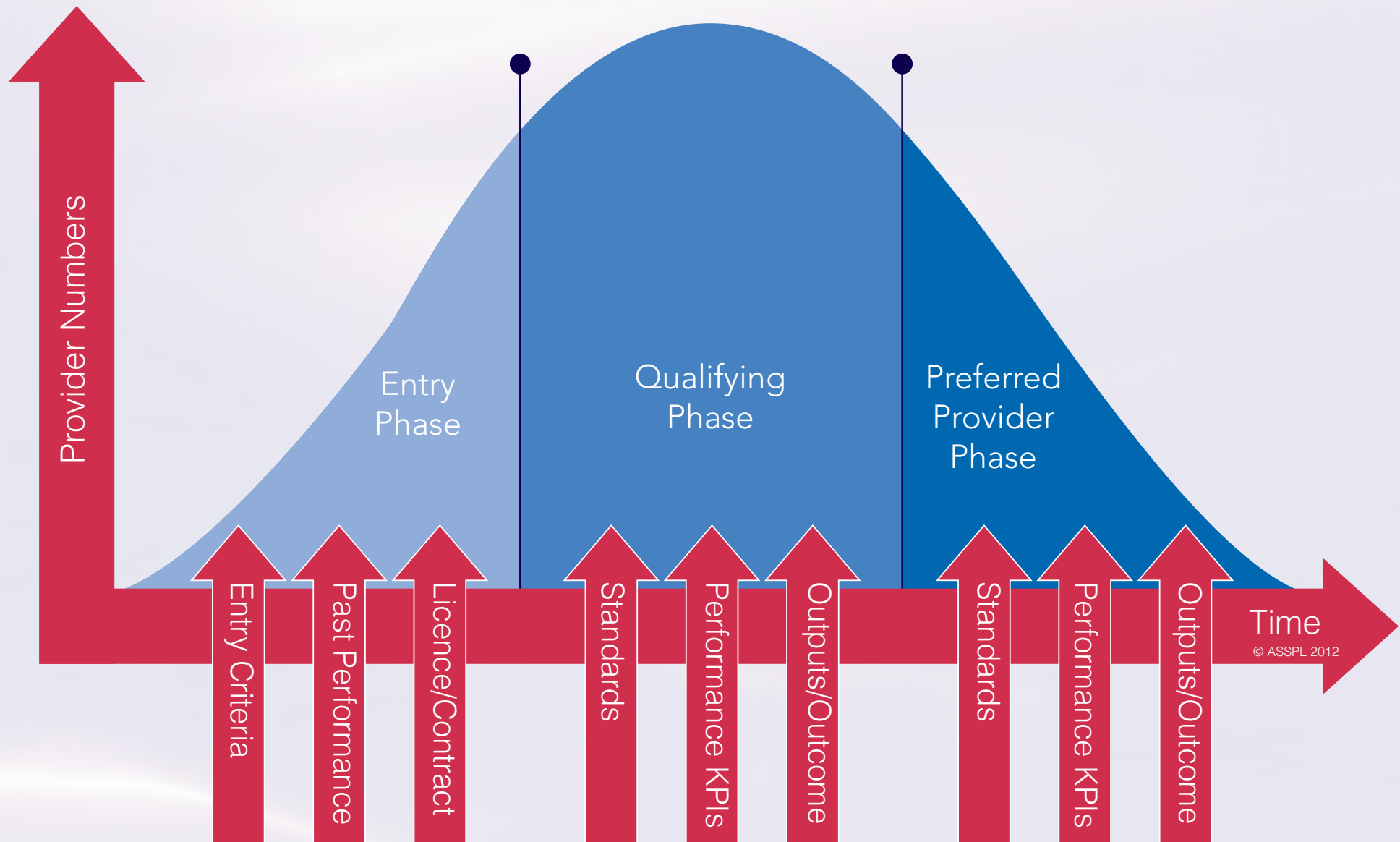


Consideration 12: Preferred Providers Will Rule The New World



- Only 70 of the original 700 SkillShare organisations were part of the 300 Entry Phase providers. Via the Entry Phase, 230 new entrants gained a foothold in the Employment Services Industry

Consideration 12: Preferred Providers Will Rule The New World



Consideration 12: The Rise Of Preferred Providers...The Evidence

Industry Examples	1980s	1990s	2000s	2012	2015/2020
Employment Services Providers	700+	300 (only 70 of original 700, 230 new entrants)	200	101	50–100 (est)
Disability Employment Providers	13+	240	260	214	50–100 (est)
Pathology Providers	340	300	120	30	20–25 (est)
Private Health Insurance Companies	N/A	48	44	37	20–30 (est)
Credit Unions	841	350	200	100	67–72 (est)
Bush Nursing Hospitals/ Centres	69 (1935)	30–50	25–30	22	10–15 (est)
Residential Aged Care Providers	2,200	2,900	1,600	1,200	400–500 (est)
Community Care Providers	500–3,000	3,000–4,000	4,000–4,500	4,500–5,500	500–1,000 (est)

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Consideration 12: The Rise Of Preferred Providers...The Evidence

- ◆ All NFP industries/sectors have been consolidating over many years
- ◆ The previous table not only provides evidence of industry/sector consolidation, but also reinforces the “Market Bell Curve” and the power of market forces, competition, declining government funding and client choice
- ◆ Amalgamations, mergers, sellouts and closures have been a feature of all NFP industries/sectors and will continue to be so until 2015–2020, and thereafter

Consideration 13: Where Price Is Constrained...Watch Out

*Service
Volume*

*Service
Margin*

*Business
Risk*

Low Volume

High Margin

Low Risk

Low Volume

Low Margin

High Risk

High Volume

Low Margin

High Risk

High Volume

High Margin

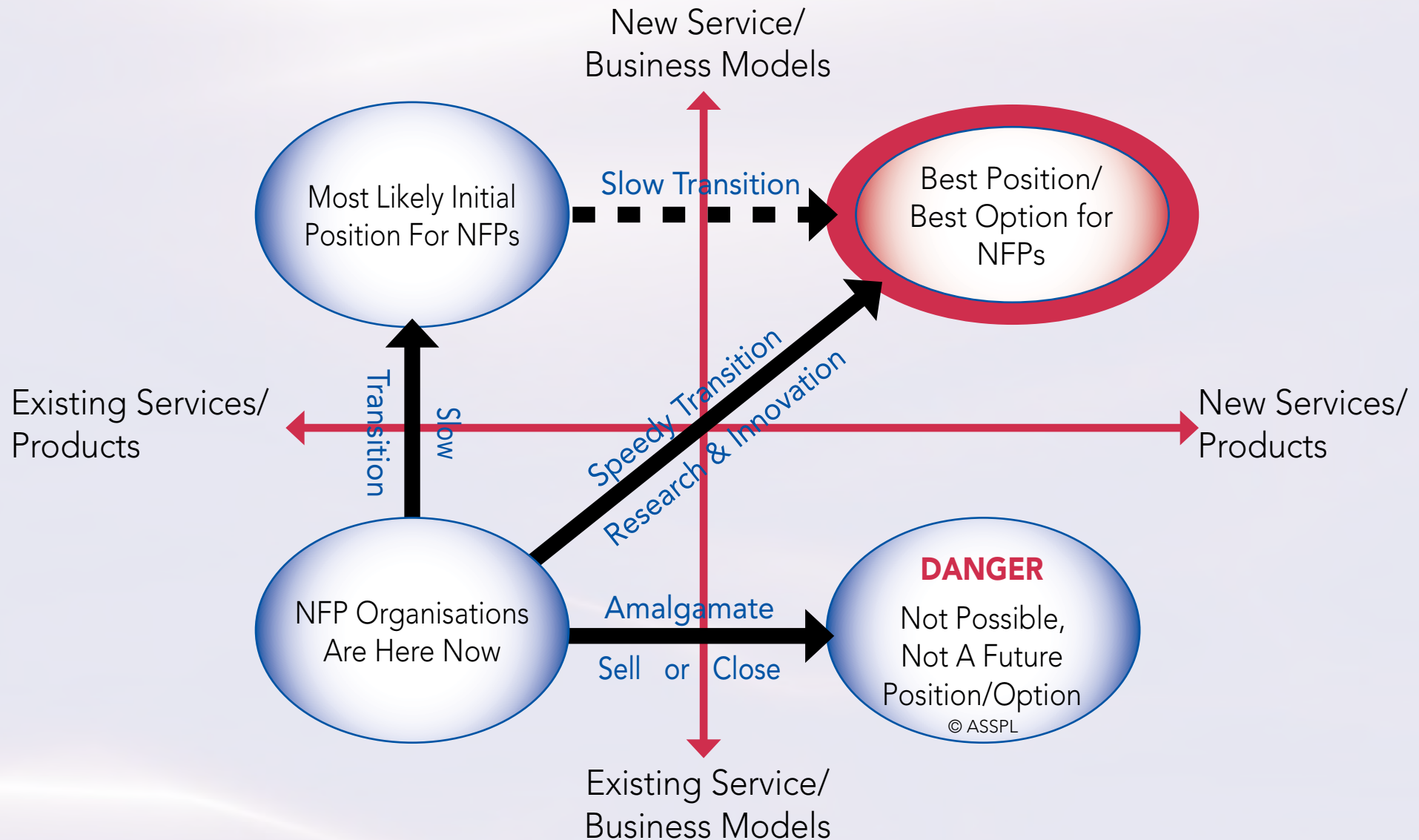
Low Risk

Consideration 13: Where Price Is Constrained...Watch Out

- ◆ In the new world of NFPs:
 - * Volume ...client numbers
 - * Margin ...knowing the true cost, margin and price of a unit of service delivery or product
 - * Business Risk ...that is a result of the two aforementioned elements

- ◆ Practically, NFPs which are price constrained, have small client numbers and long distances to travel will struggle to survive financially in the new paradigms/new environments, unless they are "block/contract" funded, or have alternative revenue streams

Consideration 14: New Paradigms, New Rules, New Positions For NFPs

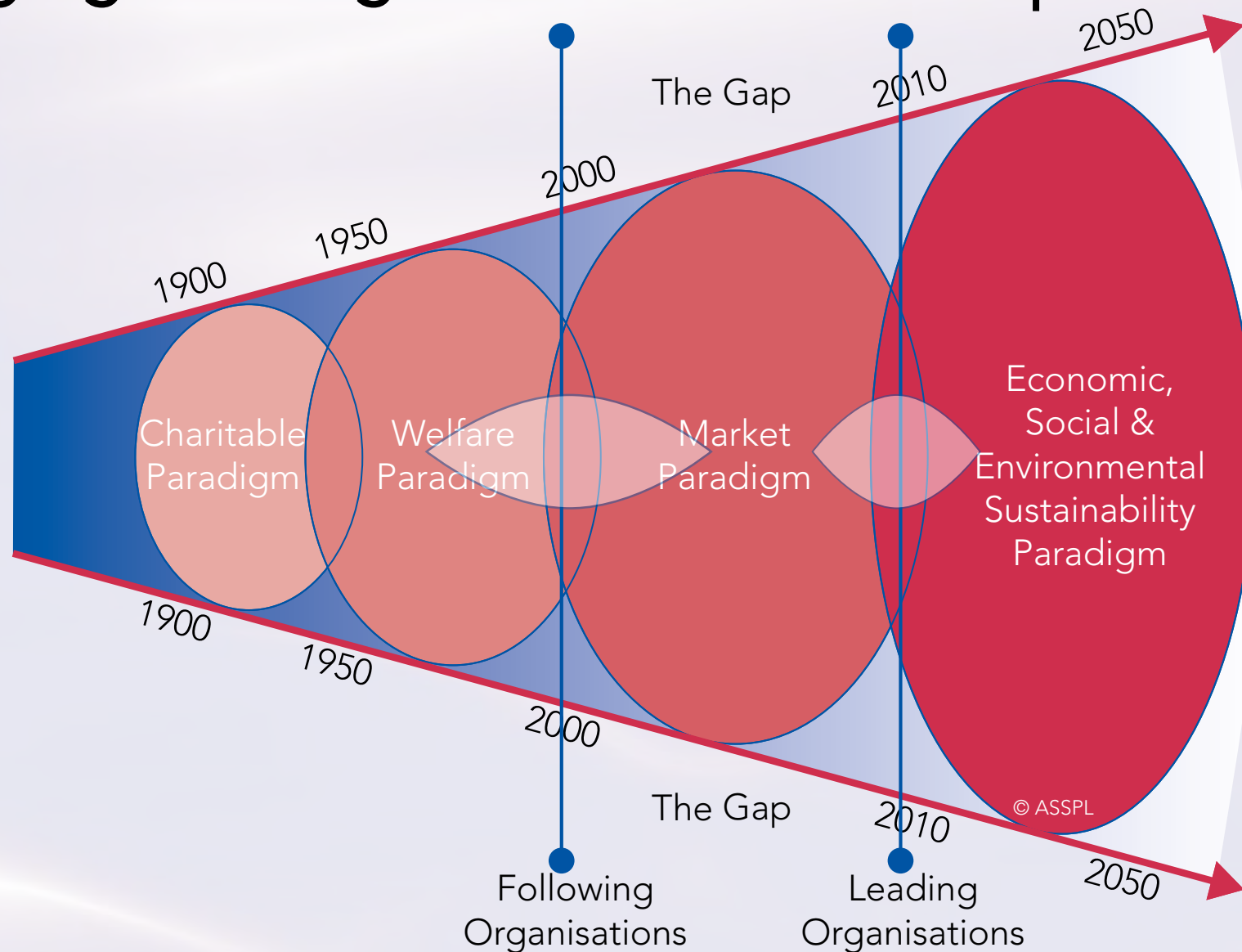


Consideration 14: New Paradigms, New Rules, New Positions For NFPs

- ◆ The previous axis model provides four service positions/moves that NFPs can consider/make
- ◆ Before making a decision on any one of these positions/moves, your leadership team (board, chief executive officer, senior management team) will need to undertake a serious and robust scenario planning/strategic planning process



Consideration 15: Changing Paradigms...Watch The Gap



Consideration 15: Changing Paradigms...Watch The Gap

- ◆ The backdrop to all not for profit organisations development and growth has been 1–2–3 paradigms; either singly or a combination of charitable paradigm, welfare paradigm, market paradigm or economic, social and environmental sustainability paradigm
- ◆ Each paradigm has a unique set of characteristics, elements and behaviours that provide a framework within which each provider operates
- ◆ However, “The Gap” between leading organisations and following organisations is what clients will exploit, governments will exploit and competitors will exploit

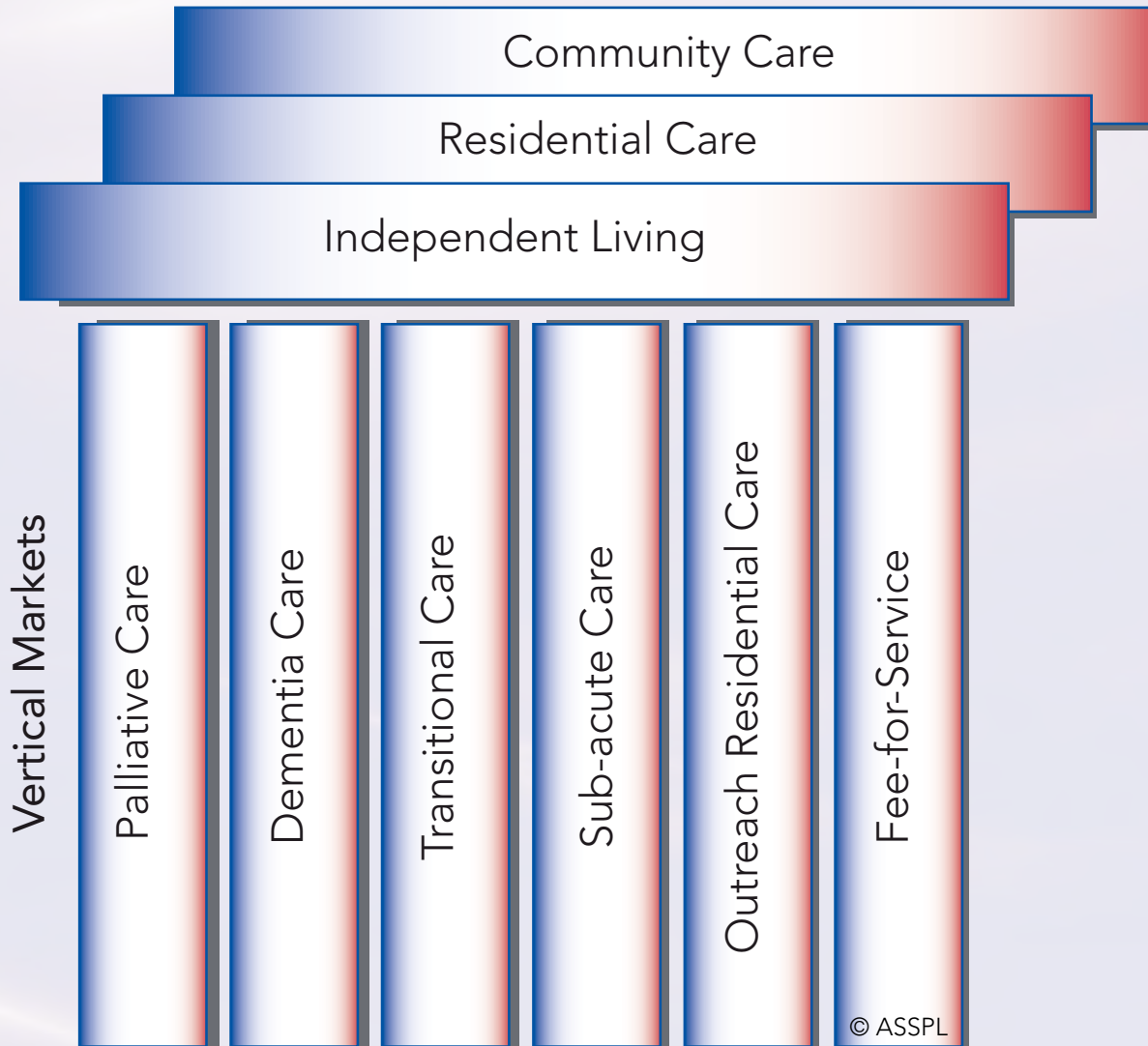
Consideration 16:

Go Market Breadth Or Market Depth Or Both

- ◆ Many Australian and New Zealand NFPs, no matter what industry/sector they are in, are:
 - * growing and developing their horizontal market/s and their vertical market/s, organically or via amalgamations or mergers, or
 - * just gaining depth and breadth in their existing vertical market/s, or horizontal markets, or
 - * researching and/or developing new horizontal or vertical markets
 - * determining if they are a “market taker” or a “market maker”
- ◆ An example of horizontal and/or vertical market development can be seen on the next page: eg: an aged care organisation

Consideration 16: Go Market Breadth Or Market Depth Or Both

Horizontal Markets



Consideration 17: Organisational To Individual Funding, Secure Funding To Preferred Providers

Deficit
Funding

Submissions,
Grants

Block
Funding

Open
Tendering

Selective
Tendering

Preferred
Provider Direct
Allocations

Individualised
Funding
Fee-for-Service

Watch This
Space

© ASSPL

Consideration 18: Your Banker...Your Mortgage...Your Accountability

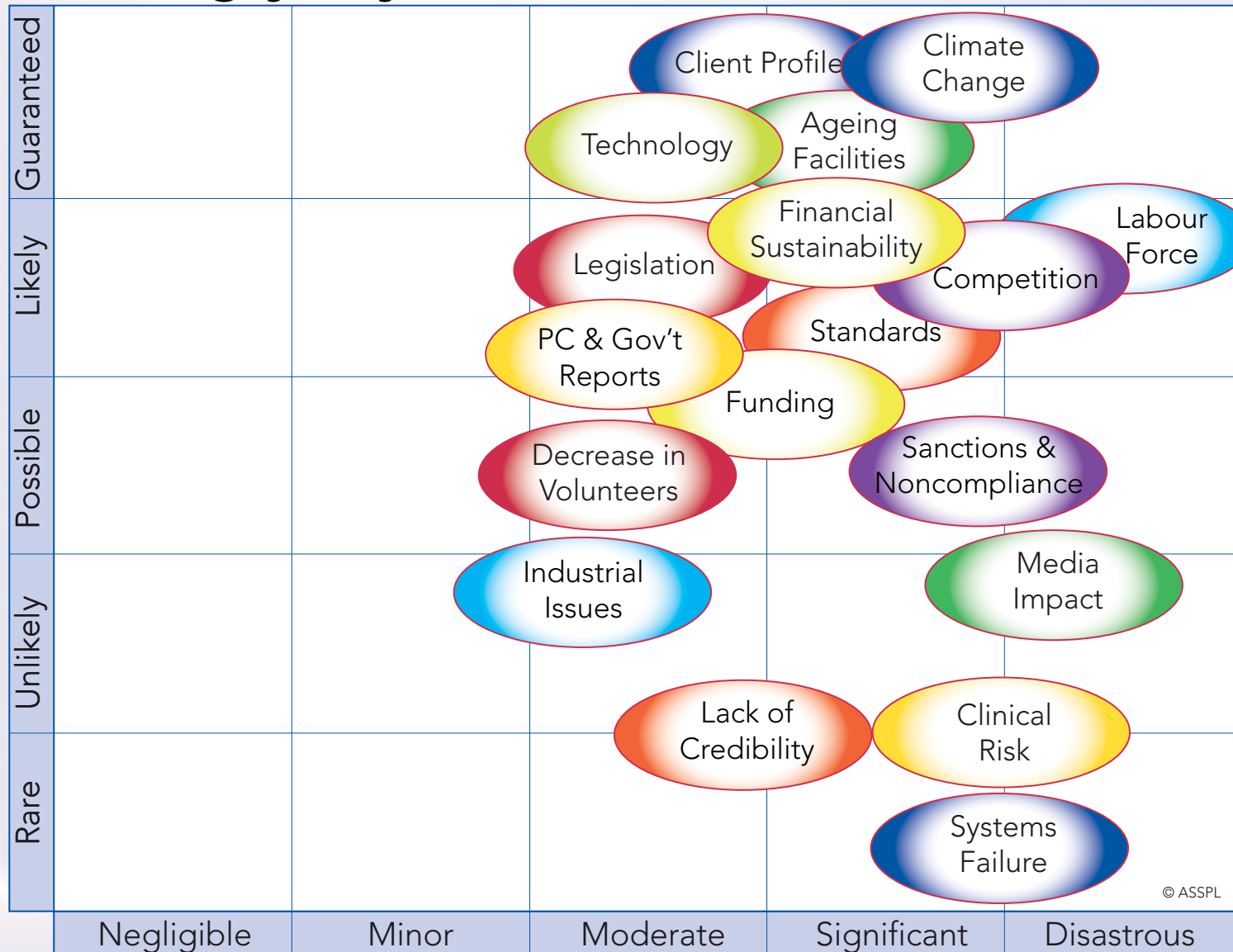


Consideration 19: Go Beyond Standards, Go On A Quality Journey

- ◆ Standards are minimum, all NFP that deliver government services must meet them and they are of no competitive advantage
- ◆ Moving beyond a “compliance/accreditation mentality” is critical
- ◆ The quality journey of continuous improvement and organisational development is paramount to the future success of those NFPs that wish to become a Preferred Provider in their new industry or sector paradigms or new environments

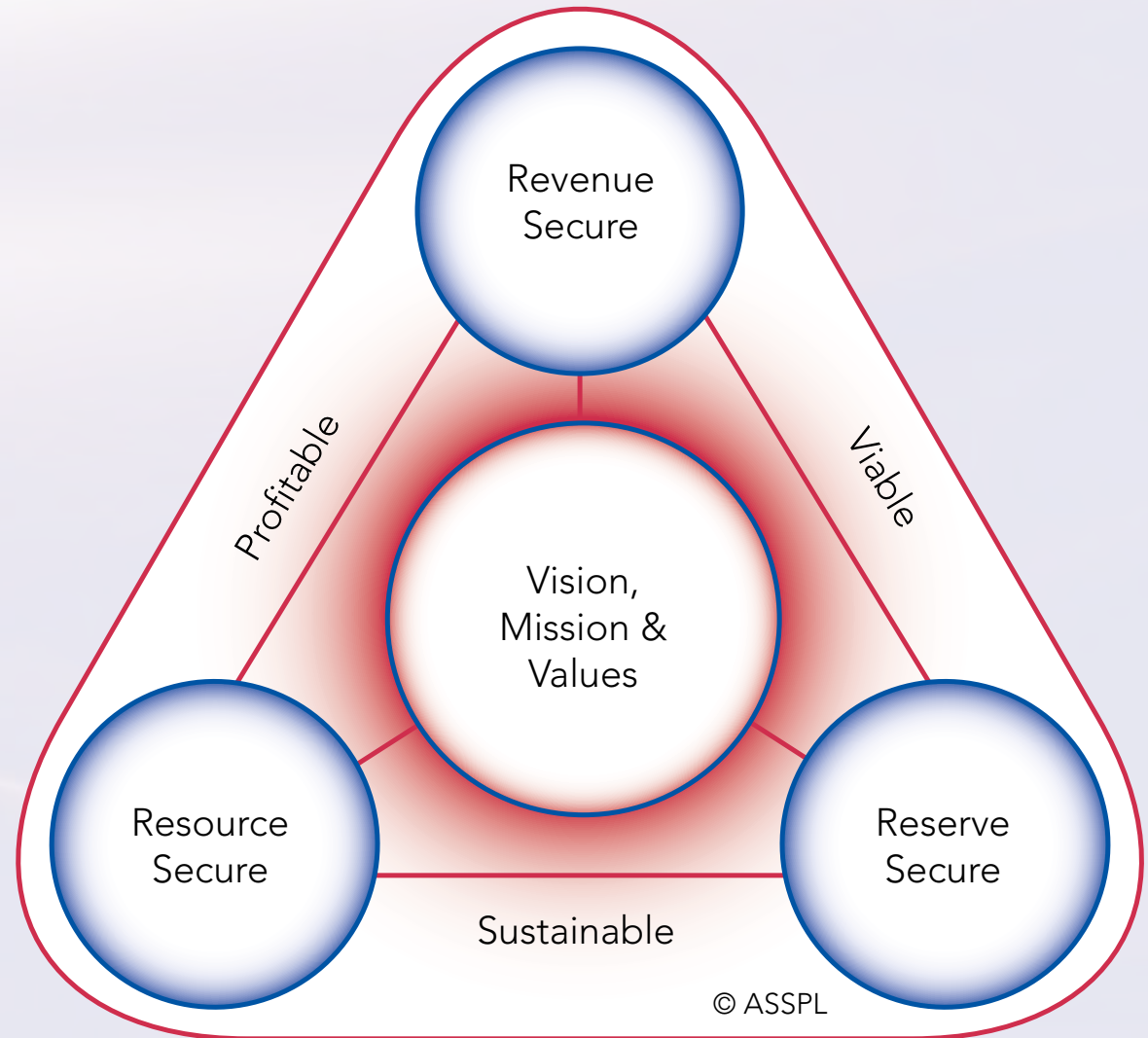


Consideration 20: An Increasingly Dynamic Risk Profile For NFPs

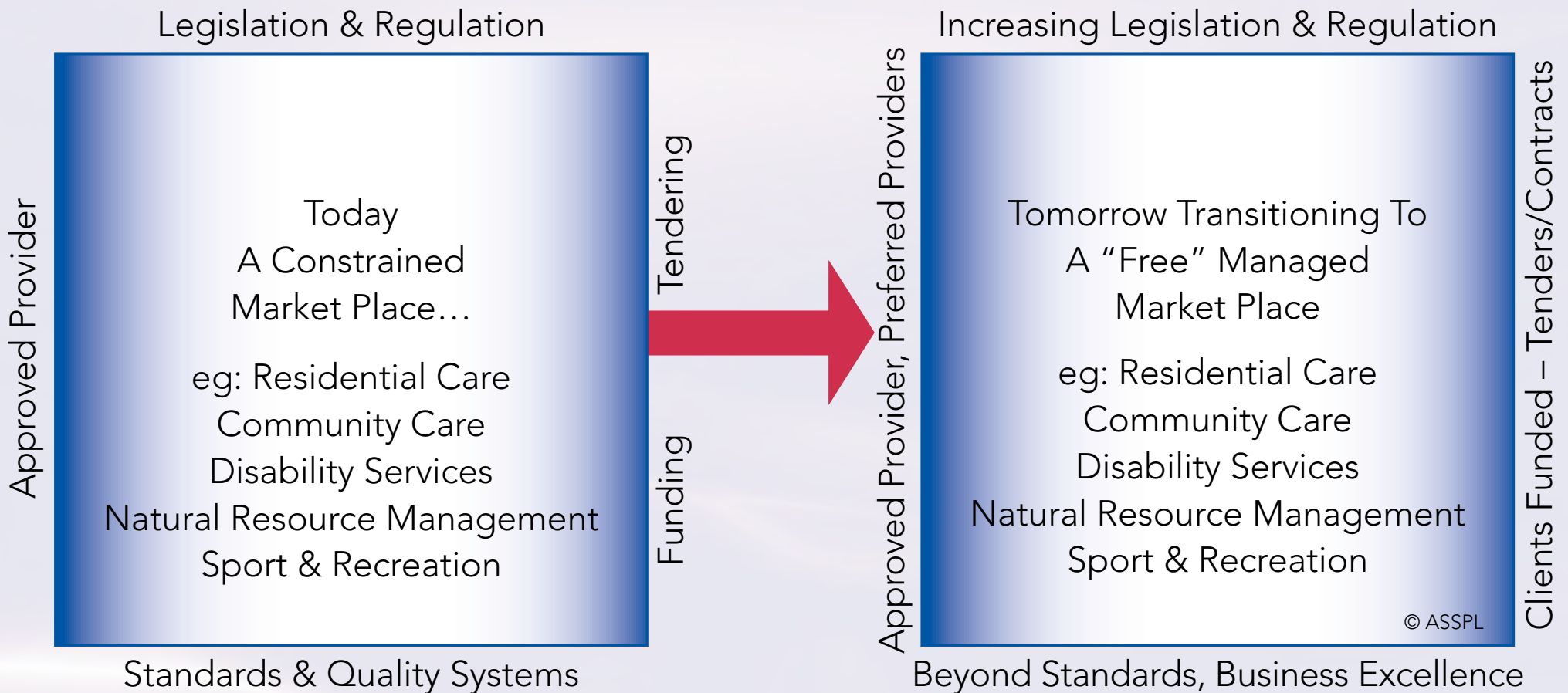


Consideration 21: Apply The Triple R Principles & Practices

- ◆ NFPs will need to be viable, sustainable and profitable in the future
- ◆ If they are to deliver their vision, mission and values into the future they need to be:
 - * revenue secure
 - * reserve secure
 - * resource secure



Consideration 22: A More Rigorous Framework, A "Free/Managed" Market



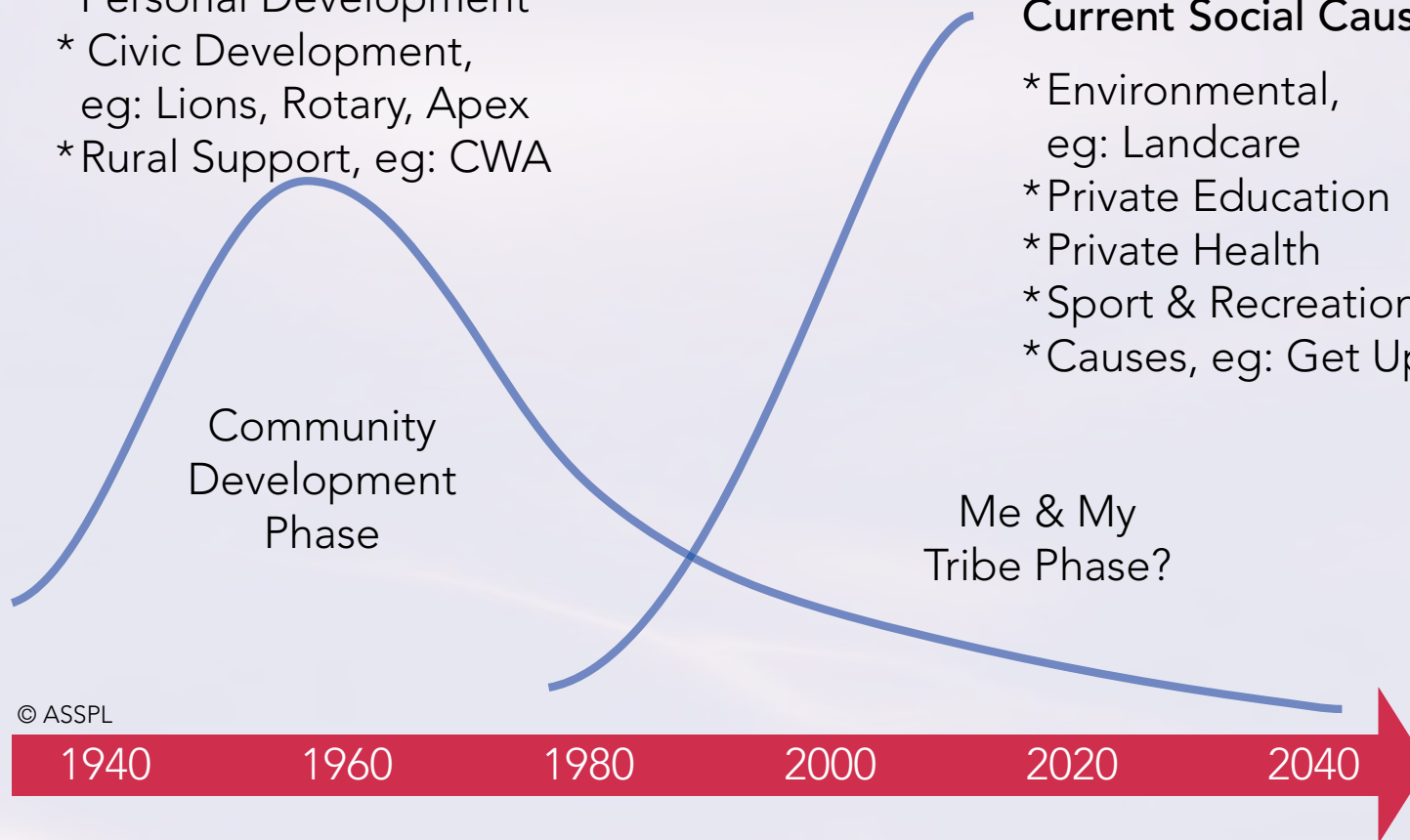
Consideration 23: Societal Change Will Continue

Past Social Causes

- * Disability Services
- * Personal Development
- * Civic Development,
eg: Lions, Rotary, Apex
- * Rural Support, eg: CWA

Current Social Causes

- * Environmental,
eg: Landcare
- * Private Education
- * Private Health
- * Sport & Recreation
- * Causes, eg: Get Up



Consideration 23: Societal Change Will Continue

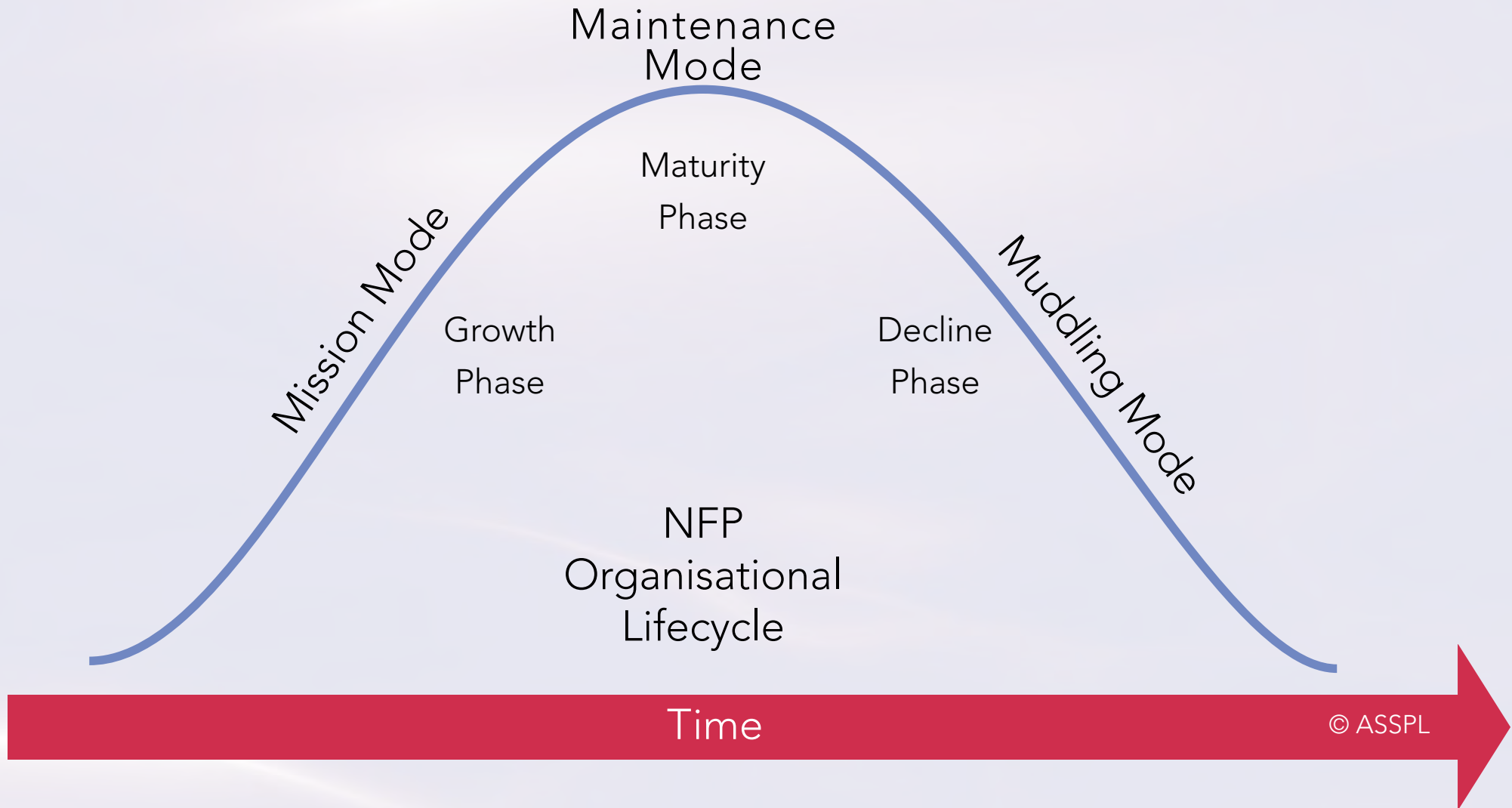
Community Development Phase

- ◆ People came together post WWII
- ◆ Need for infrastructure, buildings and facilities post WWII
- ◆ People grouped around social causes, eg: creation of Disability Services
- ◆ Commonwealth taxation provided support and funding to community infrastructure projects and established services
- ◆ Rise of the welfare paradigm

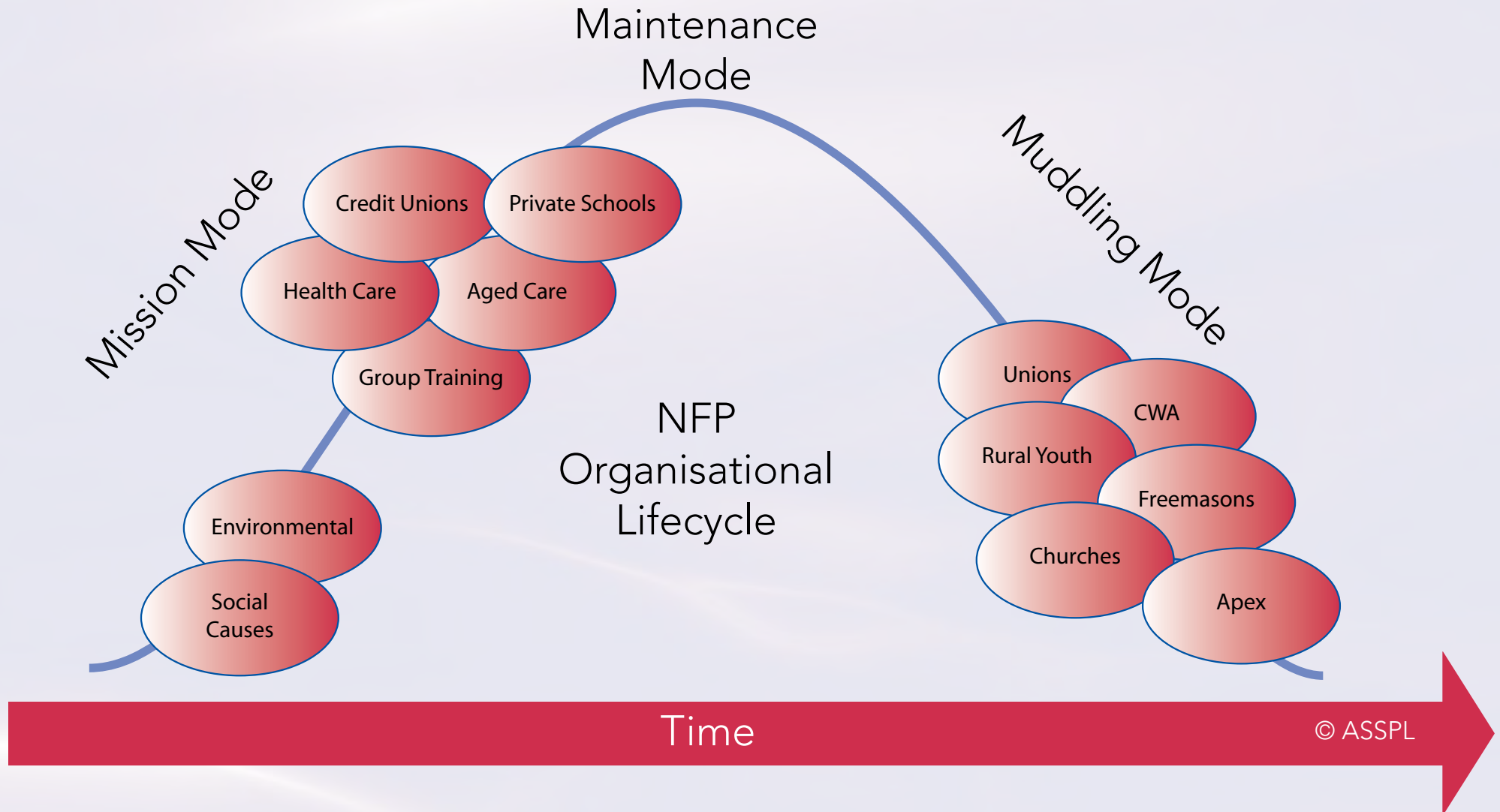
Me & My Tribe Phase

- ◆ Demand for specialised service development, eg: private health
- ◆ Significant uptake of social media, eg: Facebook, Twitter
- ◆ Gen X, Gen Y; very different value sets to Baby Boomers
- ◆ Traditional post Victoriana, post WWII values, decline of traditions, philosophies, institutions, eg: churches, Freemasons
- ◆ Focus on me and my tribe

Consideration 24: Reflect On The Organisational Life Cycle



Consideration 24: Organisational Life Cycle = Who's Where?



Consideration 25: Remember Services Come, Services Go

- ◆ For those boards, chief executive officers or senior managers who have been operating one or more of the NFP industries or sectors you may have noticed:
 - * government policies come and go
 - * government services come and go
 - * government funding comes and goes
- ◆ One of the best examples of this phenomenon is mainstream employment services and disability employment services



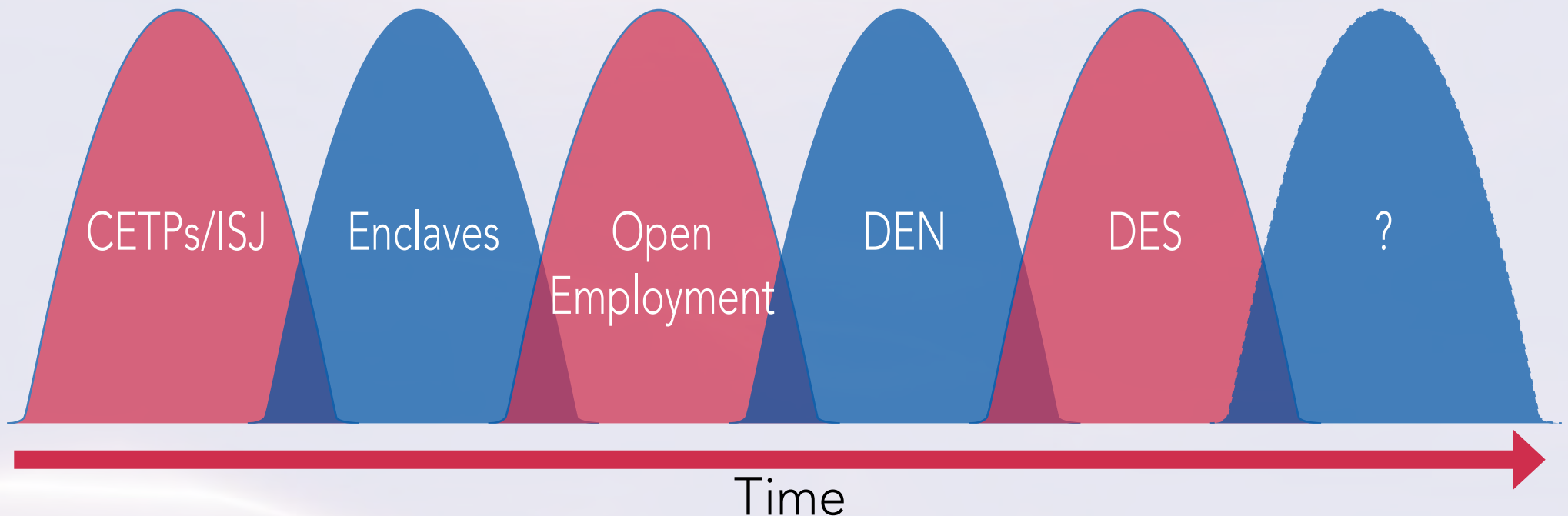
Consideration 25:

Remember, Services Come, Services Go

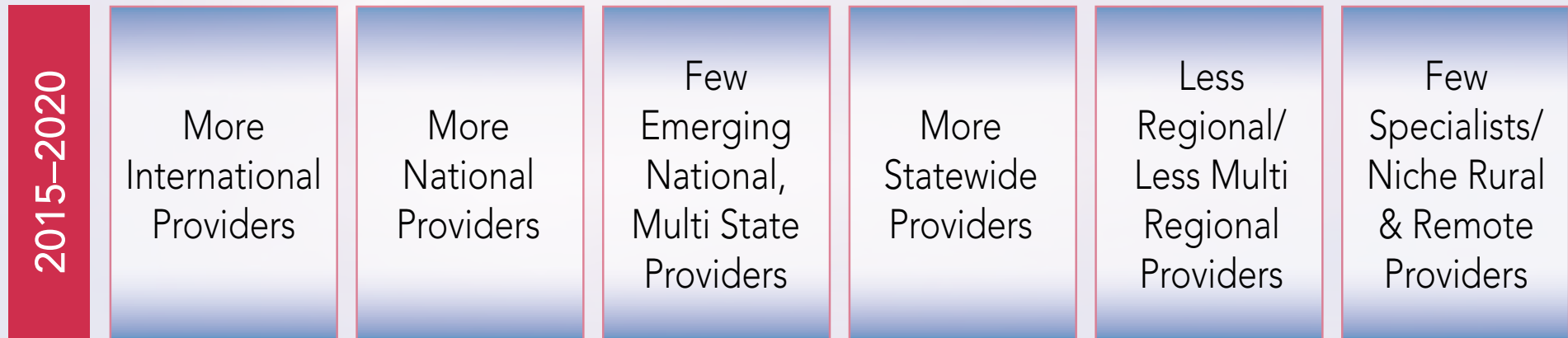
- ◆ Red Scheme came,
Red Scheme went...
 - ◆ NET/CYSS came,
NET/CYSS went...
 - ◆ Skillshare came,
Skillshare went...
 - ◆ ESRA came,
ESRA went...
 - ◆ JobNetwork came,
JobNetwork went...
 - ◆ JSA came,
JSA will go...
 - ◆ CETPs and ISJs came,
CETPs and ISJs went...
 - ◆ Enclaves came,
Enclaves went...
 - ◆ Open Employment came,
Open Employment went...
 - ◆ DEN Capped/Uncapped came,
DEN Capped/Uncapped went...
 - ◆ DES, ESS and DMS came,
DES, ESS and DMS will go...
- ...so what's the message???*

Consideration 26: Product & Service Life Cycles Will Continue

- ◆ All services or products have a life cycle: birth, growth, maturity, decline, death; even those delivered by NFPs
- ◆ The trick is to leverage off one life cycle to the next, before the first one dies, eg: Disability Employment Services

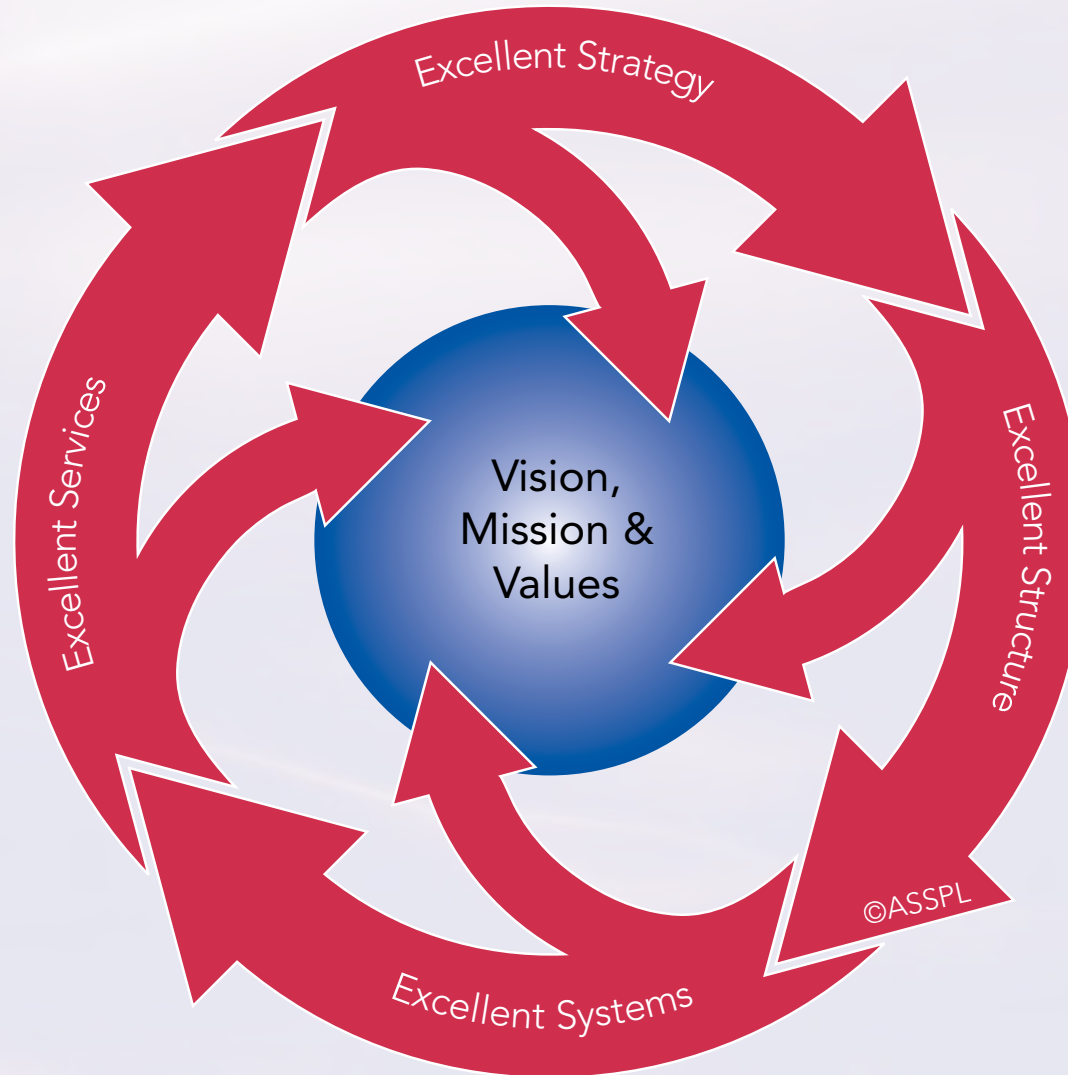


Consideration 27: 2020...A Consolidated NFP World



- ◆ Each NFP industry/sector is a journey of consolidation
- ◆ What do these trends mean for your organisation and what strategies has your board put in place to:
 - * secure services for current/future clients
 - * secure services in the region/communities in which they operate
 - * ensure the long term sustainability of the organisation

Consideration 28: The 'Four S' Model Will Be Robustly Applied



Consideration 20: Strategic Plans–Strategies Will Be Linked

Strategic Intent
& Activity

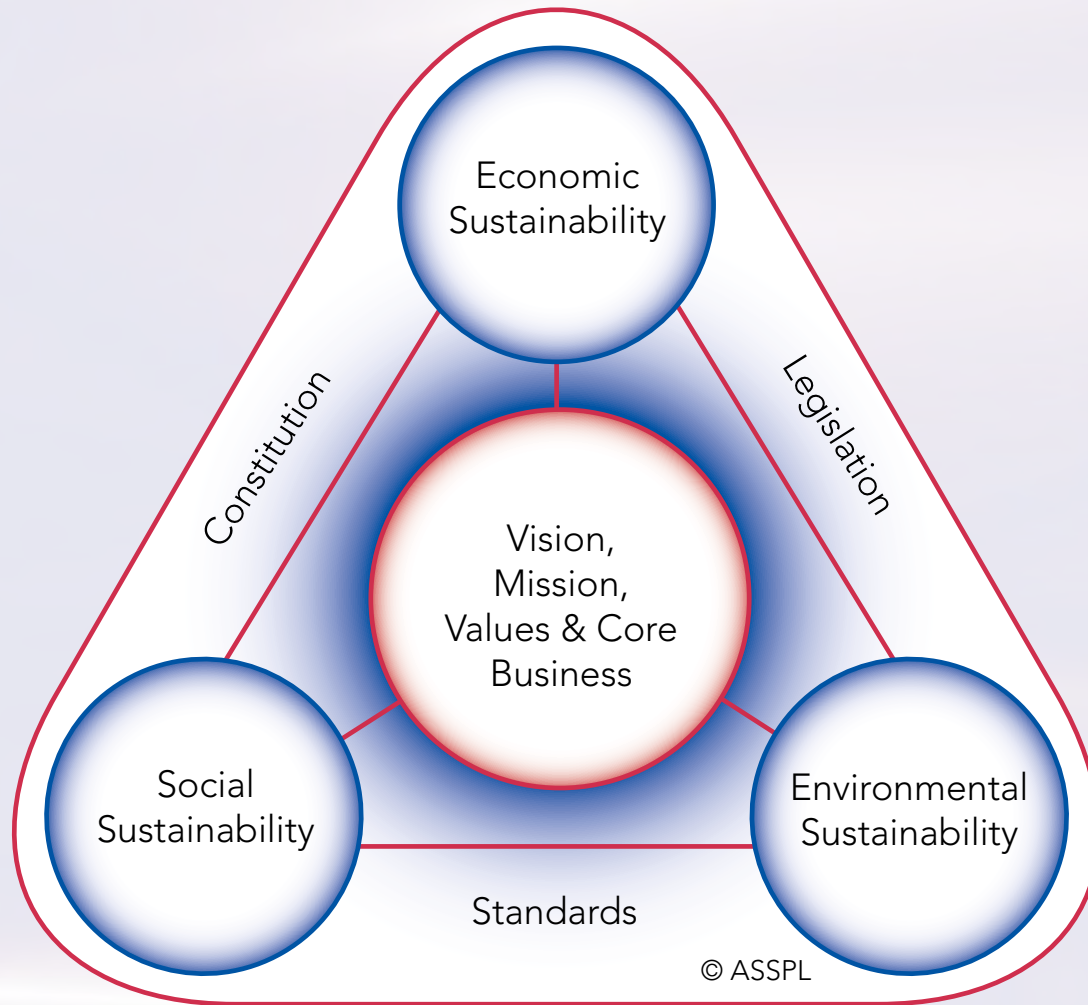


Consideration 30: Environmental Change...Climate Change

- ◆ NFP Leadership Teams will increasingly understand the issues and facts about environmental change...climate change
- ◆ Consequently they will develop and implement governance sustainability policies and procedures and approve:
 - * sustainability policies and procedures
 - * sustainability projects
 - * budgets for sustainability training
 - * the adoption of sustainability standards



Consideration 30: Sustainability Principles & Practices Will Prevail



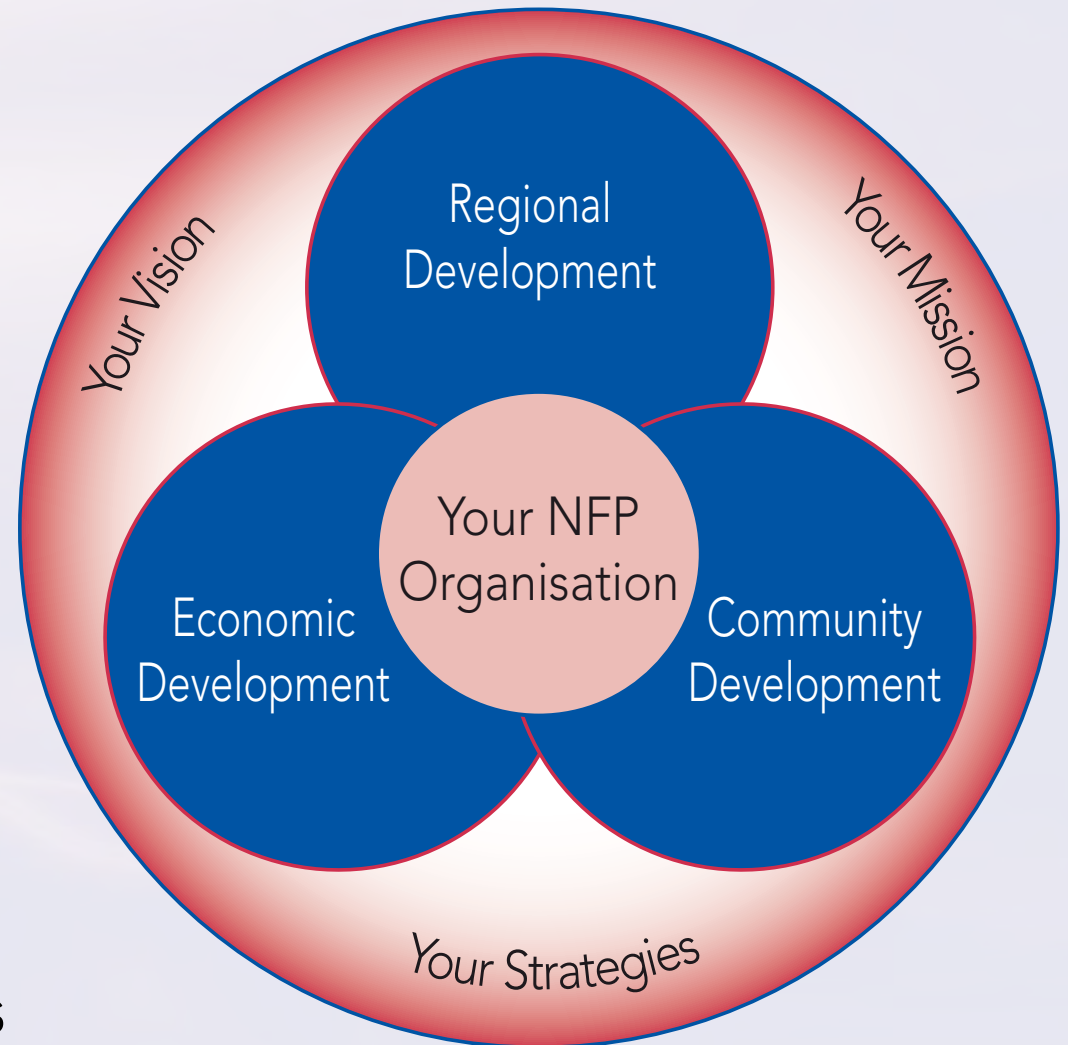
Consideration 31: Stakeholder Engagement & Contribution

- ◆ Stakeholder engagement and contribution will increasingly be sought by boards
- ◆ Consequently an increased number of NFP boards will request their chief executive officers to develop, implement and report against Stakeholder Plans



Consideration 32: NFPs & Regional, Economic & Community Development

- ◆ NFPs make an important contribution to regional, economic and community development processes
- ◆ Developing a greater understanding and practical engagement/contribution to regional, economic and community development processes and projects will become a defining characteristic of leading NFPs



Consideration 33: Looking Back From 2020, What Will Have Really Happened To NFPs?

- ◆ Standing back from the various industries/sectors in 2020 in which NFPs operate, it could be strongly argued that many NFPs have been or are being:
 - * Commercialised
 - * Corporatised
 - * Privatised



Consideration 34: NFP's In 2020

- ◆ NFPs will hold an even more important place in society and the economy
- ◆ NFPs will be making an even greater contribution to individuals, families, communities and countries
- ◆ NFPs will be increasingly recognised and utilised by governments, albeit only Preferred Providers





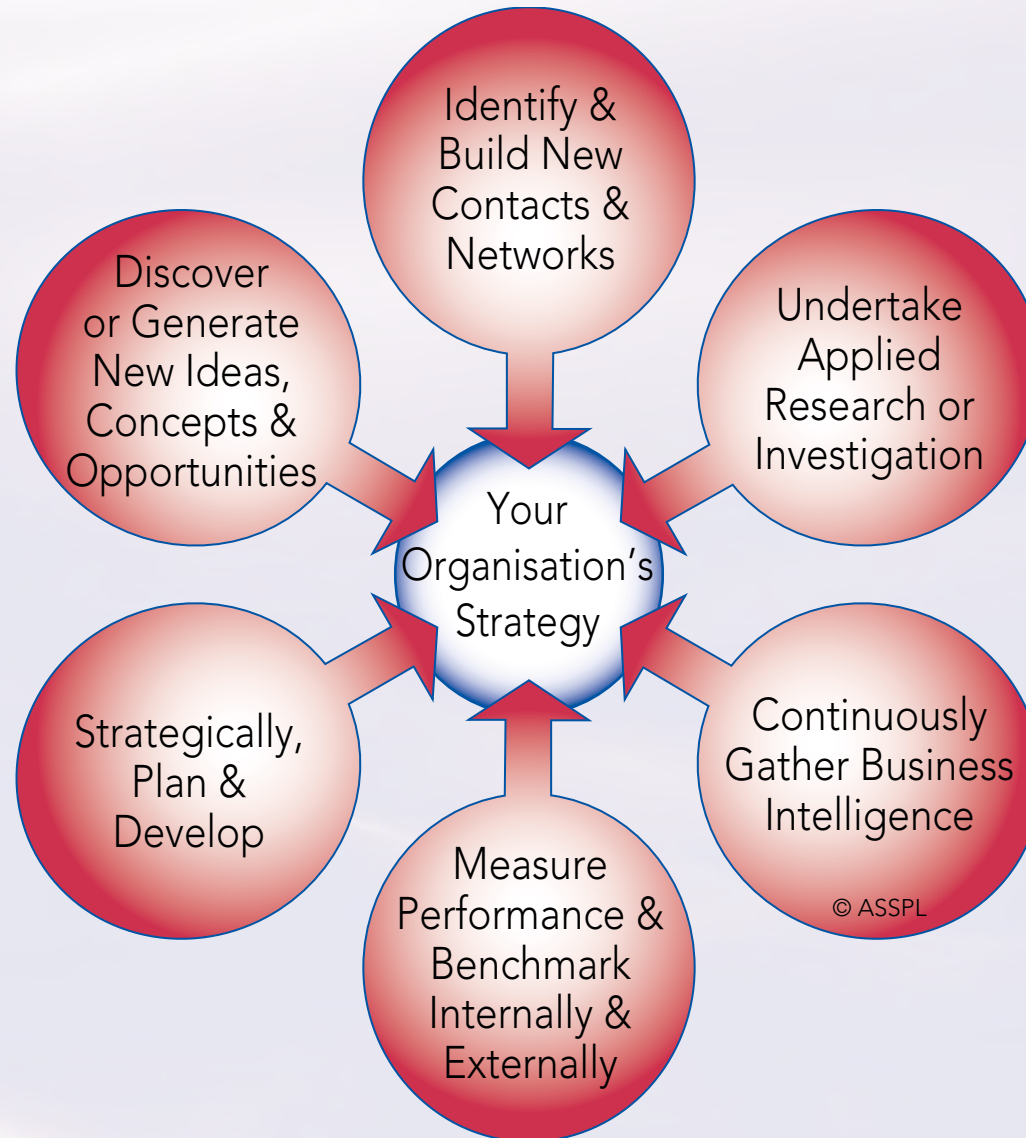
*Mission Critical Strategies For
Transitioning Your NFP To 2020*

Mission Critical Strategy 1: Adopt A Robust Leadership Position

- ◆ Boards will increasingly need to adopt a more robust leadership position and undertake even more robust:
 - * strategic discussions
 - * strategic thinking
 - * strategic decisions
- ◆ These activities will enable the development, implementation and monitoring of robust strategies, strategic plans
- ◆ Weak, laid back, comfortable or lazy boards will have no future



Mission Critical Strategy 2: Get Out Of The Boardroom



Mission Critical Strategy 2: Get Out Of The Boardroom

- ◆ Understand the emerging/future big picture of your NFP's industry/sector
- ◆ Get out and about to:
 - * build contacts and networks
 - * gather new ideas and seek opportunities
 - * collect business intelligence
 - * strategically plan and develop
 - * benchmark/compare
 - * undertake applied research



Mission Critical Strategy 3: Appoint Younger, Dynamic Directors

- ◆ Appoint younger Gen X and Gen Y directors
- ◆ Boards need to be configured with younger, more dynamic and diverse board members
- ◆ They bring a new way of thinking and operating and are not bound by traditional structures, processes or tools
- ◆ Their social contribution/social corporate responsibility will increase significantly



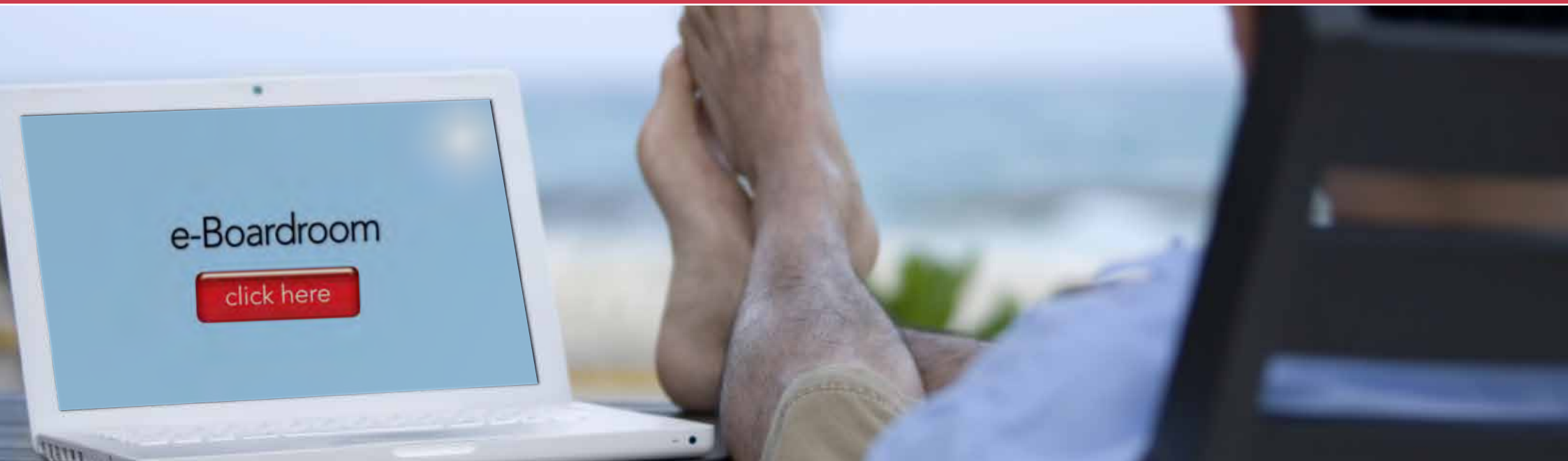
Mission Critical Strategy 4: Engage Politicians & Government

- ◆ Engage politicians and senior government bureaucrats
- ◆ Be proactive in seeking their understanding, support and resourcing of your NFP
- ◆ Strive for greater public recognition and acknowledgement of your NFP's true value and benefit
- ◆ Leverage off your political and government contacts and networks

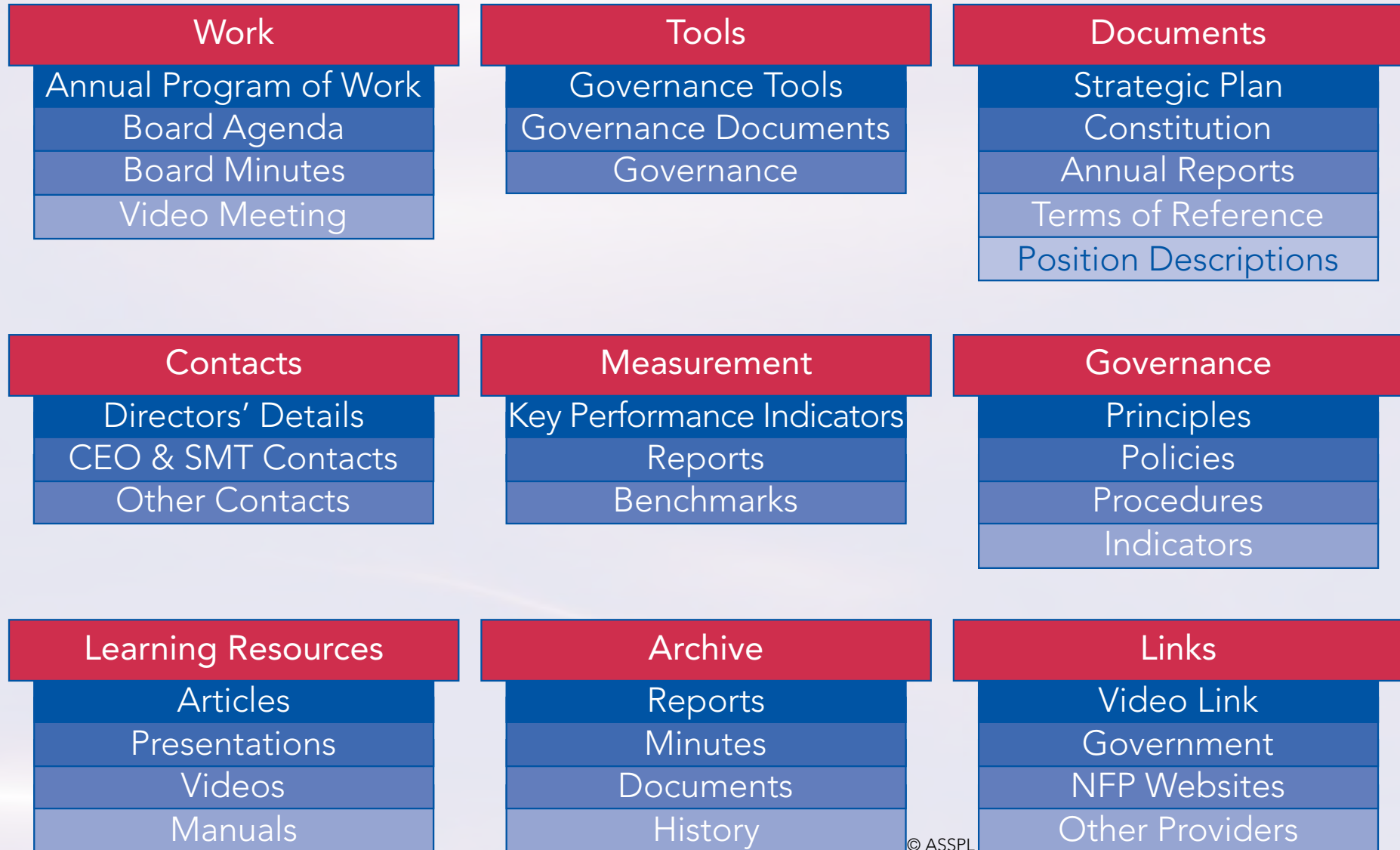


Mission Critical Strategy 5: Technological Advantage Will Be Vital

- ◆ If boards are to adapt to the new world of NFPs they need to adopt and use technology
- ◆ If this is to occur, board members need a key desire to improve their governance system, structure, processes and tools



Mission Critical Strategy 6: Paper Out...e-Boardroom In



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Mission Critical Strategy 7: Drive Organisational Change...People Change

◆ Organisational change can be either:

- * proactive or reactive
- * evolutionary over time, or
- * revolutionary in a short time

◆ New paradigm/s will require taking all your people on a journey of change

Approach \ Mode Proactive Reactive	Proactive	Reactive
Evolutionary	<ul style="list-style-type: none"> • Planned • Engaging • Sequential • Over time • Successful results 	<ul style="list-style-type: none"> • Unplanned • On the back foot • Spasmodic • Adequate • Limited Results
Revolutionary	<ul style="list-style-type: none"> • Planned • Holistic • Focus mentality • Short time frame • Good results 	<ul style="list-style-type: none"> • Limited planning • Ad hoc • Crisis mentality • Poor timeframes • Poor results

Mission Critical Strategy 8: Determine The True Cost, Margin & Price

- ◆ The majority of NFP boards today operate against an annual budget
- ◆ Very few boards operate using a 3–5 year Strategic Financial Management Plan aligned to their Strategic Plan
- ◆ Boards will seriously need to:
 - * determine the true cost, margin and price of a 'unit of service'
 - * use, robust industry financial key performance indicators and benchmarks



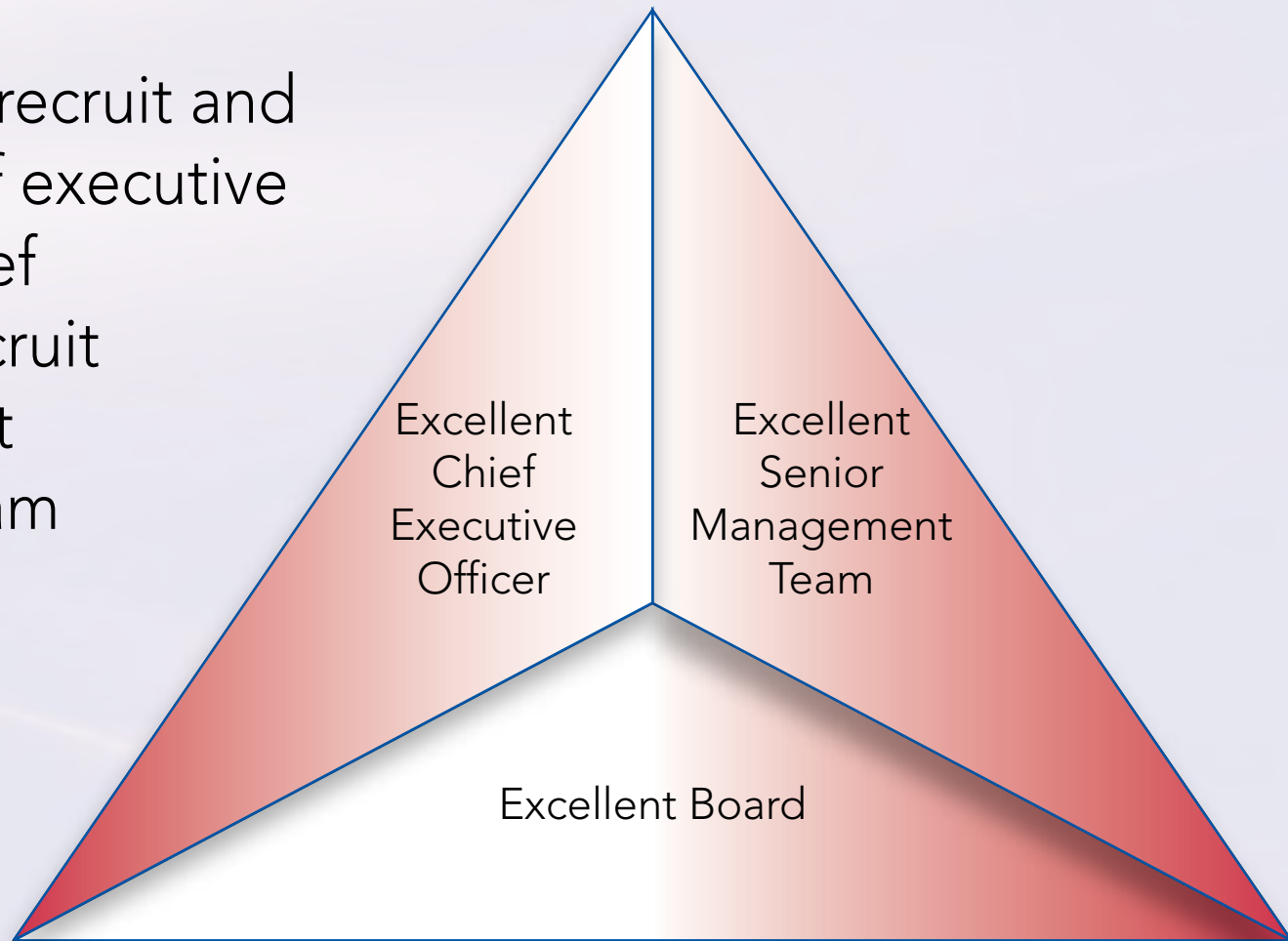
Mission Critical Strategy 9: Understand The New Environments... Develop Robust & Realistic Scenarios

- ◆ Many board's strategic plans are in essence either 'operational', 'motherhood' or lack any robust strategies to 'shift and lift' their organisations to the next step or stage of development
- ◆ Given all the previous considerations and evidence provided about the changing world of NFPs, boards will need to develop and drive robust and realistic scenarios and strategies if their organisations are to remain relevant




Mission Critical Strategy 10: Excellent Board, Excellent CEO, Excellent SMT

- ◆ An excellent board will recruit and retain an excellent chief executive officer; an excellent chief executive officer will recruit and retain an excellent senior management team
- ◆ Remember...recruit for excellence, only train for incremental change



Mission Critical Strategy 11: Have Fun...Life's A Journey





*“There is nothing more difficult to take in hand,
more perilous to conduct, or more uncertain in its success
than to take the lead in the introduction of a new order of things
because the innovator has for enemies
all those who have done well under the old conditions,
and lukewarm defenders in those who may
do well under the new”...*

Machiavelli

An aerial photograph showing a long, straight dirt road that stretches from the foreground towards a distant city skyline on the horizon. The landscape is flat and covered with green grass and scattered trees. The sky is clear and blue.

*Metropolitan,
Rural & Remote NFPs...
Your Future Is In Your Hands*

Further Information

For further information, a copy of this presentation, other presentations, or to discuss your board's requirements contact:

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