



THE CHALLENGES FACING NOT-FOR-PROFITS

A deep dive into the NFP sector

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BDO

SUMMARY: THE CHALLENGES FACING NOT-FOR-PROFITS

With COVID-19 and other challenges, these past 18 months have been highly disruptive. While vast changes are unsettling, they present opportunities to re-evaluate the effectiveness of the not-for-profit (NFP) sector.

SUMMARY

This year, BDO in Brisbane is proud to support the Project Management Institute Queensland's (PMI Queensland) Project Management Day of Service (PMDoS). The one-day problem-solving event matched NFP organisations with business management professionals to discuss and analyse the potential challenges facing their organisation and how to address and overcome these issues.

In order to gain a further understanding of the issues and challenges facing entity leaders and offer further insight to the NFP community, BDO in Brisbane, in partnership with the PMI Queensland Chapter and Mindhive, utilised the Mindhive ideation digital platform at a number of virtual roundtable discussions, consisting of both PMDoS participants and Mindhive NFP sector community users.

We asked four questions of the NFP audience, aiming to further understand the sector and determine how we, as service providers can assist in overcoming potential barriers facing NFP sector's leaders.


1. What are the top three concerns currently facing the industry and how do you see this changing over 12+ months?
2. What is the one strategy NFPs should consider setting themselves up for success this year, and what impact does this have on ensuring long-term business sustainability?
3. How has the changing COVID-19 landscape impacted the way NFPs operate within the community, and what do you think consultants can do to more effectively support NFPs during this time?
4. Do you think that professional membership organisations are still relevant? What do you think they provide their members?


As a result, BDO's consulting team with Mindhive have compiled the top outcomes and insights for each of the four questions, which were discussed using the platform. These outcomes are presented within this report.


A SNAPSHOT OF MINDHIVE'S OUTPUTS

Throughout 28 days, Mindhive promoted the four discussion questions, on the ideation platform, within three virtual round-table events and during the PMDoS.

This resulted in the following results.

 **4** core topics of discussion

 **115** comments


 **64** highlights


 **167** contributors


 **235** followers


 **1250** page views

► Total reach data

4,800 total network influenced 

1466+ total engagements 

10,433 social media impressions 

389 social media engagements 



TOP THEME

Technology, capacity building and collaboration can help organisations move beyond meeting compliance obligations to collect data about the client and social outcomes to inform and improve services.

TOP HIGHLIGHT

Openness and preparedness to innovate and collaborate:

"Everyone is struggling, so there is more openness and preparedness to innovate and collaborate — over the next 12 months, those organisations and enterprises that can be more humble and experimental will discover more."

TOP INSIGHT

The sector would benefit from the creation of a shared services organisation. Rather than every charity trying to undertake their own HR, Information Technology (IT) and accounting, it could combine all in one back office organisation.

CHALLENGES IN THE NFP SECTOR

Q1 What are the top three concerns currently facing the industry, and how do you see this changing over 12+ months?

In the course of the discussions, 265 contributors raised and ranked the following key issues:

- 75%* urgency for NFP organisations to collaborate
- 75%* change fatigue and COVID-19 policy impacts
- 50%* current funding and cash flow position of entities
- 50%* employee and volunteer attraction and retention
- 50%* greater compliance and increasing government legislation
- 40%* the need for digital transformation.

* Percentage of contributors who raised and discussed this topic.

Across the PMDoS activities, participants were given the opportunity to respond to questions with a yes or no response. A summary of the questions and responses are below.

Is greater compliance killing your NFP?



Is resourcing keeping you up at night?



Do NFPs collaborate meaningfully?



Most-liked comment:

"NFPs should collaborate in an unprecedented way. The urgency of modelling collective, not individual, responses to crisis and recovery.

It's vital to address multiple community problems in parallel, as solutions are likely to be interdependent, e.g. affordable housing, insecure work, declining regions, job losses, access to health services etc.

NFPs to be judged on empowering their users, not just delivering services. People-led change is at the heart of sustainability."



EVER-CHANGING TIMES PROMPT RE-EVALUATION IN ACHIEVING SUCCESS IN THE NFP SECTOR

Q2 What is the one strategy NFPs should consider setting themselves up for success this year, and what impact does this have on ensuring long-term business sustainability?

In the course of the discussion, 265 contributors discussed key themes, including:

- **100%*** access to a single platform that helps NFPs navigate the various sources of information relevant to running an NFP organisation
- **75%*** openness and preparedness to innovate and collaborate
- **75%*** integrating technology into practices
- **50%*** good governance.

* Percentage of contributors who raised and discussed this topic.

Across the PMDoS activities, participants were given the opportunity to respond to questions with a yes or no response. A summary of the questions and responses are below.

Is a shared services organisation for the NFP sector a solution?

YES
88%

NO
12%

For-profits are being encouraged to adopt an NFP. A good idea?

YES
82%

NO
18%

Most-liked comment:

"There's a whole spectrum of ways of collaborating, and I think trying to encourage NFPs to think a bit laterally about how they could collaborate to get benefits of scale and benefits of efficiency without giving up the sort of identity and things that might be individual organisation effective. I think there's a lot to do in that space.

I'm also struck by the fact that, on the one hand, there's more complexity in the NFP space than there is in the commercial structuring space. But that complexity also provides solutions, which often people overlook. There is a lot of ways of structuring around what are perceived to be obstacles in collaboration.

Most importantly, NFPs exist for a purpose and making sure that purpose is served as efficiently as possible with the demand for resources and the competition for resources is a norm."



COVID-19 IMPACT: MORE NFPS FACING NON-EXISTENCE

Q3 How has the changing COVID-19 landscape impacted the way NFPs operate within the community, and what do you think consultants can do to more effectively support NFPs during this time?

There was agreement that the current NFP outlook is extraordinarily challenging. In the course of the discussion, contributors considered the various issues whereby consultants could play an important part, including:

- Differing solutions for small, medium and large organisations
- Continuing prioritisation of community input into industry body research
- Overcoming the administrative burden felt by smaller entities
- The urgency of modelling collective, not individual, responses to crisis and recovery
- Philanthropic donors demanding particular ways of reporting
- Digital transformation.

Potential issues facing the sector that were raised and discussed at the virtual round table events and followed by online discussion include:

- Promoting and understanding a common approach to measuring social impacts of the NFP sector

- Promoting alternative measures to GDP and instead using economic models valuing community and sustainability outcomes
- Evidence-based policy and funding. Facts as drivers of policy
- Collaboration between our sector and other sectors
- Diversity in our sector
- Conscious/non-ego-based leadership — how do we move towards this to maximise joined-up efforts to drive change?

Most-liked comment: *"My view is that everyone and every organisation is examining what has permanently changed, what is morphing into something that incorporates some of the old and some of the new and what does not change.*

Such exploration allows for micro and macro adjustments in what, who, how and why for receivers of products and services, whether customers, beneficiaries, recipients, companies, or individuals.

Consultants will play an important part in assisting NFP (and for-profit) organisations in reviewing, adapting, refreshing, updating, changing, challenging, altering strategies, execution capabilities and means of delivery. To offer a service to an NFP to do a strategic review with the executive and board would be a special service."



COVID-19 IMPACT: PROFESSIONAL ASSOCIATIONS ARE STILL RELEVANT

Q4 Do you think that professional membership organisations are still relevant? What do you think they provide their members?

Mindhive user comment:

"Are traditional models of professional associations fading away through lack of relevance to membership bases, or are they becoming very different entities?"

From my perspective, professional associations, particularly in the education sector, have always been incredibly worthwhile organisations. The value is highest for those who become involved in associations through boards and committees. The networking, professional learning, thought leadership and governance experience had been the basis for many a career I have watched develop across the education sector. The value diminishes for those who join purely for access to information, resources and professional learning opportunities.

Professional associations that have thrived are those that have evolved with the opportunities of the digital world and created a sense of community regardless of location. The impact of COVID-19 will test the survival instincts of many organisations, given that face-to-face conferences remain the highest income earning source in association budgets.

I wonder whether there is a seismic shift in progress?



CONCLUSION

The discussion sponsored by BDO in Brisbane and PMI Queensland, stimulated insightful thinking about the Australian NFP sector. The Mindhive platform assisted in engaging a diverse cohort of thought leaders and showed the potential of opening these questions up to the crowd.

CONTACT US

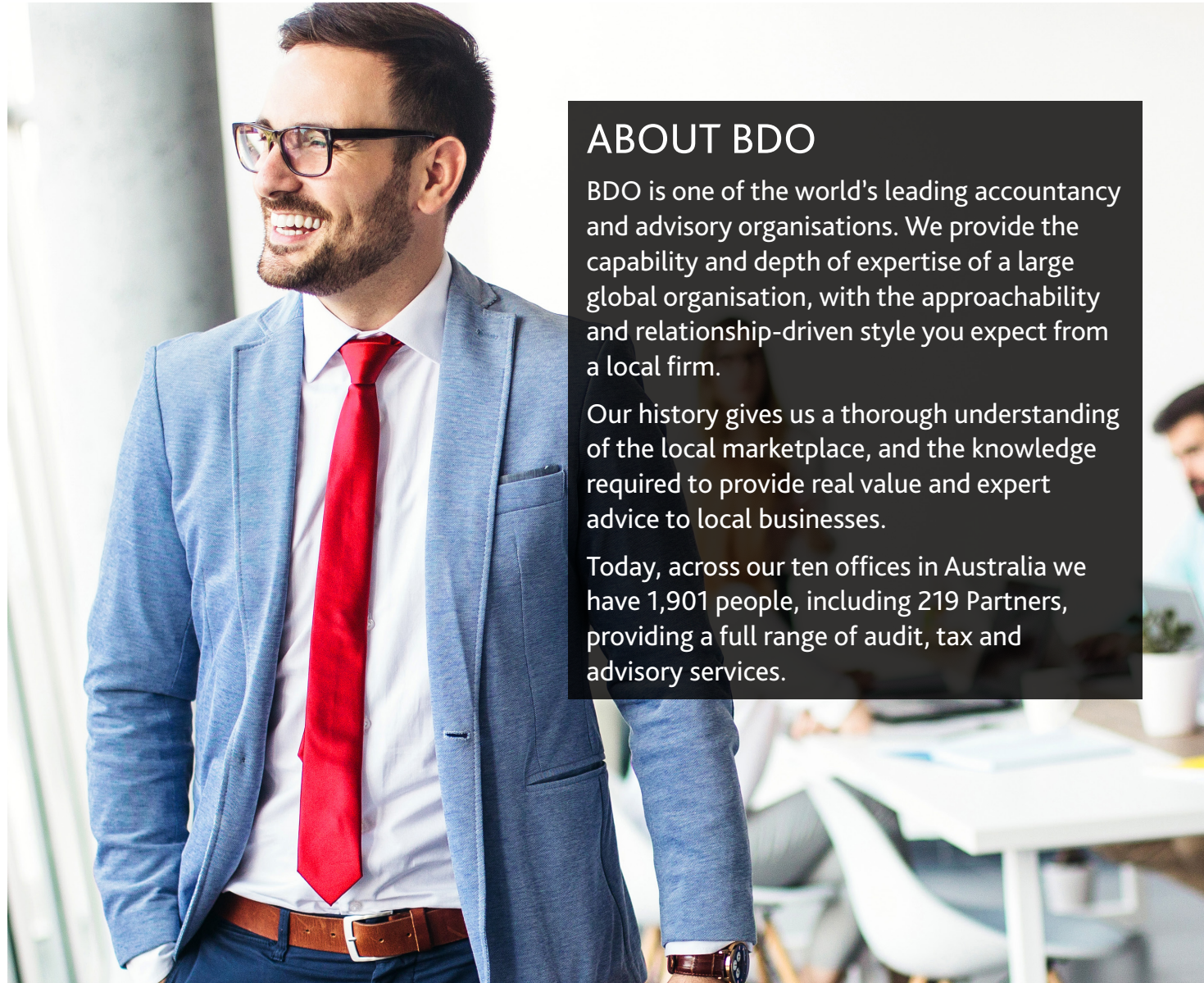
Please get in touch with us if you have any queries related to your NFP entity.



Anthony Whyte
NATIONAL LEADER, NOT-FOR-PROFIT
anthony.whyte@bdo.com.au
+61 7 3237 5756



Mark Cushing
PARTNER, CONSULTING
mark.cushing@bdo.com.au
+61 7 3237 5835



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Today, across our ten offices in Australia we have 1,901 people, including 219 Partners, providing a full range of audit, tax and advisory services.



FURTHER INFORMATION

ABOUT MINDHIVE

Mindhive is a Brisbane innovation and the world's first collective ideation platform enabling users to engage and understand their audience at scale in real-time.

Recently recognised as the World's Boldest Crowdsourced Online Platform by Global Crowdsourcing Awards in Venice, Italy, Mindhive facilitates discussion by connecting users to an online community to gain rapid insight and innovation from a diverse audience.

The platform assisted BDO and PMI Queensland, by:

- Enabling an innovative approach to concerns and challenges facing various NFP entities
- Providing a platform for the industry to voice issues
- Providing a channel to attract participants
- Facilitating conversations in real time
- Engaging other industry partners and experts across industries such as Human Resources (HR), recruitment and legal firms.

The community proactively participated in three virtual round table events (with more than 150 registered participants). It launched multiple discussions on factors impacting NFP success, highlighting the platform's power as a collaboration tool and a driver of ongoing conversation and engagement in not-for-profit sector issues.

You can explore the conversations relevant to your organisation, by visiting [Mindhive](#).

ABOUT PMI QUEENSLAND

PMI (Project Management Institute) is the world's leading project management organisation. It is a NFP, serving more than 2.9 million professionals located across 208 countries and territories.

The Queensland Chapter was chartered on 1 January 1999. With approximately 800 members and more than 2,000 LinkedIn followers, it was awarded 'Global Chapter of the Year' for 2019 and 2020.

PMDos

PMDos is a free, one-day, problem-solving event organised by PMI Queensland. The event aims to help NFP leaders with their initiatives, opportunities, and challenges. It does this by matching NFP participants with project management professionals. The event is in its sixth year.

Click [here](#) to learn more about PMI Queensland.



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