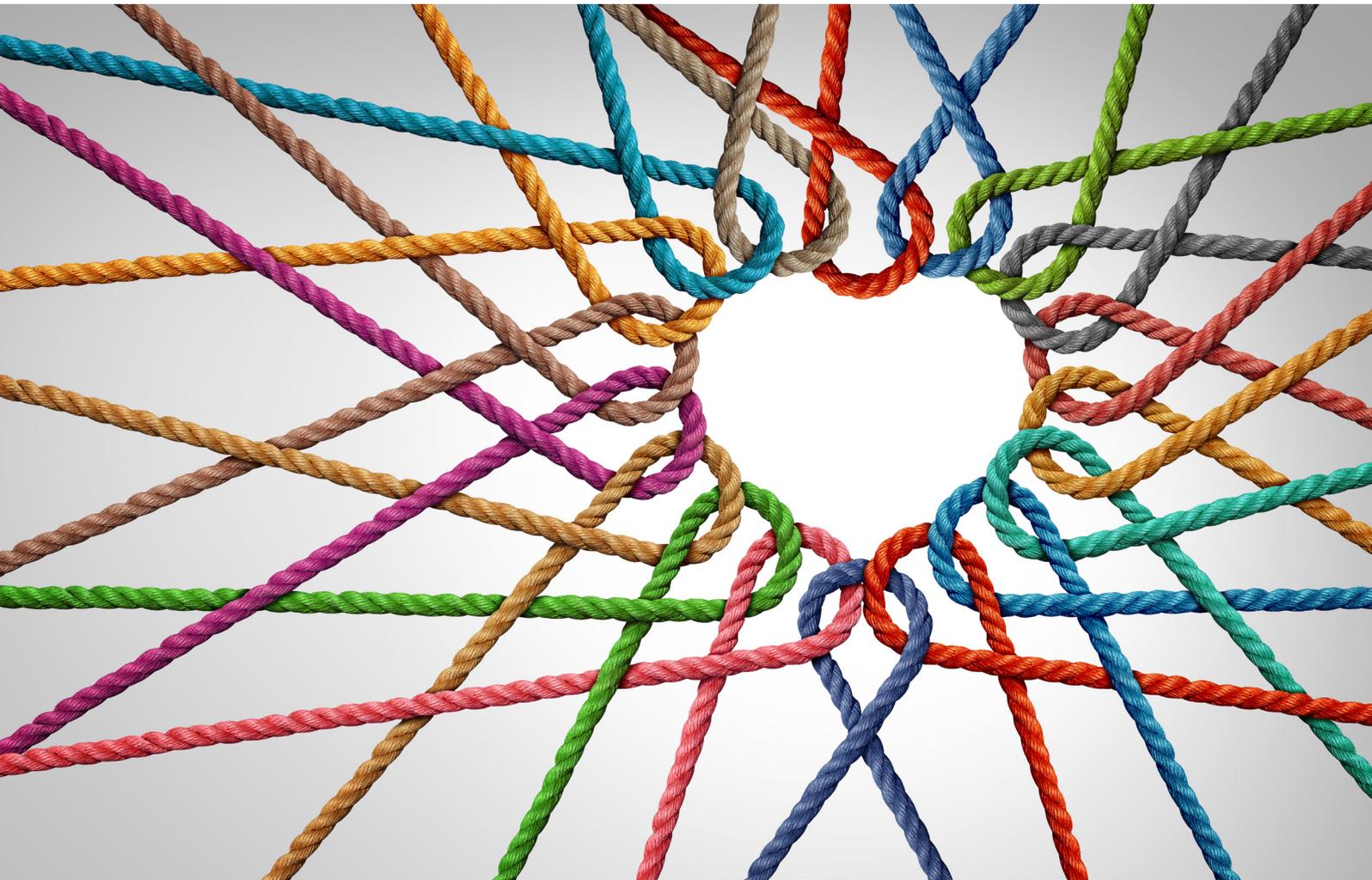




NOT FOR PROFIT LEADERS SURVEY

STRATEGIC PLANNING
MAY 2021



FOREWORD



Aidan Smith
Partner - Audit & Assurance
Head of Not for Profits
HLB Australasia



Kim Kelloway
Head of Clients and Markets
Sydney

“He who fails to plan is planning to fail.”

- Winston Churchill

The Covid-19 pandemic was something many would have never predicted, which threw us all a curve ball during 2020 and into 2021. Not for profit organisations were not immune to these factors.

The ability for organisations to ‘pivot’ and review strategies and plans has never been as imperative as it is now.

Whilst not-for-profit organisations are generally “for the greater good”, or for the good of their membership, it is still a competitive marketplace, especially in competing for discretionary spend of individuals and organisations.

A successful strategic planning process identifies strategies that will best enable a not for profit to meet its mission.

HLB Mann Judd is committed to the NFP sector and helping organisations map out their strategies and assist them in meeting the goals and mission of their organisation.

Through our desire to partner with the sector, we brought together numerous senior executives in the NFP sector, asking them what they needed and what would help them drive their mission. Overwhelmingly the response was for greater access to peers, technical expertise and thought leaders.

The ENFP Community provides you with information on exclusive briefings, access to the HLB Mann Judd’s NFP newsletter and enables you to collaborate and network with like-minded individuals. The ENFP provides an opportunity to access expertise in many areas to assist you day-to-day.





Simon James
Partner - Corporate Advisory
Sydney

“Good fortune is what happens when opportunity meets with planning.”

- Thomas Edison

During the ENFP's first webinar of 2021 on “Governance, Risk & Compliance”, 58% of responders indicated that they were focused on Strategic Planning. To delve deeper into this topic, we surveyed over 100 NFP leaders in the sector to participate in our Strategic Planning survey, the results of which are presented in this report.

The main findings of this survey include:

- Most organisations have a strategic plan which has been reviewed recently and is monitored appropriately, however there appears to be a lack of clarity around strategic positioning (i.e. **Where** the organisation is competing and **How** the organisation differentiates itself against its competition) which leads to general confusion of competitive advantage;
- There is an overall level of concern around managing finance, as this is one of the most significant focus areas for organisations. 60% of organisations do not have a business model with sensitivities, therefore are unable to stress test the strategic plan;
- A third of responders were not sure what their organisation's level of investment into the strategic plan is; and
- People recruitment and retention (i.e. employees) appears to be a lower area of focus. This is intriguing as staff shortages are impacting many organisations.

We can also see the impact of the COVID-19 pandemic on strategic planning; JobKeeper payments have stimulated the sector, higher investment into strategic planning and lower reliance on drawing down of historical surpluses to fund strategy.

In presenting the results of this survey, we would also like to note responses are influenced by the perspective of the respondent being part of the management team or a board member, as these groups have different responsibilities and focuses.

We would like to thank all those who participated in this survey.

“60% of organisations do not have a business model with sensitivities therefore are unable to stress test the strategic plan”



Does your organisation have a strategic plan?



95%
YES



5%
No

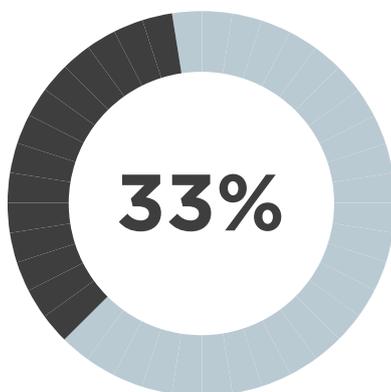
It is great to see so many organisations have strategic plans, however those that do not have a strategic plan need one!

When did your organisation last review it's strategic plan?

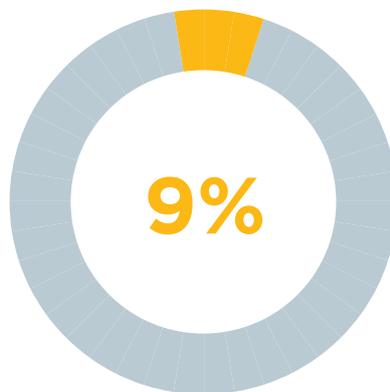
It is not surprising that the majority of organisations have reviewed their strategic plan in the past 6 months, in light of the COVID-19 pandemic. Don't leave it too long to review your strategic plan.



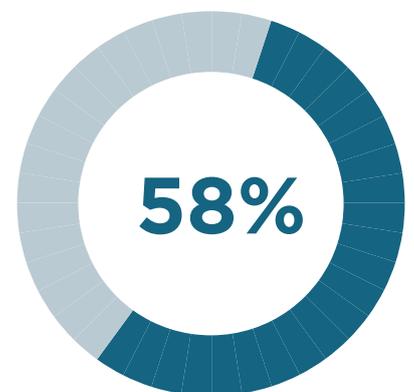
Does your organisation's strategic plan clearly define How you compete and Where you compete?



No



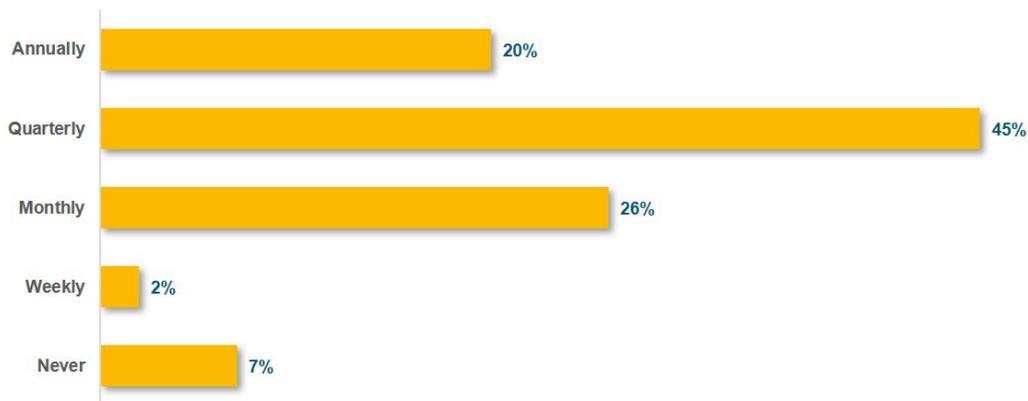
Not Applicable



Yes

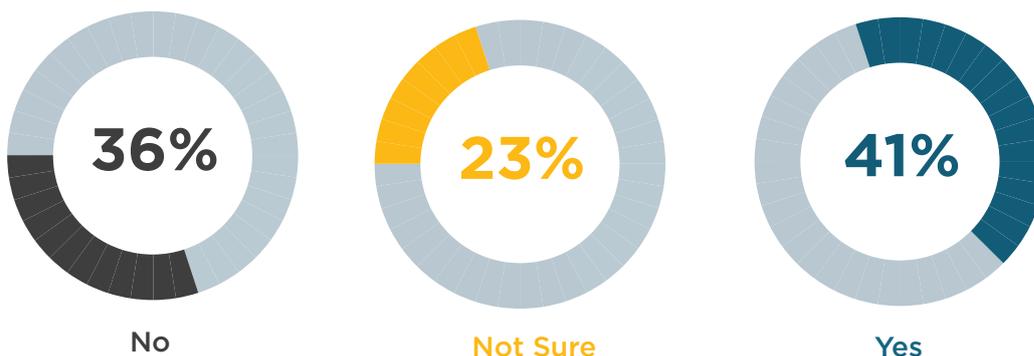
It is very concerning only 58% define their competitive approach.

How frequently does your organisation monitor progress of your strategic plan?



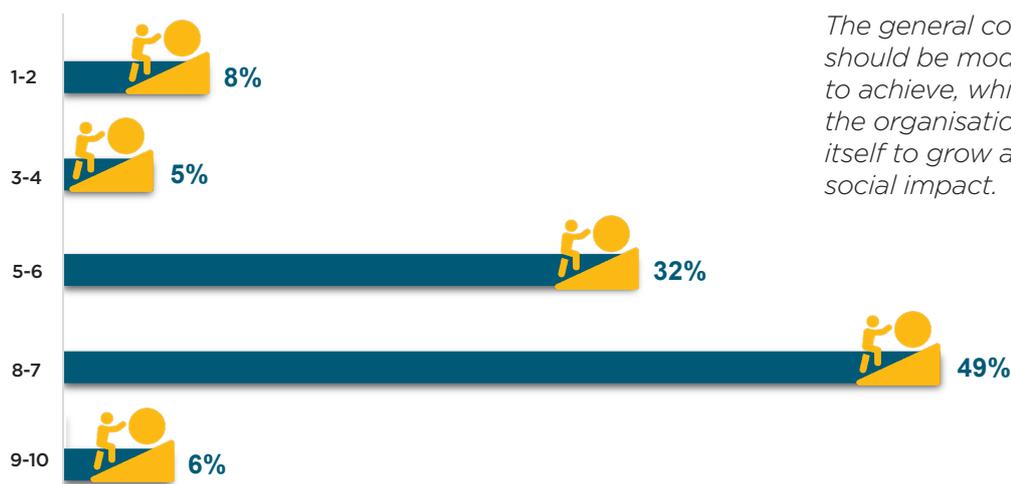
These results are in line with expectations, and it is hoped those monitoring strategic plans weekly and monthly are people in management roles and annual monitoring is conducted by board members.

Does your organisation have a business model with sensitivities?



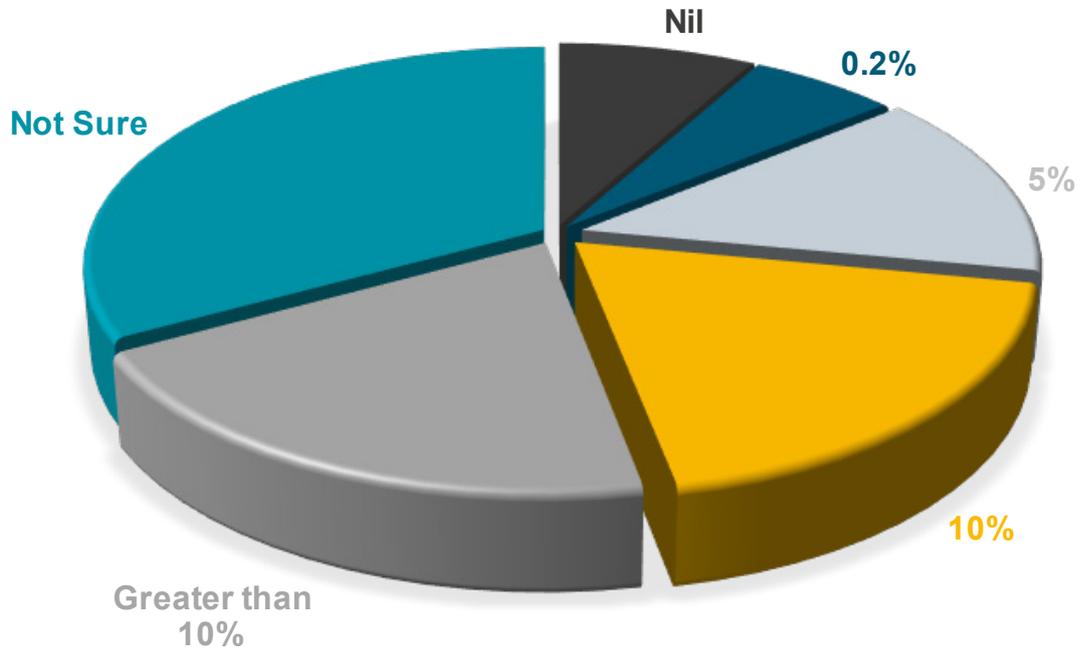
In order to validate a strategic plan, a robust model, with sensitivities is required. What-if scenario planning allows the plan to be tested.

On a scale of 1 to 10 how hard is it to achieve your organisation’s strategic goals? (with 1 being very easy and 10 being very difficult)



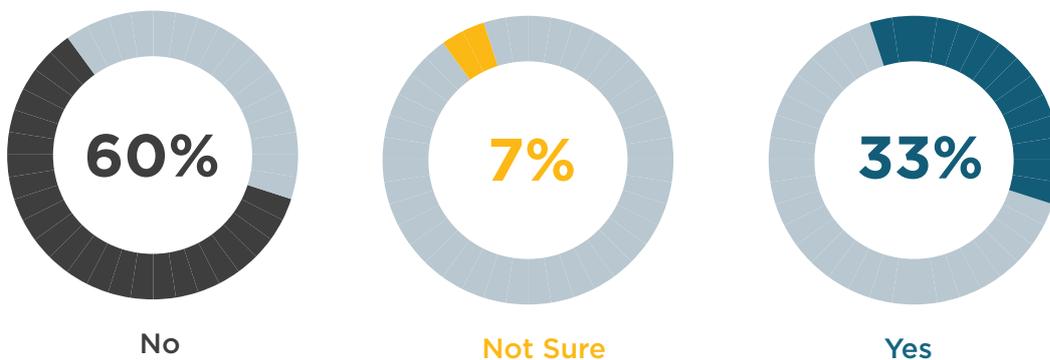
The general consensus is goals should be moderately difficult to achieve, which suggests the organisation is challenging itself to grow and deliver more social impact.

What is your organisation’s annual investment in strategy as a percentage of revenue?



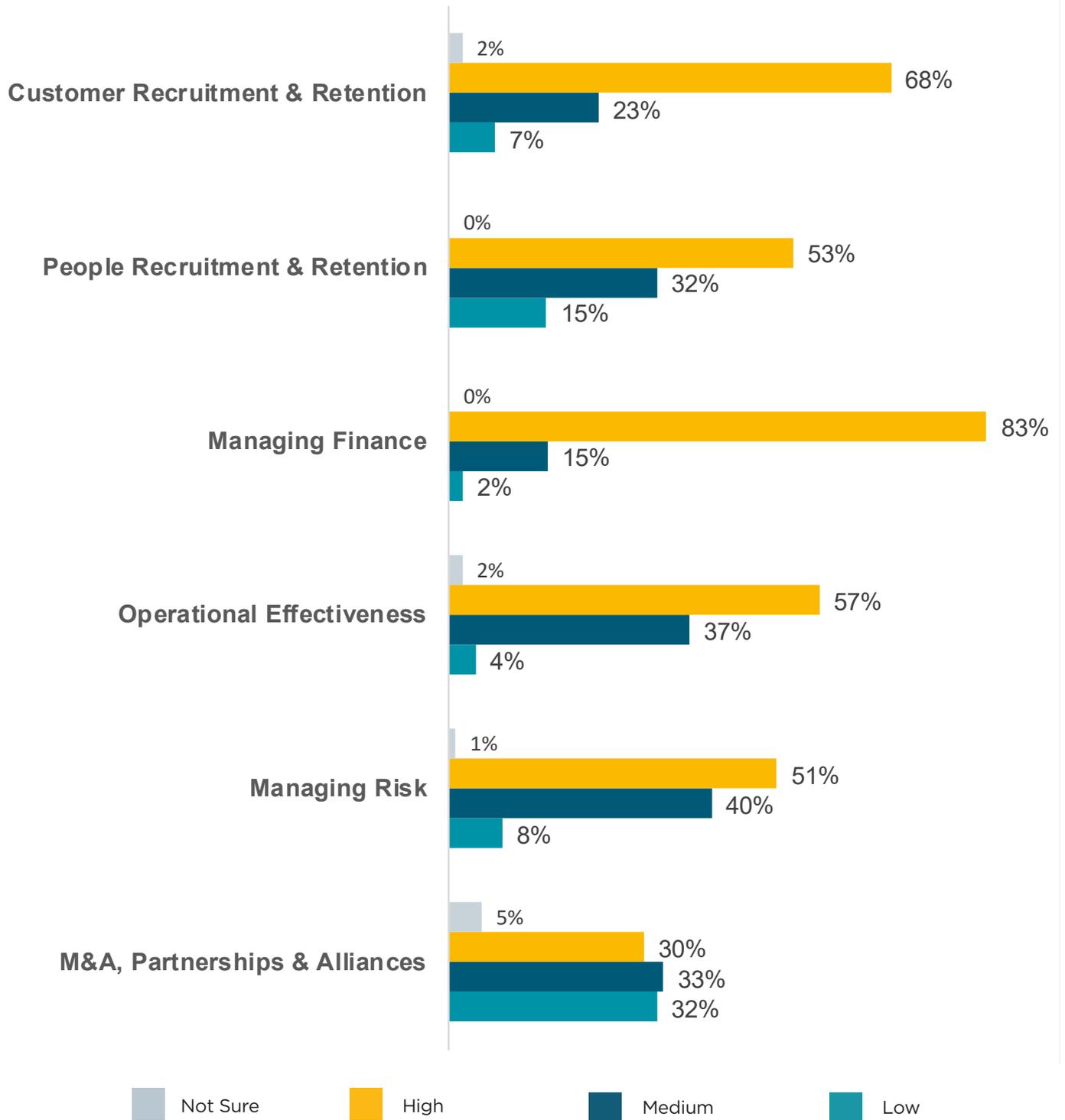
Organisations must understand how much is being invested into strategy to determine its return on investment, which is best understood with a business model with sensitivities.

Does your organisation’s strategic plan rely on drawing down / investment of historical surpluses?



Organisations may not be investing historical surplus due to overall profitability, stimulation from the JobKeeper payment or are receiving grants to execute strategy.

If we group common strategic priorities under the following categories, how would you rate your organisation's focus for each category?



A high focus on managing finance and operational effectiveness is interesting considering a third of organisations do not have a business model with sensitivities and a third of organisations are not sure what their annual investment into strategy is.

What is unique in your organisation's strategic plan that your competitors are not doing?

The responses have been displayed in a word cloud.



“Nurturing and building relationships our competitors do not have.”

“Not Sure”

“Acquisitions which will enable us to transform their business and expand our reach”

“Finding gaps in the market, self-investing in activities (inc external evaluation), making direct approaches for funding to meet proven need.”

*A strategic plan which clearly defines **Where** the organisation competes and **How** the organisation competes would allow an organisation to understand their competitive advantage, which is critical to allow an organisation to deliver its mission and vision.*

OUR NFP STRATEGY LINK

HLB Mann Judd has developed the NFP Strategy Link, a process to give more power to strategic thinking and operations of NFPs. This process can add significant impact to setting your strategies, and even more importantly, implementing them.

Where is your organisation in the process? Are you confident that you have considered all variable factors to include in your Strategic Plan? If you have any questions or require guidance, please reach out to our Not for Profit team on the following page.



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ABOUT US

HLB Mann Judd is a leading award-winning chartered accounting and advisory firm. Mann Judd was formed in 1970 and through natural growth the business has become one of Sydney's highly regarded "people-sized" accounting practices and the hub of the Australasian network. In 1998 Mann Judd firms were re-badged as HLB Mann Judd in recognition of our affiliation with the HLB International global network.

The Australasian network has 85 Partners with offices in all major Australian business centres. Through our membership of HLB International (a global network of accounting firms with 700 office in 150 countries), our clients also have access to worldwide expertise.

The Sydney firm has over 32 Partners and Directors and over 160 staff members and is located at 207 Kent Street, Sydney.

HLB Mann Judd Partners and Staff are deeply committed to Australia's growing NFP sector. In 2010, HLB Mann Judd, in collaboration with the Commonwealth Bank, founded the ENFP Community which provides significant benefits to the sector.

The ENFP community provides:

- Exclusive boardroom briefings for NFPs (a brochure showing past topics and speakers is available)
- An exclusive LinkedIn group with over 1000 key decision makers in the NFP sector
- Opportunities to collaborate and to share thoughts, ideas and solutions with other NFPs.

To join the ENFP Community please contact Kim Kelloway Head of Clients and Markets kkelloway@hlbnsw.com.au or 02 9020 4285.



COMMUNITY