# NineFeetTall

# Futureproofing Your Charity

Charities are used to operating in a permanent head wind of disruption, but the uncertainty and strain of recent years have created so much turbulence that achieving any significant progress has been challenging. As the sector continues to evolve, we want to help charities to prepare for the undulating landscape that lies ahead.

Nine Feet Tall has worked in the sector for many years and we have welcomed contributions to this paper from charities including Mind, Marie Curie, Together for Mental Wellbeing and Wesport. Here we aim to illustrate a comprehensive framework to help ensure the long-term sustainability and effectiveness of your service delivery and operations.

"By proactively addressing key areas of change and understanding emerging trends, charities can navigate the future successfully whilst continuing to fulfil their missions."

# Strategic Goals for Futureproofing

## Leadership and Vision

Purpose is clearly defined and collaboration is embraced.

## Income and Finance

Sustainable revenue mix is in place and costs are well managed.

## People and Culture

Reducing attrition is prioritised and flexible resource models explored.

## Governance and Compliance

Governance is fit for purpose and compliance and quality are bedded into key processes.

## Technology and Data

Benefits of technology investments are realised, and a data culture established.

## Service Design and Delivery

A framework for evaluation of outcomes is well established and service design is collaborative.

## The Current Situation

So much has changed in a short period of time and since the outbreak of Covid-19, there has been a shift in the economy and in people's behaviours. Technology now reigns supreme, not just for driving efficiency but for connectivity, insight, accessibility and convenience.

In the UK the increased cost of living has led to a reduction in charitable donations. Research undertaken by Charity Link showed **"59% of charities are concerned that people will not continue to or begin to donate to their cause because of the cost-of-living crisis."** For charities such as Crisis and Trussell Trust who support people struggling to make ends meet, demand for their services have skyrocketed. Trussell Trust reported a **"38% increase in the number of families using a food bank in the network for the first time."** There are also increases in operational costs for charities as increased energy prices add to overheads and deplete spend for front line services.

Many charities have reported challenges around recruitment and retention, particularly of senior leaders. In a survey by Pro Bono Economics and Nottingham Trent University's National VCSE Data and Insights Observatory in 2023, it was revealed 46% of charities with hard to fill vacancies had to pause operations as a result.

In the UK we are also seeing changing demographics as we move to an older population. ONS predict:

> **In mid-2020 there were 1.7 million people aged 85 years and over, making up 2.5% of the UK population. By mid-2045, this is projected to have nearly doubled to 3.1 million, representing 4.3% of the total UK population."**

This shift will likely see an increase in poverty, housing needs, health services and a need to support more isolated people. For charities this means demand for service provision will significantly increase. Marie Curie anticipates that by 2048 the need for support in end-of-life care will have increased by 25%.

Throughout all this change, there have also been positive advancements. The pandemic highlighted how charities can utilise technology to stay connected and drive efficiencies. Digital transformation has been rapid in the sector and there is now a focus on investing in the tools and technology needed to thrive.

Moreover, in the Spring budget of 2023, the Chancellor recognised the vital role that charities play in supporting communities. He announced significant additional funding, including £100m to support charities with service delivery and energy efficiency.

**In short, now is a time of accelerated change. Increased demands on services, reduced income and resource and developments in technology mean the charity sector is set for a new course.**

# How to futureproof your charity
## Nine Feet Tall's framework

**To prepare for the future, pose these key questions to your Executive and Board to understand where your strengths lie and where there are gaps to address. Score yourselves between 1 (work needed) and 5 (thriving). We will then explore each area in turn and offer suggestions for achieving each goal.**

## Leadership and Vision

### The Ultimate Goal

+ The organisation's purpose and vision is clearly defined, so everyone knows exactly what they are working to achieve and why.

+ Strategies for the next 3-5 years are adaptable, regularly revisited and prioritised. Your mission may not change, but how you achieve it has flexibility.

+ The Organisational Design is fit for purpose, and you know the structure and systems needed to deliver your strategy.

+ You are regularly seizing the opportunities that lie in collaboration and connection with external organisations and groups.

+ Leaders instil a culture of openness to learning, co-production and working in partnership as appropriate to foster innovation and cost savings.

| Questions to ask | Score 1-5 |
|---|---|
| 1. Do we know exactly what and who we are here to serve? Are our strategic objectives clear, documented and commonly known? | |
| 2. How often are we reviewing our strategy, and do we have an effective strategic review process? | |
| 3. Do we have the right operating model and organisational design to deliver our strategy? Are we clear on what activity is core and what is nice to have? | |
| 4. Is our leadership team able to lead effectively? And do we know what training and coaching could support this? | |
| 5. Do we have the right network partnerships in place to learn, collaborate and innovate so we stay relevant in the changing environment? | |
| **Total /25** | |

# Income and Finance

## The Ultimate Goal

+ There is a sustainable revenue mix. Income streams are diversified, and multiple revenue streams are secured, with varying degrees of risk.

+ Your proposition is crystal clear for fundraising. People instantly know:
    – That you are a charity
    – What your purpose is
    – Where donation/funding/support goes
    – The outcomes that you deliver with these resources
    – Costs are understood and managed effectively, reducing organisation risk.

| Questions to ask | Score 1-5 |
|---|---|
| 1. How confident are we in our revenue projections? Is there a sufficient spread of risk across our income streams? Have we fully assessed these risks? | |
| 2. How do we explore opportunities for new income streams? Is this effective? | |
| 3. How clearly defined is our supporter journey? Are plans in place which effectively deliver this journey? How do we measure whether we are being successful in delivering the supporter journey? | |
| 4. Are we confident we're leveraging all partnerships opportunities to keep costs down and bring in all available income? | |
| 5. How effective are our cost management strategies? Is there more work to do here? | |
| **Total /25** | |

# People and Culture

## The Ultimate Goal

+ There is clarity on what your sustainable core staffing model looks like and you allow for flexible resources in order to be agile, respond to changes and deploy capability depending on need.

+ Your operating model strives to build anti-fragility around risk to improve responsiveness. Your organisation can benefit and strengthen from change and challenges because you have built in flexibility and learning across all areas of the organisation.

+ Your charity incorporates sustainability and diversity, equity, and inclusion considerations and goals into your strategic planning process.

+ There is a clear link between the financial health of the organisation and workforce planning to understand any people impacts. Consideration of any organisational design changes required is regularly discussed and planning is active rather than reactive.

+ Your charity has a compelling employee value proposition (EVP). Competitive packages can include benefits such as unique learning and development opportunities, a healthy culture, flexibility and clear career pathways.

+ You have measures in place to track company culture and attrition and address any drops in connectivity and engagement.

| Questions to ask | Score 1-5 |
|---|---|
| 1. Do we know the capabilities we need to deliver our services, now and in the future? What is changing? | |
| 2. If cost management is challenging, can we foresee the need for organisational design changes? If so, are we planning ahead for these changes? | |
| 3. Are we set up well to be able to quickly respond to shifting priorities/external environmental changes? How can we build in more flexibility and resilience? | |
| 4. How successful are we at attracting and retaining talent? Do we have a compelling employee value proposition? | |
| 5. How engaged are our team? What feedback are we getting? What are we learning from people exiting the organisation? How do we demonstrate we listen, learn and act on it? | |
| **Total /25** | |

## Governance and Compliance

### The Ultimate Goal

+ Your risk appetite is clearly known and understood.

+ Decision making structures are fit for purpose and not obstructive.

+ You have the right balance of governance and delegation which reduces risk but allows decision making closer to service users where possible, to improve outcomes.

+ Compliance and quality are embedded within organisational processes and are reviewed regularly.

| Questions to ask | Score 1-5 |
|---|---|
| 1. Are we clear what our risk appetite is? Has it changed? Has this been communicated? | |
| 2. Is our approach to risk management active or passive? How effectively are we able to manage risks and opportunities? | |
| 3. Is the information we receive focused on what we need to know? Are we able to make effective decisions from this information? | |
| 4. Does our governance approach enable us to stop things that shouldn't happen and support things that should to succeed? | |
| 5. Do our structures and practices help us manage compliance and delivery quality effectively? How could this be improved? | |
| **Total /25** | |

# Technology and Data

## The Ultimate Goal

+ Have time set aside to research and explore how emerging technologies can support your charity's mission.

+ There is clarity on where to invest in the right technology stack and right IT structure.

+ Any technology implementations are clear on their expected benefits and have measures in place to check these are being achieved.

+ Automation of simple processes means you can now turn admin time into more value-add time.

+ The systems and data sources you have should be providing insights. Data tools connect you to the answers more effectively. You have a strong data culture, which leads to informed decision making. There is confidence that you are driving the right insights from data sources.

| Questions to ask | Score 1-5 |
|---|---|
| 1. Do we have a technology roadmap? Do we have a good understanding of our processes, and the role technology plays in process efficiency? | |
| 2. Are we clear on the benefits of our technology and why we are making strategic investments in particular projects? | |
| 3. Have we trained our teams sufficiently to effectively use our existing technology stack? | |
| 4. Do we have a clear data strategy? Do we value data as an organisation? | |
| 5. Are we able to get the relevant insights from the current systems and data sources we have? | |
| **Total /25** | |

## Service Design and Delivery

### The Ultimate Goal

+ You are clear on what your core service offering is and choose any additional products and services to offer based on your capacity and funds to deliver non-core services.

+ You invest in innovation time to unlock new and better ways of delivering products and services to market at pace.

+ You draw on the ideas, experiences and capabilities of organisations, customers and beneficiaries around you to approach service design.

+ You assess the parity of accessibility and experience across all delivery channels.

+ Efficiency is everything, so you regularly assess your processes to see where they add value and where there is waste.

| Questions to ask | Score 1-5 |
|---|---|
| 1. Do we have an effective method of evaluation to gather insights on whether our service and product offerings are meeting our customer's needs? i.e. service users, partners, beneficiaries, donors and other stakeholders. Do we have a regular established service review process? | |
| 2. Do we have a tried and tested approach/framework for Service Design? | |
| 3. Do we understand what are our core activities and what is 'nice to have'? | |
| 4. Do we allow sufficient time and space for innovation and creativity? | |
| 5. Are our services and products suitably accessible in person and online? | |
| **Total /25** | |

If you score a total below 18 in any area of focus, you may have some work to do to achieve these strategic goals.

Let's explore each area in turn…

# Leadership and Vision

## Have a clearly defined purpose

Charities are purpose led by their very nature, but has everyone bought in to the big vision? When the nitty gritty of the day to day eats away at resilience, it is important to remember the big picture and the mission you are all on together. Linda Bryant, CEO of Together for Mental Wellbeing told us they:

**"strive for collective resilience rather than just individual resilience. We are all in it together and have an established culture of resilience and trust."**

As we have moved to hybrid working, visibility of leaders has become more important. It isn't just a case of being in the office, there are many more ways to engage with your teams which you need to consider. If you asked all your team members what the purpose of the organisation and your team's contribution to it is, what would they say to you? Can they clearly articulate that? Or would you get different answers depending on who you talk to? Over communicating and giving opportunities for teams to meet, discuss and ask challenging questions is key to aligning your team to deliver whatever your priorities are.

## Taking a flexible and iterative approach

While your mission might not change, you need to build flexibility into how you achieve it. An Agile approach to delivering your strategy would see you prioritising your initiatives and focusing on a few in turn to deliver in bite sized chunks. This allows more meaningful focus and flexibility in the delivery of your strategy. Caroline Chivers, Director to the CEO at Marie Curie, told us that they:

**"have an ambitious strategy to expand our service provision. To achieve this, we are delivering our strategy iteratively and focusing on achievable short term, medium-term, and long-term goals."**

## Embracing a culture of coproduction

As a leader you need to be ready to embrace collaboration and build relationships with organisations which share your values to access additional resource and expertise. We saw during the pandemic how quickly consortiums and network partnerships could be established to deliver services to those in need. But our research shows that whilst some collaboration continues, financial pressures bite and there are early indications of reduced cooperation, as charities compete for income and focus their time on delivering their own vital services.

Whilst there are many calls on your time as a leader, there are signs that the benefits and appetite remain strong, so it is all about prioritising those things which make a real difference and unlock potential. Steve Nelson, CEO of Wesport told us:

**"everything at Wesport is done in collaboration. We use the tools we've got to further our charitable purpose and build long term trusted relationships. This is working and has always worked."**

## Continuous learning and development

Time has become a potential barrier to progression when it comes to learning and development too. Yet investing in leadership development and succession planning will help to make your charity more sustainable for the future. Although budgets are tight, there are many free learning opportunities available, and it is important to consider how much time you spend together and where the focus of that time is spent. Often operational detail creeps into meetings so it is important to step back regularly and assess how you are performing as a leadership team and to get feedback from employees and the Board on areas where you can improve. Moreover, if you are working with corporate partners, be sure to ask about access to any learning and development courses their teams enjoy. If you don't ask, you don't get!

**Make sure your organisation addresses what the structure might like in 2, 5 and 10 years time. Where are the gaps?**

**What development needs to take place between now and then to ensure your charity is futureproofed and doesn't lose valuable knowledge, but instead builds on it?**

## Sustainability

Charity leaders should be addressing and implementing a sustainability strategy which also includes focus on Equity, Diversity, and Inclusion (ED&I) to foster a more inclusive and equitable society as well as initiatives to reduce any negative environmental impact. By incorporating ED&I principles into your everyday work, you demonstrate a commitment to fairness and justice, building trust with teams, donors and beneficiaries. Moreover, an ED&I strategy can enhance the effectiveness of charitable initiatives. Diverse perspectives and experiences bring a wealth of fresh ideas and innovation, leading to more impactful programs. Inclusive practices also attract a wider range of volunteers, staff, and supporters, expanding the charity's reach and influence.

To create a sustainability strategy, begin by assessing your organisation's environmental impact, social contributions, and economic stability. Engage stakeholders, including donors, volunteers, and beneficiaries, to gain diverse perspectives. Set clear, measurable sustainability goals aligned with the charity's mission and values, addressing issues such as resource conservation, community engagement, employee policies, and long-term financial stability. Develop an action plan outlining specific initiatives, responsibilities, and timelines. Encourage staff and volunteers to adopt sustainable practices and integrate sustainability into daily operations. Regularly monitor, evaluate, and communicate progress to demonstrate commitment and transparency.

# Income and Finance

## Map current revenue streams

Diversifying funding sources will reduce risk and aid financial resilience. Of course, it is never as easy as just clicking your fingers and by magic this happens!

A good place to start is mapping out your current income streams and exploring the longevity and potential risks. Are you most reliant on sponsors, grants, assets, statutory and non-statutory funding or fundraising events? Many of the charities we spoke to explained they had received Covid-19 emergency funding when the pandemic struck, but funding models have changed again, and the awarding criteria now looks different and perhaps less sustainable. Does your charity have contingency plans for unexpected future crises? Financial scenario planning can help to provide security. This activity can be carried out by bringing teams involved in revenue generation together to run workshops identifying current and future opportunities to grow income generation.

Having a clear evaluation method and regularly publishing the impacts of your work will improve your ability to secure funding, therefore be sure to have the data, tools, and capability in place to measure your impact. The NCVO provides some helpful guidance on evaluation.

## Identify new avenues for income

Once you have mapped current revenue streams you will be able to forecast likely income and manage risk. Charities are known for their leading approach to innovation, and innovation is key for finding ways of unlocking new income and establishing new commercial ventures. For example, Bath Rugby Foundation have developed their own ED&I Immersive Workshop to sell into local businesses which is based on their experience of working with less advantaged young people. Caryl Thomas, Programme Development Manager, told us:

**"we use rugby and other sports to illustrate inequality and demonstrate how improved equity can improve both workplaces and our wider society."**

These commercial ventures can provide much needed additional income streams. Similarly, charity partners, ambassadors and major donors can be vital assets. Be sure to understand all existing relationships and what opportunities there are to develop these relationships as well as expanding your donor base.

There are now many other areas to consider in your investment strategy, including cryptoassets such as cryptocurrencies. These are higher risk and relatively unexplored in the sector, but the Ukranian government raised millions of dollars for its war effort in a short space of time through cryptocurrency. The Charity Commission have been exploring the financial viability for charities and urged a degree of caution as donors are usually unknown with cryptoassets. Exploring your appetite for risk is critical before deciding if the reward from these types of investment is worthy of small exploration.

**Guidance from the Charity Commission means your annual report needs to include a statement on your reserves policy.**

**A reserves policy explains to existing and potential funders, donors, beneficiaries and other stakeholders why a charity is holding a particular amount of reserves. A good reserves policy gives confidence to stakeholders that the charity's finances are being properly managed and will also provide an indicator of future funding needs and its overall resilience."**
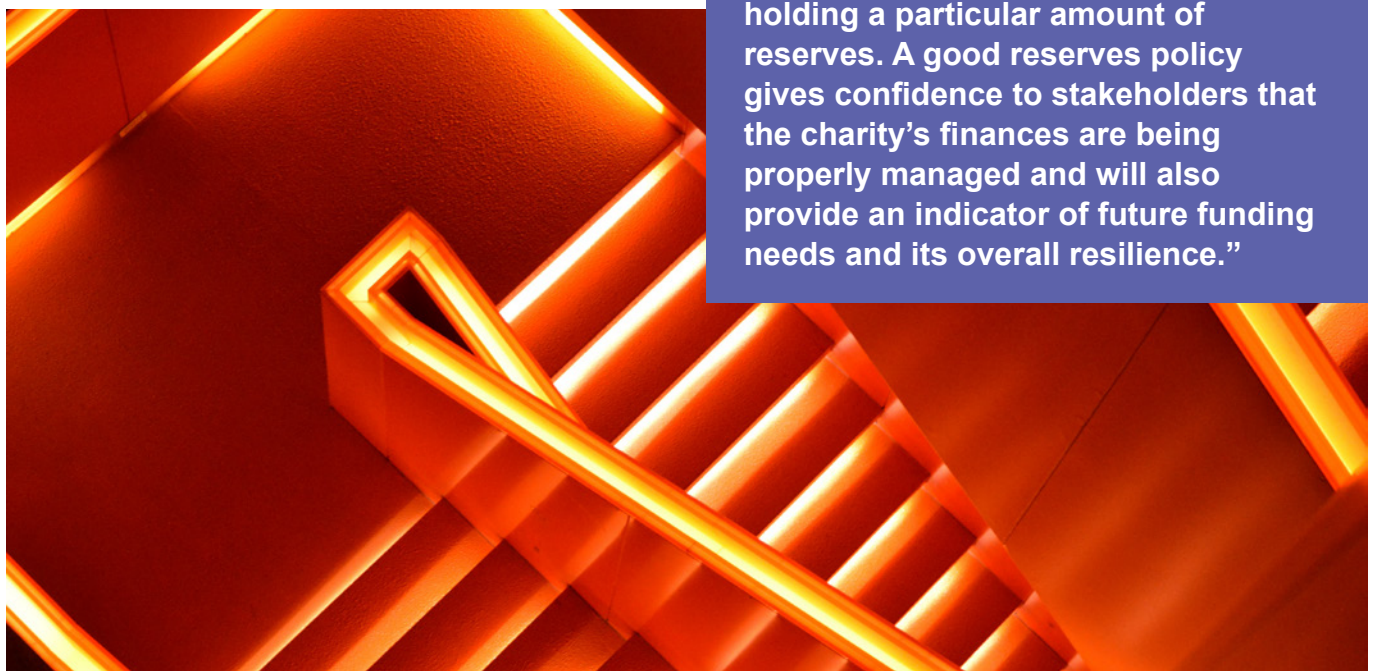
## Managing costs

Charities are used to working with small budgets and driving down costs, but are you confident that your costs are always being managed effectively? Cost control is important, so make sure you are challenging why some projects are running. Go through your portfolio and determine if everything is delivering value and aligned to your strategy. If any projects are not, do not be afraid to stop or pause them.

> **Projects consume vast amounts of resources, so critically reviewing these is key to driving efficiencies.**

With limited resource it can be incredibly challenging for charities to run cost saving projects on the same scale as corporate businesses. Good foundations in business analysis, project management and change management skills can help improve efficiency, by making sure business cases are robust, project resources are carefully managed and that teams adopt new solutions fully to deliver benefits.

## Charity's proposition is clear for fundraising

People will support charities which align to their personal values and are transparent about what their donations will fund. Your proposition needs to be crystal clear, so potential donors know exactly what you are about and where their money is going.

Does your organisational structure allow marketing, fundraising and communications teams to work collaboratively and support each other? Is there scope to further align these teams? Your fundraising strategy must be regularly reviewed with reporting metrics to understand how supporters are responding to your activity. Make sure that you have mechanisms in place to listen to supporters and provide fundraising opportunities which align to their interests.

A worthwhile exercise is to map out your supporter journey, so you can learn more and optimise touchpoints to ensure you are interacting at the right opportunities. A good CRM will help identify and tag donors to maximise donation opportunities.

## Collaboration and leveraging partnership

As the private sector look for ways to improve their social impact and become more purpose driven, there is an opportunity for pro bono work to support you to deliver some of the work we have discussed. B Lab should be able to supply you with a list of B Corp certified organisations in your area who might be looking to make more of a positive impact and may have products or services to share which will benefit your charity.
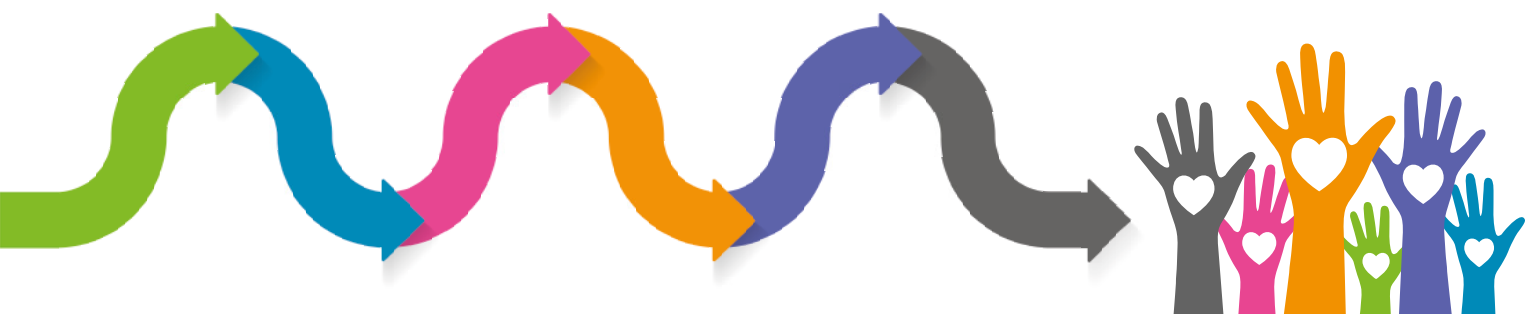
# People and Culture

## Establishing the right organisational design

We have seen an increase in charities exploring their Target Operating Model and Organisational Design (OD). OD is the evaluation of a business in its entirety, looking specifically at the distance between its current state and its desired future state, including wants, needs and goals – and working out a strategy to narrow the gap. This includes organisational structure and the systems and processes within.

When reviewing your organisational structure, start by addressing what is key and core to delivering your mission and strategy and what things are simply nice to have, but could be done by other partners. This will allow you to focus on your niche area of specialism. Charities can also look at flexible resource models to dial capability up or down based on the particular need at the time. Start by reviewing what your sustainable core staffing model looks like and then understand how you can bring in additional capacity when required, through agency, or specialist zero hours contract support.

> "Charities can also look at flexible resource models to dial capability up or down based on the particular need at the time."

## Recruitment and Retention

Recruitment and retention have been challenging issues in recent years. Charities rely heavily on passionate and dedicated staff and volunteers to carry out their missions effectively, but several factors have made it difficult for charities to attract and retain talent.

One of the primary recruitment challenges is the competition for skilled workers. Charities often find themselves competing with the private and public sectors for individuals with the expertise needed to drive their missions forward. This can result in a scarcity of qualified candidates, making it challenging to fill critical roles.

In the last 5 years we have also seen a shift in expectations around pay and benefits. For example, flexible working used to be a benefit but now is seen as standard. Similarly a strong focus on employee wellbeing and a healthy team culture is also expected.

**The cost-of-living crisis has forced many skilled workers to seek employment in higher paying sectors in order to make ends meet.**

To address issues of recruitment and retention charities should implement strategies which enhance recruitment and retention. But how do you offer recruits a compelling Employee Value Proposition (EVP)? Firstly, you must really know your purpose. Be sure to have a well-defined mission and governing values which help you to differentiate in the sector and be clear to teams, potential recruits and partners about what you stand for and what is unique about you. Can you also explore offering competitive compensation packages which provide professional development opportunities, embrace variable working patterns, and foster a supportive and inclusive work environment?

## Healthy organisational culture

It is obvious, but people need to feel valued at work and believe that their contribution means something. Can you offer unique opportunities to develop skills and thrive through training and secondments, and clearer career pathways will also help to address attrition?

Regular exploration of the impact of hybrid working on company culture will help to address issues arising. Engagement surveys and culture workshops are important in getting a realistic picture on morale.

**For more information on transforming organisational culture, you can join our webinar by registering here:**

https://resources.ninefeettall.com/organisational-culture-webinar

# What do we mean by Organisational Culture?

| | | |
|---|---|---|
| **Organisational culture is a system of:** | **…shared assumptions, values and beliefs…** | **…which governs how people behave in organisations…** |
| **…these dictate how your team act, dress and most importantly perform their jobs…** | **…it generates commitment, loyalty and pride…** | **…it defines the rules of the game.** |
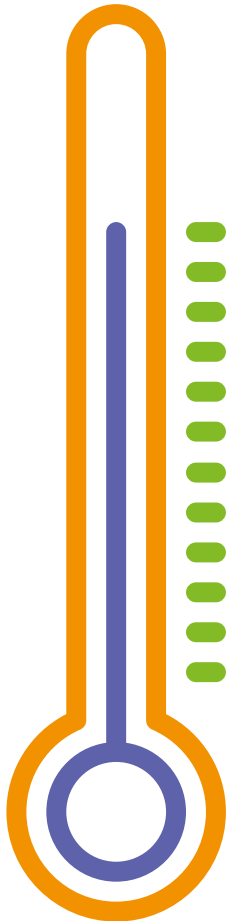
## Measuring engagement

There have been many discussions around how you can measure culture and engagement. At Nine Feet Tall we believe it is possible to check the culture and engagement temperature by having various metrics in place which can show early warning signs that you are experiencing a drop in culture health:

**1** Establish regular anonymous engagement surveys which focus on wellbeing.

**2** Use communication channels such as WhatsApp to regularly post and measure reactions and conversations which follow. How many team members are regularly posting here?

**3** Monitor any increase in sick leave absences across the organisation by logging this data and reporting on it regularly.

**4** Measure turnout at social events. If these are organised in work time and engagement/turnout is low, you can be sure you have issues to address.

**5** Be vigilant to external review sites such as Glassdoor where team members post their thoughts on your organisation. Make sure you review your scores regularly and address any comments about company culture.

## Making Hybrid work

Hybrid and remote working arrangements are welcomed across the sector because they have been proved to be efficient and desired to prevent burnout and improve flexibility. However, many leaders we spoke to also acknowledged the disrupted sense of community and connection that often motivates individuals to work in the charity sector. With this in mind, it is important to establish a culture which promotes well connected teams and friendships to encourage retention.

Decision making structures also need to be fit for remote working and not obstructive. Look closely at your schemes of delegation and ensure local decision making is devolved closer to the service user where appropriate.

> **The benefits or this change of governance will allow for quicker, more efficient and user focused service delivery. Taking on a sensible amount of risk by delegating authority can have positive results."**

# Governance and Compliance

## Building resilience around risk

The pandemic showed us that, when needed, charities have been able to pivot, work collaboratively and innovate. But what freed us up to make quick decisions, take on some risk, and respond positively to new challenges? It was simply a case of having to.

In his book **"Antifragile: Things That Gain from Disorder,"** Nassim Nicolas Taleb explains the concept of anti-fragility and how it can be built into organisations:

**"Some things benefit from shocks; they thrive and grow when exposed to volatility, randomness, disorder, and stressors and love adventure, risk, and uncertainty. The resilient resists shocks and stay the same; the antifragile gets better."**

The challenge now that we are moving forward from the pandemic, is to retain this agility and to build in anti-fragility in your operating model to manage risk and retain responsiveness.

Some key elements of anti-fragility to consider are:

A flexible resource model.

Clear and simple decision making and delegated authority structures.

An ability to stand up project resources quickly.

Regular horizon scanning forums.

Continued collaboration with partner organisations.

## Board and ELT experience and diversity

Strong governance is important, and your Executive Team need to be able to navigate and lead when delivering complex change. It is tricky to get it right and experience here is essential to ensure change is long lasting and well received. Leaders, including the Board of Trustees, need to stay informed about legal and regulatory changes affecting service delivery.

Your Board should be diverse and where possible represent the communities you serve, bringing skills and expertise in relevant areas, aiding the charity's mission and providing vital support and leadership to your teams. Many charities struggle to recruit to Board roles, but it is key to assess where your gaps are and to undertake succession planning and then proactively go out to attract the right talent. Annual conversations with Trustees about their intentions for the future can aid this succession planning and help identify opportunities where you can increase the diversity of your Trustee team.

## Just Enough Governance

At Nine Feet Tall we talk about implementing "just enough governance" for programmes to run effectively. Too much and the progress is hampered by bureaucracy and red tape, too little and there's not enough structure and rigour.

This is also something to bear in mind in your reporting systems and organisational governance. Is progress hampered through inefficient reporting lines and lack of delegated decision making?

**A great place to start is to map out which decisions have been approved and rejected through your governance processes, the information provided and how many forums each decision had to pass through before the final decision was made.**

**Once that has been mapped it should be possible to assess whether some of these decisions could have been delegated based on your risk appetite and regulatory requirements.**
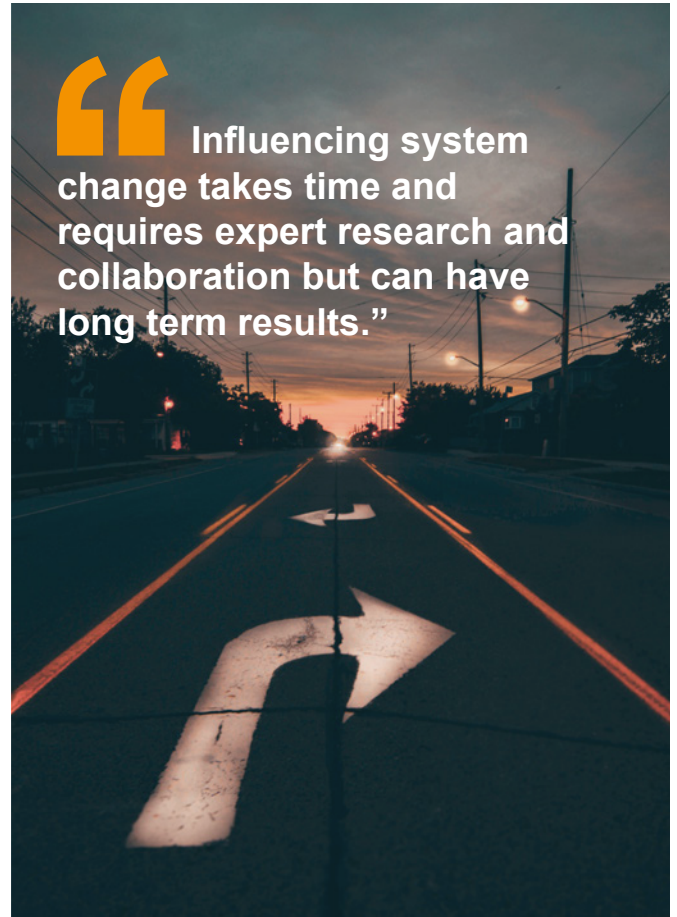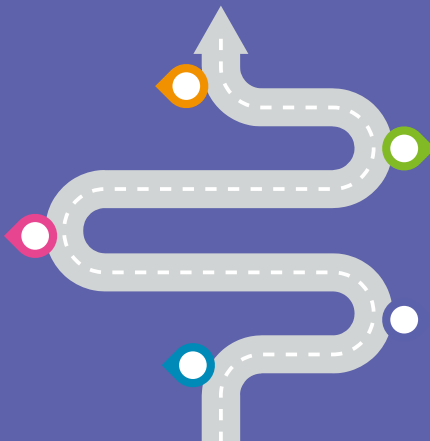


**Influencing system change takes time and requires expert research and collaboration but can have long term results."**

## Policy and influence

Depending on the size and purpose of your charity, your resource and experience for influencing the right boards and policy makers will vary. However, re-evaluating how policy gatekeepers can help your mission through legislative changes could be a fruitful exercise for your Executive and Board of Trustees. Does your Board or Policy Team have the right level of influence to help achieve this and who else can you partner with to support your call for change? Marie Curie highlighted a success where their Policy Team led an initiative that achieved the inclusion of funding for end-of-life care as part of the revised Health and Care Act 2022, which was also supported by Hospice UK, Sue Ryder, Together for Short Lives and the Alzheimer's Society. Influencing system change takes time and requires expert research and collaboration but can have long term results.

# Technology and Data

## Technology Assessment

Digital transformation has played a major role in the evolution of charities in recent years. From the need to improve productivity and efficiency, through to accessing data and improving data literacy across the organisation. Charities must embrace digital tools and platforms for fundraising, insights, communication, and service delivery.

New technology selection is a major investment, so it is important that you have first fully assessed your current IT landscape and understood the challenges before pressing ahead with selecting new solutions.

## Technology Selection

If, after a technology review, you identify your existing systems are inefficient and holding you back, it is important to embark on any tender process with open eyes. Often it is tricky to be aware of emerging technologies and fully understand how they can support your charity's mission. It is critical that you start by understanding the existing issues and pain points across your organisation and take time to gather your requirements. Be solution agnostic as you do this, as it is important not to start with a product in mind, but to understand your needs first, then identify what the options are.

One important development in recent years has been the increase in implementations of CRM (Customer Relationship Management) systems which can unlock customer insight and opportunities. Charity Digital reported:

**"More than four in five charities using CRM software say it increases their income and saves them time."**

Many charities have also seen better process integration and use their CRM to support practices across the organisation.

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However, our research showed the sector has a few scars from stories of failed Customer Relationship Management (CRM) system implementations and poor user adoption, which is both costly and has an impact on appetite for future technology investments. At Nine Feet Tall we have worked with many different charities to implement their CRM systems and have been privileged to see the benefits gained from a successfully implemented system which can improve cybersecurity by safely housing data as well as generating insight and allowing for personalised communication and regular reporting. A CRM might not be the right solution for now but establishing a process of understanding your customers and managing and curating their experience is still important.

You want to create strong supporter journeys which are long lasting and will help to futureproof your charity's financial security and ability to continue to deliver. Other technologies which can help improve efficiencies include ERP and finance systems, which allow data to flow freely across functions and mean you can automate parts of processes such as fundraising and grant management.

## Emerging technology

The emerging development of Artificial Intelligence (AI) will also have an impact on charities and create changes to processes, as computers learn to undertake jobs that traditionally people have done. AI will need to be carefully monitored in the sector as it is developed and adopted, as human language, empathy and the need for emotional response may limit the role AI can play here. Yet more than a quarter of charities are now regularly using AI, according to new research by the Charity Digital Skills report.

Online content tends to be the first area that charities explore, and this can be done for relatively low investment. Generative artificial intelligence (AI) describes algorithms and platforms that can be used to create new content, images, text and videos. ChatGPT is probably the most widely used, but there are other new kinds of generative AI systems.

We know AI will be big business and has already had a regular spotlight in the media. The tech companies are pouring eyewatering sums into its development and are already beginning to integrate it into browsers and even Excel. We expect the uptake amongst non-profits to be sizable and even if there is resistance, the very widespread use of AI in systems will impact on their work.

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## Data culture and literacy

Charities are also recognising the need to adopt a data culture and embrace data to inform decision making. Having robust monitoring and evaluation systems can track the impact of your programs. Selena Wark, Head of Data at Mind, told us that they have recently introduced a data maturity model to address capability and monitor progress as they look to build data fluency across Mind:

> **"Data used to be seen as just admin, but there is certainly now a growing desire for more data-based decisions in charities. When we created our data strategy, we looked at the 7 lenses of transformation – data, tools, analysis, skills, leadership, culture and use to understand our maturity."**

There are multiple data sources in charities and having the appropriate tools, mindset and culture to interpret the right data means charities are able to continuously improve service offerings, monitor and track emerging trends and demonstrate accountability to stakeholders.

There are 5 elements of data-driven transformation:

| 1 | **CULTURE** – how closely data & insight is woven into your decision-making processes |
|---|---|
| 2 | **VISION AND STRATEGY** – a clear view of what data-driven means for you and how you will get there |
| 3 | **DATA AND TECHNOLOGY** – making the right infrastructure, tools and datasets available to your teams |
| 4 | **CAPABILITY** – buying, building and borrowing the right individual and team skills |
| 5 | **DELIVERY** – consistently delivering and proving the value of successful analytical projects |

## Data maturity and strategy

In order to establish a data strategy, it is important to first understand where your data maturity is as an organisation. This will show you how well you currently use data for decision making and where the gaps lie.

We developed this Data Maturity model in collaboration with Ascent Data Science (formally Mango Solutions) which can ascertain your data literacy and maturity as an organisation:

| | CULTURE | VISION AND STRATEGY |
|---|---|---|
| **STARTING OUT** | + Gut feel based decisions<br>+ Limited awareness of simple data concepts<br>+ Enthusiasm to explore potential of Data Science but unsure how to start | + Some high level initial visions within individual teams<br>+ Unclear analytics roadmap<br>+ No documented view of the as-is state across the organisation<br>+ No link from business to data stategy |
| **GETTING GOING** | + Grasp of basic concepts e.g. machine learning<br>+ Common language between data and business teams<br>+ Early examples of successful new and innovative uses of data | + Documented organisational as-is and to-be states (at high level)<br>+ Starting to identify key challenges and formulating strategies to address them<br>+ Team beginning to collaborate |
| **ACCELERATING** | + Decisions starting to be augmented by more data<br>+ Senior leadership advocates understand and encourage use of data-driven insight<br>+ Analysts engaged and curious | + Vision has broad acceptance across the organisation<br>+ Key building blocks of strategy understood and beginning to be worked on |
| **WINNING** | + Decisions are data-driven wherever possible<br>+ Innovative, cutting edge use of data in multiple areas<br>+ Buy in at highest levels<br>+ Integrated with business strategy | + Clear vision for a data-driven business that is understood and supported by organisation<br>+ Strategic roadmap that delivers incremental value with the agility to adapt in the future |

| | DATA AND TECHNOLOGY | CAPABILITY | DELIVERY |
|---|---|---|---|
| **STARTING OUT** | + Siloed datasets<br>+ Multiple technology solutions deployed locally (not via IT)<br>+ Poor governance and control of data<br>+ Outdated technology stack | + Team(s) of analysts comfortable with descriptive analysis<br>+ Business stakeholders able to interpret simple data reports<br>+ No (or very few) true Data Scientists or Engineers | + 'Hit and miss' track record of success<br>+ Generally little project delivery management involvement<br>+ Some qualitative understanding of value delivered |
| **GETTING GOING** | + Clear view of data and tech across the organisation<br>+ More advanced data and analytics technologies being explored<br>+ Increasing central IT involvement | + Analysts able to drill beyond descriptive to diagnostic<br>+ Business getting used to consuming data more visually<br>+ Some more advanced analysts exploring Data Science | + Starting to establish a successful pattern for delivery<br>+ Delivery managers involved in bigger projects<br>+ Value is measured and quantified where possible |
| **ACCELERATING** | + Clean and trusted datasets<br>+ Clear governance responsibilities, processes and controls<br>+ Growing portfolio of officially IT supported tools<br>+ Starting to link datasets and tools | + Analysts provide insightful analysis and communicate to the business effectively<br>+ Professional Data Science / Engineering capability emerging<br>+ Training programme(s) in place | + Formalised approach to delivery starting to be used<br>+ Increasing focus on prioritisation based on value delivery<br>+ 'Data project' specific delivery management |
| **WINNING** | + Trusted datasets available for self-serve analytics<br>+ Disparate datasets able to be brought together efficiently<br>+ Advanced technology stack supported by central IT | + Highly effective analysts focussed on supporting decision making<br>+ Data Science / Engineering teams developing predictive tools<br>+ Decision makers expert in making better decisions through data | + Repeatable blueprint for successful delivery established<br>+ Value measurement and benefits mapping framework in place<br>+ Effective collaboration between analysts, PMs and the business |

**Once you understand what stage your organisation is at, you can build a strategy tailored to your objectives to improve data collection and establish a data decision led culture.**

# Service Design and Delivery

## Effective ways to gather insights

Service design for charities has evolved significantly over the last five years to adapt to changing technological, societal, and environmental factors. The focus has shifted towards digitalisation, data-driven decision-making, personalisation, inclusivity, sustainability, collaboration, and community engagement. These changes are aimed at making charities more effective, efficient, and responsive to the evolving needs of their beneficiaries, donors, and volunteers.

The first port of call in Service Design is to gather insights. Gathering insights through your data strategy will help lay the foundations for effective service design. Data needs to be part of the design and information flow is key to delivering high quality services. You can use a mixture of methods to identify who you wish to gather insights from: such as customers/service users, your own teams, partners, suppliers, those who receive reporting or need to make decisions. Be clear on the channels you are using for collection (online, in person, hybrid) and be as comprehensive as possible.

- ✓ Collect customer/service user feedback whilst using the service through surveys or interviews.
- ✓ Run service user focus groups.
- ✓ Get a pulse check on customer sentiment and establish NPS scores.
- ✓ Use third-party data for market research.
- ✓ Conduct situational analysis.
- ✓ Collect behavioural data – website analytics.
- ✓ Run team focus groups/surveys/121s.
- ✓ Conduct real-time user testing on proposed service changes.
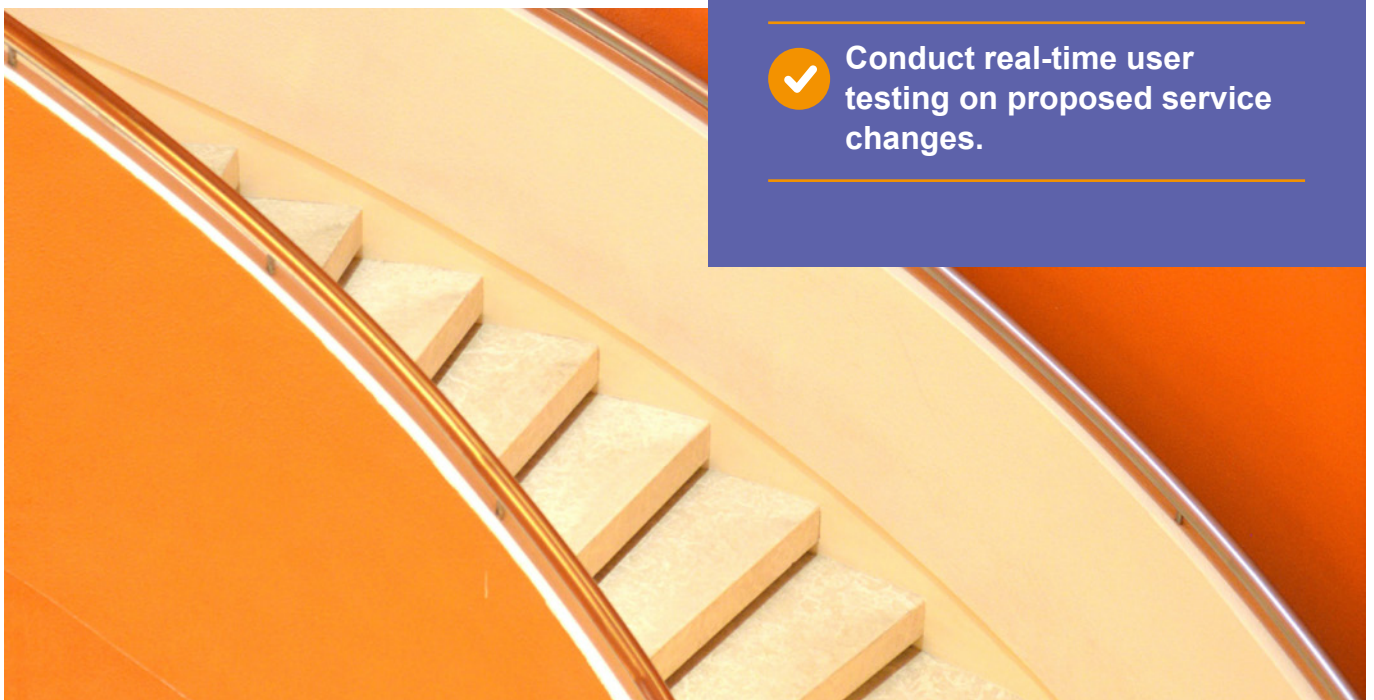
# Framework for service design

Whatever your methodology for approaching service design, be it systems thinking, design thinking, theory of change or another approach, taking the time to allow for innovative thinking is essential as service design is a creative and collaborative process, which needs to draw on experience and capabilities from outside the organisation as well as your own internal expertise.

If you do not yet have a framework for service design, you could consider some of these approaches:
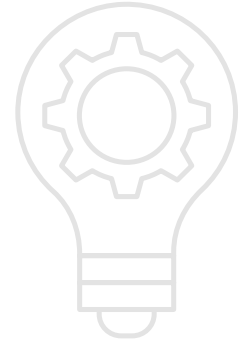
## Design Thinking…

is a human centred approach to design and focusses on generating innovative ideas with the customer at the heart.

It is a codified 5 step process: (Empathise, Define, Ideate, Prototype, Test) and uses iterative steps to set out how you approach the design process.

**EMPATHISE**

**DEFINE**

**IDEATE**

**PROTOTYPE**

**TEST**

## Systems Thinking…

is a framework for seeing the interconnections in a system and a discipline for seeing and understanding the relevant aspects of the whole system.

Systems Thinking can help unlock intractable issues within current service design such as culture and behaviours. It views a problem as a collection of components that interact and change in response to different interventions. This collection of parts and the relationships between them can also be called a system. There are four stages:

1. **Confirm goal and collaborating community.**

2. **Understand the system (which involves understanding demand and waste).**

3. **Co-design and test. This stage involves experimenting, fail fast, reflection and iteration.**

4. **Implement, monitor and evaluate.**

Systems thinking works well in addressing a complex problem which is not well understood and for when you want to make strategic and transformational change and have the time to explore. It is less effective when the problem is well understood and contained, such as where there is a need to make a swift change (i.e. regulatory changes.)

## Collaborative Service Design

Collaborative design is an approach that involves bringing various stakeholders, such as designers, developers, and users, to develop a product or service. This approach allows a more diverse range of ideas and perspectives to be considered during the design process, leading to more innovative and effective solutions.

Collaborative design typically involves a series of meetings and workshops where stakeholders can discuss the problems which they are trying to solve and then share their ideas, building on these as the process continues. This approach aims to ensure that the final service is well-designed, effective, and meets the needs of all stakeholders.

## Innovation on a budget

For many charities, restricted budgets may feel like there needs to be a cut in funding for innovation. However, as budgets are squeezed there is even more need to critically review the services delivered and to reimagine what and how this can be done differently.

Innovation needs to be baked into your organisation's processes and ways of working. To help create a framework which helps guide your teams through the innovation process there are two frameworks which are freely available and simple to use:

The first, is the Strategyzer's Innovation Project Scorecard:
**https://www.strategyzer.com/library/innovation-project-scorecard**

The second is social business model canvas:
**https://socialenterpriseinstitute.co/wp-content/uploads/2018/12/Social-Business-Model-Canvas.pdf**

A key place to start is understanding the problems you are trying to solve, and then providing a framework for your teams to use. Exploring options helps unleash creativity!

## Logistics and practicalities of delivering services

When undergoing service design there is always creative tension between opportunities and risks. One way to reduce risk but test for viability is to pilot schemes, which allows for new initiatives to be trialled and only implemented when they are deemed successful. Bath Rugby Foundation told us that since the move to remote working, they are now using their office space to deliver their education programmes to empower vulnerable young people. Linda Bryant, CEO of Together for Mental Wellbeing told us:

**We are now more flexible in the service offers to the people we serve. We reflected and learnt lots of lessons, particularly around giving our beneficiaries more choice in how they receive our services."**

Addressing these practicalities and the needs of the beneficiaries of services can help to unlock innovative ways of delivering services.

Preparing for the future is a continuous process that requires adaptability and foresight. By following this futureproofing guide, UK charities can position themselves to thrive in an ever-changing environment, while continuing to make a positive impact on the communities they serve. Remember that futureproofing is not about predicting the future with certainty, but about being flexible and prepared to navigate whatever challenges and opportunities arise.

At Nine Feet Tall we love helping our clients in the charity sector deliver meaningful transformation. Together we have navigated challenges across varied and complex change programmes. We have helped charities to create a compelling **business case** for change, **select the right technology** to unlock efficiencies, and create the right operating model and **organisational design** to deliver their strategic objectives. We have also provided **project assurance** to make sure that large technology investments are on track and will deliver the expected outcomes and benefits. Whatever complex change issue is blocking the road to your future success, we can help to find a route to a sustainable and bright future.

**If you would like to find out more then get in touch today.**

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Thank you to everyone who has contributed to this paper.
We are grateful for all of your experience and insights.

## References and links

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