

INVESTING IN THE SECTOR, INVESTING IN OURSELVES

External support for the voluntary sector.



MARCH 2018

THE CRANFIELD TRUST BUILDING SUCCESSFUL CHARITIES



ABOUT OUR WORK

The Cranfield Trust is the leading provider of pro bono management consultancy in the UK. We are an independent registered charity, with HRH The Princess Royal as our Patron.

Over the last 29 years, we've worked with more than 3,000 charity clients, providing strategic management consultancy projects, free of charge. Our service is made possible by the generosity of over 1,000 commercial sector professionals, who give their time as volunteer consultants.

We also provide free information and advice on employment issues through our online service, HRNet, and hold a series of management masterclasses around the country.

www.cranfieldtrust.org

EXECUTIVE SUMMARY

THE VALUE OF EXTERNAL SUPPORT.

The Cranfield Trust has been providing management support to the voluntary sector for almost 30 years. Over that time we've seen a variety of trends in demand for support, but the current climate is overturning trends – frontline organisations need support across all their management functions to survive.

To understand how we can ensure that our services are relevant to and effective for frontline charities, we undertook a survey and a roundtable consultation exercise to listen and learn.

What we heard is that charity back office functions are under strain: staff are overstretched, and there's a perception that funders are looking for growth and innovation, and are reluctant to invest in strong internal infrastructure. Many charities are already cutting their back office resources, weakening the core of their organisations. We need to work together to make sure that charities have a strong core: it needs funding, and skills support from external advisors and consultants. Without effective management, frontline services are at risk.

Our biggest surprise was that cost is the biggest barrier to taking up external support. There's a wealth of pro bono or low cost support available, this view told us that far more needs to be done to raise awareness of support services, and to educate and inform charities about what's possible at low cost.

Funders could play a much bigger role in using their knowledge, and their convening power. Charities already rely on funders to signpost them to sources of support, but funders should be using their broad view of the sector to highlight skills gaps or problems in charities, and focus support in these areas. Bringing together groups of organisations and sharing skills and knowledge is also something that funders have a great opportunity to do through their networks.

The four 'Es' encapsulated the key factors in successful external support: External views, expertise, empathy and enthusiasm are all critical in making working partnerships fly. Getting the right match between client and support provider – personally and professionally – is vital.

One of the ideas discussed at the roundtable was opportunity cost. As funders and organisations supporting frontline service delivery, we have a huge opportunity to do more, together. As Cranfield Trust Patron HRH The Princess Royal, said in her speech to roundtable guests: "Let's use all our skills, across all sectors, to benefit the communities we serve."



Amanda Tincknell CBE
Chief Executive, Cranfield Trust



**“LET’S USE ALL OUR SKILLS, ACROSS ALL SECTORS,
TO BENEFIT THE COMMUNITIES WE SERVE.”**

**HRH The Princess Royal, Patron of the Cranfield Trust.
FunderPlus roundtable discussions, March 2018.**

WORKING TOGETHER

WORKING IN PARTNERSHIP: CITY BRIDGE TRUST AND CRANFIELD TRUST



London is the Cranfield Trust's largest operating region, with 35% of our activity taking place in the capital.

Over the past 18 months, the Cranfield Trust has been working on a programme of support for 95 London charities, funded by the City of London Corporation's charity, City Bridge Trust. The programme is called Strive, and concludes in June 2018.

To help develop our own work, and to share information with funders and others supporting frontline charities, we have carried

out a survey of charities to understand their views of external support, and held roundtable discussions in February 2018.

The survey received 84 responses from charities across the country. 80 representatives of charities attended the roundtable discussions, with other delegates representing funders, sector support organisations and the Cranfield Trust.

We are very grateful for the support of City Bridge Trust for the Strive Programme, and for enabling us to produce this report.





CHALLENGES FACING THE SECTOR

WE ASKED CHARITIES ABOUT THE MAIN CHALLENGES THEY ARE CURRENTLY FACING.

Sustainability, security and survival are the toughest challenges for charities in the current climate. Uncertainty, falling income from the public sector, a highly competitive fundraising environment and rising demand for services all contribute to frontline charities feeling ever more stretched and insecure.

Charities working with the public sector report problems of being dependent on local authorities for much of their income, while losing money on individual contracts, or of contracts being issued on a rolling three-month notice period, leading to an

uncertain atmosphere for staff and beneficiaries.

Trusts and foundations are perceived as looking for innovation and growth at a time when funding for back office support is critical. Without investment in internal infrastructure, organisations can't maintain their current services, let alone grow and develop.

In our discussions, there was a challenge for funders: to streamline application processes and make them more cost effective. As one delegate said, "we put in a huge amount of work for £5,000."

“WE’D LIKE FOUNDATIONS TO FUND CAPACITY BACK-FILLING, WHILE WE DEAL WITH STRATEGY CHANGE, AS WELL AS CONTINUING TO PROVIDE OUR OPERATIONAL SERVICES. IF THEY’RE ONLY FUNDING CHANGE, IT’S HARD FOR US TO ACHIEVE IT.”

Charity delegate, Funder Plus round table, February 2018



Reflecting external pressures, internal issues for charities include growing stress and morale problems, and a need for staff to take on multiple roles, leading to a loss of focus for key team members. One delegate to the roundtable suggested ‘a Samaritans’ for charity Chief Executives ‘it can be a very isolated role. We need an “offload line.”’

Organisations find it difficult to recruit and keep trustees with the right skills to support their organisations, who understand the risks they’re facing, and who have time to really engage with them.

For many of the organisations which responded to us through our survey, or participated in the roundtable, seeing a way forward is a challenge. Developing future plans, engaging effectively with the opportunities provided by technology, raising awareness of their organisations and services to reach service users and win support, and demonstrating impact clearly are all challenges common to many.



TOP 5 CHALLENGES

WE ASKED CHARITIES TO NAME THEIR MAIN CHALLENGES.

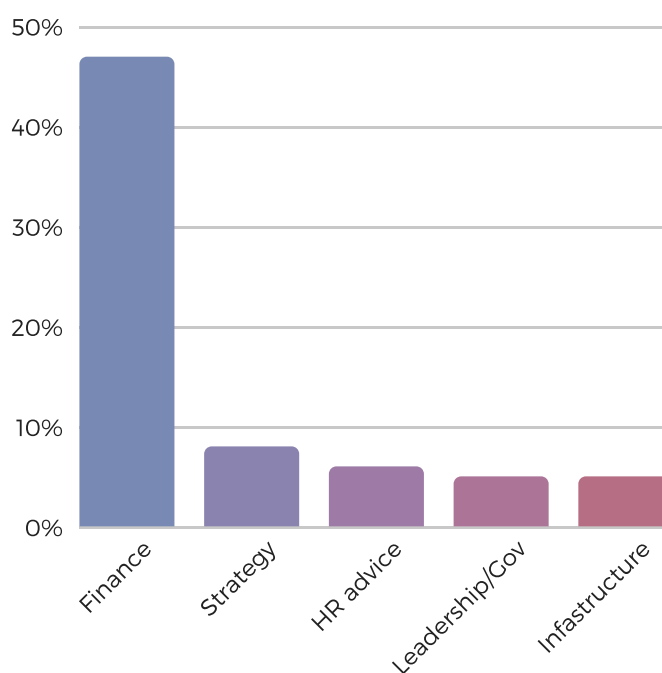
1. FINANCIAL SUSTAINABILITY (47%)

2. STRATEGIC PLANNING (8%)

3. HR/EMPLOYMENT ISSUES (6%)

4. LEADERSHIP & GOVERNANCE (5%)

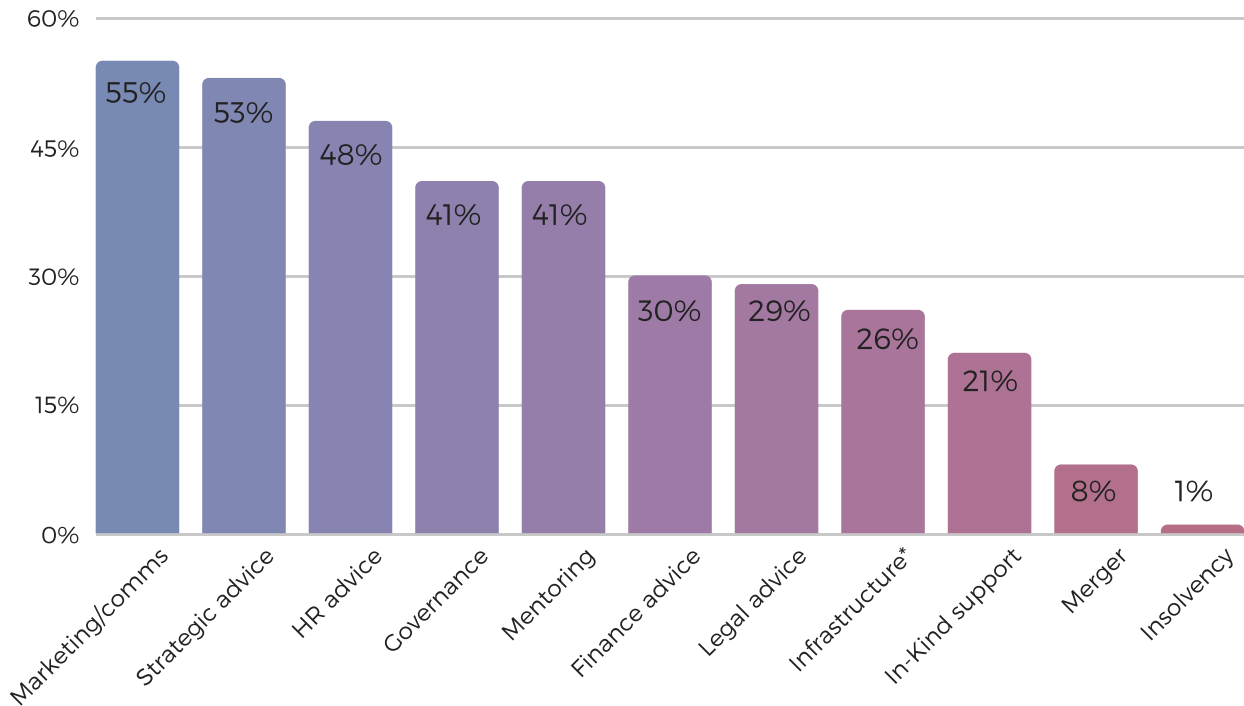
5. INTERNAL INFRASTRUCTURE* (5%)



* This includes IT systems, digital, processes and procedures, and organisational structure.

SUPPORT NEEDED

WE ASKED CHARITIES WHAT SUPPORT WOULD BE MOST VALUABLE TO THEM.



Figures represent all support that survey respondents would find valuable.

TOP 3 SUPPORT NEEDS

MARKETING AND COMMUNICATION

55%

STRATEGIC ADVICE

53%

HR ADVICE

48%



EXTERNAL SUPPORT

WE ASKED CHARITIES WHAT EXTERNAL SUPPORT THEY USE.

"Having someone from outside [the organisation] is helpful, they can ask surprising questions. If you're inside the jar, you can't see the label."

Charity delegate, Funder Plus roundtable discussion, February 2018.

With so many challenges, charities are seeking external support. 82% of our survey respondents had used external support in the last 12 months, with a surprising 52% having used support more than once in a year.

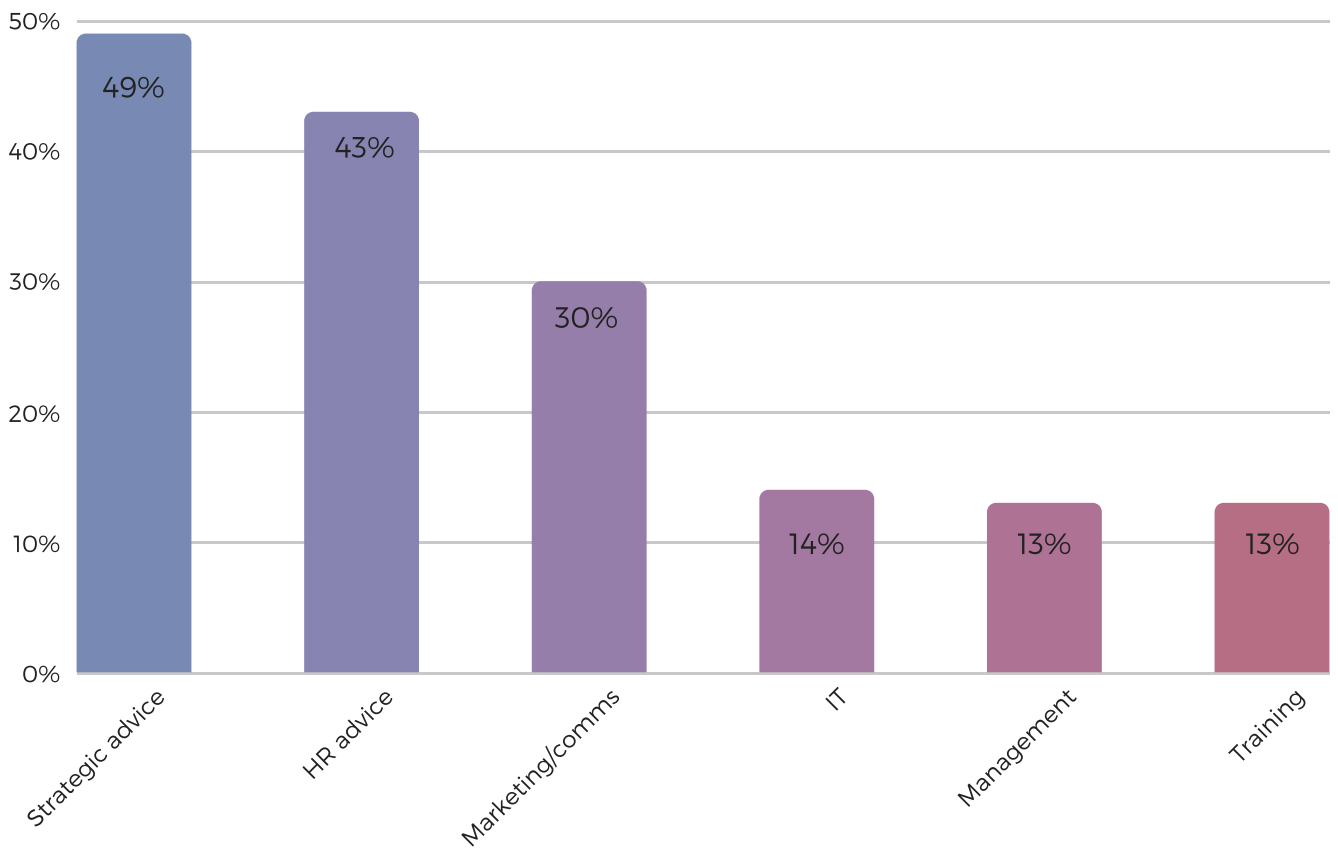
Although financial sustainability was the top challenge for organisations, most do not use external support to raise funds or generate income. The top rated need for external support amongst our survey respondents was marketing/communications (54%). This may reflect the low numbers of marketing specialists in small-medium size charities, but communications expertise may also be needed to support fundraising activities.

At the Cranfield Trust, we receive a high demand for marketing support, but sometimes find that the organisations asking for this expertise do not have an agreed strategy or formal business plan. Our approach is to address the overall forward planning for each client, to give a robust framework before focusing on specialist marketing plans.

Strategic and business planning was a close second with 53% of respondents saying they need support in this area. This reflects our experience. Of our own consultancy projects 55% are supporting organisations with strategy development or business planning.

TOP 3 AREAS OF SUPPORT USED

WE ASKED CHARITIES WHAT EXTERNAL SUPPORT THEY HAD ACCESSED IN THE LAST YEAR.



Figures represent all services that respondents accessed.

EXTERNAL SUPPORT

CURRENT USE

Third on the list of current needs for external support was HR. This reflects the challenges discussed at the roundtable, with stretched resources creating pressure for staff, and downsizing leading to role creep and confusion.

We have had a long term focus on HR, through our HRNet online information and advice service and know this is an area where frontline organisations lack specialist expertise. Managers are often worried about the consequences of HR problems, and the perceived high risk of mistakes.

Other areas where discussion participants and survey respondents expressed a need for support were in board development and leadership support through mentoring

and coaching (selected by 42% of survey respondents).

We would like more clients to request support for developing financial management and planning, but have very little demand. Our experience is that few organisations upgrade financial skills, often sticking with fairly low level financial expertise within their organisations, leading to limited financial information at Chief Executive and board level.

Forecasting in particular is an area where many organisations could strengthen their skills.

Need for support in financial management was mentioned by 29% of survey respondents, and it did not feature significantly in discussions.



"IT IS KEY THAT THE CONSULTANT HAS EMPATHY
WITH THE CLIENT ORGANISATION - IT'S IMPORTANT
TO BRING THE TEAM ALONG"

Delegate, FunderPlus roundtable discussions, March 2018





WHAT WORKS

WE ASKED CHARITIES WHAT MAKES EXTERNAL SUPPORT SUCCESSFUL.

Success factors for external support came down to four 'Es': Expertise, Empathy, External and Enthusiasm.

Discussions around success factors for external support came down to four 'Es': External, Expertise, Empathy and Enthusiasm. From the survey, when we asked what were the most positive things about external support used, the top response was 'Access to expertise' (29%) followed by 'A fresh pair of eyes/external viewpoint.' (17%).

Beyond this, questions of paid or pro bono? Voluntary sector expertise or experience from another sector? Advice or implementation support? all raised different views.

Empathy is vital: achieving the right match between external supporter and client, and of winning

the hearts and minds of the wider client team

This is more important than whether the support is paid or unpaid:

"Key is that the consultant needs to have empathy with the client organisation - it's important to bring the team along."

Some felt that paid consultancy offers more control "you have more leverage if you're paying, if it's free it can be harder to say no" but overwhelmingly, the key factor in a successful working relationship was the match between the external advisor or consultant - personally and in terms of expertise - and the client organisation.

There are as many proponents of bringing experience from another sector as there are dedicated supporters of using voluntary sector expertise.

“Some great support is available. You need to beware that, if you’re inside an organisation it can be easy to dismiss someone from the outside.”

“Having someone from outside is helpful, they can ask surprising questions. If you’re inside the jar, you can’t see the label.”

Peer to peer support came up frequently in discussions (“Share the love” – as one delegate said), but only a handful of contributors had used a voluntary sector organisation to provide support, and only one had worked with someone from a similar charity to their own.

How much support is needed depends on the organisation and its circumstances. Questions about whether short pieces of support (eg training sessions) could be expected to have a long term impact were raised, but a key question was whether support through implementation, rather than advice only, was needed to make support really valuable.

Comments on this included “consultants can create change, but they don’t own change” and “task and finish is really good – having someone to complete the job”.

One survey respondent said that they would not be using external support because “we wouldn’t be learning ourselves” and another said that they wouldn’t use external support for “mission critical projects.”

CHARITY COMMENT

“It is key that the consultant has empathy with the client organisation – it’s important to bring the team along.”

“If the match is good, the support will work well, paid or unpaid”

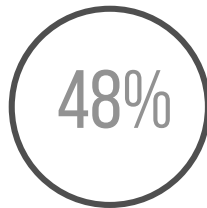
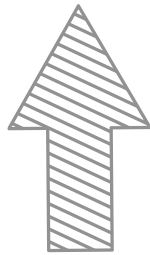
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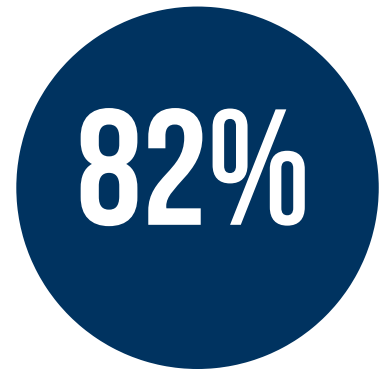
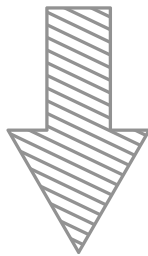
FUNDER PLUS SURVEY

AN OVERVIEW



The income of charities that took part in the Funder Plus survey was fairly evenly split.

£500K INCOME



Of charities surveyed have used external consultancy support in the last year.

152

Charities from across the UK offered their insight and opinions on Funder Plus support for this report.



MORE THAN HALF



Of charities asked had used external consultancy, more than once in the last 12 months.



48%

Of charities surveyed have used external pro bono/free management consultancy support in the last year.



52%

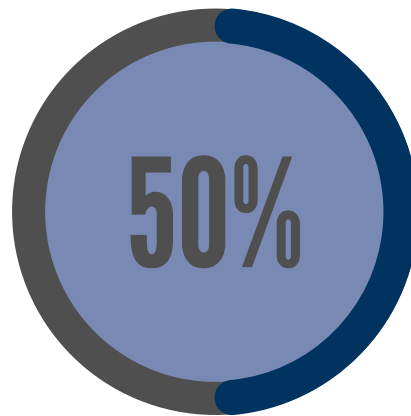
Of charities surveyed have paid for external consultancy support in the last year.

Nearly
HALF

Of charities that used external support sought help with their

**BUSINESS
STRATEGY**

OVER



Of charities surveyed said that support with marketing and communication was their number one need.



WHY USE EXTERNAL SUPPORT

WE ASKED CHARITIES WHAT MADE THEM USE EXTERNAL SUPPORT.

When asked about the drivers to bring in external support, we had anticipated that most organisations would want additional resources – more time and capacity.

In fact, more charities were focused on bringing skills into their organisations, 88% said that they had a task or activity to carry out but didn't have the skills to do it, compared with 67% who didn't have time.

24% had seen other organisations working successfully with external support, and this had motivated them to get help for themselves.

In Cranfield Trust discussions with grantmakers, funders have expressed concern that their influence may be too

strong with organisations looking for help, and that charities may feel under pressure to take up support, to 'tick boxes' for funders.

The survey suggested that funder influence was fairly low, only 19% of respondents said that 'one of our funders has suggested we work with an external support provider.'

In discussion, funder influence was mentioned once or twice "there's a noticeable push from funders to use external support" "there can be a perceived imposition of support by funders" but in general organisations are positive about funders' ability to signpost to sources of support rather than negative about pressure to take up support.

BARRIERS TO SUCCESS

Asked 'What would prevent you from using external support?' a surprising 75% of survey respondents gave cost as their main barrier. This suggests that many organisations are not aware of the wide range of pro bono or very low cost support options available to them.

Time/availability was the next barrier at 27%, and, asked further 'What did you find a challenge and a barrier to success?' answers covered

"Finding the time to bring the external person up to speed with our organisation" (14%)

"Fitting into the support provider's timetable/their time availability" (9%)

In discussion, lack of clarity was highlighted as a real barrier to success. "Organisations need to be really

clear about what they need help with, and then to have the time to work with external support." "You need to have the capacity, you need time and space to reflect on what the issues are, to prioritise what help you need."

Lack of clarity at the start of engagement was highlighted with some corporate volunteering programmes: unrealistic expectations of charities, poor direction and management, and the problems of continuing support when people within the company are reassigned, causing the work to collapse.

Cultural fit can also be a problem: "Business volunteers can come with a purely profit perspective", "wrong fit between person providing support and organisation – big company view vs small charity need."





FINDING THE RIGHT MATCH

Finding the right support was raised as a problem by many of the participants in our discussions. Survey respondents who were using external support tend to be using individual, paid consultants. Independent consultants were mentioned twice as often as private companies or voluntary sector providers.

We asked survey respondents which were the key factors in choosing external support providers. The two top factors were cost and reputation of/trust in the support provider. Location does not appear to be an issue, and finding a support provider who can take on tasks themselves, rather than being an advisor only, was important, but not critical.

Using a support provider suggested by a funder was a factor that rated low,

although in discussion the role of funders in suggesting potential providers of support was mentioned “funders tell us who’s in the field – they have an excellent view.”

Navigating available support is a problem: organisations often rely on word of mouth to find support, which ties in with the importance of trust and reputation highlighted in the survey.

Local networks are trusted sources of information, but many organisations are not confident that they will find the right support: “it’s difficult to know who to ask for help – it can be a minefield to know who to go to, and who will add value.” Organisations with well networked trustees find them valuable sources of support.



**“CONSULTANTS CAN CREATE CHANGE BUT THEY
DON'T OWN CHANGE.”**

Delegate, FunderPlus roundtable discussions, March 2018.



NEXT STEPS

RECOMMENDATIONS FOR FUNDERS AND PROVIDERS OF SUPPORT.

“If they [funders] don’t support the back office, it’s a risk to the organisations and also to the funders themselves.”

Grantmaking trusts and foundations often pay for external support for frontline charities under programmes of ‘funder plus’ or ‘grants plus’ work. Their investment in support providers enables hundreds of charities to access free support, and to invest time and resources in strengthening and developing their own organisations.

The relationship with funders can be challenging for charities, sometimes it’s difficult to speak truth to power. One of our delegates said “the funder power dynamic can be difficult to overcome” but overall,

funders are seen as listening to charities’ needs well.

They are also key navigators to help frontline organisations find the support they need. “Funders should signpost more to good resources, they should be simplifying offers, giving clear examples and case studies to help us find the right support.”

Our survey and discussions suggest that funders could do more to share their knowledge of sector strengths and weaknesses, and to target support on key skills gaps, or important development areas.

In some cases this is happening – for example, where funders are investing in digital skills development – but critical support for general management, or vital back office skills must be a priority. “If they don’t support the back office, it’s a risk to the organisations and also to the funders themselves.”

Funders are important convenors of information and networks, they are influencers, and their overview of the voluntary sector is valuable. “Funders should be horizon scanning, looking at risks to the sector.”

This convening power was also expressed in requests for “sharing good practices and lessons learned, enabling charities to share expertise” and “funding and leading consortia, with peer discussions and partnership learning, opportunities to get together.”

To make support effective, there were requests for funders to take a longer term view “there’s a need for longer term funding, it’s important for planning” and “we need stronger relationships with funders, named contacts and the opportunity to build a relationship so that we can learn what’s on offer alongside our grant.”

Long term relationships are also important with support providers:

“the best benefit is a three year, long term relationship between the provider of support and the organisation – it gives time for the benefits of support to come through.”

The key ‘ask’ of organisations providing support, like the Cranfield Trust, was to make ourselves better known.

“Make your services better known, raise awareness and explain what support is available.”

Other requests were for support providers to segment their client base, and focus their offers of support “Identify what’s common to all charities, and what’s different for different charities. Support providers should have a core offer, but also differentiated services for different types of charity.”

Targeting support on topics such as mergers, partnership deals or topics such as strategy or income generation would also help client organisations to navigate support more easily.

For both funders and support providers, a “less painful means to access support” was asked for. Simple processes, a short application with an early opportunity for a conversation, a straightforward ‘customer journey’ converting need into support easily would be valued by frontline organisations.



SUPPORT IS OUT THERE

Cranfield Trust is the UK's leading provider of pro bono management consultancy and HR support. Other providers of support to the voluntary sector are:

Advice UK
Association of Chairs
ACEVO: Assoc of Chief Execs of Vol Orgs
Cass Centre for Charity Excellence
CAST: Centre for Acceleration of Social Transformation
Comic Relief
Cranfield Trust
CVSs: Councils for Voluntary Service
DataKind
Directory of Social Change
ELBA: East London Business Alliance
Ethical Property Foundation
The Fore
FSI: Foundation for Social Improvement
HRNet (Cranfield Trust)
Institute of Fundraising
Law Society Pro Bono Connect
Law Centres
LawWorks
Measuring The Good
Media Trust
NCVO: National Council for Vol Organisations
Pilotlight
Pro Bono Economics
Project Oracle
PWC Social Entrepreneurs Club
Reach
Project Oracle
Salesforce Foundation/Power of Us
School for Social Entrepreneurs
Social Enterprise UK
Small Charities Coalition
Spring Impact
Tech Trust
Team London
Transform Foundation
TT Exchange
Worshipful Company of Management Consultants

Programmes offering support:
Big Assist programme
Big Lottery Building Capabilities
City Bridge Trust - Strive
Enhance - Lloyds Bank Foundation
Home Office - Prevent agenda
GovEnt - government fund supporting survivors of sexual abuse

Other sources of support:
Auditors
Business schools
Corporate CSR programmes
Independent consultants
Industry umbrella bodies
Local business support
National networks like Womens' Aid, Trussell Trust, Refugee Action
Peer to peer support
Second tier/infrastructure organisations
Sector networks
Trustee networks

www.goprobono.org.uk also lists support providers.

Free services from the Cranfield Trust:



- Management consultancy
- HR advice
- Masterclasses
- Online resources

To find out more about free support available from the Cranfield Trust or to fund our vital work, please get in touch on 01794 830338 or email admin@cranfieldtrust.org.

www.cranfieldtrust.org




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