

Surviving and thriving in challenging times – lessons from today

Community Colleges Australia 2021 National ACE Summit

David Crosbie
Community Council for Australia

Photo from United Arab Emirates



Community Council for Australia

- independent, non-political member-based organisation
- dedicated to building flourishing communities primarily by enhancing the extraordinary work and effort undertaken within the not-for-profit sector in Australia
- seeks to change the way governments, communities and the not-for-profit sector relate to one another
- this includes establishing a regulatory environment that works for community organisations - not against them

CCA current work (e.g.)

1. Responding to COVID-19 s m p
2. Right to Advocate s m p
3. DGR Reforms s m p
4. Fundraising reform s m p
5. ACNC Powers Review s m p
6. CEO Forums m
7. Mergers / collaboration s m
8. Impact invest / NFP bank s m p

s = submission
m = media
p = parliamentary hearing or representations

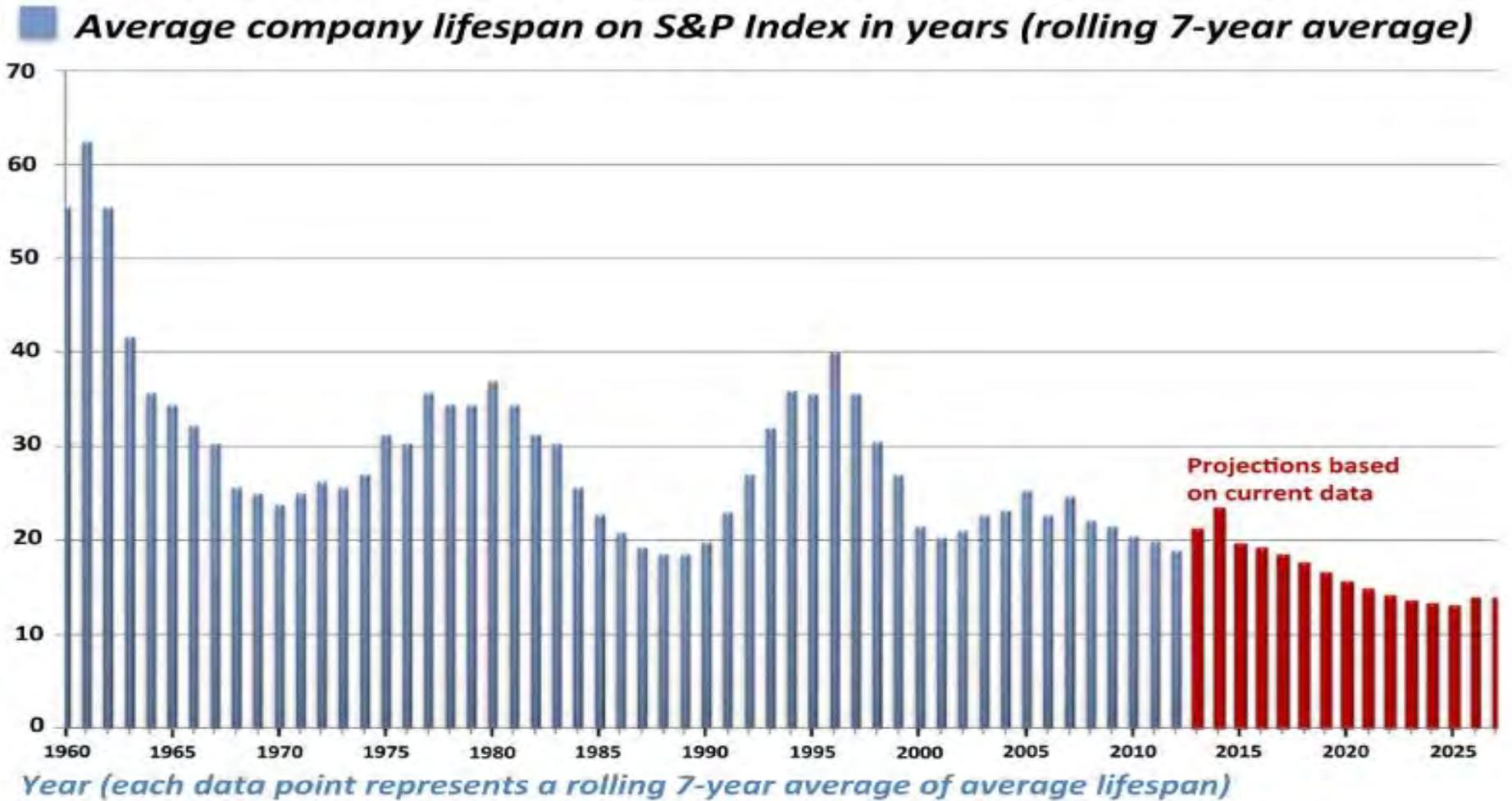
NFP trends in Australia +

- growth in income over last 10 years consistently above 7%
- total income now above \$145 billion
- employing over 1.38 million Australians
- total assets over \$225 billion
- 30 / 30 / 30 % government / service fees / philanthropy and fund raising

Pre-Covid trends for NFPs

- fundraising income growth slowed
- growth in government income stalled
- more NFP competition for all income and reduced returns as a consequence
- more for-profits competing to achieve income from what were NFP markets
- more obligations (outcome measures, etc.)
- constant pressure to do more with less

Pre-Covid business trends



Pre-Covid business trends

S&P 500 Churn Over the Past Decade

Sample companies that have entered and exited the index since 2002

Entered the index:



Exited the index:



Covid impact summary

- the work of many charities became critical – food, shelter, support, care, all more important
- many charities struggled – loss of face to face work and income - no reserve capital
- two thirds of volunteers stopped volunteering
- planning for the future become very uncertain
- the capacity to focus on mission and purpose was challenged in many ways – not least because business as usual was disrupted

DON'T BUY THIS JACKET



It's Black Friday, the day in the year retail firms turn red to black and starts to make real money. But Black Friday, and the culture of consumption it reflects, puts the economy of natural systems that support all life firmly in the red. We're now using the resources of one-and-a-half full planets on our one and only planet.

Because Patagonia wants to do business the good long time—and leave a world inhabitable for our kids—we want to do the opposite of every other business today. We ask you to buy less and to reflect before you spend a dime on this jacket or anything else.

Environmental bankruptcy, as with corporate bankruptcy, can happen very slowly, then all of a sudden. This is what we face unless we slow down, then reverse the damage. We're running short on fresh water, topsoil, fisheries, wetlands – all our planet's natural systems and resources that support business, and life, including our own.

The environmental cost of everything we make is astonishing. Consider the FOP Jacket above, one of our best sellers. To make it required 135 liters of

COMMON THREADS INITIATIVE

REDUCE

WE make useful gear that lasts a long time
YOU don't buy what you don't need

REPAIR

WE help you repair your Patagonia gear
YOU pledge to fix what's broken

REUSE

WE help find a home for Patagonia gear
you no longer need
YOU set or pass it on!

RECYCLE

WE will take back your Patagonia gear
that is worn out
YOU pledge to keep your stuff out of
the landfill and incinerator



REIMAGINE

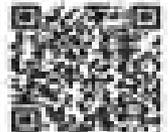
TOGETHER we reimagine a world where we take
only what nature can replace

water, enough to moist the daily needs (three glasses a day) of 45 people. By journey from its origin as 60% recycled polyester to our final warehouse generated nearly 30 pounds of carbon dioxide. 34 times the weight of the finished product. This gear left behind, on its way to Patagonia, had triple its weight in waste.

And this is a 100% recycled polyester jacket, knit and sewn to a high standard; it is exceptionally durable, so you won't have to replace it so often. And when it comes to the end of its useful life we'll take it back to recycle into a product of equal value. But, as is true of all the things we can make and you can buy, the jacket comes with an environmental cost higher than its price.

There is much to be done (and plenty for us all to do). Don't buy what you don't need. Think twice before you buy anything. Go to patagonia.com/CommonThreads or scan the QR code below. Take the Common Threads Initiative pledge, and join us in the 10th "R," to reimagine a world where we take only what nature can replace.

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TAKE THE PLEDGE

Wonderfully Awkward Diversity Ads Are Back, Featuring Hot Flashes and Lesbian Dating

- The brand ran a UK campaign featuring real-life stories from disabled people, celebrating universally awkward situations.
- The brand set itself a number of targets, including a 4% growth in sales and a 10% uplift in brand affinity. In fact sales grew by 8.1% and brand affinity grew by 20%, the “best, most effective for 10 years for this brand - an excellent ROI”.
- The theme of diversity and inclusion was so effective that other markets including the US and Australia are also now planning another “awkwardness of difference” campaign.

Photo from United Arab Emirates





Ainsley Belle Porter. Born 26th July, 12:24pm.

Smile Strong

strength of charities = values

dignity

respect

courage

pride

meaning

community

opportunity

change

honesty

care

love

hope

responsibility

trust

unrealistic expectations?

Charities have now been told they need to do many things

- diversify their income
- become more responsive and adaptable and market better
- become more business like and efficient – more with less
- engage better with their communities and their clients
- become more accountable and offer more measures of their outcomes and impact
- develop leadership
- develop high level technology and communication capacity
- develop investment ready prospectus to attract non-government capital

a values driven future

- growing emphasis on values driven consumerism
- increased sense of social responsibility from the more economically powerful (*social license*)
- political measures of values increasingly important - even if our politicians are lagging behind (*NZ*)
- commercial measures of values (*not just \$*)
- digital values measures driven by the experience of the community (*ratings, likes, etc.*)
- values trading (*impact investing, B Corps, etc.*)

losing values in NFPs?

- sales organisations competing for funding
- lobbyists seeking government money
- profit(surplus) making entities driven by bottom line considerations
- semi-skilled managers of other people's programs they have contracted to deliver
- disconnected from their communities
- clients who are seen as 'consumers' – and a part of a market / source of income

what do successful NFPs trade?

- values / empathy
- trust / respect
- connectedness with community
- capacity to achieve change
- connectedness with others (orgs)
- stronger communities

leadership / good work / great work

Outstanding NFP leaders understand the difference between good work and great work:

- good work is beneficial / great work is invaluable
- great work is about putting the spreadsheet away and generating ideas with our hearts, with our values, listening to our communities and their stories
- great work happens when we believe in ourselves, in what we feel, in what we know, and we share our values and our value
- great work is about becoming a movement – beyond a brand - a shared series of beliefs which we belong to

sustainability = purpose / values

When challenged by rapid change, we need to drive organisational engagement, strengthen connections, purpose, the values that hold organisations together. We need to promote shared values, enhance diversity and build effectiveness through a values-based approach:

1. retain a commitment to purpose and the fundamental values of human experience, e.g. hope, community, and meaningful relationships
2. think broadly about how to achieve purpose = deliver outcomes and impact = **achieve value**
3. advocate, disrupt, collaborate to build diverse flourishing communities – not more of the same