



6. Facilitated development session: **Sustainability of the organisation**



Introduction

The aim of this governance development session is to review the organisation's capacity to sustain itself over time, identify areas where the organisation may be vulnerable in the future, and develop ways of handling these.

Ideally, this development session should be facilitated by a person with a good understanding of strategies for organisational sustainability. This may be an experienced person within the organisation or an external facilitator.

Timing of this program: 2.5–3 hours

FACILITATOR'S NOTES

10 min

1. Overview of sustainability

It is the responsibility of a board or management committee to ensure that an organisation is able to continue operation over time and, ideally, is able to develop and change in a planned manner within available resources — that is, that the organisation and its services and activities are sustainable. The main elements of an organisation's sustainability are its:

- **governance structure:** the organisation needs to be able to maintain a viable membership and competent board or management committee
- **business,** involving:
 - **financial resources:** the organisation needs to have stable and predictable sources of income and effective income generation, and needs to be able to operate within available resources
 - **services and activities:** the organisation needs to identify demand or need, develop relevant services, market services effectively, and maintain quality and client satisfaction
- **capacity,** involving:
 - **people:** the organisation needs to have the capacity to attract, support and retain skilled staff, volunteers and board or management committee members, and to maintain effective staff structures capable of providing sufficient management, coordination and other necessary labour
 - **infrastructure:** the organisation needs to be able to maintain efficient and up-to-date administration systems, communication, information technology (IT) and equipment.



45 min

2. Analysis

Use the format in *worksheet one* to lead the group through an analysis of each of the main elements, covering the following questions for each element:

- How well is this area of the organisation operating at the moment? Identify the main strengths and weaknesses.
- What have the trends been in this area of the organisation over the past few years?
- What is likely to influence this area of the organisation over the next few years and how will it be affected?
- How sustainable is this area of the organisation over the next 5–10 years?

Once all three elements have been analysed, identify the elements where the organisation seems to be vulnerable and then work through the relevant sustainability planning exercise below for each of these elements.

30 min

3. Sustainability planning: Governance structure

Review the analysis of this element from *exercise two (Analysis)* with the group and ask them to identify:

- the critical issues that need to be looked at to ensure that governance is viable and sustainable
- how the organisation can best consider these issues. Consider the following options:
 - improving retention and involvement of existing board or committee members
 - improving recruitment and succession planning of board or committee members
 - changing the structure of governance and looking at an alternative structure that would improve the longer term viability of the board or committee
 - exploring an auspice arrangement or amalgamation with another organisation
 - a preferred option or options and the action they need to take to develop the option/s.



30 min

4. Sustainability planning: Business of the organisation (financial resources and services/activities)

Using *worksheet two*, work through the following discussion questions with the group:

- What is the 'market' for the organisation's business?
 - What is the current scope of the organisation's activities?
 - Who is the current client group/s?
 - Who could be client groups of the organisation?
 - What services is there a need or demand for (that fall within the organisation's potential scope)?
 - What direction is government policy going in? What are governments likely to be interested in funding?
- What options are there for income generation?
 - Where does income come from currently? What proportion comes from each source? Does the organisation need to diversify its income sources?
 - What other potential sources of income are there for the current services and activities?
 - What other types of income generation could the organisation consider? (If it is useful, review the social enterprise typology and use the social enterprise potential section of *worksheet two* to explore whether the organisation can make use of any of these models.)
- How can the business become more sustainable?
 - Can the scope of the organisation's services and activities be better aligned with need, demand or government policy?
 - Can other sources of income be accessed?
 - Can income be generated through other types of activities or an expansion of the business?
 - Are there services or activities that should be discontinued as they are no longer viable or for which there is little demand or need?



30 min

5. Sustainability planning: Capacity of the organisation (people and infrastructure)

Review the analysis of this element and, using *worksheet three*, ask the group to identify:

- the specific issues or gaps in capacity that need to be examined to ensure that the organisation has sufficient capacity in the future
- the resources needed to deal with each issue
- the preferred timeframe for achieving this.

Reference materials

- Kim Alter, *Social Enterprise Models*:
<http://virtueventures.com/setypology/index.php?id=MODELS&lm=1>



WORKSHEET ONE

Governance structure

Questions	Responses
<p>How well is this area of the organisation operating at the moment? Identify main strengths and weaknesses.</p>	
<p>What have the trends been in this area of the organisation over the past few years?</p>	
<p>What is likely to affect this area of the organisation over the next few years, and how will it be affected?</p>	
<p>How sustainable is this area of the organisation over the next 5–10 years?</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Very robust <input type="checkbox"/> Vulnerable to external changes <input type="checkbox"/> Vulnerable to internal weaknesses <input type="checkbox"/> Vulnerable to both external and internal factors <input type="checkbox"/> Not very sustainable <input type="checkbox"/> Currently in crisis



WORKSHEET ONE (continued)

Business of the organisation

Questions	Responses
<p>How well is this area of the organisation operating at the moment? Identify main strengths and weaknesses.</p>	
<p>What have the trends been in this area of the organisation over the past few years?</p>	
<p>What is likely to affect this area of the organisation over the next few years, and how will it be affected?</p>	
<p>How sustainable is this area of the organisation over the next 5–10 years?</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Very robust <input type="checkbox"/> Vulnerable to external changes <input type="checkbox"/> Vulnerable to internal weaknesses <input type="checkbox"/> Vulnerable to both external and internal factors <input type="checkbox"/> Not very sustainable <input type="checkbox"/> Currently in crisis



WORKSHEET ONE (continued)

Capacity of the organisation

Questions	Responses
How well is this area of the organisation operating at the moment? Identify main strengths and weaknesses.	
What have the trends been in this area of the organisation over the past few years?	
What is likely to affect this area of the organisation over the next few years, and how will it be affected?	
How sustainable is this area of the organisation over the next 5–10 years?	<input type="checkbox"/> Very robust <input type="checkbox"/> Vulnerable to external changes <input type="checkbox"/> Vulnerable to internal weaknesses <input type="checkbox"/> Vulnerable to both external and internal factors <input type="checkbox"/> Not very sustainable <input type="checkbox"/> Currently in crisis



WORKSHEET TWO

What is the 'market' for the organisation's business?

- What is the current scope of the organisation's activities?
- Who is the current client group/s?
- Who could be client groups of the organisation?
- What services is there a need or demand for (that fall within the organisation's potential scope)?
- What direction is government policy going in? What are governments likely to be interested in funding?

What options are there for income generation?

- Where does income come from currently? What proportion comes from each source?
- What other potential sources of income are there for current services and activities? Does the organisation need to diversify its income sources?
- What other types of income generation could the organisation consider?



WORKSHEET TWO (continued)

How can the business become more sustainable?

- How can the scope of the organisation's services and activities be better aligned with need, demand or government policy?
- How can other sources of income be accessed?
- How can income be generated through other types of activities or an expansion of the business?
- Are there services or activities that should be discontinued as they are no longer viable or useful?



WORKSHEET TWO (continued)

Social enterprise potential

Model type	Description	Potential for our organisation
Entrepreneur support	Sells support services to other social service agencies	
Market intermediary	Helps people/agencies market and sell products	
Employment	Employs clients and sells products or services produced by clients	
Fee-for-service	Provides services or products on a fee-for-service basis	
Service subsidisation	Sells services or products to fund social programs	
Market linkage	Acts as a broker between producers and buyers	
Organisational support	Similar to service subsidisation, but usually with a separate entity for the income-generation activity	

**WORKSHEET THREE**

Issues to be looked at/gaps in capacity	Resources needed	Preferred timeframe