

NFP CEO Survey Results

2023

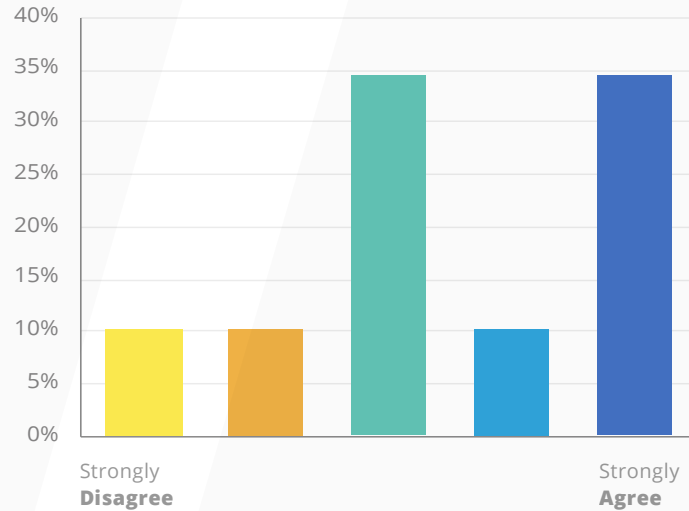
2023 Foreword

The current cost of living crisis has significantly increased demand for Not-for-Profits (NFPs), except for disability and aged care service providers for which demand is mostly impacted by government policy changes.

NFPs are finding it increasingly hard financially. Changing government funding models and more competitive tendering has put a downward pressure on income. Whereas, maintaining and growing workforce in this period of high employment, increased compliance and administrative cost, and the need to invest in the future has put upward pressure on costs.

NFPs are finding it increasingly hard to recruit and retain people. It's hard to compete with 'for-profits' in terms of career development for professionals and in terms of pay for front-line staff.

1) In the current global cost-of-living crisis, my organisation is experiencing increased demand.



Summary

Not-for-Profit organisations (“NFPs”) have experienced increased demand during the current global cost of living crisis.

However, the cost-of-living crisis has had negligible impact on demand for Aged Care and Disability services. Demand in these sectors is affected by other factors, mostly government policy changes, such as the rollout of the National Disability Insurance Scheme (“NDIS”) in Australia.

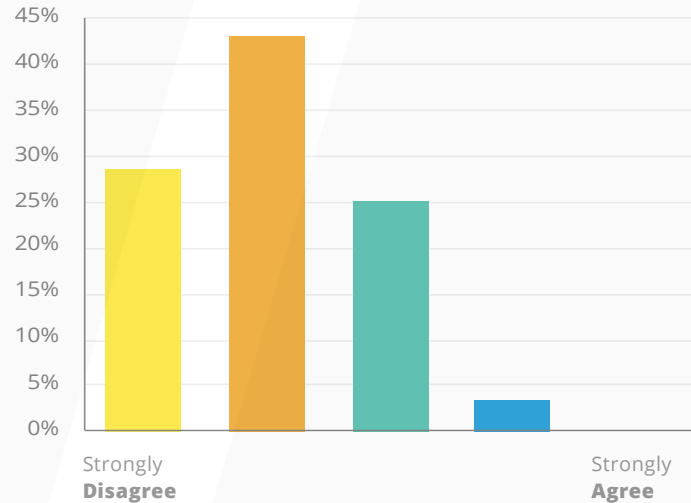
Key Comments

“Since 2020 we have experienced a substantial increase, from 200 average customers per day to 600.”

“We are seeing a significant increase in demand for our services, specifically in homelessness and financial wellbeing.”

“The government is oblivious and ignoring the costs.”

2) It's easy for my organisation to get funding / be financially sustainable at the moment.



Summary

NFPs are finding it very hard to get funding / be financially stable at the moment.

Changing government funding models (e.g. the NDIS in Australia) and more competitive tendering has put downward pressure on income.

Whereas maintaining and in some cases growing a relatively low paid workforce during this period of high employment, increased compliance and administrative costs, and the need to invest for the future has put upward pressure on costs.

Key Comments

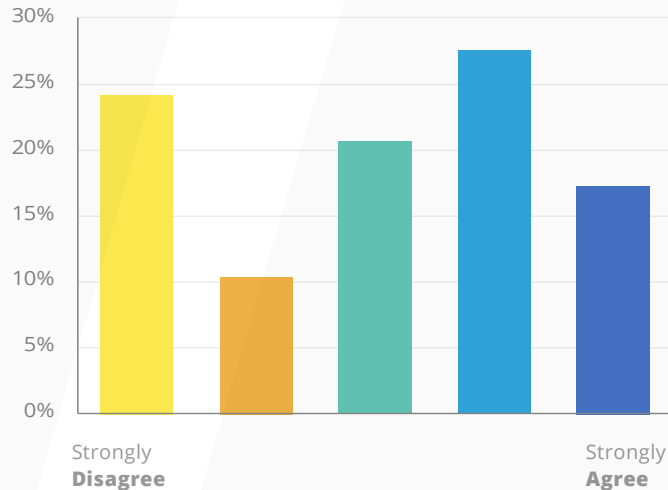
"It's challenging to secure funding for disability organisations, as many funders believe services that provide NDIS support do not need funding."

"Our organisation is stable and well managed financially. However, to meet the gap and extend our reach to other locations, we need financial assistance."

"For us, the cost of compliance and the subsequent increased administrative burden is a real challenge."

"Securing funding is difficult and time-consuming."

3) My organisation is looking to diversify away from its core activities to improve its financial sustainability.



Summary

NFPs are either looking to diversify away from their core activities ... or ... they're looking to double down on their core activities!

That is, in the survey, there are a relatively high proportion of strongly agree and strongly disagree responses, and fewer responses 'in the middle'.

Larger NFPs and those in the Australian Disability sector are more likely to be looking to diversify.

Key Comments

"We're vulnerable to price changes by the NDIS."

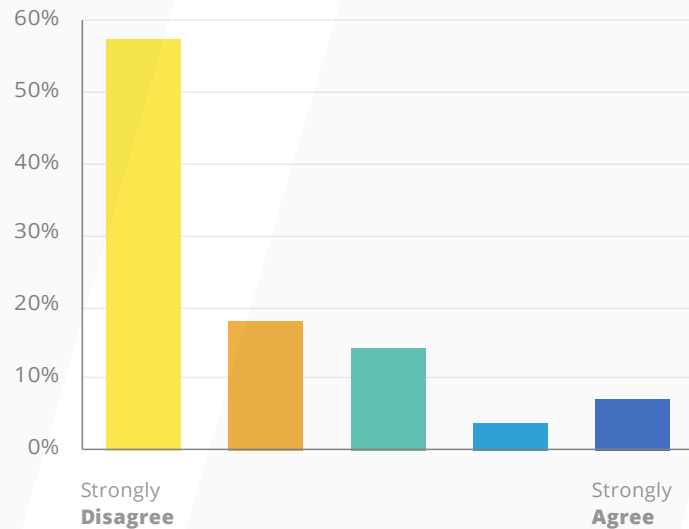
"We are planning to create a social enterprise to ensure further sustainability of our services."

"We are looking to strengthen our experience and service delivery in the areas we currently operate within."

"We are diversifying to more sustainable operating and delivery models."



4) A low level of compliance / governance is required of my organisation at the moment.



Summary

A very high level of compliance / governance is required of NFPs at the moment.

Anecdotally at least, the compliance / governance requirement seems to be increasing.

Whereas the requirement for a high level of compliance / governance is felt 'across the board', it is felt more strongly amongst the larger NFPs.

Key Comments

"Compliance is an essential part of providing safe services."

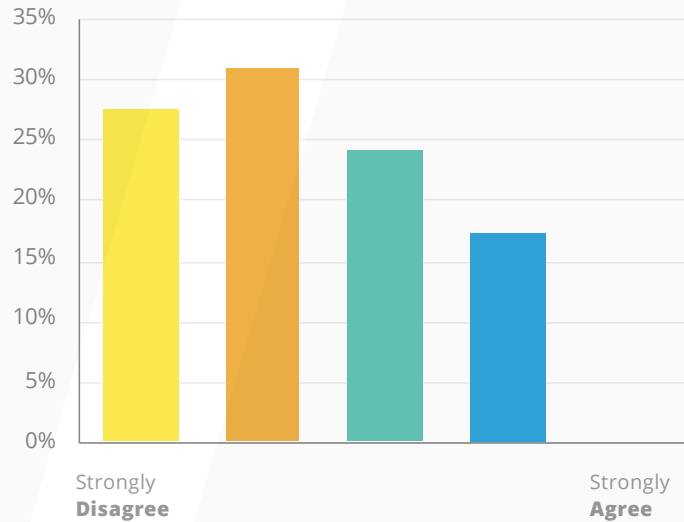
"There is an ever-increasing burden of compliance being placed on organisations like ours with no corresponding government funding to help."

"The requirements from a governance/compliance perspective are on the increase."

"NDIS is overly complex, and its regulation is not well directed."



5) My organisation finds it easy to attract, develop and retain people so it can run effectively.



Summary

NFPs are finding it very hard to attract, develop and retain people.

Whereas they can have a more appealing Mission/Purpose, NFPs can find it hard to compete with for-profit organisations in terms of career development for professionals and in terms of pay for front-line staff especially during this period where the cost of living is increasing.

For some NFPs this issue is compounded by the need to grow; therefore, needing to recruit more staff during this period of high employment.

Key Comments

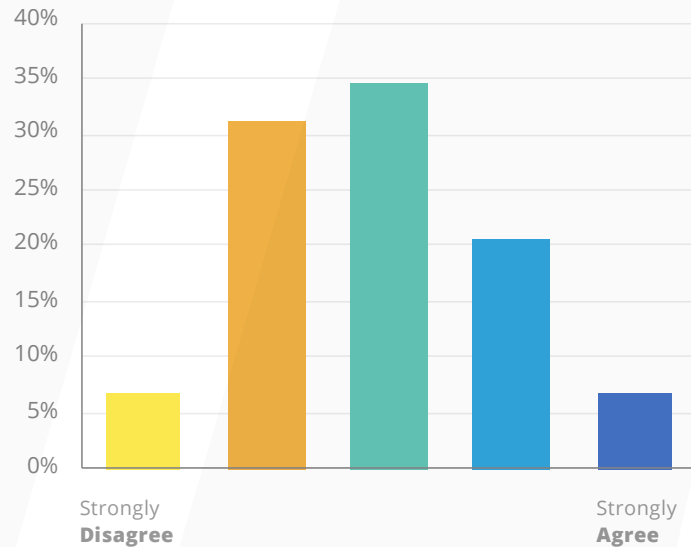
"There are some areas where we compete with the private sector making it difficult to attract skilled candidates, although we have found it easy to recruit for managerial level positions."

"The challenges that everyone faces, plus the limitations of funding, make this an ever-increasing challenge."

"Recruitment of good staff is difficult."

"The NFP sector is not seen as attractive for good management roles, and an overall shortage means we compete for support workers."

6) My organisation has effective software systems (accounting, client management, rostering, etc.) so it can run efficiently.



Summary

Overall NFPs seem to be reasonably satisfied with their software systems.

However, those in the Australian Disability sector are less satisfied.

Anecdotally at least, there seems to be a lot of change and investment in software systems being considered and underway and the moment.

Key Comments

"We have invested significantly in this area over the years."

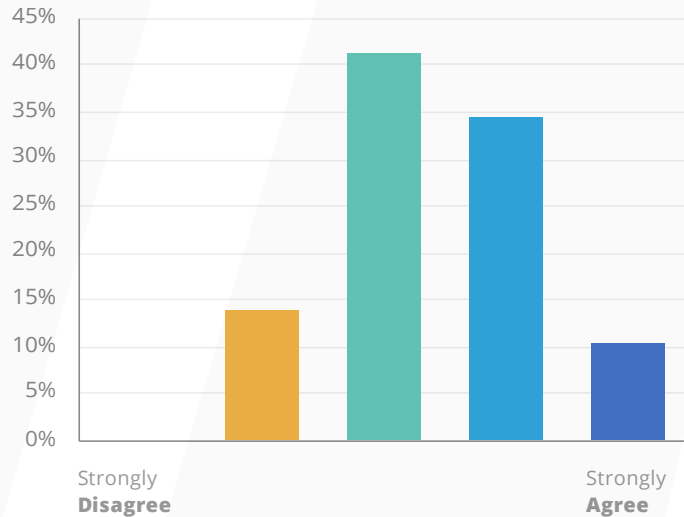
"For us, this is an area of considerable focus."

"Our technology transformation is underway."

"Our finance system is in need of upgrading, and we need better tools for the integration of key data."

7)

My organisation has effective processes (KPIs, project management, meeting management, reporting, etc.) so it can run efficiently day-to-day and execute its strategy.



Summary

NFPs are generally satisfied with their management processes.

That said, anecdotally at least, there seems to be a desire to improve management processes and reporting.

Key Comments

"Considerable work has been undertaken in this space. However, it is an ongoing focus as we evolve."

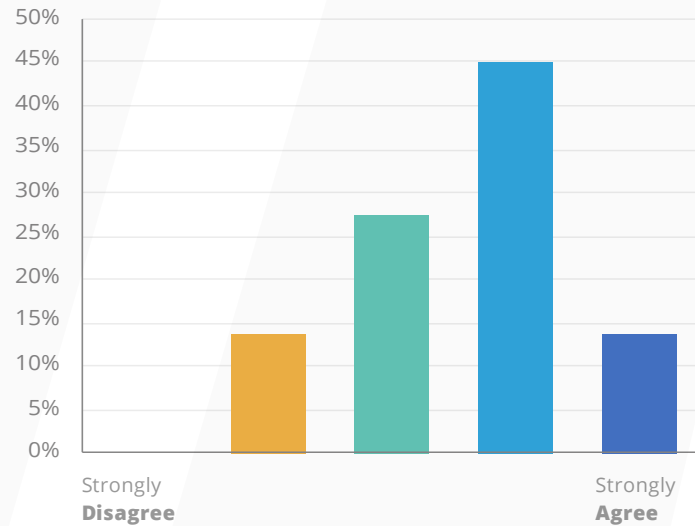
"I believe we do, although we currently cannot get consistent data."

"It's an improving situation, but it needs more refinement."

"Our systems are improving, but we still have a long way to go"



8) I do feel well informed about the things that are going on externally (industry growth, regulatory changes, new technologies, etc.) that could impact upon my organisation.



Summary

Overall, NFP CEOs do feel well informed about the things that are going on externally.

Mainly by way of information provided by government and peak bodies.

That said, there appears to be limited information available for competitive analysis and to understand global trends.

Key Comments

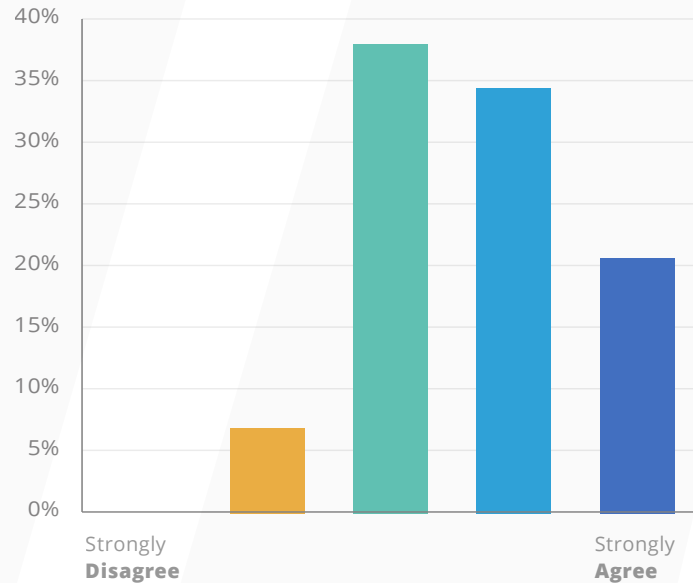
"We have good access to information."

"The part we miss is competitor/other player data and national/international benchmarking data."

"There is a lack of normal competitor data."



9) My board does have all the skills, including diversity and coherence, to help me fulfill my role.



Summary

Based on the figures, NFP CEOs do think their boards have the skills to help them fulfill their role. The figures are consistent regardless of NFP sector and size.

That said, comments provided by responders indicate some boards do have skills gaps and some boards struggle with the time commitment.

Key Comments

"Our board is highly skilled and made up of people with lived experience."

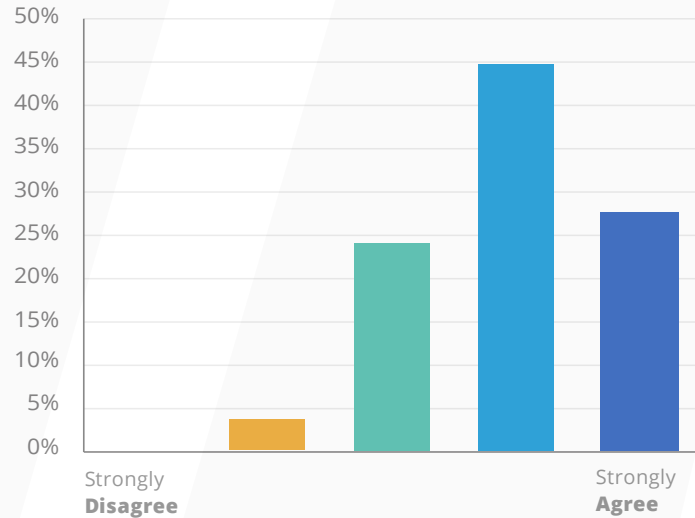
"We have a strong board with a diverse skill set."

"We have gaps in marketing, brand, fundraising, and legal."

"More diversity would be beneficial."



10) I do have a network, mentors, peers, etc. to support me and develop me as a leader



Summary

Again, based on the figures, NFP CEOs do believe they have a network, mentors, and peers to support them in their role and develop them as leaders.

That said, some comments provided by responders indicated they wished their network was stronger or that they had a mentor.

Key Comments

"Absolutely, I don't have all the answers."

"My network is not really in the NFP sector - collaboration is not good as everyone believes they are competing when in reality they are not."

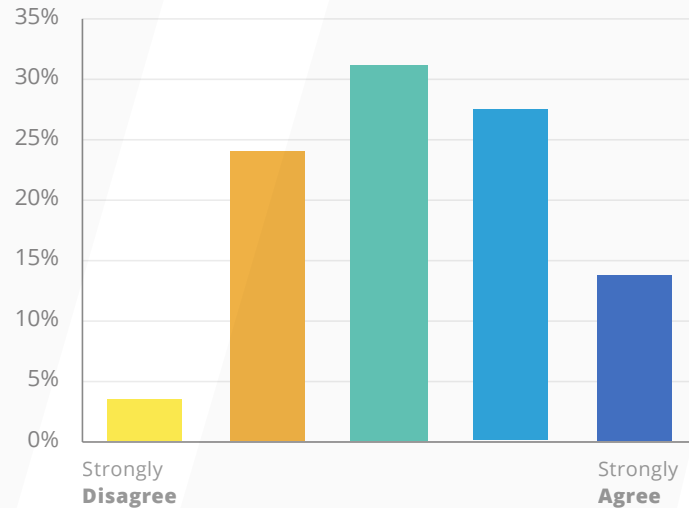
"I am actively looking for a mentor as I am a young leader in the sector."

"We have a mentor program in place."



11)

There are other aspects of my role that create significant challenges and prevent me from running my organisation effectively.



Summary

Other factors that prevent NFP CEOs from running their organisations effectively include:

- Relentless day-to-day pressure means there's less time for strategy and long-term planning.
- Too many priorities.
- Lack of organisational capacity and capability.
- The tension between Mission and commercial common sense.
- Government policy including policy changes.

Key Takeaways

"Workforce shortages, changes to legislation and NDIS take up too much of my time."

"It's hard to carve out time to focus on long-term and strategic developments when the day-to-day is so relentlessly challenging."

"I have too many priorities."

"There is tension between commercial common sense and the provision of support."



About **Alertise**

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