

The importance of being a 'well-run' organisation

The team at Good Foundations regularly hears the phrase “Our organisation is a really well-run not-for-profit organisation” or, from donors, “I only support well-run organisations.” But what does the phrase 'well-run' mean? How is this judgement made, what evidence or criteria do people use?

Good Foundations has been researching this issue since 2015 and has conducted two sector surveys on the topic. We have also created an online self-diagnostic tool. We understand that the term is ambiguous – the very reason why we conducted the surveys. We know too from the survey results that people believe that there is a very strong correlation between being 'well-run' and impact.

We have now modified the 20 key well-run elements to focus on the questions a Board may ask themselves, from a governance perspective, as to whether their organisation is well-run. The 10 discussion areas we think Boards should focus on are outlined here. We encourage all not-for-profit Boards to consider these questions and answer them honestly. From that discussion, the Board can then determine the actions they need to undertake, to further enhance the overall performance of their organisation, set themselves apart from others in the funding jungle and deliver greater impact to those they serve.

The fundamentals for a Board...

Determine the organisation's strategy and culture (real values that are lived)

Appoint a great CEO and hold them accountable

Manage risk

Really understand and live the organisation (don't just rely on Board papers)

1. Do we have a clear purpose, real values, an articulated vision, a defined theory of change and clear strategic plan which all staff and Board understand well and know the role they play?

2. Are we tracking the execution of our strategic plan and the performance of the organisation, particularly being mindful of changes in external and internal circumstances during the life of the strategic plan?

3. Have we honestly assessed the performance of the board and actioned areas where we can improve as a Board?

4. Do we really understand the needs of those that we are serving?

5. Are we measuring our impact, communicating it well and using it to change our programs where required?

7. Do we have the best people we can, are we investing in leadership and the wider staff, do we have the right culture and are we harnessing the power of volunteers where we can?

8. How are we working with the CEO, management and our wider stakeholders – are we providing the right support and input and is our role clear?

6. Are we thinking creatively, collaboratively and innovatively when trying to address the issues our organisation is facing? Are we clear on what the issues are? Have we seriously looked at collaboration and partnership opportunities so that we can create better outcomes working with others, including government, for profit businesses and other for purpose organisations?

9. Have we complied with all legislation and regulation and are we managing our risk appropriately given our documented risk appetite?

10. Are we doing enough to secure the financial sustainability of our organisation, are we balancing the short term and long term and are we spending our time on the right revenue streams so we play to our strengths?