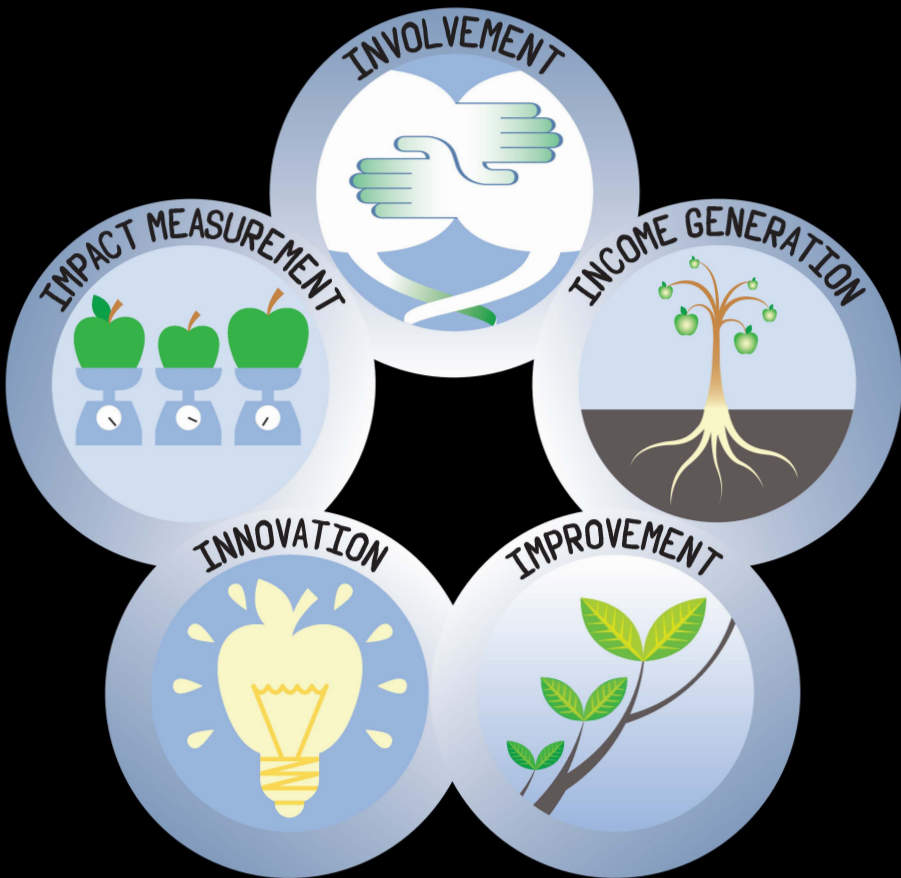


# making a lasting difference

sustaining non-profit organisations  
and their impact



## Graeme Reekie

author of the lasting difference toolkit

# MAKING A LASTING DIFFERENCE

*Sustaining non-profit organisations and  
their impact*

Graeme Reekie

Making a Lasting Difference: Sustaining non-profit organisations and their impact

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# CONTENTS

Acknowledgements .....	
Foreword.....	4
Part 1: Understanding non-profit sustainability.....	
Chapter 1: Introduction .....	5
Chapter 2: About non-profit sustainability .....	7
Part 2: The paradoxes of sustainability .....	
Chapter 3: Introducing the paradoxes, principles and practices of sustainability .....	12
Chapter 4: The Change Paradox.....	14
Chapter 5: The Octopus Paradox.....	
Chapter 6: The Yes/No Paradox .....	
Chapter 7: The Efficiency Paradox.....	
Chapter 8: The Myth of Perpetual Motion .....	
Chapter 9: Assessing capacity.....	
Part 3: The five capabilities .....	24
Chapter 10: Involvement.....	26
The elements of Involvement.....	29
Chapter 11: Illustration.....	
Chapter 12: Income generation .....	
The elements of Income Generation.....	
Chapter 13: Innovation .....	
The elements of Innovation .....	
Chapter 14: Improvement.....	
The elements of Improvement .....	
Chapter 15: Impact measurement .....	
The elements of Impact Measurement .....	
Part 4: Leadership for a lasting difference .....	
Chapter 16: Individual leadership .....	
Chapter 17: Implementation.....	
Part 5: Exit strategies.....	
Chapter 18: Sustainable impact.....	
Chapter 19: Approaching the exit .....	
Chapter 20: Exit strategies.....	
Appendix: Resources.....	
References .....	

# FOREWORD

Ask the manager, staff or funder of any non-profit organisation their biggest concern and they'll tell you it's sustainability. They will talk about shrinking finances, increasing demand, limited capacity, managing growth.

But it's not all about organisations. One of the reasons I came to research and write about sustainability is that more and more clients were coming to me with briefs that sounded a lot like 'Can you help us survive?'. In those days, all I could offer them were challenging questions like, 'What right do you have to survive?' and 'Who would notice if you were gone?'.

A core theme of this book is that organisations don't have an inherent or self-evident right to exist. But it bothered me that I didn't have a good answer to the question of sustainability. What does it mean? What would it look like? Would we recognise it if we saw it? And why was everyone talking about something without knowing what it means? Had anyone even attempted to define sustainability in this context?

Fast-forward five years and I think we can start to answer these questions. This book is based on the learning I have generated with many hundreds of organisations since starting to explore the subject deeply and directly in 2013. Thousands more have used and commented on the popular 'Lasting Difference' toolkit, which this book also draws and expands upon. Although it's informed by lots of reading and research, it's thoroughly and unashamedly grounded in practice. There are useful theories, concepts and models in here, but they are pointless if they don't help organisations and managers with their everyday challenges.

The most pleasing feedback I get is when people tell me the ideas are simple, but that they have depth behind them. I hope you find this a simple, useful and useable book and that it supports you to think deeply and in new ways about today's most pressing concerns.

# CHAPTER 1: INTRODUCTION

## **Where are we and how did we get here?**

In some ways, the non-profit world is healthier than ever. In terms of the number of organisations, revenue and size of workforce, the sector has grown throughout the economic turmoil of the years since the 2008 financial crisis. In fact, one of the things that gives people the heart to face today's sustainability challenges is knowing they've survived previous ones.

However, there are very real and legitimate concerns about the future of individual organisations and the sector as a whole. Much of the sector's growth has come from larger organisations. Most of these are providers of health and social care services, a sector which has become increasingly reliant on public service contracts. This at a time when public sector finances are under immense pressure, leading to lower budgets, higher levels of demand and increased competition for resources. At the same time, new policy and regulatory expectations, valuable as they are, increase costs (for example, employee rights to a 'living wage' and payment for sleepover shifts in the UK, and overtime payments in the US).

These challenges put unsustainable strains on sector and organisational capacity and the cracks are showing. Public trust in charities is falling. Many organisations are becoming insolvent. In some cases, this might be a technical insolvency, for example where pension deficits outweigh assets, or where reserves are insufficient to cover short-term operating costs. But it is increasingly common to find organisations drawing on reserves to supplement income, boards approving deficit budgets, or having to make tough choices about reducing services or staffing. In my own recent practice, there was one month in which I was supporting the survival of a charity while *in the same city* three more organisations *in the same sector* were appealing for emergency bail-out monies.

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***There is a sustainability problem in our sector and it's not going away any time soon.***

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### **Where we're going**

This book aims to:

- Make it easier for people in organisations to make sense of, assess, prioritise and take action on sustainability.
- Create a shared framework and language for discussing the subject.
- Provide practical tools to help non-profit organisations make a lasting difference into the future.

### **How we'll get there**

We can't solve problems by using the same thinking that created them. For that reason, I would encourage the reader to be suspicious of expert, top-down, rational advice and simple answers, including any that you find in this book. My professional education is as a trainer and manager. The things I learned on my MBA changed the way I think, work and live. Many of the ideas in this book have parallels in or draw on mainstream management theory (see the References section for specifics). But I am suspicious of managerialism because planning, objectives and experts can only get us so far. The book encourages a more systemic approach, encouraging us to address not just the cognitive aspects and impacts of sustainability, but the social and emotional aspects too.

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***Put simply, for your organisation's work to survive, other people need to care about whether it does or not.***

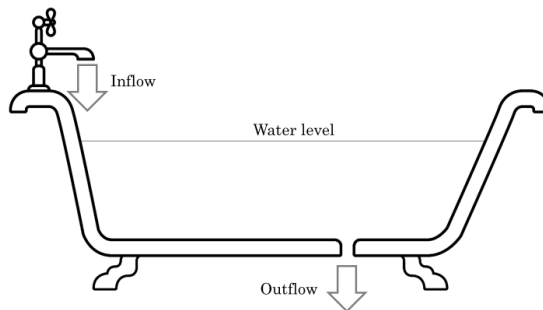
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As we will see, sustainability is a hugely complex topic about working in hugely complex environments. Some of the ideas in this book will be familiar to you. Others will be new. They are all designed to help you think about and tackle familiar problems in new ways, but there are no easy answers. So, as you work through the book, be critical and ask yourself 'Do I recognise this reality?', 'Can this idea help me?', and most importantly, 'How can I test this out for myself?'.

# CHAPTER 2: ABOUT NON-PROFIT SUSTAINABILITY

**S**ustainability is the word we use to talk about organisational resilience and survival. It may be the wrong word to use, because of its connection with 'green' or environmental issues. Indeed, the word has several meanings and uses. These are explored below to help us understand what sustainability is not, and what it might be, before arriving at a new definition of what it is.

At its most simple, sustainability describes a situation where resources are replenished at least as quickly as they are used. Imagine a bath of water with the plug taken out but with the taps still running. As long as the taps are adding at least the same amount of water as the drain takes away, the water level will be sustained.



***Figure 1: Sustainability means being able to replenish resources more quickly than they are used.***

The mistake many people make when applying this to organisations is to think that money is the only resource that makes an organisation sustainable – or the most important one. Of course, money is important. But so are clients, supporters, staffing, knowledge, time, reliable supplies, safe equipment etc.



We might also think that sustainability means keeping the water level constant. And, as we shall see, capacity is a fundamentally important element of sustainability. But, however desirable it can seem when we are in the midst of chaos, equilibrium is a sign of stasis, and stasis is the enemy of sustainability. Organisational sustainability requires constant adjustment of inflows, outflows and capacity. It therefore requires interaction with the environment – but it shouldn't be confused with environmental sustainability – see below.

### What it's not

#### **It's not about the environment and being 'green'**

Although the potential for the word to be confused with environmental issues is sometimes unhelpful, environmental ideas and metaphors are actually very relevant:

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***What's going on in your organisation's external environment?***

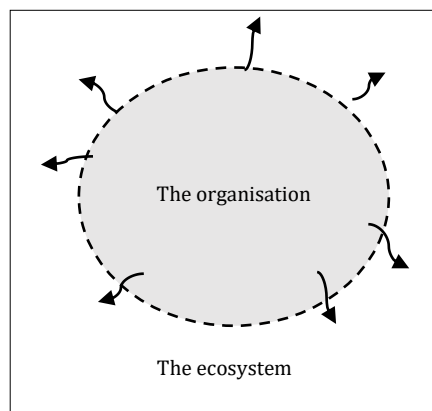
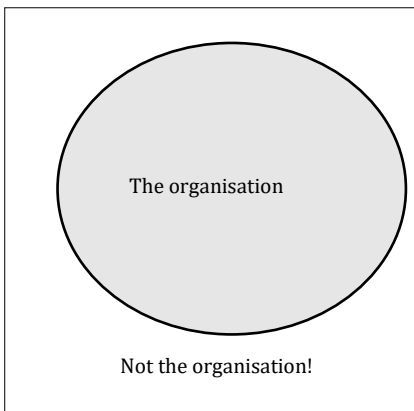
***What sort of environment is it? A garden? A jungle? A desert?***

***What is your organisation's internal ecosystem like?***

***What stage is it at in its lifecycle?***

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I'm writing this on a sunny day, looking out over my garden to the greenhouse. The tomato plants enjoy the heat and are growing well this year. But if I don't water them they'll die in just a few days. This is like the organisation in Figure 2. It perceives itself to be in a closed system like my greenhouse. Only people within the organisation contribute to it. Things are kept in-house. The organisation believes itself to be self-reliant, in control of its destiny. Safe.



**Figure 2: The organisation as a closed system** **Figure 3: The sustainable organisation, part of a healthy ecosystem**