



C-lever.org  
Collaborative leverage towards inclusive development

### **How may NGOs cope with challenges of creative disruption?**

As a non-governmental or not for profit organization, you are confronted with mounting challenges and threats. You are likely dealing with lingering donor fatigue, mistrust with respect to the degree of overhead costs, and broadly reported issues that jeopardize the reputation of organizations and subsectors. Restrictive budget policies and shifting priorities further force you to cope with a reduced availability of recurring subsidies.

Once upon a time it was sufficient to have a good story, present a nice project and be convincing about your noble intentions. While this is still essential, you now also need to demonstrate good value for money. You are expected to enhance your accountability. You need to show how, and to what extent, you are effectively generating worthwhile societal or ecological value, and increasing efforts are required to enhance the trustworthiness of such claims.

There are multiple good reasons to argue and lobby for sufficient recurring and structural funding of well-performing NGOs and not for profit organizations. However, the sector observes and regrets persistent declines in the availability of structural funding. Competition for such funding is getting tougher and tougher.

NGOs and not for profit organizations therefore need to learn how to navigate the new waters and changing oceans called result-based funding, impact investment and the likes. You may sense and use the new winds and learn how to surf the emerging waves. Yes, it is essential for you to be vigilant for the drawbacks of quickly implemented or simplified measurement systems applied to complex issues and challenges. However, clinging to bygone concepts (*such as cost- or input-based funding*), will only weaken your foundation. Of course, you may rightfully lobby for a sound funding base that allows you to focus on fundamental results on the medium and longer term. But at the same time, you may want to invest in mastering the trend towards outcome and impact measurement and data-based strategies and management. This would allow you to integrate results-based approaches and focus on effectiveness and impact in your own organization; blending such skills with the essence of your not for profit organization.

It is also important to accept that the domain of 'doing good', is no longer reserved for or monopolized by NGOs or not for profit organizations. Social business and impact enterprises are increasingly entering the game. They are challenging you in your front yard and in your back yard. Even traditional profit-driven corporates may (and are ever more) adopting inclusive visions and aspire to positively impact our societies or environment. Some of them are faking, but others are genuine and it might be worthwhile for you to partner with them. All this provides potential for new emerging eco-systems where effective partnerships are possible between NGOs, impact entrepreneurs, public sector

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organizations and the more socially and ecologically responsible profit-driven organizations (corporate sector).

One might argue that the trend towards measurement, results-based funding, impact investment and socially or environmentally driven entrepreneurship are increasingly disrupting the not for profit sector. For you to decide! You can resist it all and mourn while you risk being crowded out of funding. Or you may embrace the many new opportunities and open your minds, habits and hearts to creative innovation that will allow you to refine your vision and better achieve your mission.

Agility in changing times is crucial. Some of your embedded patterns and cherished paradigms could be hampering the innovation you urgently need. While thoroughly remaining not for profit, you may adopt (aspects of) inclusive entrepreneurial models that allow for balanced income generation, reducing your dependency on donor funding, mitigating related risks of mission drift, and enhancing your ability to create and demonstrate societal and ecological value and impact. Even though abandoning micromanagement might be difficult for part of your leadership, you may learn how to better empower your employees and volunteers, while allowing for intrapreneurship. You may need to develop constructive partnerships and generate economies of scale; while still preserving your unique identity.

Many of you are already consciously adopting the innovative vibes and are actively transforming your organizations to be more effective and to make best use of emerging opportunities. Many of you are improving their capacity to demonstrate positive outcomes and impact, often linking this to the SDGs (Sustainable Development Goals).

Yet, still too many other NGOs and not for profit organizations seem to underestimate the threats and opportunities of creative disruption; they seem to believe it is just cyclical, that the new trends will blow away. If you are one of them the choice is still yours! You may remain like a Titanic, prone to sink. Or you can choose to transform, to overcome the ice and to ride the new waves.

The first step is to shift your own paradigms. Try to distinguish between the essence of your not for profit organization – which you need to preserve and sharpen – and the ballast you may want to get rid of to survive in this changing environment.

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At **C-lever.org** we are developing multiple initiatives that are relevant for NGOs and other not for profit organizations aspiring to enhance their capacity to cope with the challenges of transition.

- We provide training and coaching for (candidate) practitioners of social return on investment and other ways to measure and demonstrate societal or ecological value and impact (to be applied in planning, monitoring, controlling, accountability and evaluation).
- We provide training and coaching to foster peer learning in change facilitation, specifically geared at NGOs and not for profit organizations.
- We assist NGOs and not for profit organizations who intend to adopt impact-driven and inclusive entrepreneurial models or concepts, while adapting these to the essence of their own organization.

For more information please visit <http://c-lever.org> or contact us at [info@c-lever.org](mailto:info@c-lever.org).

You may also get inspired by the Impact Management Project (<https://impactmanagementproject.com/>) a global network of standard-setting providing management principles, frameworks, disclosure standards and benchmarking initiatives for anyone looking to measure, manage and report their impact.