8 COMMON BRICK WALLS THAT SLOW DOWN NOT-FOR-PROFITS

Greentree®
PRIMED FOR BUSINESS

WE ALL WANT TO MAKE A DIFFERENCE

If you're in the not-for-profit sector making a difference is your business.

Not-for-profits should lead the way in minimising costs and maximising funds to really make a difference.

Everyone likes to think their business makes a difference. But if you're in the not-for-profit sector making a difference is your business. How big a difference you make is increasingly dependent on how far you can make the funds you raise go – and that is where we know we can help.

Running a charity or a not-for-profit is often hard, thankless work. Managing a team of low-paid or volunteer helpers, keeping track of complex finances, communicating with people and organisations all over the world, operating with little or no long-term financial security – and having to account for every cent you spend. It's no picnic.

That often means not-for-profit organisations have to tackle everyday business issues differently. But "differently" shouldn't mean inefficiently or unproductively. By their very nature not-for-profits should lead the way in minimising costs and maximising funds to really make a difference.

At Greentree®, we work extensively with charities and not-for-profits – with both a local and international focus. As a result we have gained a unique perspective. We see some issues coming up again and again. As a result, we'd like to share some insights into how gaining operational intelligence and increasing efficiency could benefit your organisation.

This ebook covers some of the most common business management issues not-for-profits face. We can't claim to solve every problem, but we can offer some advice about the impacts and benefits of ERP software. It's about getting around those 'bricks' and making the biggest difference with the funds you have.

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NOT ENOUGH TIME
FOR GOOD TIME MANAGEMENT

" The status quo tends to be long hours, overtime and reworking.

Let's be upfront. Running a not-for-profit is different from running a corporation.

When you start looking at improving business efficiency, some of these unique differences come to the surface.

One major difference? Using time well. Despite the focus on keeping costs low, some not-for-profits let this valuable resource slip away. Because not-for-profits use a lot of volunteer or low-paid labour, the time it takes to complete a task can seem less important. And because you are almost always racing to catch up, you don't have the time to look for faster, more efficient options. So the status quo tends to be long hours, overtime and reworking.

It's not just an issue for those in the back office. In contrast to corporations, not-for-profit team members and managers in the field are often required to become experts in everything. As a result, they are forced to tackle tasks - like accounting and project management - that are outside their normal areas of expertise. This can end up with errors being made and extra hours being spent to ensure critical mistakes aren't slipping through the cracks. An integrated ERP system with defined work processes and built in alerts would put an end to this.

THE CONCERN UNIVERSAL STORY:
MAKING POSITIVE CHANGE

"Live information and project visibility can mean life or death to the people Concern Universal help."

Since 1976, Concern Universal has been improving the lives of millions of people living in poverty across Africa, South America and the Asian sub-continent.

"We try to ensure that people can make a decent living; that they have access to clean water and sanitation; and that they have access to the rights and government services to which they're entitled, such as health care and education," explains Chief Operating Officer, Matthew Lake.

Concern Universal services are contracted by large institutions including the UK and US Governments and the European Union. With complex reporting requirements, detailed budget management and multiple currency transactions, Concern Universal needed a sophisticated system to support all these operations.

"It was difficult to track live project information in remote regions due to our complex reporting processes," said Viv Mair, Systems and Services Co-ordinator, "(It meant) field staff spent lots of time at their desk, when it could be spent out on the ground, helping people."

Live information and project visibility can mean life or death to the people Concern Universal help. This is their story – see it for yourself.

" Concern Universal needed a sophisticated business system to support all of its operations.

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SHORT TERM THINKING,
LONG TERM PROBLEMS

> Charities and not-for-profits have to make hard decisions about where to allocate funds and how to spend hard-earned cash in-house.

Most not-for-profits aren't in a position to constantly reinvest in new systems, choosing one that grows with you is incredibly important.

Charities and not-for-profits have to make hard decisions about budgeting. Not just deciding where to allocate funds, but how to spend hard-earned cash in-house. It's easy to understand why so many struggle to deal with this next issue: opting to use cheap technology solutions that don't really do what they need, simply to save money.

When you're forced to choose a technology supplier based on price, rather than what's best for your organisation in the long term, you can end up working with vendors that lack the experience you require. If they don't know what you need and ýou're not sure either, a lot of important requirements can be missed.

For example, you don't want to be held back because your business management system can't keep up with your growth. Most not-for-profits aren't in a position to constantly reinvest in a new system, so choosing one that grows with you is incredibly important.

Another issue? Software that doesn't meet the needs of your team. This happens for budget reasons, or because no-one evaluates what your team needs upfront. If software is hard to use or doesn't do what it should, it can make your work less efficient instead of more productive.

Choosing technology also requires future thinking; what are your supporters, suppliers, volunteers and team members going to need in the future? What are the hidden costs in hardware and IT infrastructure? What are the support and maintenance costs? And are you covered for upgrades? Getting the right solution from someone who understands what you need is the obvious answer – and while cost should come into it, going for the cheapest option can be more expensive in the long term.

COMMUNITY HOUSING LTD:
MANAGING CONSTANT CHANGE

"One of our major needs was to acquire a business system that could grow with us. With Greentree, we have a system that will evolve with the company."

Patricia Vaz is General Manager, Corporate Services, for Community Housing Ltd, a not-for-profit organisation that administers more than 5,000 residential properties across Australia. Its portfolio of properties doubled in size between 2011 and 2015, and so did the complexity of managing it all.

Constantly changing regulatory compliance issues added to CHL's burdens, so it went looking for a system that could bring all that data together and eliminate manual processes.

Patricia Vaz recalls that when they evaluated the options "the others were not developed for property maintenance and would have needed a lot of customisation. We chose Greentree because of its established commitment to the social housing sector and its strong Partner network."

The other major development for CHL has been establishing a national call centre. Tenancy workers used to spend a lot of time inspecting properties and producing reports; now tenants phone in and get an instant response on maintenance and rent issues.

"We couldn't have started this service without Greentree making all our data instantly available online," says Patricia. "We're introducing continuous improvements and innovations in the services we provide, so we're now in a position to offer external maintenance service to other housing organisations.

"One of our major needs was to acquire a business system that could grow with us. With Greentree, we have a system that will evolve with the company."

❝ We chose Greentree because of its established commitment to the social housing sector and its strong Partner network.

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NOT HAVING ACCESS TO A CENTRAL POINT OF TRUTH

> In a 2014 survey of non-profit organisations in the UK, virtually all of the respondents said that they did not have access to an accurate source of data.

It's hard to make decisions without an overview of your organisation – almost impossible, in fact.

Without accurate and up-to-date data about everything that goes on, it's tricky to plan for next week, let alone next year.

In a 2014 survey of non-profit organisations in the UK, virtually all of the respondents said that they did not have access to an accurate source of data about organisational effectiveness, marketing effectiveness, service users or projects, members or supporters, employees, or even finances.

Because charities and not-for-profits are often left to use outdated and unsuitable technology, many don't have a way of tracking and analysing data across the whole organisation. The finance department might keep track of donations and outgoings, the marketing team might keep a record of marketing expenditure, the HR team might have data about employee expenses and a separate database for volunteers, but there's no central, aggregated record of the organisation as a whole.

Obviously, this is a roadblock for growth. No central point of truth, no single place where key information is collected, stored and recorded means no easy way of really finding out what the organisation is doing, where things are falling short and how to improve.

CARERS ACT:
DATA IN ACTION

"Having everything in the one system gives us the whole history of the client, and the staff can then assess what best suits their needs."

Since 1992, Carers ACT has been delivering information and referrals to family carers on aged and community care, as well as providing specialised carer support services in the Australian Capital Territory.

The 75 employees of this not-for-profit organisation deliver more than 20 programs funded by the ACT and Federal governments. Both funders require reports of a different nature and at different times, to ensure that allocated programme funds are properly spent and meet service delivery outcomes. Complex quarterly reports are also required by Carers ACT's board of directors, to ensure accountability. Funding, naturally, is limited.

Before Greentree, Carers ACT was battling with too many duplicated tasks, as well as service and reporting difficulties. They used MYOB for finance, plus seven Access databases with separate CRM and service management support. These fragmented systems couldn't provide the consolidated view of carers' needs that is essential to support a case for funding. Multiple data entry consumed too much staff time, and the reporting

process was inconsistent and inflexible, with doubts about the integrity of data.

According to a Carers manager; "Everyone across the organisation is using Greentree, and each function of Greentree can be used for different programmes and also on different levels. Having everything in the one system gives us the whole history of the client, and the staff can then assess what best suits their needs."

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" Multiple data entry consumed too much staff time and the reporting process was inconsistent and inflexible.

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LACK OF COMMUNICATION
BETWEEN DEPARTMENTS

" These issues impact not-for-profits in multiple ways - and not just the obvious ones.

"Separate systems lead to poor communication between departments – particularly around budgeting and finance."

A 2012 study about information management in the not-for-profit sector found that separate systems led to poor communication between departments – particularly around budgeting and finance.

87% said poor inter-departmental communication impacted on budget tracking and forecasting.

47% found errors relating to data replication across multiple systems and departments.

53% experienced inaccurate forecasting information leading to difficulties in long-term planning.

Siloing is a buzzword, but it's a useful one. It means severe divisions and lack of communication between departments. It's an issue that affects not-for-profit and for-profit organisations alike. This problem is often exacerbated by technical issues – it's harder to really connect with other departments when you're working from totally different systems and have no idea what anyone else is doing.

These issues impact not-for-profits in multiple ways - and not just the obvious ones. Integrating technology so departments can communicate more effectively can make a huge difference to the way your organisation works. And it doesn't have to be a big job if you've got the right system in place to manage it.

Greater transparency not only means faster response times and the ability to deliver your operational activity more effectively, but the heightened job satisfaction increases motivation and enables you to harness the full power of your team.

TEAR FUND:
POWER OF A UNIFIED DATABASE

TEAR Fund's project-based operation needs flexible, large volume financial transaction management, and sophisticated job costing and project management capability.

TEAR Fund New Zealand is part of a network of not-for-profit organisations, which operate as a global partnership. It had been struggling for some time with inefficient systems and multiple databases. Jon Horne, Chief Financial and Operations Officer, explains that keeping track of and applying donor funds to projects had become time-consuming and inefficient. He says, "This was largely due to the increasingly fragmented state of organisational data held in departmental silos."

Although a not-for-profit, TEAR Fund operates as a project-based organisation with a need for flexible, large-volume financial transaction management, and sophisticated job costing and project management capability.

The organisation receives large volumes of small-value donations from hundreds of donors every day into its local bank account. The use of Greentree's "tree" categories allows donations to be coded and matched against projects ensuring every donation is targeted accurately and effectively.

"We chose Greentree because its Job Cost module set it apart from the other systems. Greentree offered greater project management control and high visibility of work-in-progress," says Jon Horne.

"Only Greentree presented an entirely customisable system, which meant we could modify the financial component to meet our not-for-profit requirements. Plus, we could do this without the Tier 1 system price tag."

> **" Keeping track of and applying donor funds to projects had become time-consuming and inefficient.**

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TOO MUCH DATA,
TOO LITTLE TIME

" 80% say they struggle to create reports using information from different systems.

96% of non-profit organisations reported that they were unable to make full and effective use of the data they already had access to.

This next brick wall is less intuitive. Many businesses and not-for-profits operate under the assumption that data collection is inherently good. But too much data can be as useless as too little. Many not-for-profits spend time and energy collecting a vast amount of data – but don't have the ability to analyse it or put it to good use.

A survey of the UK not-for-profit sector, revealed a staggering 96% of non-profit organisations reported that they were unable to make full and effective use of the data they already had access to. In at least some cases, these issues were caused by disparate information technology, with 80% saying they struggled to create reports using information from different systems.

Useful data is relevant, readable and makes a practical impact. It should show you what you have been doing and where improvements can be made, as well as guide your future decision-making. Collecting data and retaining it takes time, energy and funding, all of which are wasted if the resulting reports take so long to collate that the information is no longer useful.

ENVITE:
GROWTH WITHOUT BLINKING

"At any given time, there can be over 200 projects and jobs on the go, each at a different stage of completion."

EnviTE is a not-for-profit organisation providing employment, training and environmental services in Australia's NSW north coast region.

At any given time, there can be over 200 projects and jobs on the go, each at a different stage of completion. Its existing accounting system could not cope with the rapid growth of the organisation, and eventually 3,500 general ledger accounts were used to track projects as well as jobs.

Key requirements in a new system were integration to eliminate the need for manual re-keying of data, and advanced job costing and project management capability, which is why Greentree was chosen.

Finance and Administration Manager, Peter Hughes, says that without doubt, Greentree provides the tools required to report the statistical facts about projects. This effectively arms management with the evidence to prove organisational performance, which significantly improves EnviTE's bargaining position when it comes to pitching for restoration and labour market projects.

Not only has Greentree strengthened EnviTE's competitiveness, Peter points out there's plenty of scope for growth: "We could quadruple turnover with the same staffing level and not bat an eyelid, since Greentree will be absolutely scalable to whatever level we might require in the future."

We could quadruple turnover with the same staffing level and not bat an eyelid.

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BAD DATA,
BAD DECISIONS

" When your organisation is running on a tight budget making good decisions is crucial.

72% report feeling decisions in their organisation were often made without being supported by data.

Inaccurate or missing data doesn't just make day-to-day decisions hard – it also has a huge impact on long-term forecasting and decision-making. This is the next common not-for-profit brick wall: making important decisions without all the information.

Recent studies of not-for-profit organisations indicate that this issue was all too apparent.

The results showed that:

87% admit to entering the same data more than once.

72% felt that decisions in their organisations were often made without being supported by data.

78% of respondents said that they had received conflicting data or reports when trying to make decisions.

When your organisation is running on a tight budget – as many not-for-profits are – making good decisions is crucial. Allocation of funds, team management, PR - every decision has an impact, so accurate data and analysis is essential. Software systems that don't do this aren't just unhelpful - they could be actively harming your organisation.

CORD:
STRIKING THE RIGHT NOTE

Struggling to manage £3 million of funding on spreadsheets had effectively created a hostile environment of the electronic kind.

Cord is a registered UK charity focused on peace-building work in some of the world's most hostile environments. Struggling to manage £3 million of funding on spreadsheets had effectively created a hostile environment of the electronic kind. Finance Director Kerry Bosworth says, "Auditing of our finances had raised a few eyebrows, since changes and deletions could easily be made to 'live' open spreadsheets."

Cord gets funding from both individual and organisational donors. Many donors require specific information to be presented in a pre-specified report format. This presented another administrative challenge involving lots of time and manipulation of spreadsheets and cashbooks, so that figures could be presented in customised reports.

"The really fantastic thing about Greentree's reporting is that we can automatically import all the foreign currency information and display it alongside the converted UK figures. Each report is tailored exactly to each donor's needs and circulated within a month, not the two months it used to take."

"Greentree enables us to access organisational information and meet our compliance obligations faster and more efficiently than we ever have before. Without it, we simply couldn't attract, manage or retain the level of donor funding we have today."

> " Each report is tailored exactly to each donor's needs and circulated within a month, not the two months it used to take.

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MEETING LEGAL OBLIGATIONS
TAKES TOO MUCH ENERGY

" Do you have hand-on-heart confidence that the information is complete, accurate and bullet-proof?

Meeting legal requirements is non-negotiable, time consuming and hardly what gets you out of bed in the morning.

Charities aren't just working for a cause – they also have to front up to donors, local or national government and, horror of all horrors, the tax department. If you work for a charity or not-for-profit, you know that meeting legal requirements is non-negotiable, time consuming and hardly what gets you out of bed in the morning.

Again, it all comes back to data management. If you're having to deal with disparate software systems and departments, it's hard to produce a simple report for a board meeting – let alone a complex tax document in a foreign currency or with details from thousands of donors.

Where you need to get to is the ability to create accurate, timely reports to meet all of your regulatory and sponsor requirements. You should be able to hand these over with hand-on-heart confidence that the information is complete, accurate and bullet-proof.

ROCKY BAY:
IMPROVED GOVERNANCE

Rocky Bay has to provide its stakeholders, State and Federal governments, plus numerous fundraising groups with accurate and timely information.

Founded in 1938, Rocky Bay provides Clinical, Employment, Work Alternatives and Accommodation Services for over 1,000 children and adults with disabilities. As a large and long-established non-profit organisation, Rocky Bay has a responsibility to provide its stakeholders, the State and Federal governments, and numerous fundraising groups with accurate and timely information.

Mervyn Williams, Rocky Bay Finance Director explains, "Many of our administrative processes had to be carried out manually which was time-consuming, inefficient and error-prone at best. Information was scattered and couldn't be viewed or exported easily and quickly, so it was restricting how we displayed our information."

Greentree's reporting flexibility enables Rocky Bay to tailor data for specific audiences and present it in a timely fashion to the Board or other stakeholders for scrutiny. The good thing is that everyone understands what's being presented to them.

"There was no need to reinvent the wheel, as the Greentree product offered us cost-effectiveness, enhanced functionality and gave us all the support we required."

Greentree has enabled significant improvements in Rocky Bay's governance of its financial and operational performance and the reporting of that performance to its stakeholders. Rocky Bay now effectively meets its statutory obligations and Mervyn is confident the business will continue to benefit from the sophisticated analysis and reporting Greentree offers.

" Greentree offered us cost-effectiveness, enhanced functionality and gave us all the support we required.

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LESS INTEGRATION,
LESS EFFICIENCY

> ❝ Lacking integration of functions between departments is one of the most significant problems not-for-profits can face.

Operational intelligence: the ability for everyone in the organisation to make the best decisions to do their job more effectively.

Most of the brick walls we've talked about come back to integration - or lack of it. Lacking integration of functions between departments is one of the most significant problems not-for-profits can face – and it's still extremely common. In a 2012 paper about efficiency in the not-for-profit sector, organisations were asked about their back office integration. The results show that full integration is still a long way off:

ONLY **21%** of respondents had complete integration of finance, HR, payroll, and front office systems.

JUST **42%** of organisations surveyed said they had some integration, with many functions still in silos.

SADLY **16%** stated that they had no integration and all departments were completely separate.

These figures are alarming. They show that the majority of charities and not-for-profits aren't getting the benefit of advances in technology. Changing this is critically important. You need to be able to adapt quickly and effortlessly, to introduce new processes and projects across your organisation.

An integrated business management system leads to operational intelligence, which has one major benefit: the ability for everyone in the organisation to make the best decisions to do their job more effectively.

It can be as simple as linking leave requests with service delivery, so if a care giver is on holiday someone else is automatically scheduled to cover the roster. Or as complex as automating a supply chain for the delivery of imported goods into retail outlets. The important thing is that all the relevant information is delivered to the right person at the right time so the right decision can be made – effortlessly.

OXFAM SHOP:
TRADING SUCCESS

"We can't afford to have orders going missing or not being processed, and the reliability of our Greentree system gives us that important trading lock-in."

Getting Fair Trade products into Australian stores where they'll attract more buyers requires a sound business footing. Oxfam has achieved this, with the help of its Greentree system.

"A successful business model is crucial," says Oxfam's Chief Information Officer, David Horner. The key to getting that supermarket trade was Electronic Data Interchange (EDI). Both Coles and Woolworths demand it as a condition for doing business, and Greentree was there to provide the infrastructure for electronic ordering, dispatch and payments.

"The bottom line is, for those big chains the EDI solution has to work, and work consistently," David explains. "We can't afford to have orders going missing or not being processed, and the reliability of our Greentree system gives us that important trading lock-in. It also saves a lot of time in terms of re-keying orders.

"We also have a successful online store, which has enabled us to improve our retail channel by further increasing reach and providing a convenient way for consumers to shop online." Greentree has helped to put Oxfam Shop on a solid business footing, so it can deliver greater returns to producers in the developing world.

"In what has been a time of quite significant change and financial pressure, making smarter use of what we already had in Greentree and extending its functionality in a controlled manner has provided that extra degree of stability to the business," David concludes.

" Greentree has helped to put Oxfam Shop on a solid business footing, so it can deliver greater returns to producers in the developing world.

GETTING AROUND
BUSINESS ROADBLOCKS

Greentree has gained some great experience in working with not-for-profits - which means we can offer objective advice about solving recurring issues.

One way to work towards a more effective business is through a fully integrated ERP software solution. This acts as a business engine, delivering the operational intelligence your organisation needs to thrive.

Integration streamlines your work and your organisation as a whole – because everything is centralised, there's no repetition of data or time wasted searching for information.

But it's not necessarily a simple, one-size-fits-all solution. You have to do some homework to find the right system. It needs to fit the nature of the work you're undertaking, your specific requirements and where you want to operate.

If your charity is managing multiple currencies, multiple projects in multiple countries, run by spread-out team members, or has rigorous reporting requirements, fully integrated software is definitely something you should investigate.

Here's what to look for...

WHAT GOOD ERP SOFTWARE SHOULD
DO FOR YOUR ORGANISATION:

- Improve morale and motivation by empowering your team to make better decisions.

- Integrate your department functions, including finance, project management, HR and supply chain management.

- Give you and your team access to accurate, real-time data, anywhere, any time.

- Offer fast, simple customised reporting for auditing and forecasting.

- Process financial data in any currency, saving time on converting and interpreting data.

- Enable in-depth donor reporting and auditing to help target fundraising campaigns.

- Simplify and streamline project costing across multiple projects.

- Offer cloud hosting options so your system is accessible from anywhere, at any time from any device.

- Automate back-up and data recovery to prevent the loss of key information.

- Reduce time spent on administrative tasks, fewer errors and less duplication of data.

- Adapt to the way your team organisation operates; not making you and your team change the way you work to fit their system.

- Enable everyone, right across your entire organisation, to work more effectively together to make an even greater difference.

Compass Housing is a billion dollar not-for-profit business. See below how an integrated ERP system is supporting its explosive growth in becoming the largest community housing provider in Australia.

> From a chief executive point of view you survive on data and it needs to be in time and accurate and verifiable… Greentree provides that right across the spectrum of the company's activities."
>
> **Greg Budworth,**
> Group Managing Director,
> Compass Housing.

THE GREENTREE
DIFFERENCE

Making your team more connected means they can truly work together.

We've been working with not-for-profits for around 30 years, and we know we can make a real difference to your productivity and operability.

We also know just how valuable every cent and every second is. That's why the latest version of our ERP software, Greentree4, is fully integrated to deliver the functionality and flexibility that diverse not-for-profit organisations need.

Greentree4 includes the ability to track and trace those cents and seconds, making reporting, meeting legal requirements, and getting back to donors, sponsors, supporters and volunteers much simpler.

It is exciting to see how making your team more connected means they can truly work together. In removing a lot of the drudgery, you free up time to do the really important work – after all, that's why you're in the not-for-profit business in the first place.

It is a complex, fascinating industry and it gives us enormous satisfaction to continually receive such positive feedback from the charities and non-profit organisations we count as customers. We hope some of what we've learned and the stories our customers have shared will help you to make an even bigger difference in your world.

❝ We want to make an even bigger difference to your world.

WE CALL IT
WE^3

"The relationship between Greentree, its Partners and its customers is central to everything we do."

To us We^3 is the heart of Greentree. Collectively 60% of our development is customer-led, looking to deliver those extra capabilities that business needs today. We capture all the suggestions by all our customers and Partners and when we develop new capabilities, we seek their input.

When our Partners sign up with Greentree, they also sign up to work together. Their shared insights and experience are another essential component of We^3 that sets us apart from the competition.

We don't think there's a working partnership like it anywhere else. But the best way to understand it is to become part of it!

Greentree
PRIMED FOR BUSINESS

MORE
WITH THE
POWER
OF THREE we^3

WHAT NEXT?

Want to know more about Greentree and ERP software? One of our qualified Greentree Partners will work with you to find out whether Greentree4 is a good fit for your charity or not-for-profit.

Get in touch now to find out what a difference Greentree can make for your organisation, or visit: www.greentree.com