



BAYES
BUSINESS SCHOOL
CITY, UNIVERSITY OF LONDON

Direction

Tools for success:

doing the the right things and doing them right

Centre for Charity Effectiveness

Contents

About this guide	1
What's in a name?	2
Diversity, Equity and Inclusion (DEI)	3
Foundations	4
Understanding your stakeholders	4
Identifying your core beliefs	6
Environmental analysis	6
Understanding other players	8
Learning from your recent past	8
Vision	9
Mission	10
Aims	12
Objectives	13
Values	14
Your direction hierarchy	15
Your strategy map	16
The strategic plan	17
Providing evidence of your achievements	18
Signposts	18
Glossary	19
Acknowledgements	21

USING THIS GUIDE

Links to suggested reference sources and useful materials are provided as embedded links throughout the pages of each 'Tools for success' guide and in every Signposts section. Wherever a link is provided, when you hover your cursor over the text you'll see the link URL show up – click on it to go straight to that source material or website. For example: [Centre for Charity Effectiveness](#)

Common symbols

We have used some common symbols throughout the 'Tools for success' series, to highlight different elements:

- ! Notes and tips
- ✓ Checklists of things to do
- ❖ Simple to use tools and sample activities to work on together
- ▶ Signposts to more information, for when you're ready to build on the basics

Each guide also includes a Glossary of common terms used throughout the Tools for success series. Some terms included in the Glossary may not appear in the content of every guide.

About this guide

This guide aims to help you establish a clear Direction or 'strategy map' for your organisation, ensuring that your people and resources are aligned behind one Vision and Mission (or Purpose), with clearly defined Aims, Objectives and Values.

In this way, you and those you work with can be confident that everyone in the organisation is working towards the same goal.

With your Objectives in place, you can go on to set priorities, detailed delivery plans and budgets and those stages are covered in the accompanying Operations and Finance guides.

Throughout this guide you will find some simple tools and questions that take you from creating your strategic direction, to communicating it via a strategy map, and finally to crafting a strategic plan. You might want to adapt these tools, add to them, use them in a different order, or you may choose not to use them at all. No two organisations are the same, so there is no blueprint for strategy, but however you approach it, it is important to decide *how* you will set and communicate your direction and to map out your process *before* you begin.

Centre for Charity Effectiveness

E: CCE@city.ac.uk

www.bayes.city.ac.uk/cce



What's in a name?

We are using the terms Vision, Mission, Aims, Objectives and Values in this guide.

Different organisations have different naming traditions and so long as you can explain your approach in your strategic plan, and everyone in the organisation uses the same language and has the same understanding, then it doesn't matter what you call the different statements of strategic direction.

The table below summarises the meaning of each key term and some of the most common alternatives, working down the hierarchy of strategy statements.

Term	Meaning	Alternatives
Vision	The future/change you seek for the people you work with.	The term 'Vision' is used pretty consistently across all sectors, though sometimes organisations speak only about their vision for themselves (more efficient, more effective, the number one etc.). For charities, concerned with providing public benefit, your focus should be on driving a vision for change for those for whom you exist.
Mission	What your organisation is going to do to achieve the Vision (the what and the how at a high level).	A number of organisations use 'Purpose' instead of 'Mission'. They are the same.
Aims	Takes the Mission and goes into more detail about the three or four big things that the organisation will focus on in the next strategic period.	Sometimes you will see this expressed as 'Goals' or 'Strategic Priorities'.
Objectives	These take each Aim and add a bit more detail and focus about how, and what, success will look like. Objectives usually apply to the next three years or so.	Sometimes you will see these referred to as 'Outcomes'.
Values	These define how you behave and underpin all aspects of your Direction.	The term 'Values' is used pretty consistently across all sectors.

Diversity, Equity and Inclusion (DEI)

It is common to think about diversity, equity and inclusion (DEI) when it comes to people and governance in particular, but by ensuring that DEI is considered as a fundamental aspect of your Vision, Mission and Aims, the principles of true inclusion will remain at the heart of your organisation's direction and strategy.

Principle 6 of the Charity Governance Code (England and Wales) includes the following key outcomes:

- 6.1 The principles of equality, diversity and inclusion are embedded in the organisation and help to deliver the charity's public benefit.
- 6.2 Obstacles to participation are reduced, with the organisation's work designed and open for everyone included within its charitable purposes. This supports the charity to challenge inequality and achieve improved equality of outcomes.
- 6.3 The board is more effective because it reflects different perspectives, experiences and skills, including, where applicable, from current and future beneficiaries.

These are some things to consider before you start work on setting your Direction:

- Think about who else you want to involve in the process. Involving other people from as many different backgrounds as possible, including from outside and inside your organisation, will help you achieve a broader and more informed analysis.
- Value the lived experience of those you work with and ensure it is given precedence at every stage.
- Be prepared to embrace disagreement about what is important or not, as such disagreement can be a fruitful source of new ideas.

“Charities aren’t always good at embracing the fact that a diverse organisation is, or should be, a more challenging organisation – a more difficult organisation to manage, where leaders of all kinds need to expect to be questioned or challenged. Diverse organisations will have more ideas being suggested and tried out, more failures and more successes, more conflict and disagreement.”

Joe Saxton, nfpSynergy blog, March 2021

- When establishing and articulating your Vision, Mission and Aims, ensure the language you use is clear, concise, and jargon-free.
- Make sure that you take every opportunity to remove any barriers to diversity, equity and inclusion and take active, practical, and measurable steps to improve your practice.

For more on the importance of DEI see other guides in this series, including **People, Compliance and Governance**.

Foundations

Centring your strategy on those you work with

The needs and experience of those your organisation works with are paramount. But many organisations find that over time, issues of funding, politics or other pressures can move them away from centring strategy on

the lives of those for whom they exist. Finding the right way to keep on understanding and acting on these needs and perspectives is critical - from designing new programmes through continual learning to organisational governance.

! UNDERSTANDING THE WANTS AND NEEDS OF THOSE YOU WORK WITH AND FOR

- Adopt an open and curious mindset: put aside what you think is best and listen first, without moving into analysis or solution thinking. Listen out for what people don't say and don't take silence as agreement.
- Be clear about exactly what you are asking.
- Adapt your approach to the needs and interests of those you work with and don't rely on one method. Consider using pictures and stimuli which help explore and prompt discussion. Get creative and use a range of approaches to enable all to be heard.
- Be sensitive. Someone might be going through a particularly traumatic time which means it may not be the appropriate time to ask for feedback on your organisation's direction.
- Don't get 'captured': don't allow the loudest or most confident voices to dominate your learning.
- Build on what is already out there. There will likely be a range of relevant evidence in existence already from other charities, academics or funders in the field.
- Create an environment where people will want to get involved. Make it enjoyable. When people are relaxed, they will tell you what they really think.
- Invest time in it. If you get a poor response this does not mean people are not interested. Review your methods and consider changing your approach.
- Keep it continual. Don't ask once at the start of a strategy process and then go off into a dark room to design and deliver. Create mechanisms to keep on listening and learning as you progress, and review.

▶ NCVO has some more useful tips on involving people in strategy development.

Foundations

IDENTIFYING YOUR CORE BELIEFS

Most charities articulate their Values. Your core beliefs are different. Core beliefs are what drive your organisation.

For example, for a homeless charity a core belief might be that everyone has a right to secure housing, for a medical research charity that a cure can be found in our lifetime, and for a foodbank that nobody should go hungry.

Spelling out what drives your charity has three potentially powerful effects:

1. It can clarify any tensions or disagreements right at the start. For example, in a youth organisation there might be very different views about whether equality of opportunity or equality of outcome are what matter most. Understanding differing perspectives is crucial in getting everybody behind one clear direction.
2. Talking about your core collective motivation sharpens the shared sense of what really matters.
3. Articulating your core beliefs – saying ‘this is what we stand for’ - can be incredibly empowering.

ENVIRONMENTAL ANALYSIS

When incorporated into an organisation’s strategy and plans, analysis of the external environment will:

- Help you anticipate what might happen so that you can prepare for it, manage risk and facilitate a more secure future
- Lead to clearer, more relevant aims and objectives, better-quality decisions and improved services.

In addition, getting everyone involved in this kind of analysis will improve their understanding of and response to strategic change.

Effective scanning and analysis of the external environment can be carried out in a four-step process:

1. What are the drivers?
2. What else must we think about?
3. So what are the implications?
4. Now what should we do about it?

1. What? mapping drivers

- Identify the major trends or forces – positive or negative - that could shape and influence the future of your organisation.

- Explore the whole landscape: political, economic, socio-cultural, technological, environmental and legal (known as a PESTEL analysis – see example PESTEL tool below)
- Sort the drivers into the vital, the important and the interesting
- Focus on those drivers that are high impact, fairly likely to happen and imminent, and those that will really help you make a difference for the people you work with.

❖ MAPPING DRIVERS IN THE EXTERNAL ENVIRONMENT – PESTEL ANALYSIS

Political	Economic and funding
Socio-cultural	Technological
Environmental (the natural environment)	Legal

Tips on using this template

- Think about the drivers (trends and forces impacting your organisation under each of the headings.
- Get a group together to strengthen thinking about both the known and the unknown
- Go for a broad analysis as well as depth about:
 - Which other drivers will affect funders?
 - What is the range and nature of the other players, and how will they be impacted?
 - What do we know about our beneficiaries and how will they be affected?

Some drivers may crop up in more than one box.

You might notice that there are connections between some drivers; think laterally about how best to use these links.

- Try to focus on the root cause as well as on symptoms – always ask ‘but what might cause that?’
- Include the uncertainties as well as the certainties – you need to be strategic about both.

Foundations

2. What else?: digging deeper

- If necessary, carry out further research into the most important drivers.
- Concentrate on what's already known in your organisation: your staff, volunteers and those you work with will have important insights.
- Establish what is readily available from easy sources.

3. So what?: implications

- Explore how the drivers you've selected might impact your organisation. The grid below will help you to clarify your thinking about the impact of each driver in relation to:
 - Those you work with (users) and their needs
 - Funders and their priorities
 - Relationships and influence
 - Workforce – paid, volunteer and trustees
 - Your work – services, campaigns and activities
 - Governance including accountability and evaluation
 - Systems, skills, technology.
- Investigate what the implications might be. Ask yourself:
 - How could each driver affect your organisation?
 - What opportunities does this create?
 - What are the challenges and threats?

❖ IMPLICATIONS: IMPACT ASSESSMENT GRID

	External drivers				Internal drivers		
	Impact on users	Impact on funders	Impact on relationships	Impact on workforce	Impact on work	Impact on governance	Impact on systems, skills, technology
Key driver 1							
Key driver 2							
Key driver 3							

4. Now what?: actions

- Consider the next steps your organisation might want to take.
- Explore your opportunities, options and choices.
- Consider the range of responses that might help you improve services, reduce costs, work with others, innovate, manage risks and threats.

Foundations

UNDERSTANDING OTHER PLAYERS

It is essential to understand what other organisations do relative to your own. Systematically appraising what partners and competitors do will help you identify:

- Unmet need
- Potential duplication
- Opportunities for partnership.

Identify organisations working adjacent to you and use the 'Other player analysis' tool below to clarify your understanding of any differences or similarities.

❖ OTHER PLAYER ANALYSIS

Other player	What can we do that they cannot?	What do they do that we cannot?	How do we compete on quality?	How do we compete on scale?	How do we compete on price?	What are the opportunities for collaboration?

LEARNING FROM YOUR RECENT PAST

In looking forward, there is a risk that organisations fail to learn from and show respect to their recent past. This risk can be heightened if work on Direction is initiated by new leadership.

Spending some time looking back into recent history can mitigate this risk and can be incredibly valuable, celebratory and energising.

Asking and gathering responses to simple questions is often illuminating. For example:

- What can we be proud of?
- What has been challenging?
- What can we learn from and hold on to as we look ahead?

Vision

Having thought about your stakeholders, beliefs, environment, partners and past, you should be well equipped to set a clear, compelling Vision.

Your Vision is an inspirational description of the future you seek for those people for whom you exist. It provides an overarching, ideal goal which everyone can share and strive towards achieving. It helps to bring everyone together, galvanising the whole team and sustaining commitment – especially important when the going gets tough.

A clear Vision also provides a framework within which constructive debate can take place. Whilst vigorous discussion about the optimal route is valuable, arguing about what you are really trying to achieve is debilitating.

Developing your vision starts with asking:

- Why are we here?
- What, ultimately, are we seeking to achieve for the people we work with?

Reflecting on your core beliefs (see the Foundations section above) should be particularly helpful in defining your vision.

❖ DEVELOPING YOUR VISION

Bring together different stakeholders and divide them into small groups.

Pick a date in the future, perhaps 20 or so years ahead. It needs to be close enough to imagine, but sufficiently distant to dream.

Ask everyone to visualise what the world will be like by then for the people you work with, if your organisation has been totally successful. Remind everyone that a Vision is an idealistic view and should be focused on the difference you seek to make for those for whom you exist (and not a description of what you want your organisation to look like).

Ask everyone to come up with a description of this 'perfect world scenario'. People may prefer to draw rather than write their description.

The kinds of questions you will want them to answer are:

- What difference can you see?
 - What can you hear?
 - What are you celebrating?
 - What is in the news?
 - What is a typical day in the life of those whom you serve?
-

Mission

Your Mission (sometimes referred to as Purpose) sets out how your organisation will seek to bring your Vision to life. It conveys what it is your organisation does, and how it contributes to achieving the Vision.

A good Mission statement should be:

- Clear and memorable
- Stable so that it does not need to be changed for five to ten years
- Practical rather than aspirational
- High-level.

More detail can be set out in your Aims (see p. 11).

In developing your Mission, your starting point should be your formal charitable objectives as registered with the Charity Commission. Your Mission doesn't need to simply repeat your charitable objectives, but it must reflect them.

Next, you should consider your organisation's distinctive value.

- What can you do best?
- What are your core competencies and assets?
- Where do you make the most impact?
- Where do you make the least impact?
- If your organisation didn't exist, why would you need to invent it?

In doing this, you should actively consider organisations whose purpose and work is similar to your own and who may share a similar vision, building on your Other Player Analysis (see Foundations above).

A SWOT analysis is a simple but effective tool to help you think about the scope of your organisation's role and your Mission. It asks you to think through your core Strengths, Weaknesses, Opportunities and Threats by assessing your organisation and the environment in which you work.

You could also return to your analyses of the environment and of other players (see Foundations above), to help inform your thinking.

A SWOT analysis tool is provided on the next page.

Having considered your own strengths and weaknesses and those of other organisations in the same fields, you should be well placed to determine your own distinctive Mission.

You might find it helpful to look at the Vision and Mission statements of some other organisations. See the 'Signposts' section below for links to some good examples.

Mission

❖ SWOT ANALYSIS

Carry out this SWOT analysis with a group of stakeholders.

About your organisation	
Strengths	Weaknesses
<ul style="list-style-type: none"> ■ What are the best things about your organisation? ■ What do you know you are good at? ■ What are your most recent achievements? ■ What is it that you do that no-one else can do? ■ What positive feedback have you received? 	<ul style="list-style-type: none"> ■ What are you not so good at? ■ What have been your organisation's disappointments? ■ What feedback have you had from opportunities where you have not been successful?
About the world in which you operate	
Opportunities	Threats
<ul style="list-style-type: none"> ■ What is happening in the outside world which might provide an opportunity for you to develop? ■ What more could you do by working in partnership with other organisations? ■ What areas are funders/contractors developing their interest in? ■ What needs are developing amongst the people you work with that are not being addressed? 	<ul style="list-style-type: none"> ■ What is happening in the world which might threaten the way you work? ■ Are there potential policy or legislative changes which could negatively impact on your work or on the people you work with? ■ Is your funding insecure? ■ Are other organisations competing directly with you for contracts, funding, or the people your charity exists to serve?

Aims

Your Aims are an extension of your Mission. They are important because they set out the detail and boundaries of your work and will inform how you develop your Objectives (see below). An organisation will typically have three or four core Aims.

The work you undertook at the Foundation stage (see above) on environmental and SWOT analyses will be particularly helpful in shaping your Aims.

These are some examples of the types of questions you might consider:

- Should we 'just' deliver services, or should we also build self-sustaining communities of mutual aid and peer-support
- In order to fulfil our Mission, should our work be restricted to direct activity or do we also need to campaign for changes in public policy and or attitudes?
- Alongside our direct work, do we have a role in developing wider practice or the evidence base in our sector?

Organisations will often choose to include one or two Aims that reflect how they strengthen and sustain themselves as an institution.

These might focus on work on continual learning, strengthening systems, developing culture, or becoming a more diverse, equitable and inclusive organisation.

The work on Aims is critical in setting out what is important to you as an organisation.

It is also an essential part of determining what you will *not* do. In many charities this is one of the hardest parts of the conversation and of decision-making.

Objectives

Objectives describe in more specific detail what the organisation is seeking to achieve in the medium term. Together they will cover all areas of the organisation and are usually set for a three-year duration.

Each Aim should normally have about three Objectives attached to it that describe how the organisation will deliver the Aim. This number allows for sufficient detail whilst ensuring that the organisation is able realistically to keep the full set of Objectives in view.

Development of your Objectives should reflect the results of your previous work on stakeholders, and environmental and SWOT analyses.

Your Objectives will guide the detailed work of your organisation. See the Operations guide for more information about turning Objectives into action.

! SETTING SMARTA OBJECTIVES

- You are more likely to succeed with your planning if you develop Objectives which are 'SMARTA':
 - **Specific.** Your objectives state exactly what will be achieved
 - **Measurable.** You can measure what is different as a result of achieving these objectives
 - **Achievable.** The objectives are achievable. (Unachievable objectives are demotivating and can discourage people from taking any action at all)
 - **Relevant.** Your objectives are relevant to your overall purpose and vision
 - **Timed.** You have put a timescale on your objectives and know by when you will have achieved them
 - **Agreed.** Your objectives are agreed by all parties involved.

Values

Where core beliefs drive your Vision and Mission, your Values describe the way you work, the behaviours, traits and characteristics that are deemed to be important and worthwhile to your organisation.

Your statement of Values captures how you want to behave and be seen to behave when delivering your Mission.

! TIPS FOR DEVELOPING CLEAR VALUES

- Think both about Values that guide organisational strategy and decision-making – for example, ‘we are committed to working in true partnerships’; and those that you want to drive individual behaviours – such as ‘we are collaborative not competitive, with one another’.
- Set out your Values as full descriptive sentences rather than single adverbs or adjectives.
- Illustrate what that Value looks like in practice in your organisation – and what its opposite looks like too.
- Make sure that you discuss widely when identifying your Values. This can’t be done by just a few people at the ‘top’ of the organisation.
- Regularly review your Values – do they still work for you as the organisation evolves and as people come and go?
- Build your Values into how you recruit, induct, and develop your people.

Your Direction hierarchy

The table below summarises the hierarchy of strategy statements and suggests the frequency with which you might review these important aspects of your Direction:

Vision, Mission, Values, Aims	10+ years ahead Review every 5 years or so Seek extensive input from all stakeholders Agreed by trustees
Objectives and Priorities	3 years ahead Review every year Set by managers and teams Agreed by trustees
Operational plan and budget	Look 1 year ahead Set every year; but keep an eye on progress and be up for review quarterly Built bottom-up by teams, iterated by senior managers; agreed by trustees

Operational plans and budgets are looked at in more detail in the Operations and Finance guides.

Your strategy map

Organisations are increasingly choosing to represent their strategic direction on one page as a 'strategy map'. This can help clearly communicate what really matters and how the various elements of your strategic direction interact with and are dependent on each other. The example below (Figure 1) shows one such organisation's strategy map.

Figure 1: FROM 'LEAP CONFRONTING CONFLICT'



The strategic plan

In addition to a strategy map it is usual for organisations to have a short (maximum 8 pages) narrative to explain the thinking behind the Vision, Mission, Aims and Values, and to give a bit more explanation about the Objectives for the next three years. This is often called a strategic plan and will usually have a life of up to three years and be reinforced by more detailed annual operational plans (these are covered in the Operations guide).

A strategic plan sets out the steps between where you are now and where you will be when you have achieved your objectives at the end of the strategic period. A plan is a useful shared document for staff and volunteers to make sure everyone is aligned and on track (and get back on line and on track if this isn't the case), and is often used by trustees to monitor progress on a quarterly basis (see the Governance guide). With quarterly review, such plans can be updated if circumstances change: you need to keep your eye on what's going on inside and outside the organisation, and be prepared to respond and adapt.

! YOUR STRATEGIC PLAN

- A strategic plan usually includes all the information relevant to how you have developed your strategy as well as detailing your objectives and how you will achieve them.

Different organisations write plans to different levels of detail but most importantly a good plan will demonstrate that the ideas and thinking behind your strategy are sound. Plans should therefore be evidence-based, incorporating research wherever appropriate

- Where you are now (for example, an overview of your organisation, its activities and analysis of the environment and other players – see the Connect guide for more on mapping the territory)
- Where you are going (vision, mission, aims and objectives)
- What you need to do to get there (what you need to do to achieve your objectives, a description of activities)
- Key milestones (the key stages in achieving your objectives, important dates and timescales – see the Operations guide)
- How you will know you've been successful (what measures you will set and how you will collect evidence to show you have been successful. See monitoring and evaluation in the Operations guide)
- Financial implications (how much it will all cost, see the Finance guide and how you expect to fund this.)
- Staffing implications (what staff you'll need with which skills, see the People guide).

Providing evidence of your achievements

It is important to keep a record (notes of meetings, working papers, meeting minutes etc.) of how you developed your strategic direction so that you can always be clear on the rationale behind the decision making, and use this as a basis for learning for next time.

Signposts

DIVERSITY, EQUITY AND INCLUSION (DEI)

Principle Six of the Charity Governance Code covering equality, diversity and inclusion

The Centre for Charity Effectiveness (CCE) online resource 'Lived experience on nonprofit boards' offers resources, case studies and signposts on lived experience and governance

FOUNDATIONS

NCVO tips on involving people in strategy development

Charity Commission online services for charities (where charities' formal objectives are registered)

Patterns for change: Behaviours to guide your non-profit in times of change

You may find it helpful to see how some other organisations have set out their strategic direction. Below are just a small selection of examples – all are different and reflect the diverse nature of the sector. Take a look to see what resonates for you.

- Ealing Mencap strategy and plan, with a great strategy map and strategic priorities explained in full
- Together for Mental Wellbeing has a 5 year strategy – look in the right hand sidebar towards the top of the page: 'Vision, Mission and Values'

- The RSPCA strategy can be found on their website, in a variety of forms, including a video explaining the key areas of priority
- Dorothy House Hospice has another web based resource explaining its 7 year strategic plan

OTHER USEFUL RESOURCES FOR SETTING YOUR DIRECTION AND STRATEGIC PLANNING

A wealth of strategy and planning guidance can be found from NCVO KnowHow

Copeman C, Bruce I, Forrest A, Lesirge R, Palmer P, Patel A Tools for tomorrow (3rd edition 2012 London: Cass Business School and NCVO)

Handy, C (2015) The Second Curve: Thoughts on Re-inventing Society. Penguin, Random House, London

La Piana, D (2nd edition, 2018) The Nonprofit Strategy Revolution: Real-Time Strategic Planning in a Rapid-Response World. Fieldstone Alliance, Nashville

Saxton J, Guild M (2010) It's competition but not as we know it. (Download from NFP Synergy)

Kivell L, (2015) The problem with solutions (Carnegie Foundation)

Peering over the Precipice (2018): a CCE guide that explores where an organisation sits in its lifecycle and what it might need to do to reinvent

Glossary

Clarification of common terms used throughout the Tools for success series. Please note that some terms included in this Glossary may not appear in the content of every guide.

Collaboration: A spectrum of different ways two or more organisations can work together for mutual benefit – such as cost reduction, or to add value for those with whom the organisation works. A collaboration can be formal (a merger) or informal (a network), and it can last for a fixed length of time or can be permanent.

Compliance: Conforming to regulations and legislation (and being able to demonstrate this).

Constitution: The legal document that, in written form, establishes the rules and principles, powers, duties, structures and processes of the organisation.

Diversification: Establishing a broad portfolio (e.g. in terms of services investments or funding streams) in order to minimise risk and create choice.

Driver: A major force or trend that could positively or negatively influence the future of an organisation. Drivers have a complex relationship with each other; some drivers are an outcome of others. Some are reasonably predictable; some are uncertain.

Diversity, Equity and Inclusion (DEI):

Diversity is about recognising and valuing difference in its broadest sense, ensuring that everyone has equitable access to resources and decision making.

Equity is about removing inequalities to make sure everyone has the chance to realise their ambitions. **Equality** is about creating a fairer society where everyone has an equal opportunity to fulfil their potential.

Inclusion is about being proactive to ensure that each individual's experience within the workplace and in wider society is one where they feel valued, respected and fully able to participate.

Evaluation: Using information from monitoring and elsewhere to assess the performance of an organisation or project against its stated aims or outcomes.

Governance: The process of oversight by trustees/board that ensures the organisation works to its aims, uses its assets to pursue those aims and acts at all times in the interests of beneficiaries.

Grant: a one-way, non-contractual, transfer of money or other assets for a social purpose (often charitable but not always).

Impact: All changes resulting from an activity, project or organisation. It includes intended as well as unintended effects, negative as well as positive, and long-term as well as short-term

Induction: An event or programme of activities to welcome, orient and introduce a new recruit (staff, volunteer or trustee) to the structures, procedures, people and culture of the organisation.

Liability: An obligation that may put an organisation at a disadvantage. Often associated with past obligations causing future transfer of assets, delivery of service or other duty, and/or yielding of benefits.

Networking: Exchange of information, knowledge, understanding and experience between people sharing common issues and concerns.

Other players: Any individual, organisation or group that works in the same field as your organisation and/or that has similar or overlapping interests. They could be charities, commercial organisations or statutory bodies. They may also be competitors, suppliers or collaborators.

Outcomes: The changes, benefits, learning or other effects that result from what the project or organisation makes, offers or provides.

Outputs: The direct products, services or facilities that result from an organisation's or project's activities.

Performance indicators: Well-defined information which shows whether something is happening (or not) as a result of actions and/or investment made.

Performance management: A process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance. It establishes a shared understanding about the results that need to be achieved, and an approach to leading and developing people which will ensure that they are achieved.

Quality framework: A set of criteria enabling an organisation to apply a rigorous, consistent and comprehensive approach to continuous improvement.

Risk: A potentially damaging outcome of an event or situation

Glossary

Social enterprise: A social enterprise is a business set up to tackle a social or environmental need. Their main aim is to generate profit which can be used to further the organisation's social or environmental goals.

Social finance: Refers to the use of commercial-style investment tools to create a social as well as a financial return.

SOFA: Statement of Financial Activities. A charity's SOFA shows all the incoming resources becoming available during the year and all its expenditure for the year, and reconciles all the changes in its funds.

SORP: 'Statement of Recommended Practice: Accounting and Reporting by Charities', published by the Charity Commission, providing guidance on the format and content of charity accounts and annual reports.

Stakeholder: All individuals and groups who are affected by, or can affect, a given project, programme or organisation.

Statutory body: An institution empowered by the state through legislation to establish policy, regulate, fund and provide services.

Strategic analysis: Considering how the environment is changing, analysing the implications for the organisation, and using this knowledge to make better strategic decisions.

Strategy: A way of mobilising an organisation in its direction of travel: setting direction, analysing what the organisation needs to do, planning, implementing, and evaluating the plan.

Sustainability: The ability or facility to remain robust and drive impact into the longer term: continuing to exist and being maintained at a defined level of strength indefinitely.

Target: The aspired quantity and quality of outputs and outcomes; specific, measurable and time-bound results.

Trading: The exchange of goods or services, or both, through a market, using a medium of exchange such as barter (direct exchange of goods or services) or money.

Trustee: In legal terms, the holder of property in trust on behalf of those the organisation supports. For most nonprofit organisations, trustees are board members with defined duties under the constitution or governing document; the persons having the general control and direction of a charity. A trustee may also be called a 'management committee member' or similar.

CENTRE FOR CHARITY EFFECTIVENESS

Inspiring transformation within the nonprofit sector.

The vision of the Centre for Charity Effectiveness (CCE) is that of a nonprofit sector leading positive social change. We support the sector to achieve this through the services that we deliver: education, knowledge sharing, research and independent consultancy advice. As one of Bayes Business School's centres of excellence, impactful knowledge exchange has been at the heart of what we do since our inception over 20 years ago.

Tools for success series:

Compliance

Connect

Direction

Finance

Governance

Operations

People

DISCLAIMER

While great care has been taken to ensure the accuracy of information contained in this publication, information contained is provided on an 'as is' basis with no guarantees of completeness, accuracy, usefulness, timeliness or of the results obtained from the use of the information and the Centre for Charity Effectiveness accepts no responsibility or liability for any errors or omissions that may occur. The publisher and author make no representation, express or implied with regard to the accuracy of the information contained in this publication. The views expressed in this publication may not necessarily be those of the Centre for Charity Effectiveness. Any action you take upon this information is strictly at your own risk. Specific advice should be sought from professional advisers for specific situations.

ACKNOWLEDGMENTS

City Bridge Trust (CBT) funded the Centre for Charity Effectiveness (CCE) to produce the original 'Tools for success' series in 2008, to provide small organisations with the basic guidelines to help run an effective charity. We are very grateful to the Higher Education Innovation Fund (HEIF) for providing the funding for this revised 2021 edition.

Caroline Copeman, Adah Kay and Ruth Lesirge were responsible for the original concept and design, much of which still forms the core of this resource. Members of CCE's consultancy team and others have contributed to keeping the material and tools updated and relevant.

Authors and contributors: Fiona Ash, Jim Clifford, Caroline Copeman, Denise Fellows, Andrew Hind, Julia Lever MBE, Ernie Messer, Atul Patel, Nicola Robert, Stella Smith, Nick Wilkie, Fiona Young Priest.

Editor (revised 2021 edition): Lucy Joseph, CCE.

Centre for Charity Effectiveness

Bayes Business School
106 Bunhill Row
London EC1Y 8TZ
E: CCE@city.ac.uk
www.bayes.city.ac.uk/cce

 BayesBusinessSchoolOfficial

 BayesCCE

 @BayesCCE

 BayesBSchool

 @BayesBSchool



City, University of London is an independent member of the University of London which was established by Royal Charter in 1836. It consists of 18 independent member institutions of outstanding global reputation and several prestigious central academic bodies and activities.



**UNIVERSITY
OF LONDON**

