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# Operations

**Tools for success:**

**doing the the right things and doing them right**

**[ Centre for Charity Effectiveness ]**

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## 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 follows the **Direction** guide which looks at setting your **Vision, Mission, Aims, Objectives and Values**. **Direction** explains how these important statements of strategic direction can be summarised in a strategy map and described at a high level in a three-year strategic plan. This **Operations** guide focuses on turning those ambitions for the future into operational reality.

Successful management of your operations ensures that you are carrying out the right activities at the right time to achieve your organisation's objectives. From planning to delivery, it should include all the activities necessary to create and deliver the organisation's services, campaigns and other work.

This guide will help you:

- Link activities to objectives
- Allocate responsibility for activities
- Schedule these activities across the year
- Identify critical risks and dependencies
- Ensure plans and budgets are aligned
- Monitor progress

See also the guides on **Governance, People and Finance**, which provide further information on some of the topics covered in this guide.

Centre for Charity Effectiveness

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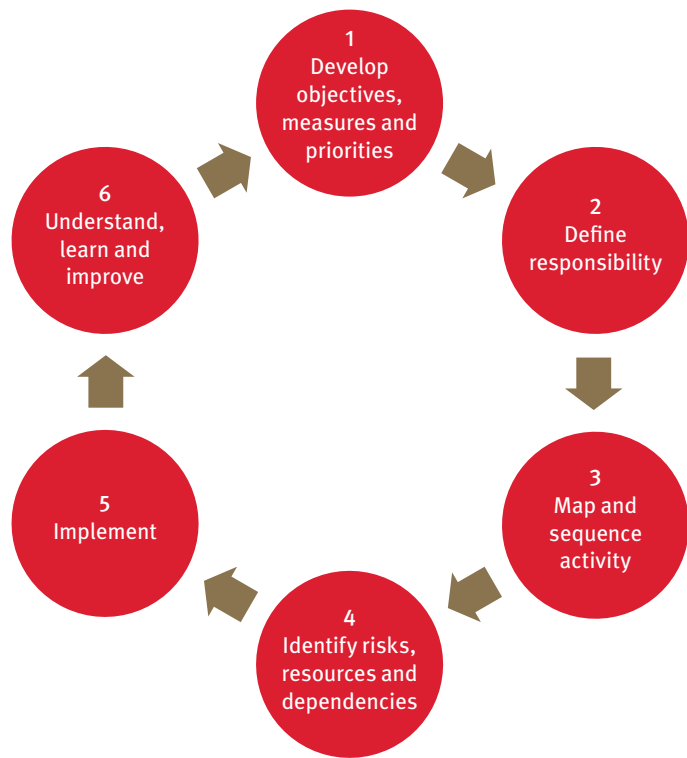
# Managing operations

Strong operations management ensures that all your organisation’s resources are working as efficiently as possible to make the greatest difference you can. Your resources include money, time, people and skills. These should all be aligned behind your Vision, Mission, Aims and Objectives (see Direction guide). An organisation’s operations can help create a culture of inclusion, set expectations for inclusive behaviours, and align the organisation’s mission to its broader ambitions regarding diversity, equity and inclusion (DEI).

In this guide we look at six stages of operations management with some tips and tools to help you approach each stage. These are designed as a starting framework but every organisation is different and what works best for you will emerge and evolve over time as you and your team refine your planning and delivery processes. Planning is critical and should be a creative, energising process.

The first four stages of operations management can be summarised in a simple operational plan template and these stages are explored further in this guide.

## OPERATIONS: THE SIX STAGES



### ❖ EXAMPLE OPERATIONAL PLAN TEMPLATE

Objective	Key measure	Responsible	Planned activity				Critical resources	Main risks	Key dependencies	On track? (RAG status*)
			Quarter 1	Quarter 2	Quarter 3	Quarter 4				

\* See p. 8 for information on RAG rating.

# Develop objectives, measures and priorities

## OBJECTIVES

Your objectives relate to your organisational Aims. Each organisational Aim should have about three objectives covering all areas of your work. See the *Direction* guide for more on developing aims and measurable objectives.

## MEASURES

Each objective should have a key measure of performance to enable you to judge whether or not you are on track. For example, if the objective is to increase the number of young people regularly taking part in sport, a simple measure might be to show the percentage increase in participation year on year. The *Governance* guide explains how a 'dashboard' of these key performance measures can be used by the board to determine how the entire portfolio of work across the organisation is progressing.

When setting measures, focus on the things that matter most and for which you can reliably gather supporting data.

## PRIORITIES

From your objectives identify organisational priorities to

- Guide the initial allocation of resources (including money, management time, and support from fundraising and communications)
- Help the organisation to focus on what is essential if things don't go as planned or there are changes in the operating/ external environment
- Help shape the organisational message and story.

Prioritisation involves making decisions about what the organisation is going to care about most. This can be challenging, requiring leaders in the organisation to inform and inspire those who are not working on priority areas.

One of the risks when setting priorities is focusing on a development agenda and prioritising the things you want to change in the organisation. Be careful that this does not lead to core work, or 'business as usual' becoming unintentionally neglected.

**!** Remember when setting performance measures that 'what gets measured gets done'. If you only set three performance measures, it might be that this is what people will focus on and other areas of your operations may be neglected. Aim to set measures which are both **qualitative** (relating to the quality of something – usually therefore descriptive) and **quantitative** (about quantities, so usually numbers) and incorporate the breadth and depth of your work.

# Define responsibility

**Whilst managing operations in your organisation requires one person to be responsible for monitoring and co-ordinating the entire process, you will also need to have named individuals who are responsible for specific objectives or groups of activities; this would usually be a manager or team leader if you have a large staff or volunteer group.**

They will ensure that their activity is completed on time, on budget and to the agreed standard. An important aspect of operations management is ensuring that these people work together as a team.

In order to clearly define individual responsibilities, you may need to break down your objectives to a more detailed level. For instance, if one objective is to increase participation in sport, you may need to break that down into each of the different sports programmes you run, before identifying responsibilities and activities for each one.



# Identify risks, resources, and dependencies

**With a clear picture of your organisation's activities, you can identify the resources required.**

Resources will include things like finance, venues, equipment and skills.

Your plans will need to be aligned with your budget – see the Finance guide for more on this.

You don't need to detail every interaction across the organisation, but it is sensible to map out any critical dependencies to ensure that the organisation as a whole can deliver its objectives and that you get the order that things need to happen understood from the start.

You should also identify key risks to activities and consider how these will be managed and mitigated. It may not be feasible to capture every risk for every activity. But focusing on the main risks in this way helps ensure that the organisation's overall approach to managing risk is anchored in operational reality. See the Governance guide for more on risk management.



# Implement

**Good operations management requires one person to hold overall responsibility for the entire process, ensuring that activities are implemented, that deadlines are met, and that there is communication and co-ordination across them all.**

This doesn't mean, though, that the team leader or manager with overall accountability can't devolve responsibility for aspects of implementation to their teams and team members. So long as everyone is clear about who is responsible for what, and has the skills to carry out the activity, there is likely to be a greater chance of high performance as there will be ownership of outcomes, with decision making made as close as possible to the users of your service. In turn, this will help to make you more responsive to need, better able to adapt to change, and open to learn from what works well and what could work better.

'Agile' thinking, which has come to the fore in recent years, is based on the idea that plans should be a map rather than a straightjacket. Agile emphasises:

- Decisions being taken as close to the front-line as possible
- The reality of rapidly changing environments
- The need for iteration and adaptability
- The importance of continual learning and improvement
- The benefits of networks of teams working closely together to co-ordinate implementation.

## ▶ AGILE THINKING

If you want to read more about agile thinking, the management consultancy McKinsey have published a thought-provoking paper on The 5 Trademarks of Agile Organisations.

# Understand, learn and improve

**At different stages of implementation and at the end you will want to check if you are achieving your Objectives and assess progress against the key measures that you set when you developed your plan (see above). This will help you to manage performance, understand what's going on, learn and improve.**

RAG rating is a common approach to assessing how far you have delivered the activity you said you would under each objective. Progress is rated as Red (for activities not on track), Amber (for activities partially on track, but not as expected) or Green (for activities on track or completed). The RAG rate end column in the operational plan template (see p. 2 above) turns a planning tool into a reporting tool, enabling everyone to see the progress being made. Teams might choose to check progress on a weekly basis, senior managers on a monthly basis, and the board on a quarterly basis (though this will change according to circumstances, including how many 'reds' you have!).

**Reporting** on progress will require progress in delivering the activities to be monitored and evaluated.

**Monitoring** is the routine, systematic collection of information.

**Evaluation** is using this monitoring data to make judgements about reality versus expectations, and determine progress against the plan e.g. deciding if progress is Red, Amber or Green.

## ✓ COMPARING REALITY WITH EXPECTATIONS

As you compare your monitoring information with your performance measures consider the following:

- Have you achieved your objectives? If not, why not?
- What worked well; What could have been done better?
- Was the work done as well as it could have been? What is the root cause of any underachievement"?. Is this now being tackled?
- What happened that you hadn't expected?
- What are the knock on implications?
- What still needs to be done? What action needs to be taken to make this happen?
- What would you do differently next time? What do you need to change with regard to your objectives, resources, or activities? Or indeed with who is doing the work, who is responsible and accountable?
- Was the work worth doing? What needs to change?

Ways to collect monitoring information include:

- Statistics e.g. the number of visitors to your service, or financial information
- Questionnaires
- Interviews
- Focus groups
- Observation
- Compliments and complaints.

**!** Ensure you involve the people you work with, who use your service, when you monitor and evaluate your work. For more on this, see 'Centring your strategy on those you work with' in the Foundations section of the Direction guide.

# Diversity, Equity and Inclusion (DEI)

**Embedding the principles of diversity, equity and inclusion (DEI) in every aspect of organisational life is key to ensuring your charity is the best it can be for those you work with and for wider society.**

These are some aspects of DEI to consider in relation to Operations.

- Engage your whole organisation in planning to ensure as diverse as possible set of perspectives is considered
  - Devolve decision-making as close to your 'front line' as possible. This will help to ensure that the lived experience of those you work with and for is reflected in decisions about how money is spent and how activities are delivered
  - Build in continual feedback loops so that
- you can respond and adapt to the needs and wants of the people you work with. Thinking about what you measure is critical here. Be led by the perspectives and voices of those you work with and for
- Connect your operations and governance, so that those who have ultimate responsibility for your charity benefit from regular feedback from, and ideally time with, those you work with and for
  - Include in your plan specific and practical steps to improve your practice with regard to diversity, equity and inclusion.

# Providing evidence of your achievements

Throughout all the stages of planning, implementation and evaluation of your operations, keep records of meetings, plans and reports.

Also keep evidence of performance monitoring information and evaluations. This will help everyone look back and understand what decisions were made and why and learn for the future.

## Signposts

### GENERAL OPERATIONS MANAGEMENT RESOURCES

NCVO's KnowHow NonProfit online resource includes guidance on all aspects of running an organisation, including operations management

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

Handy C. Understanding voluntary organisations (1980 London: Penguin)

Handy C. Understanding organisations (1993 London: Penguin)

Hyatt J A. A rough guide to change (1995 London: CES)

### For more on setting goals and objectives:

Turning strategy into results (MIT Sloan Management Review 2018)

John Doerr's 2018 TED talk on OKRs: 'Why the secret to success is setting the right goals'

McKinsey's paper on agile thinking: 'The five trademarks of agile organisations'

# 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

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