

Celebrating Our Partners Project

**Interim Evaluation Report to The Sidney
Myer Fund and The Myer Foundation**

The Australian Centre for Philanthropy and Nonprofit Studies

Queensland University of Technology

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1.0 Background

In celebration of their 75th and 50th anniversaries the Sidney Myer Fund and The Myer Foundation through the 2009 Commemorative Grants Program awarded developmental grants to 37 community sector organisations with whom they have a funding history. Organisations were selected based on a set of criteria, including: the number of grants received from either the Fund or the Foundation within the previous ten years; their size; and their need for support with organisational development. The grant funding, which is to be utilised over a two year period, is unspecified but for two conditions: no more than 20% of funds can be spent on capital items and funds must not be spent directly on service delivery.

As part of the Celebrating Our Partners program, The Australian Centre for Philanthropy and Nonprofit Studies at Queensland University of Technology was commissioned to conduct a formative and summative evaluation of the outcomes of this funding initiative. This work is taking place, in concert with the program, throughout 2009 and 2010.

2.0 Evaluation design and methods

The evaluation is based on a program logic model, which seeks to identify the relationships between program inputs (funds and developmental resources invested in participating organisations through the program), outputs (activities and products that arise from participating organisations' funded projects), and outcomes (the wider effects the outputs have on the development of participating organisations and the wider community sector). The program logic approach is useful in determining both the *impacts* of an initiative and the *processes* by which those impacts occur. It can also help us understand the alignment between program objectives and program outcomes, and illuminate at what point and why unanticipated outcomes occur.

In addition to the program logic approach, the COPP evaluation is underpinned by an action research approach. Action research is characterised by cycles of information collection, analysis, and reflection back to participants, in order to refine our understanding of what has occurred and share

learning with the funding body, participating organisations and other stakeholders as the evaluation unfolds. One of the traditional limitations of evaluation is that it takes place towards the end of a particular intervention. While the findings arising from such evaluation may contribute to future program design, it is of little developmental assistance to those participating in the program being evaluated. Action research overcomes this limitation by purposefully advancing learning through reflection amongst the participating organisations while the program is ongoing.

Based on the program logic and action research principles, the evaluation includes a number of components. First, the evaluation team is conducting a longitudinal survey of the perceived impacts of the funding and self-reported progress against project objectives of participating organisations. All participating organisations have been invited to nominate two people to undertake this survey at regular intervals throughout the two year period. Wherever possible, the organisational representatives include one board member and one staff member, to ensure that we are eliciting a diversity of views. By having the same individuals respond to the survey at repeat intervals, the evaluation team is able to track changes in perceptions of organisational performance, as well as the progress being made by individual organisations towards their project objectives.

In addition to the survey, the evaluation team is conducting two rounds of semi-structured interviews with representatives from participating organisations in Years One and Two of the evaluation. These help gain better insights into how changes are happening, the major enablers and barriers to progress, and the variety of anticipated and unanticipated outcomes that are occurring. As well as investigating how organisations are implementing their project objectives, the interview process seeks to examine whether their activities are having wider influence on the community sector through partnerships and collaborations with organisations not funded by Celebrating Our Partners.

As part of the action research logic, the evaluation also involves a series of developmental workshops with participating organisations. These workshops support peer to peer learning about organisational development by providing space for participants to present and informally interact with each other about their projects and the processes by which they are fulfilling their objectives. The workshops also include external presenters who provide practical assistance – for example,

information about recruiting and working with consultants - to assist participants with their projects. Finally, the workshops are an important forum for the evaluation team to share formative findings from the evaluation and refine these in reflective discussion with program participants.

This report presents the interim findings of the evaluation, based on data collected during Year One of the project. The first component reported on here is a series of qualitative interviews conducted with staff and board members of participating organisations. The second component is a quantitative online survey completed by designated representatives of participating organisations. The findings provided here were presented and refined based on discussions with participating organisations' representatives at the second project workshop conducted in August 2009. We note that, in addition to the information presented here, a series of interviews has also been conducted with directors and trustees of the Fund. These will be reported on in the final report at the end of Year Two.

3.0 Results from quantitative online survey

In total, 35 individuals from 26 organisations completed the survey. It is notable that we had a stronger response rate for interviews than we did for survey responses. Given that interviews required a larger time commitment than survey responses, this perhaps reflects a greater preference amongst organisations for face to face communication with the evaluation team.

3.1 Demographic characteristics

Fifty-seven percent of survey respondents identified themselves as staff members, with the remaining 43 percent of respondents identifying themselves as board members. Organisations sampled had between 0 and 32 full time equivalent staff members, and volunteer numbers ranging from 2 to 10,000. The length of time that the respondents indicated they had been affiliated with their organisations ranged from two months to 20 years, with an average time of 5.83 years. The amount of funding received by participating organisations for capacity building from sources other than the Sidney Myer Fund grant ranged from \$0 to \$120,000, with an average of \$40,770. The most common primary areas of focus reported were community development, disability services, and legal services.

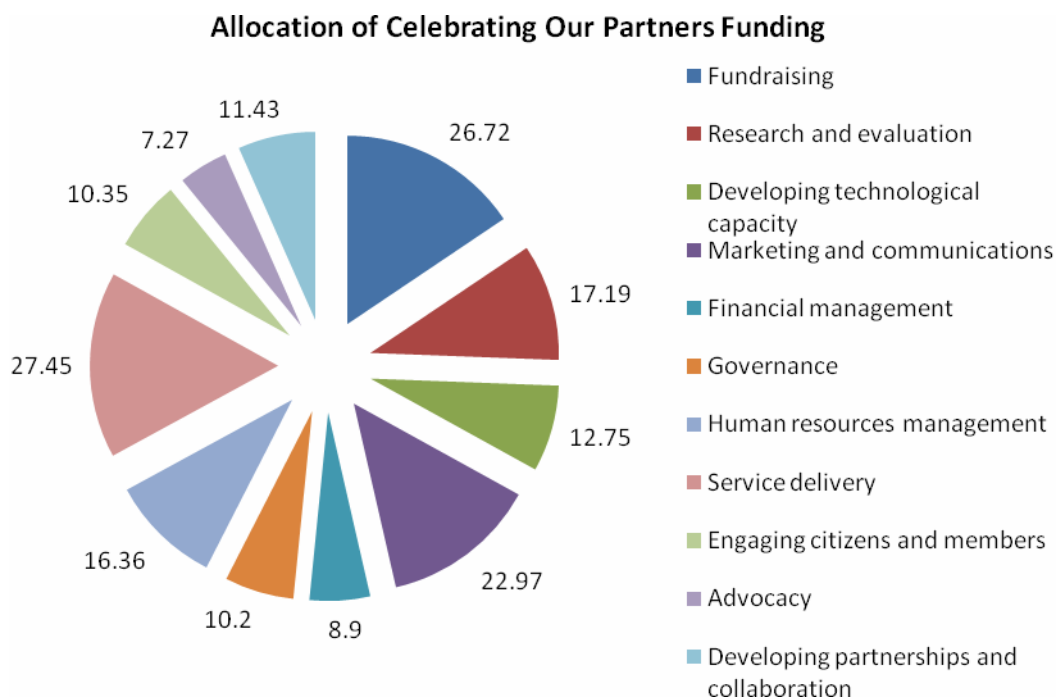


3.2 Main sources of funding

Participants were asked to nominate their primary sources of funding. Funding from a number of sources was reported including individual donations, philanthropic grants, federal government grants, state or grants, state or territory contracts, local government grants, local government contracts, corporate sponsorships/donations, earned income, event fundraising, gallery sales/studio fees, interest, foundation/trust donations, in kind, church donations, and international/private funding.

3.3 Allocation of COPP funding

To investigate how organisations allocated their COPP funding, participants were asked to indicate what percentage of the grant was allocated to a number of key areas. The pie chart below displays the average percentage of funding allocated to each of these areas. As this chart demonstrates, organisations allocated COPP funding to a number of areas. On average, the organisations surveyed reported spending the highest percentage funding on service delivery (27.5%), fundraising (26.7%) and marketing and communications (23%). Additional areas where funding was allocated that listed by participants but not listed on the chart below include capital works, capital building, new business development, operational expenses, and social ventures.



3.4 Perceived organisational strengths in capacity building

The participants were asked to rate their organisation's strengths in a number of areas of organisational capacity on a scale ranging from 1, *very weak* to 9, *very strong*. On average, the organisations surveyed reported service delivery (average rating of 7.03), financial management (6.65), and governance (6.24) as strengths. Conversely, fundraising (3.49), research and evaluation (4), marketing and communication (4.37), and developing technological capacity (4.38) were rated as below average. Not represented in the graph below, other organisations listed strengths in the areas of organisational culture, strategic planning/business planning, business delivery, and community profile/reputation building.

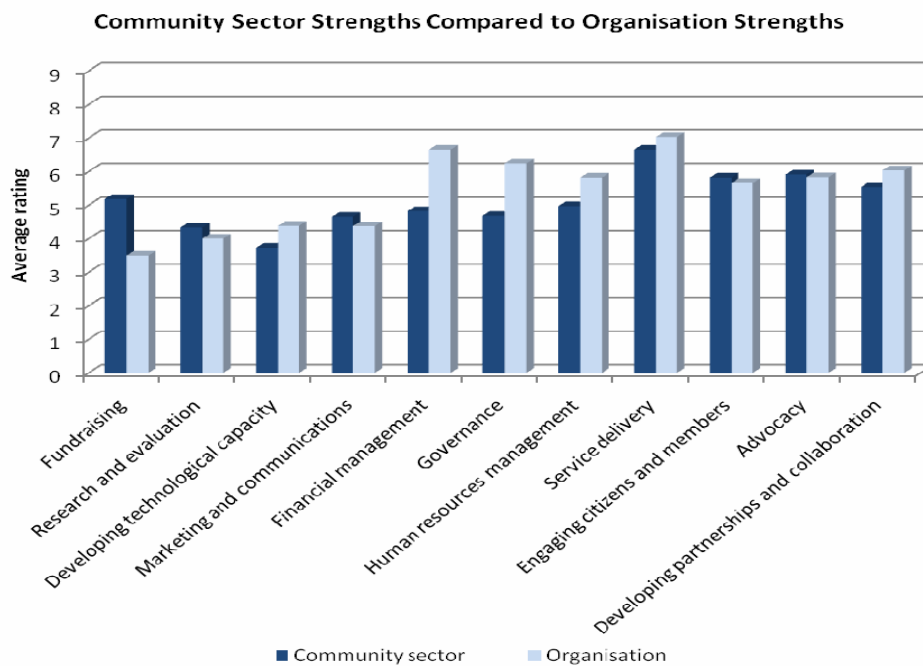
Overall, participating organisations reported three main strengths in areas of organisational capacity; service delivery, financial management and governance. Conversely, fundraising, research and evaluation, and marketing and communication were reported as areas for improvement. The results of this survey indicate that organisations allocated the COPP funding to both areas of existing capacity building strengths (specifically service delivery) and areas in need of improvement (fundraising and marketing and communications).



3.5 Perceived community sector strengths compared to organisation strengths

In addition to organisational strengths, participants were asked to rate the community sector’s strengths in a number of areas of organisational capacity on a scale ranging from 1, *very weak* to 9, *very strong*. Participants rated service delivery (average rating of 6.65), advocacy (5.91) and engaging citizens and members (5.82) as strengths in areas of capacity building of the community sector. Developing technological capacity (3.73), and research and evaluation (4.33) scored lowly on the scale.

The graph below presents a comparison of the strengths of organisations compared to perceptions of the community sector. Strengths at the organisational level are represented by the light blue bars, and strengths at the sector level are represented by the dark blue bars. Respondents reported that the community sector was better at fundraising than their individual organisations, while organisations indicated that they believe they are stronger than the sector in general in a number of areas including financial management, governance, and human resources management.



4.0 Qualitative interviews



Between June and September 2009, 61 people from 33 organisations participated in 58 qualitative interviews as part of the Celebrating Our Partners Program (COPP) evaluation. Wherever possible, interviews were conducted face-to-face, with the remainder conducted over the telephone. Participants were asked about their involvement in and experiences with the COPP to date. Specifically, they were asked to comment on organisational needs, priorities, activities, benefits, challenges, and risks associated with their COPP projects.

4.1 Understanding capacity building and sustainability needs of Australian nonprofit organisations

Capacity building and organisational sustainability are at the core of the COPP. While interview questions purposefully avoided using these terms, 98% of participating organisations mentioned either capacity building or sustainability, and 40% mentioned both.

Despite some ambiguity amongst participants about exactly how to define capacity building and/or sustainability, they were generally framed by people interviewed as desirable organisational qualities that can be achieved (although the process of building capacity and becoming sustainable is certainly not assumed to be easy).

[Capacity building is] just something you just have to do, otherwise you won't have a future. (Treasurer)

Interviewees generally viewed the core features of organisational capacity building as investment in an organisation and its people to enhance their ability to better fulfil the organisations' mission, and to adapt to changing circumstances effectively.

We were very much wanting to restructure and build the capacity of the organisation but we lacked the resources, particularly the financial resources to do so and it give us a fantastic opportunity to invest wisely in the organisation and its people. (Staff member)

You'll see a substantially changed organisation that really has much more capacity and is having much greater impact. (Chair)

We've taken what has been a very well managed organisation that didn't have the capacity to grow or really deliver in any meaningful way and we've built upon it. (Secretary)

Specific capacity building needs vary from organisation to organisation. They included strengthening operational, administrative and management elements, such as communications, governance, volunteer management, information management, policy and procedures, and professional development.

The key elements are to develop a fundraising and marketing strategy and to build capacity within our staff, volunteers and board to deliver it. (CEO)

The areas that we chose were strengthening management and leadership capacity, strengthening financial capacity, organisational planning, board and staff development, new social ventures and improved IT infrastructure. (Staff member)

We're employing a volunteer coordinator...whilst we've always had volunteers, we've never had the capacity to actually have someone look after them properly. (Coordinator)

The proposal was all about really getting the governance capacity in place, communication infrastructure and enabling the organisation to deliver. (Chair)

As with capacity building, sustainability is another concept that cuts across all areas of business. For example, participants spoke of sustainability in terms of:

- Communications
- Community engagement
- Finance
- Governance
- Information technology
- Management
- Membership
- Partnership development
- Service provision
- Community awareness
- Environment
- Fundraising
- Human resources
- Income generation
- Marketing
- Operations
- Relationships
- Strategic planning

By definition, sustainability is something that is strategic. (Chair)

There are three sustainabilities that we need... We need the sustainability of a committee, we need financial sustainability and we need the environmental sustainability. It's sort of all interwoven. (Manager)

I think people think sustainability equals money, and it's not. I want to broaden that scope. (CEO)

Despite some common suggestions that sustainability was about more than just money, overwhelmingly when participants spoke about sustainability, it was in a financial context.

Obviously financial sustainability is fundamental. (Board member)



Participants saw many different pathways to achieving financial sustainability, including enhancing fundraising capability, developing commercial / philanthropic relationships, and generating own income through a business endeavour.

We need commercial partners as well for the sustainability of our organisation too. (President)

I think within the Management Committee there is a recognition that, unless we secure support from a broad range of philanthropic organisations, then the project will not be able to sustain what it does now. (Staff member)

A big part of being sustainable, is being able to generate some of your own. (Board member)

4.2 Operating context for participating organisations

Participants' experience of sustainability is informed by the context in which they operate, perhaps explaining the emphasis placed on financial sustainability during interviews. Many organisations raised concerns about the scarcity of funding available to them, an overreliance on a single funding source (often from government), the prescriptive nature of such funding, and the onerous reporting requirements attached.

Funds are very hard to come by. (CEO)

Year after year we scratch around trying to find funding for projects. (Board member)

It's a sellers' market in terms of grants and donations, and nearly every funding body or entity gets far more requests and in dollar totals far more dollars requested than it can accommodate. (Adviser)

At the moment there's just such competition for fundraising dollars. (Board member)

We felt that we were 70 per cent reliant on government funding and that put us in a sort of a vulnerable position, because you never know. (Treasurer)

We were reliant on small grants from the Government. (Co-Chair)

The organisation was very dependent on one core funder...if that funding was threatened or reduced in any way then they would be really stuffed basically. (Staff member)

Nearly every funding program says nuh, you can't do any of this stuff. It's actively excluded. (President)

Most funding is very strictly tagged to service delivery. (Chair)

Government funding doesn't fund administrative strengthening and sustainability because it is all project based. (President)



A lot of times with charities, with not-for-profits in Australia, the money is tied to specific project delivery, and there's been a syndrome over the years where a lot of store has been placed in terms of a not-for-profit's image and ability to get money from people to say that a minimum percentage of dollars that they raise goes to administration and infrastructure costs, and the maximum percentage goes to project delivery. (Adviser)

You spend a lot of time trying to acquit grants. (Board member)

There have been times where I've found myself doing some really kind of exasperatingly thorough reporting for a very, very tiny amount of money we received. So you do have to balance what's the drain on my time and our administrative resources or operational resources for the return on the amount of money we get. (Staff member)

4.3 Activities targeted with COPP funding

The activities prioritised by participating organisations as part of COPP were based on existing needs and priorities that had been identified prior to the program's establishment (largely through strategic planning process). These include:

- Marketing and communications - particularly upgrading and redesigning a website
- Fundraising - particularly developing a diversified fundraising strategy, and the development of an earned income stream (eg setting up a social enterprise)
- Organisational governance
- Strategic planning and implementation
- Human resources - particularly staff training and professional development
- Stakeholder engagement - particularly with membership
- Information technology advancement - particularly database upgrading
- Financial management (including reviewing and developing financial systems, ledger reorganisation, bookkeeping, cash management, business planning, budgeting, reporting, and staff training).
- Office management (including administration)
- Infrastructure building/refurbishment or equipment purchase
- Evaluation of service delivery

All organisations reported undertaking multiple activities with their COPP funding. The rarity of funding dedicated to capacity building means that organisations want to make the most of it. As one participant highlighted:

We are going to make sure we get our money's worth. (Board member)

Most organisations identified multiple activities, although many of these are interrelated and complement each other (for example, updating a website and improving publications to facilitate a

fundraising strategy). At the time of the interviews), participating organisations were in differing stages of project implementation.

We've got an ongoing, a rolling program of looking at governance issues for the board and for the organisation...So that's one component. Another really important component...is developing the website...we've also taken a look at our current communications to our membership...There was also a reasonable focus on fundraising. (CEO)

[We had] six different activities identified in our proposal, strengthening management and leadership capability, so we engaged an external consultant to help facilitate that process, financial capability, we've been looking at our books...organisational planning ...board and staff development, we've participated in not for profit finance seminars and other skills development sessions...and upgraded our IT. (Chair)

We've had a strategic planning workshop with the board and executive team...we've commissioned a new website. We've employed a communications coordinator...Along with that there's a new branding exercise that's happening and a communications plan that will come out of that. (Executive Director)

4.4 Benefits of COPP

4.4.1 Direct benefits to participating organisations

Participating organisations identified a wide range of direct benefits, which they already experienced or hoped to get from participating in the COPP:

- Improved morale and confidence for staff and board members
- Greater sense of sustainability
- Able to meet targets, address existing needs and focus on 'the basics'
- Able to survive/greater sense of security and longevity
- Increased efficacy and more professional approach, including enhanced time and information management
- Development of new/existing relationships and networks
- Improved transparency and accountability
- Increased sense of freedom and independence from dominant funding source
- Adoption of a reflexive/strategic approach
- Increased financial and human resources
- Greater ability to deliver services
- Able to expand services (to more clients or a broader constituency)
- Able to leverage additional resources
- Able to bring in expertise, through recruiting consultants/staff
- Increased prestige and credibility
- Increased ability to deliver on mission and create social change
- Change in organisational culture
- Clarification of roles and responsibilities
- Greater ownership and empowerment of staff

The most frequently cited benefit of participating in COPP was organisational morale, which was cited by 85% of participating organisations.

We were quite chuffed to be one of the people on the list because...we are just a little organisation...that is a real positive in terms of the morale...For us to be considered in that company. (Board member)

Everyone feels very sort of proud. They feel like they have been selected for something special. (Executive Director)

When you start to get a few things done and one thing leads to another, each thing, you know, once it's achieved makes us a little bit more – makes us feel better about what we're doing. (General Manager)

Apart from the financial benefit, I think there is a huge what you might call a psychological benefit of how seeing the recognition that what we're doing is worthwhile...I think it gives a massive reinforcement that what we're doing is of value (Chair)

[It] has been tremendously empowering for me as a worker (Staff member)

It's really given us that confidence. That's that big change. (General Manager)

There's a whole lot of new energy. (Staff member)

It's complimentary to what we're doing and it's affirming. (Chair)

One can only assume that a selection process...had been undertaken prior to [The Sidney Myer Fund] choosing the organisations they decided to offer that to. We took that as something to be proud of... If you start off with nothing, which is what we did, you know it's a long and hard path. To be recognised as being eligible, in itself, was a bonus. (CEO)

These comments suggest that the very experience of being acknowledged through inclusion in the program was organisationally beneficial.

The funding amount and flexibility was also a clearly cited benefit of the program. Some interviewees suggested that the COPP funding quite simply meant organisational survival.

There were a lot of questions around funding and whether we were going to survive and how we could sustain ourselves (Co-Chair)

Yes, it means that our organisation is able to survive. (Coordinator)

It made the difference between surviving and not surviving. (Secretary)

For other organisations, the main benefit was an opportunity to improve systems and practices; that is, doing what they already do better. Examples included, putting systems in place to improve mission delivery and service delivery through professionalisation, increased efficacy, policy development, and clarification of roles and responsibilities:



I think the second benefit is enabling us to have the tools and the resources to deliver better services to people in the community. (CEO)

I think the organisation is a different organisation... we are acting more professionally and this funding has allowed us to pursue that. (Chair)

We are at a stage now where things like this grant have allowed us to say, well, let's start to improve things. Let's start looking at providing more services or being able to provide the current services more effectively. (President)

Some organisations focused more on growth and change. They spoke of benefits in terms of expansion, adaptability, and innovation.

Thanks to the funding, we'll probably expand our premises, which means that when people come in with problems and they want to talk to people privately, we'll have a bit more space. (Staff member)

The opportunity that it just creates for us to be able to broaden the service to the [clients], to a much more broader sort of geographic area, greater numbers. (Chair)

We're sort of just not reacting; we're anticipating. We're trying to think through things that are happening around us. We're trying to lead some of that change...we're trying to get into a place where we're managing the outcomes, not being reactive to something that happens around us and then we try and figure out what's happened and how we're going to deal with it. (Staff member)

We've always been up to about probably 12 months ago a reactive organisation...[We've] turned it into the proactive organisation to build in the capacity to deal with it. (Vice President)

The opportunities for strategic reflection afforded by (or, in fact, required of) COPP was identified as important for supporting organisational sustainability.

There's a flow on effect for sure. (Staff member)

Organisations are busy dealing with day-to-day demands. Having additional funding has given many the space and opportunity to reflect strategically on where they want to go and how they plan to get there, allowing their organisations to be more proactive:

It's encouraging us to take more long-term views of things...we have not always been the best strategic thinkers in the past...We're very good at the day-to-day and making sure that you know people get the services that we need. We've not necessarily been very good about what other long-term implications of what we're doing here you know, how can we better provide the organisation for the future...it's forcing us to think more strategically and I think that it's a really good thing for us organisation. (Chair)

It gives us time and space and resources to do some of the thinking and some of the work that we need to do, that we often don't have time to do because we're busy trying to

do the work of the organisation, running campaigns and supporting local groups or whatever, and you don't have the time to do some of the conceptual work around how the organisation is going. It helps focus the organisation on sustainability. (Chair)

We've really been questioning ourselves about the things that we do and why we prioritise certain tasks and certain objectives over others so there's been a level of reflection I think that is just evidenced in an emerging new culture in the organisation. (Executive Director)

4.4.2 Indirect benefits to participating organisations

Indirect benefits of the program to participating organisations include the opportunity to leverage additional resources as a result of COPP funding, and the development of new organisational relationships arising from their involvement.

Approximately one third of participating organisations have used (or plan to use) the COPP grant to leverage additional resources.

The other thing that we're finding is that with the Myer money [is] that to a certain extent we are also being able to use that to then leverage other relationships. And so other money has come in as a result of it. So it's not quite sort of doubled what Myer's given us but it's certainly given us that extra leverage. (Chair)

The receipt of substantial funding from a well established and reputable grant maker, may be viewed as a vote of confidence in the organisation's capabilities, thus improving the standing of the organisation in the eyes of other potential funders.

I think actually people really like to fund things that other well known philanthropic organisations are funding, so just to say, well Myer Foundation's given us a core sense of sustainability money for going forward, that would be seen as a good thing. (Staff member)

I actually think for [our organisation] it has been a significant benefit for us to say that we have received the support from the Sidney Myer Fund. It has demonstrated a level of structure and process within our organisation then other people have sat up and said okay that's good...it's been a vote of confidence in the organisation...[Potential funders are] actually more interested in funding you because you have attracted this funding. (Chair)

I'll be saying to people in the next round of stuff which I've got to write, 'Supported by the Myer Commemorative Community Grants Scheme' and that will be extremely useful. (Director)

You can point to this [funding] and say, 'This is what we're doing here, but it's finite; it would be great if we could supplement that...' [Name of funding body] could then sit back and say, 'Yes, I can see what you're doing here and that makes a lot of sense.' They get confident and they turn around and say, 'Yes, we'll back you in to spend some more money on a development manager to make the project even stronger'... it does have a feed-on effect. (Staff member)

Something shifted when [the funding body] found out that we'd received the Myer Foundation grant; something shifted in the way [they] operated with us and related to us...as soon as the Myer Foundation funding came through, suddenly [our organisation] had some power and had some independence...It feels like all the pressure from the [the funding body] has been taken off us. In fact, not long after receiving the Myer Foundation grant or notice of us receiving it, our main [funding body] turned around and informed us that we could be guaranteed funding for at least the next three to five years... It definitely applied legitimacy and credibility to [our organisation] absolutely. It gave us more credit and kudos within the whole sector. (Co-Chair)

In some cases, specific activities (other than fundraising) undertaken as part of the COPP have placed the organisation in a better position to attract additional resources:

The development of the website has attracted a lot of interest. We had a potential sponsor ring us...and as a result has now gone on to sponsor a new innovative program...if we develop a good working business relationship with this sponsor then he's going to speak well of us to others...So that's generated 20 grand from that which has been fantastic and he's basically said we'll have some more money for you further down the line. (Staff member)

The new board immediately put in a submission [to a potential funder] to say there are three options that we would like you to consider. Firstly, that you may wish to provide sustainability funding along the lines of what the Myer Foundation has been able to do. Secondly, you may wish to provide us with an X amount of money year on year, fund operational. Thirdly, you may wish to just fold both of those funds into our organisation now we have a stellar board and a really red hot organisation that can manage all of this...We're certainly now in a position to be out there bidding for this kind of stuff which we weren't before the Myer Foundation sustainability funding. (Secretary)

New relationships, which have developed as a result of the COPP have also contributed to organisations' ability to collaborate and engage with potential funders.

It also then helps us to develop rapport and relationships with agencies we might not usually engage with, or we might want to explore some strategic relationships in terms of service delivery, so in some ways it's almost like an opener for a conversation. (CEO)

We had a need to find a small amount of money, \$5,000...So we were able to find that money and that's, in a sense, resulted from our participation in the project and the links we've made. (Executive Director)

In addition, several participants also noted they would benefit from more opportunities for engaging with and learning from the experiences of other participating organisations.

I wish there was some more cross-learning and exchanges. (Treasurer)

The [project] workshop was interesting in the sense that you got to see how other organisations were approaching things. (CEO)

Yeah. I think also seriously to actually exchange information and to learn about what other people are doing and we really need to do that badly. I mean I went to the



workshop day that you had and I met all these people. They were going through very similar things it was lovely to be able to share and just exchange information. It would be nice to do that better more often I think as well. But that's kind of down to us to do. But it's like everybody goes back and they've got their own crisis at work and it's really quite hard to do but the opportunity's there, we just need to embrace it. (Staff member)

We'd love to see what other groups are doing...I certainly would be interested in feedback from those who've been in the game perhaps longer than I have about whether they think the direction we're taking is interesting or achievable or good or bad. (Secretary)

4.4.3 Benefits to the wider community sector

Interviewees identified the major benefits of COPP to the wider community sector as being the potential to diffuse innovation through their relationships with other funders and community sector organisations, and increasing knowledge and practice in strategic funding.

In addition to leveraging additional resources for themselves, a few of the participating organisations have witnessed benefits from the COPP grant flow more widely into the sector, or at least the sub-sector in which they operate. In the first example below this was by design, in the second, it was more indirect as changes in dynamics with other funding bodies (stimulated by the COPP funding) trickled through to non-participating organisations.

We said what else could we do with this money that would be meaningful. So that it wouldn't just benefit [our organisation] but it would benefit the entire [cause area]...We didn't want it just to be about us. We wanted it also to be about the sector. So it didn't just benefit [us] but it benefited them. (Executive Director)

In a subtle and not obvious way it has impacted outside of [our organisation]. It's actually impacted the whole sector that we operate in. (Co-Chair)

It is notable that these examples were provided at an early stage of project inception. Further evidence of diffusion of innovation will be tracked in the second wave of data collection.

Many participants expressed a hope that the COPP will initiate a change in the culture of investment in the Australian nonprofit sector by setting an example for other foundations and funding bodies.

The outcome of this will help the sector because it will challenge the traditional concept of sustainability. (CEO)

I'm really keen to be an advocate for what this initiative's trying to do to change the culture of investment in community organisations. (CEO)

[In the past] no one was funding anything that wasn't, you know, direct practise stuff and slowly I think trusts are coming around a bit, but I think that with a trust as large as the Myer Foundation doing it and leading the way, I think it's really invaluable because not

only does it obviously help the organisations that benefit from it, but it also shows other trusts - I guess it gives credence to the idea that without the infrastructure the direct service wouldn't happen and that's something that has been largely forgotten traditionally.
(Board member)

I think it also requires us being the recipients of funding to not always every dollar we get spend on service delivery or the external stuff. That probably takes a bit of courage, sometimes, to sort of say no, it's okay to spend the money internally. Certainly I know that in the past for some organisations in some states, in some funding programs, that was just absolutely not, you know, never going to be okay. Certainly with the sort of programmatic funding that you get through the philanthropics, it tends not to be okay because it's funding to deliver a product. I think that's a really important potential learning, both for funders but also for NGOs to think about, well, how sustainable are we unless we do some of this work?...So I do think it's a chance to hopefully inform future practice.
(Chair)

The desired investment culture is one that is responsive to organisations' needs, where funders listen to and understand the realities that nonprofit organisations face.

The real, simple, fundamental value of good philanthropy that's demonstrated – like Myer is one of the ones that best exemplifies that – is about philanthropy that understands the realities of organisations trying to get funded; organisational running costs, operational costs; and the understanding that unless you can establish robust, accountable quality assurance in your systems, and the funds to sustain that, grassroots NGOs like us perish.
(CEO)

It was wonderful that they understood how important our organisational sustainability was, even though it's something that's not sexy, and even though it's something you're not going to get as much mileage out of out publicly in the philanthropic world. I just think it's an important lesson around when philanthropy gets it really right and is listening. (CEO)

[Amongst corporate funders] There's much less understanding of the challenges that NGOs face around simple things like salaries and managing equity and all that kind of stuff...

4.5 Challenges and risks

The biggest actual or potential challenges of participation in COPP identified by participants were:

- recruiting the right person - be it an employee, consultant, or board member – to implement targeted activities; and
- time, both in terms of and managing the workload on a day to day basis and managing the overall timing of COPP initiatives.

It's quite hard to find appropriate people. (Chair)

We're actually finding it very hard to recruit good quality directors who have the time and

the willingness to commit to the organisation. (Chair)

Because we are specialists within a very specialist environment, it is difficult for us to find the expertise outside of the organisation to assist us with some of our objectives. (Executive Director)

Employing consultants...can be fairly fraught, because sometimes their interpretation of what it is they are delivering is different to your own. (Chair)

We actually did advertise for someone...there was just no adequate response. (CEO)

I think people in the funding area expect very high salaries these days and small NGOs can't pay it and I think that's one of the issues for the project as a whole quite frankly as far as we're concerned is the capacity to pay anything like a market rate, because in many ways you need a more experienced person in a smaller organisation. (Board member)

So it's really just a time thing about finding time to be able to work through each of these things and how we're going to tackle each one and what work's involved in tackling each one. I think that's probably the main challenge that we come up against is just identifying that time. (Staff member)

We don't see any challenges except for not enough time in the day. (CEO)

It has only been a timing issue that has been the challenge (Executive Director)

I guess it's just making sure that I've allocated enough time to make sure that these – because there are big commitments. (President)

It's a time consuming process. (Manager)

Other perceived challenges include the impacts of the global financial crisis and Victorian bushfires (impacting on organisations' ability to fundraise and in some cases creating greater demand for services) , marketability of their cause, physical space and distance, compliance with regulations, getting started and maintaining momentum, and the finite nature of COPP funding:

I'd imagine an ongoing challenge would be fundraising, and this is going to be difficult for any organisation like ours just because of the current economic climate. (Staff member)

There are too many good organisations doing good things and they all want everyone's money, so – and you know, as I mentioned, the global economic crisis and things like the bushfires and, so, I guess there's less disposable income to spend on funding so all organisations I think are feeling it. Particularly, in an organisation like ours that is small and we don't have any budget for marketing or anything like that, so that's a challenge. (Staff member)

Well, I think initially the challenge for us was to have some sort of sequence to doing things and to know what to do. (General Manager)

That's been a challenge to make sure that there's enough momentum around. (Executive Director)

The biggest challenge for us will be what do we do when the Myer money runs out (Secretary)



Risks were largely spoken about in hypothetical terms, with interviewees typically suggesting there was a low likelihood of the risks they identified eventuating. The major risks identified by participants were: taking on too much; failing to meet deadlines; exceeding budget; wasting time; and not meeting their project objectives.

There's always a risk that you know you get a little too enthusiastic about what you can do. (CEO)

There's always risk insofar if we don't deliver on what we've said we're going to do. (Chair)
We've been funded for two years with funding that gives us the privilege in a sense of being able to devote time to the work and we'd better make sure that it pays off. We don't want to find ourselves in exactly the same position in two years. (Executive Director)

Risks? No, I don't see any risks for the organisation in being a participant as such. I guess for me, my concern is more in the risk of us not succeeding in spite of it. I guess the biggest risk I see and our members see is having this opportunity and not using it to our absolute benefit and having success out of it. (Co-Chair)

I think the risk is we don't take full advantage of it and that we don't make the contacts and network opportunities (Staff member)

In the worst case scenario, participants were conscious of not wanting to disappoint their funder or compromise their existing relationship with The Myer Foundation and Sidney Myer Fund.

The last thing that [our organisation] would want to do would be damage the reputation of the Myer Foundation, the Myer family, that sort of thing. But I'm confident that that wouldn't happen. But I guess when you're asking about risk that that's probably the one that would be in the forefront of my mind. (President)

As long as we don't let them down. That would be the biggest risk. I would be worried that we'd let them down. (Staff member)

Another, less frequently identified risk was that receiving COPP funding could damage other funding sources.

There are risks in everything. People say you're getting well looked after, you've got too much money...They'll say hang on, if you've got this much money then why should we keep funding you? (Board member)

The only other risk which we've heard a couple of times is oh well you must all be fine now if you've got that group funding you so you don't need us to support you. Now, my view is actually – that's the colloquial story, I've never actually been confronted by that. (Chair)

5.0 Conclusion

To date, the Celebrating Our Partners Program has enabled participating organisations to enact existing strategic priorities, and explore new possibilities for mission fulfilment and organisational sustainability. Involvement in the program has in some cases assisted participating organisations to leverage additional resources, by conferring legitimacy on their work and organisational standing. At this early stage of the evaluation, there is some evidence that the program is also resulting in the establishment of new partnerships and the diffusion of innovation through participating organisations' relationships with other funders and non-participating community sector organisations. The findings arising from Year Two data collection will provide more detailed insight into the impacts of the program over time, and the processes by which participating organisations produce social and organisational value as a result of their involvement with COPP.