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HOW TO MAINTAIN EFFECTIVE RELATIONS IN A FEDERATED STRUCTURE

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Introduction

Many thanks for inviting me to talk on a topic which I believe is critical to the effectiveness of many non-profit organisations in Australia.

My experience comes from nearly 8 years as National Executive Director of Alzheimer's Australia. The state and territory organisations were formed in the early 1980s. The federation was formed in 1988 with one member in each state and territory. Poor governance and personality clashes resulted in the national body becoming dysfunctional in the late 1990s and a member leaving.

A strong recommitment to working together at the national level resulted in my appointment in March 2000. At that time we had no intellectual capital, indeed Alzheimer's Australia had not published a national policy paper since the early 1990s. We had no secure national contract with the Australian Government for the delivery of services. No national web site. No national strategic plan. No media presence. Limited funds for research.

Dysfunctional might be an understatement to describe the National Office in 1999! But the strength was of course the renewed unity of the members.

Eight years later we have

- Established Dementia as a National Health Priority with significant additional Australian Government funding on an ongoing basis
- A formidable depth of intellectual capital including five reports commissioned from Access Economics, numerous papers on all aspects of dementia care and a new Quality Dementia Care series of publications
- A contract for the provision of services through the National Dementia Support Program from the Australian Government
- A well used national website
- Introduced new and innovative community based care programs and new accredited training programs for care staff
- Engaged people with dementia in self advocacy and have national and state level consumer groups.

We have many challenges to address. But I believe our experience and that of other NGOs demonstrates that the federation structure can work well. And along the way many NGOs will stumble as Alzheimer's Australia did in the late 1990s.

Every organisation is different but I believe there are common elements to making a federation work.

A federation is a network of local affiliates that may share a vision, a brand and possibly core services, but are legally independent of one another and from the national office. History is likely to be an important factor in how a federation works. In the case of Alzheimer's Australia it is the members who own the national body and it was the state and territory bodies that came first – the national body owes its existence to its members. In other organisations the national body might come first and the local bodies established later and it may be the local bodies who are dependent on the national body for resources and support.

The federation structure is the non-profit sector's response to the classic management tension between centralisation and decentralisation. It enables the member organisations to have the autonomy to adapt their programs to meet community needs and to attract local resources (money, staff, volunteers and leadership) in a way that a centralised national body would find difficult if not impossible to achieve.

Making federations work is a considerable challenge. The national office is not a control centre as in the form of corporate headquarters. Rather it is a service centre that may promote awareness of issues, promotes the sharing of knowledge and the development of intellectual capital, advocates on the basis of that knowledge and promotes access to national fundraising whether from government, corporate or community based.

The task is difficult because the CEOs of federations usually have limited control over affiliates and cannot require them to agree to particular policy positions or to take part in activities. Without good leadership at board and CEO level within both National and state/Territory organisations, federations risk generating “we and they” attitudes of the self destructive kind. There is a need to recognise too the strengths and weaknesses of member organisations and in particular the need to ensure that all members both small and large feel able to contribute.

In looking at effective relations in a federated structure, I suggest there are two questions we should address:

- Firstly, what is it that National Offices should provide to give their members reasons for joining together?
- Secondly, what are the strategies that provide the glue to promote involvement and a common sense of purpose and ownership?

Why federate?

I suggest there are four main areas in which the national office of a federation has to provide value to its members and stakeholders. Value is likely to have many aspects - for example, securing funds, improved access to services, achieving a media profile, promoting community awareness.

Firstly, national offices should assist in securing sustainable funding. The number one motivation of members is likely to be increased funding – not least because most NGOs find themselves in a desperate fight for survival and resources for their various causes.

The driving force for many health based organisations will be improved services. This requires funding both for advocacy to influence health service provision and sustainable funding for organisation based services. Well coordinated national approaches to fund raising may be more effective in tapping into support at the governmental, corporate and community level. Member organisations in turn can get access to national sources of revenue that would otherwise be out of reach.

This is likely to be a complex area. Alzheimer's Australia now has significant national contracts with the Australian Government that require sub- contracting arrangements with member organisations.

There will be sensitivities in fund raising with the corporate sector. Will the members be prepared to divide up responsibility for different types of donors, including corporations, high net worth individuals and foundations? It may prove difficult to get agreement about relationships owned by the national office and those of the member organisations.

Secondly, national offices should be the guardians of the brand. A recognised brand that reflects social commitment and integrity is likely to be the federation's single most important asset in attracting funds and securing a media profile.

A brand which has integrity is critical to secure support from governments. There needs to both the perception and reality of a national view being provided. Large corporations will want to associate themselves with a credible brand and one that is national.

The brand of Alzheimer's Australia is "**dementia expertise with compassion**". In short our offer is to ensure we are able to provide the best advice and services we can to people living with dementia, and to do so with understanding.

Thirdly, national offices should contribute to the enhanced performance of their members.

For my own organisation, a key component has been to work together to promote innovation in service delivery for people living with dementia and their family carers. Together we have been able to develop Helpsheets that are recognised as world class, introduce new concepts in the Living with Memory Loss Program and secure national accreditation for new dementia training programs.

The introduction of quality assurance systems are likely to be critical in more mature federated organisations which are looking to be major service contractors to the Government in the provision of social services.

Another area of importance is media and awareness activities where pursuing a common theme or national event across Australia is likely to improve not only the national but also the local profile of member organisations.

Vigorous debate is something the NGOs should value in teasing out the values, policies and services that form their common agenda. For Alzheimer's Australia this

means developing though consumer based networks a Dementia Manifesto that sets out the priorities that form the basis for self advocacy and organisational advocacy at the national and state political levels.

Lastly, national offices should promote shared services to increase efficiency. Key areas in this respect are likely to be information services and an effective national website.

There may be other opportunities in respect of staff, training and centralised financial accounting.

Strategies to promote collaboration

Being clear about the benefits of a federation is one thing. Being able to establish effective relationships is another. It is in this area that Alzheimer's Australia has had some success in recent years.

I would categorise the main strategies for securing an effective federation as:

- Transparency
- Consultative leadership style
- Outsourcing (Sharing functions with members)
- Establishing a brand
- Leadership that is strategic
- Maintaining both the perception and the reality of unity

Transparency

Nothing can undermine a federation quicker than a lack of accountability, poor personal relationships and a lack of transparency in financial matters. The national organisation has to be transparent. This is not an easy task in a huge country where face to face communications are difficult and populations are diverse and have differing needs.

The starting point in promoting good communications is good strategic planning, both in its development and implementation. Agreement on a common vision, mission and underlying values is important. It is a process that has to be gone through at regular intervals and with a view to ensuring that there is a common understanding of what the priorities are to be achieved at all levels of the organisation.

Independent facilitation, consultation with all stakeholders to get their perceptions of the federation, and consultation with staff are all important contributions.

Development of a national strategic plan and priority setting is one thing, communicating it and getting alignment with member organisations is another. So there has to be a process to achieve alignment and a means of ensuring that although member organisations will need flexibility in the way priorities are

addressed and implemented, all members should be thinking within the same framework of priorities.

There was a time in the history of Alzheimer's Australia where the Board Members, because of lack of trust, would spend hours micromanaging the accounts. That is not longer the case because there is transparency across the different activities and their financing and a greater professionalism in the management of the accounts. It was poor governance and poor management of the accounts that brought the national organisation of Alzheimer's Australia to its knees in the late 1990's. We have learnt our lesson.

Consultation

Consultation has to be about listening, not talking and involvement, not preaching. There needs to regular dialogue at all levels.

In Alzheimer's Australia the Board meets twice a year, teleconferences twice a year and the Executive teleconferences monthly.

Executive Directors meet face to face at least twice a year and teleconference every month. The chair of the meetings of Executive Directors is rotated and each organisation takes their turn in recording the minutes.

There are meetings of program managers as well.

But the credibility of a federation is unlikely to depend only on the excellence of a relationship between the member organisations. In organisations with a social purpose, the credibility of an organisation is likely to be founded on whether it has a consumer focus. National and local advocacy groups are an important means of achieving that and are a constant reminder to staff throughout the organisation of why the organisation exists.

Increasingly in Alzheimer's Australia, it is the National Consumer Committee, and the State and Territory consumer groups that are driving policy and informing the intellectual capital of the organisation.

Outsourcing

An important means of ensuring ownership of the federation family is sharing of functions. Many organisations take various approaches to this. The National Office of Alzheimer's Australia has 11 staff - the member organisations over 400. To enhance operational efficiency a number of functions are outsourced to the states and territories.

Among the functions that can be shared are management of the national website, preparation of policy and issues papers, development of national resources and information, relationships with special groups, management of public relations and the media, the development of new services and programs and fundraising.

The brand

Branding is a difficult area for federations with a social purpose, in part, because the development of the brand requires resources and partly because it may seem that the concept is more relevant to the private sector than organisations with a social purpose. There are many areas in which the management of a brand can contribute to good relations within a federated structure.

The process of developing a brand and a logo in consultation with staff can be a unifying process. What is the offer that is being made to stakeholders? What are the values that underpin the brand? Is there agreement on a logo and the guidelines that will ensure its proper use and enforcement?

The brand should inform the determination of key result areas in all aspects of activity from information and advocacy through to service delivery.

Leadership

Leadership has to be accepted. The role of the national CEO will be critical in holding together the federation and setting strategic directions. The Board has no more important role than selecting the right person to suit the times.

Within Alzheimer's Australia leadership is driven in two main ways.

Firstly, at the Board level.

Important is an understanding that members of the national board are there in a national capacity, not to represent the States. While a national board has to be sensitive to the politics of its internal organisation, each of the directors are there to take a national view in the national interest, and then to represent those interests back to the member organisations.

In Alzheimer's Australia the national organisation is effectively owned by eight State and Territory members, each of whom nominate a director to the Board. There is an independent President, and the National Executive Director is also a member of the Board.

The board meets face to face twice a year and holds Executive teleconferences every month. Interestingly, most Board members also take part in the Executive discussions to ensure they keep in touch with what is going on.

The board has to be strategic in its role and key areas where the Board of Alzheimer's Australia has contributed has been in promoting strategic planning, the establishment of the Alzheimer's Australia brand and logo, and more recently, in risk management.

Secondly, within Alzheimer's Australia leadership is driven collectively by the Executive Directors.

This is the critical level in both developing new directions and implementing actions in priority areas. If there is one thing that has to be secured it is the cooperation and support of all the Executive Directors on a common agenda. It is hard work to get consensus not only because CEOs will have strong views but because there are likely to be conflicting demands on resources and time between national and state based activities. And meetings are expensive in travel costs and time.

Within Alzheimer's Australia the Executive Directors meet at least twice a year and teleconference every month. Agendas are agreed and papers written but it is the dialogue and open ended discussion about strategic issues that is most valuable in determining what it is we are going to do together..

Unity

There has to be both a perception and a reality of unity. Within a federation there will be diverse interests but the perception from the outside has to be one of unity and common purpose. Without that the organisation will not be credible.

Achieving the tolerance for diversity on the inside of a federation, whilst achieving the seamlessness of unity on the outside, is perhaps the greatest challenge of a federation.

The components that contribute to this are many. Firstly, there need to be mechanisms for achieving agreement on policy positions. Secondly, there must be agreed positions for the media and well thought through questions and answers in order to handle questions. Thirdly, spokespeople at meetings and advisory groups should not just come from the national office, but from the member organisations and consumer advisory groups. Fourthly there needs to a commitment to national activities for example awareness weeks and national conferences. Lastly the mechanisms for distributing resources and sharing costs must be fair and take into account the interests of both the larger and smaller members.

Conclusion

Federations are daunting organisations to manage. At their best, they are powerful instruments for achieving social objectives. At their worst, they are vulnerable to poor governance and differences in personalities.

As I said at the beginning Alzheimer's Australia has achieved much in recent years but the work is never done. I am sure that we much to learn from Breast Cancer and others in the way they have promoted awareness and marketed their brands. Or the success of Beyond Blue in promoting awareness of depression through the use of champions.

The components that contribute to effective federations are likely to change over time. The maturing federation is likely to become more sophisticated in its brand management, government and media relations, quality assurance mechanisms,

strategic planning and priority setting. It is an exciting and wonderful world to be part of in achieving worthwhile social objectives.

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