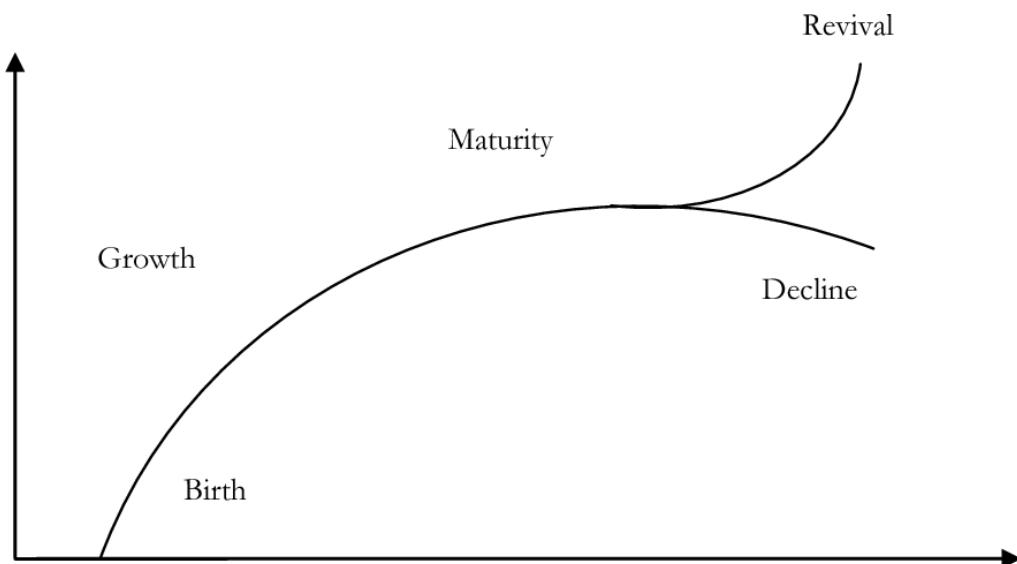


AGILE LEADERSHIP IN TIMES OF CHANGE

Tomorrow – it's unlikely to be the same as today

Organisations need to expect change. Boards and Managers need to be adept at looking forward so that they are able to predict what changes might be coming and agile enough to respond to them. Failing to identify and respond to changes over time will potentially mean that an organisation becomes less relevant and potentially faces decline.



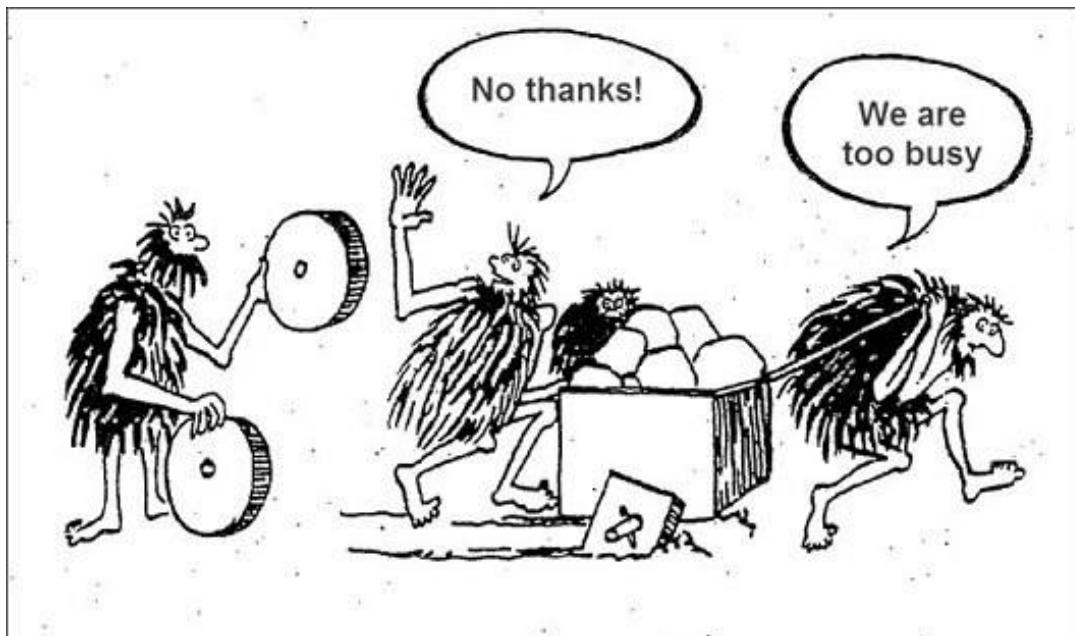
There are many versions of this organisation lifecycle diagram, but the key message is always similar – organisations that try to stay the same over long periods of time begin to fade away.

For the not-for-profit sector this is no different. Some changes appear rapidly and with little warning, but many changes occur slowly as society evolves and require organisations to build in a culture of review and adaptation to ensure they remain responsive and don't get left behind. The current not-for-profit landscape in Aotearoa New Zealand has many current changes that require focus:

- **Tier 2 and 3 Reporting:**
Organizations need to understand and comply with new standards for reporting on service performance, asset valuation, and accumulated funds.
- **Charity Tax Exemption:**
The IRD is reviewing the tax-exempt status of charities, particularly regarding business income and donor-controlled charities.
- **Governance Procedures:**
NFPs must review and update their governance procedures to comply with the new requirements.
- **Funding Diversification including Social Investment Agency:**
Organizations need to explore new funding models beyond traditional grants and donations, such as partnerships with businesses and social enterprises as well as impact funding approaches.
- **Technology and AI:**
Rapid (exponential) evolution. Opportunity and risk.

In the longer-term there are many issues that all not-for-profit organisations should be looking at including how economic and social changes will impact their ability to raise funds and attract volunteers, how they will remain relevant as demographic changes continue to evolve, how what they do could change through technology and there should be a continual focus on what it means to operate in a nation continuing to explore what it means to be founded under Te Tiriti o Waitangi.

However, it is fair to say (albeit as a generalized comment) that the not-for-profit sector is not always good at adapting and changing. At the core of the sector is the passion of generous people, but that passion can easily morph into stubborn refusal to change as organisations fight to continue to be who they have always been instead of recognising that needs have shifted and so should they. The sector is also universally under resourced with the result that everyone is 'too busy' – as a consequence adaptation can get lost in the head down, bum up reality of the daily grind. Yet, ironically, that approach can make achieving outcomes harder.



To really embrace agility and adaptation organisations need to embed it into every level of their operation, but most importantly within their governance processes. A simple tool to help achieve this is to create a Board meeting agenda that intentionally creates a focus on what is happening and what might need to be responded to. A suggested template might look like this:

Preliminaries

- Apologies
- Confirmation of previous minutes

(Any items for discussion to have been noted prior and listed under Strategy and Policy Issues)

Environmental Scan

(What events/decisions/issues/potential changes have arisen or occurred since the last meeting and what is the potential impact of them on the operation of the organisation now and into the future?)

Strategic and Policy Issues**Strategic Issues for next meeting****Reports**

- Chair's Report
- Officer's Report
- Finance Report

This agenda is future focused. By leaving reports to the end of the meeting discussion time is given over to future planning which avoids the risk of spending the majority of the meeting discussing past issues. For this to work minutes and reports need to be read ahead of the meeting and key issues added to the agenda for discussion under Strategy and Policy issues. It enables the Board to look at the changing environment and plan ahead.

By embracing change and developing an intentional organisational culture that values adaptation and agility an organisation can ensure that it remains relevant and effective and can avoid the slow drift into decline. Although, it is also important to remember that committing to reviewing what is changing and assessing how relevant an organisation is might occasionally lead to the conclusion that a particular season has reached its end and then courage is needed to accept this and either pivot or stop.