



# STRATEGY RETHINK

*Find a renewed sense of clarity and purpose  
to sustain your enterprise*

**k&m**  
rethink strategy

# THE INDUSTRY HAS CHANGED



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## NGO NEWS & VIEWS

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## NGOs' Future Under Threat Since End of Apartheid

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Tuesday, January 29, 2013 - 16:12

**Shelagh Gastrow, head of Inyathelo, believes that NGOs are facing the most serious threat to their existence since the apartheid government tried to close them down**

## Cape Town rape crisis trust faces risk of closure

01 NOV 2011 14:43 | KATHARINE CHILD

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The Rape Crisis Cape Town Trust, which has helped more than 5000 women in the past two years, may be forced to reduce its services -- or close.



### The Big Issue feels pinch of SA NGO funding crisis

Posted on August 3, 2012 / 2 Comments / [Show post tags](#)

South African NGOs, which contribute about 30% of the civil services in South Africa and which are critical to meeting developmental goals, are facing an ever-worsening funding crisis.

The crisis is due to international and national donors scaling back funding due to the economic climate. Additionally, South Africa is viewed as a middle-income country by foreign funders, many of whom are now choosing to channel funding into African countries that are considered more impoverished. In 2010, NGO's had R3 billion less to spend due to the global recession and the funding cuts have continued through 2011 and 2012.

The Southern African NGO Networks' executive director, David Barnard, warned of the looming funding crisis as far back as 2009: "Funders are not able to assist the organisations anymore because they themselves aren't coping. It is going to have a major impact on welfare organisations — either they will close down or their staff will be forced to leave the NGO sector."

*"Funders are not able to assist the organisations anymore because they themselves aren't coping."*

## DAILY MAVERICK

SOUTH AFRICA

### The great NGO funding crisis, Part III: Adapt or die

REBECCA DAVIS SOUTH AFRICA 03 APR 2013 02:14 (SOUTH AFRICA)

### News Feed

### NGO FUNDING IN SOUTH AFRICA: THE LOOMING CRISIS



The work of Non-Governmental Organisations (NGOs) – which contribute 30% of the civil services in South Africa - are critical to meeting the development needs

# THE INDUSTRY HAS CHANGED

NPOs ask donors for sufficient funds to cover costs of agreed activities

- Donors only cover certain costs.
- Difficult to build a reserve for rainy days or to cover discretionary spending.
- Impossible to scale operations without finding new donors.
- The pool of available donor funding is already saturated and the sector is not having the desired impact.
- Accountancy nightmares managing funds and reporting to donors.
- Donors can change their minds year-to-year.
- Cost savings don't equal more profit.
- Constant struggle to survive.
- Moral issues with profit margins.

Enterprises ask customers to pay for social outcomes that are achieved

- Enterprises strive to generate increased financial resources.
- Exploration of new business models, scaling and franchising.
- Reduced reliance on donors; rather a portfolio of investors, donors and customers.
- Development of financial reserves.
- Increased discretion of how to spend money to further organization's interests.
- Impact not limited by availability of donors.
- Sale of outcomes instead of outputs or activities.
- Profit margins are morally acceptable.

# NEW RULES FOR NON-PROFITS THAT WANT TO SUCCEED

- Become a social entrepreneur, embrace **performance**, **innovation** and **profit**.
- Clearly define the **purpose** and **outcomes** of your enterprise.
- Communicate convincing **evidence** of outcomes.
- Demonstrate **value-for-money**, and refine your business model until this is achieved.
- Earn **income**; don't rely on donations.
- **Market** successes / offerings more than the social problem being addressed.
- Collaborate with businesses, and give them **real value** not just compliance points.
- Develop a powerful **brand**, around which you deeply engage communities.
- Map out the value to **stakeholders**, and make them look and feel good.

# TIME FOR A STRATEGIC RETHINK

TO SURVIVE, NPOs NEED TO...

...rethink their strategy and learn the new rules.

Those that don't may soon need to close their doors.

A STRATEGIC RETHINK ENABLES...

...you – as leaders – to step away from the tactical demands of your enterprise and discover what you need to focus on.

## BASIC PRINCIPLES OF THE RETHINK

- An initial meeting with the client to understand your particular needs and challenges and to agree the parameters of the consultancy.
- A series of six 2-hour productive coaching sessions co-facilitated by Kate and Marcus.
- Coaching sessions are tailored to your needs / challenges.
- Process typically takes 2 months.
- Incisive questions that challenge limiting assumptions and unlock strategic clarity.
- Homework assignments between sessions, supervised via email.
- Small group sessions held away from your offices to enable perspective.
- Breaks between sessions give you an opportunity to reflect.
- Assumption that the leaders we assist are capable - just need some outside, objective guidance.

# RETHINK OUTCOMES

Participants experience a renewed sense of purpose and strategic clarity



An action plan to improve your strategic position, social impact and financial performance



Increased level of engagement from your management team



A brand and marketing plan

*"What I liked about working with you was your well facilitated process, challenging us where needed and then providing breathing time in between sessions. It created a space that drew ideas out of us rather than the usual top-down approach. I loved your simple, pared down templates that are easy to follow and to implement. Your intervention was timely, insightful, clear and efficient, and most of what came out of it has been implemented, adding huge value to CTV."*

**Karen Thorne**

General Manager, Cape Town TV

# THE SIX STEP RETHINK PROCESS

SESSION



# SESSION 1 & 2: ORGANISATIONAL STRATEGY RETHINK

- Organization's story
- Paradigm, purpose and outcomes
- Organization design
- Industry dynamics and trends
- Beneficiaries and impact
- Products
- Business model (method of bringing in money)
- Financial position, profitability and projections
- Key stakeholders (investors, customers, partners, etc.)
- Competitors
- Strategic priorities and risks
- Core capabilities

*“To grow their companies, top management must have a point of view about where the new opportunities lie ... they stake out new competitive space ... must anticipate changing customer needs, must preemptively invest in new competencies, ... redesign their business processes, using the brainpower of their employees ... energise the company.”*

**Gary Hamel**

Competing for the Future

## SESSION 3: BRAND STRATEGY RETHINK

- Organization's name
- Values
- Sensory elements – taste, smell, sound, touch, sight
- Distinctive elements of enterprise's brand compared with competitor / comparative organisations
- Benefits to stakeholders
- Central brand message
- Brand messages to each stakeholder group
- Tagline / descriptor
- Logo
- Sub-brands and the relationship between them

*"A brand is a recognisable and trustworthy badge of origin, a promise of performance and means of differentiation. It exists in the mind or not at all.*

*The brand becomes representative not just of your organization, but of how your cause is perceived by the marketplace. It's everything that will incite someone to make your cause their own."*

## SESSION 4: **MARKETING** STRATEGY RETHINK

- Marketing objective for each stakeholder
- The value we offer each stakeholder
- How we distribute our products / services - channels
- How we price our products / services
- Methods / media channels of communicating with each stakeholder
- General marketing activities to reach all stakeholders, including things like product packaging, website, brochures, media relations, social media, events, etc.
- Specific marketing activities to each stakeholder
- Budget, internal resources and capabilities

We also provide a template for the marketing plan and explain how the template is completed as a homework assignment.

*“When you make a good marketing move, it tends to be based on a prediction of the future.”*

**Al Ries & Jack Trout**

22 Immutable Laws of Marketing

## SESSION 5: **MARKETING** PLAN

- Marketing plan discussion
- Marketing plan enhancements
- Clarity on any new strategic issues that have emerged
- Next steps and action points

*"The word for the 21st century is focus. Whatever you are doing today, do fewer things tomorrow. But do them better."*

**Al Ries & Jack Trout**

22 Immutable Laws of Marketing

## SESSION 6: DEBRIEF

'One month later' review:

- Strategic shifts made
- Implementation of the marketing plan
- Lessons learned during this process
- Feedback on consultancy process

*"Give me the freedom of a  
tight brief."*

**David Ogilvy**

'The Father of Advertising'

## ABOUT KATE

- Kate has more than 20 years' experience in consulting to corporates, start-ups, non-profits and social enterprises in brand, communications, marketing and fundraising.
- During this time, roles included:
  - Head of Meropa Communications Cape Town
  - Director of Burns Strategic Planning consultancy
  - Head of Marketing at Brait Unit Trusts
- Clients have included, amongst others: Allan Gray, Distell, Cadbury's, Open Africa, Marie Stopes, Peninsula School Feeding Association, Camphill and REDISA (Recycling and Economic Development Initiative of South Africa).
- Kate also set up and leads the 'Women in Philanthropy' network in Cape Town, which aims to further collaboration in the social sector
- Kate has an Honours degree in Business Science from UCT in Marketing and Market Research.



## ENDORSEMENTS KATE

*"Besides being an expert marketer, Kate doesn't just put ideas forward but diligently attends to their implementation. She is a deliverer and one of those rare people who can be taken at her word if she says she can do something. She has made a huge difference at Open Africa, where our marketing needs are multiple and sometimes complex. Finding solutions and motivating people are just two of her many attributes."*

**Noel de Villiers**

Founder, Open Africa

*"I enjoyed working with you. You have helped identify crucial areas where attention is needed. It will help PSFA tremendously."*

**Andy du Plessis**

Executive Director, Peninsula School Feeding Association

*"I really thought you were very professional. I'd give you a 10 out of 10 on all aspects of your service. What I really liked was that you were passionate and excited about the project, and really got Camphill – thank you for that."*

**James Sleigh**

Director, Camphill Village West Coast

*"Kate is a highly competent professional who is at the top of her game. She has added tremendous value to our initiative and has also guided our thinking through her depth of expertise and creativity with wonderful results. I can strongly recommend Kate to anyone who requires her services."*

**Chris Meintjes**

CEO, Activate!

## ABOUT MARCUS

- Marcus has advised hundreds of NGOs, businesses and government projects since 1996. He has helped them design practical strategies, manage people and power dynamics, and also create efficient organizations where people are motivated and happy to be at work.
- To promote social enterprises and the application of business thinking to social problems, Marcus has given talks at seminars, conferences and business schools. He has also written articles which have been published in national newspapers.
- Marcus runs the African Social Entrepreneurs Network (ASEN).
- Marcus has an Honours Degree in Business Science from the University of Cape Town, and a Masters' Degree (summa cum laude) in Social Development from the University of the Western Cape.
- Visit [www.marcuscoetzee.co.za](http://www.marcuscoetzee.co.za) for more info.



## ENDORSEMENTS **MARCUS**

*"Thank you for your clear guidance at the WPCA strategic planning meeting. The whole group feel that we have achieved a good understanding of where we are at and how to achieve appropriate goals in the short & long term. A very useful meeting!"*

**Dr Liz Gwyther**

Executive Director, Hospice Association of South Africa

*"Thank you for the interesting session... Your input was a huge, huge help to me - thank you once again!"*

**Karen Moss**

MD, Steps Charity

*"I would like to thank you, belatedly, for the fantastic input you gave myself and Pat to help in the fundraising drive for Soil for Life. Your wisdom and experience are great assets, which we have already benefited from enormously and I would like to express my sincere appreciation for the time you have already spent with us."*

**Roy Silver**

Director, Soil for Life

*It was a great week and we are all indebted to you for your facilitation."*

**David Prail**

Co-Chair, Worldwide Palliative Care Alliance

*"Thank you for our meeting - you inspire confidence in me, I treasure your wisdom hence never hesitate to take advice and guidance from you. I now feel excited about what is in front of me - thank you."*

**Dr Marlene Wasserman (aka Dr Eve)**

*"Thanks to you for our very informative discussion, or to be more precise, your valuable advice, and to catch up since then. One never stops learning, you taught me a lesson at 72 that was quite unexpected. I am indebted to you for that."*

**Noel de Villiers**

Founder, Open Africa

## TO FIND OUT MORE



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*“Look before or you’ll find yourself behind.”*  
**Benjamin Franklin**