

The Future of NPOs in a Changing Society.

I am sure that many of you in this room this afternoon have had some personal experience of working for an NGO/NPO in their own professional career. Challenging and rewarding – YES – but also frustrating and time consuming.

I currently sit on the Community Liaison Forum of SAPREF, the joint Shell/BP refinery which provides the bulk of South Africa's oil and petroleum products. I also help to manage an environmental educational centre for WESSA, the Wildlife and Environmental Society of South Africa, which sits in the middle of a large chemical manufacturing complex. I have just been appointed the Africa Coordinator for the Rotary International Public Image resource group. And when not travelling extensively through Africa I am advising the Salvation Army on revising their Disaster Management strategy to cope with devastating floods that are increasingly affecting our region as a result of global warming.

Such diverse experiences have allowed me to develop my own special formula based on the 'Four Ps' of marketing but adapted specifically for the NPO market.

My first P would focus on Perceptions. These are so important in this specialised market. There are over 100 000 NPOs operating in South Africa and unpaid volunteers make up nearly half of the workforce estimated to contribute more than \$800 million to the South African economy. This is a substantial contribution by an individual sector. In comparison, the total contribution by the corporate sector to CSI is estimated at \$400 million in 2007

Crucial to the success of NPOs is the careful formulation and implementation of its vision, mission and value statements. These will be carefully monitored for any discrepancies by both government and corporate sectors on which NPOs depend.

My second P focuses on Personalities. Good relationships between funders and beneficiaries are critical ingredients in any successful community project. Respect and trust are the core requirements for a mutually satisfying partnership and there is no room for suspicion on either side. Projects should be monitored, evaluated and reported on in a clearly defined way, with promises kept and deadlines met on the part of the NPO and agreed funds made available on time by the CSI donor. Both sides have obligations and need each other to achieve a successful outcome – a win-win situation in the development process.

My third P focuses on Politics. In any organisation both internal and external politics apply. After the demise of the apartheid regime in South Africa in 1994, civil society organisations were challenged to reinvent themselves and focus on service delivery rather than political activism. Substantial amounts of development aid were redirected to the new ANC government and many skilled individuals left civil society to join the public sector. Fourteen years later some twenty percent of NPOs are still dependent on government funding. Their main threat still remains access to funding, especially those organisations that have not yet been able to establish close relationships with their donors. So monitoring and responding to political changes in both the short and long term are vital for NPO survival.

My final P focuses on Priorities. The needs are so great in this sector that it is impossible to achieve everything, so difficult decisions will have to be made. The importance therefore of developing a strategic plan for the organisation is vital, setting clear goals and above all monitoring progress at all stages.

I would like to add a further P, that of Profit, to my list. Non-profit organisations need to be well managed and financially viable. In a recent (2006) survey of NPOs in South Africa only one third were confident that their organisations were financially secure for the next five years. NPOs also struggle with the fact that donors often have their own pet projects or only fund the latest 'fads'. Another complication for present day NPOs is the issue of accountability which is becoming more and more important. This is not only because donors are insisting on effective service delivery but because of legitimacy issues as NPO critics question their motives. All this may also sound familiar to you in the rapidly-changing environment in which you are operating?

Although NPOs have the benefit of having close, direct contact with the people who are most in need of their services, as companies gain increasing hands-on experience in socio-economic development, as the move to social marketing would indicate, corporates might choose to cut out the intermediary to increase efficiencies and to have tighter control over the performance of their investment. Donor organisations also cite a lack of skills or management capacity as further reasons for their move away from dependency on NPOs. It is also very likely that companies will attempt to attract skilled people from the non-profit sector to oversee their internal CSI projects or inter-sectoral initiatives. The prospect of a new brain-drain from civil society therefore should be taken seriously and steps taken to address the problem.

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