

# Building a Financially Resilient Organisation

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Together  
we will end  
homelessness

# Context

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Crisis – national charity focused on ending homelessness

- Strong historical fundraising performance
- Rapid investment and growth over a period of year
- Big ambitions – developing new and ambitious strategy
- Big transitions in senior leadership
- Significant proportion of our income comes in December

# What changed?

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- Significant impact of cost-of-living crisis and increase in inflation
- Realities of COVID implications
- Forward looking financial information not capturing full picture
- Cost base grew larger than income generation could sustain
- Increasing demands for support and interventions - lack of strategic clarity on what we needed to prioritise

# What did we do

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- Started with the strategy
- Build collective leadership
- Developed financial plan around strategic priorities
- Delivered HR change programme to support the organisation through the changes required

***Sound easy.....????***

# Our financial modelling

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- Assumptions:
  - Central costs no more than 15% of overall expenditure
  - 3:1 ROI on fundraising
  - Break even budgets over next 3 years – to build back reserves
- Used these assumptions to allocate expenditure envelope
- Agreed set of strategic priorities over next 3 years
- Gave Exec leadership time to work through structures
- Task and finish on resolving duplications
- Created space and time to interrogate, look at collectively and agree overall changes
- Year 1 in detail, with years 2-3 in high level

***Messy, not neat, imperfect.....***

# What did we learn

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- We put more focus and more resource behind proactively de-risking our income
- We prioritise creating an income focussed culture and capabilities
- We increase the level of governance and scrutiny at SLT and with the Board of Trustees – particularly on investments, including more focus on value for money and ROI
- We adopt a more visible and transparent approach to our comms around financial performance and decision-making with a view to increasing financial literacy across the wider organisation
- We incorporate feedback on planning, budgeting, and performance into wider continuous improvements to improve our financial management culture

# My Reflections

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- Get your team right first – put some governance around this
- This is as much about people and culture as it is about financial resilience
- Bring the organisation (and other key stakeholders) along with you
- Strength in collective leadership and responsibility – this includes the Board
- Set some clear strategic objectives to be your North Star
- Specifically on the finances:
  - Importance of forward looking, real time information
  - Have a good assessment of risk and dynamism of reserves – what do you need them for? How can they manage risk but also support investment
  - Make sure your core operating model is sustainable before you think about new stuff

# Where are we now

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- Ambitious and exciting new strategy, with clarity on the culture and values we require to deliver it
- We have clear financial plan for next 3 years, that meets our ability to both build our reserves and also invest in new strategic priorities
- Our Senior Leadership team taking collective responsibility for enabling delivery of our strategy
- More confidence in our assessment of risk and future sustainability
- Optimism, excitement and hopefulness about the work we can do

***Context is still challenging and we have much work to do.....***