



Disrupt yourself

From left: Good2Give
director Sue Murray GAICD,
CEO Lisa Grinham, director
Michael Graf MAICD



Photo Nic Walker



By Beverley Head

How does a not-for-profit board tackle the technology threat? The Good2Give experience holds lessons for not-for-profits and other organisations about the value of moving rapidly to digital transformation.

“Who is this guy?” was the refrain Lisa Grinham kept hearing. The companies she was working with on their workplace-giving initiatives were being approached by someone promising to do something similar – but faster and simpler. Grinham was being disrupted. As CEO of Good2Give, a not-for-profit that works with charities across Australia, Grinham was well aware that, like every other sector, hers was being disrupted by technology. However, she wanted to lead the disruption – not have the rug pulled out from under her by a disruptor. “If he had created his own business, he may well have put us out of business,” says Grinham.

So she met her rival, discussed his plans and outlined hers. She managed to persuade him instead to make a significant philanthropic donation, then hired his team of developers. The system he was going to develop now underpins Good2Give.

Who was the guy? Grinham will say only that he’s a successful Melbourne businessman in his fifties, who has turned his philanthropic donation into \$100m worth of social return. And he came along at the right time.

Australia’s charity sector is crowded and competitive; there are 57,500-plus registered charities in Australia with combined revenues of \$146b. Donations and bequests make up just \$9.9b – down \$600m this year.

Good2Give, formerly the Charities Aid Foundation (CAF) Australia, wants to make it easy for individuals and businesses to donate. The best way to do that, says Grinham, is through a robust, secure, yet flexible tech platform; a cloud-based system that can link to company payroll systems, automatically generate receipts and streamline connection to charities.

Good2Give also runs tech platforms for companies offering corporate grants and running charitable foundations and it has recently announced alliances with Go Fundraise, a form of crowdfunding, and Quest Payment Systems (Tap2Give terminals allowing people to tap their smartphone to make a donation). Today it’s more a technology company than a charity, says Grinham.

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"I could see the market was changing, customers were demanding it, and donors were becoming far more tech-savvy and wanted to make donations online. We had a lot of paper, a lot of cheques [and] it was clear we needed to invest in tech if we wanted to survive and thrive," she says.

It was also critically important for growth – a manual system couldn't have met the challenge. Westpac now uses Good2Give's technology to run its workplace giving program, its matched giving program and a trial of giving circles at work.

"Because we are a large organisation, we can have a large impact for greater good," says the bank's group head of sustainability and community, Siobhan Toohill.

"Our charities often tell us they couldn't do what they do for their communities without an employee giving program like ours," says Toohill. "It is very empowering to our employees who know that together we are helping those charities that mean most to them to deliver services into Australian communities and seeing that our matched giving program holds real value."

Grinham says that prior to the digital transformation, Good2Give was distributing about \$5m a year. That has now risen to around \$20m, supporting 3000 charities and managing donations from about 20,000 workplace donors – with a number of employers offering donor matching to boost the contribution.

Since its inception in 2001, the organisation has raised \$210m. It wants to reach \$300m by 2022 – one click at a time. Today, 20 per cent of ASX 100 companies use Good2Give platforms. It's still not enough, says director Sue Murray GAICD, who wants all 100 on board.

The Australian charity sector is crowded and competitive



Totally tech-aware

Transformation doesn't just impact back-office systems and processes; it affects everything. As Good2Give director Michael Graf MAICD notes, "The board is not exempt from the transformation – it affects the board members, in some cases the chair, to the person in the lowest of jobs. It becomes a strategic decision."

As part of the transformation, Good2Give chair Cynthia Nadai has led a two-phase refresh of the board. Only she and Murray have stayed the course. Graf has joined the board along with Stephen Garrett, Louise Hendry, Daintree Peters and Andrew Stals. It may seem unnecessarily brutal, but a wholesale board refresh is often required to support successful transformations, says Graf.

Charity case *The history of giving foundations in Australia*

1987

Charities Aid Foundation introduces Britain's first payroll giving system.

2001

Australian affiliate of Charities Aid Foundation (CAF) established.



2011

Cynthia Nadai appointed chair of Charities Aid Foundation in Australia.

2012

Lisa Grinham appointed CEO.

2015

CAF Australia changes name to Good2Give.



2016

Appoints TAG (technology advisory group).

2018

Launch of partnership with GoFundraise.



Top 10 most generous countries

1	INDONESIA	6	UNITED KINGDOM
2	AUSTRALIA	7	SINGAPORE
3	NEW ZEALAND	8	KENYA
4	UNITED STATES	9	MYANMAR
5	IRELAND	10	BAHRAIN

Source: Charities Aid Foundation World Giving Index 2018. The Charities Aid Foundation reports on charitable behaviour around the world. These rankings, based on more than 150,000 interviews in Gallup's World View World Poll, consider donations, volunteering and helping strangers. cafonline.org

Good2Give used a skills matrix to identify what it needed, what it had, and how to plug the gaps.

"The board knew we didn't have the technical expertise to give that strategic and policy advice management needed. The establishment of the TAG (technology advisory group) came out of the board assessment of itself and how it could most effectively focus on the strategy and policy."

Set up three years ago, the advisory group is chaired by director Stephen Garrett. It shares its expertise and acts as a sounding board for management and directors, bringing to bear technology and transformation skills honed at firms such as software company Atlassian, IBM and Macquarie Group. The group meets regularly and supports the board, as does the audit and risk committee, which has cybersecurity oversight.

Nadai advises any not-for-profit looking to transform or disrupt itself must "make sure the proper committees are in place to oversee the digital transformation, and that these committees have the expertise to ask the right questions and provide support where needed".

Graf joined the advisory group before being appointed a director. "In many companies, if a proposal comes up for technology change you need to be able to assess what that means from a business, finance and risk point of view," he says. "We also have the technology question: is this the right direction for us and what are the costs?"

"The TAG is the glue in the middle that helps ask the difficult questions and provides a lot of pro bono expertise. You have got to align the strategy and technology vision very early on, because as a NFP we can't afford to go down blind alleys."

Fortunately, Good2Give seems to have successfully avoided the blind alleys so far. ■

"Some boards have tried to teach existing board members or use consultants. Often, that hasn't led to the right outcome. Instead, it's led to people saying, 'Well, if the consultant says it's good, it must be good' and they rubber stamp it. Boards need to take bold steps and occasionally bring in other skills, not just teach or complement existing board members. Boards of today need to occasionally take risk and change things radically."

Nadai says it's "ferocious reading" that has polished her technology awareness and she doesn't shirk the need to keep the board up to date. "We have refreshed the board twice in the past six years, bringing in more technology directors. Today, three of our seven directors come from a technology background."

The transformation from a fairly traditional charity-focused organisation into a technology company supporting charities also led to about 90 per cent of employees being switched out for people more suited to working in the new environment.

People power

"The strategy is where the board really had to come into play," says Murray. "If we were going to make this transformation there needed to be a different way of doing business. So much of the operations were manually undertaken. I have noticed the importance of having the right people on the team and that capability to understand technology in the management team and the scaling of the business."

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Cynthia Nadai, chair Good2Give