

THE FUTURE OF CHARITY



**GOOD
FUTURES**
FROM GOOD INNOVATION

**GOOD FUTURES
PARADIGM
SHIFT NO. 7**

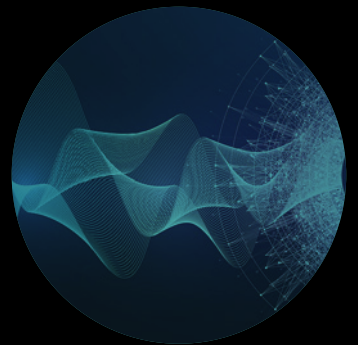
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“Trying to predict the future is a mug’s game. But increasingly it’s a game we all have to play because the world is changing so fast and we need to have some sort of idea of what the future’s actually going to be like because we are going to have to live there, probably next week.”

Douglas Adams

FOREWORD



THIS REPORT HAS BEEN SOMETHING I'VE WANTED US TO DO FOR A LONG TIME.

Two big things have stood out for me as we've created this report. Firstly, how eager people were to talk about this, how passionate and open minded everyone was about what the future for charities needs to be, and how pretty much everyone felt this isn't the path the sector is currently on.

"Continuing as we are isn't going to be the solution to the problems we face."

Director of Strategy & Impact

The second element for me that stood out was tiredness - a sense of these challenges being the same ones that have been around for years.

We've been guilty of this too - grumbling about the various challenges and barriers yet unable to do much about them. We wrote about this in the Good Lab report back in 2019 and whilst we've seen some changes, to be honest it's not been a lot.

Good Innovation was set up with a vision to impact the lives of billions. We passionately believe in the role innovation plays in delivering impact, so we asked ourselves what we could do. What role could innovation play in looking at the future of charity? What would an insight and experimentation approach look like?

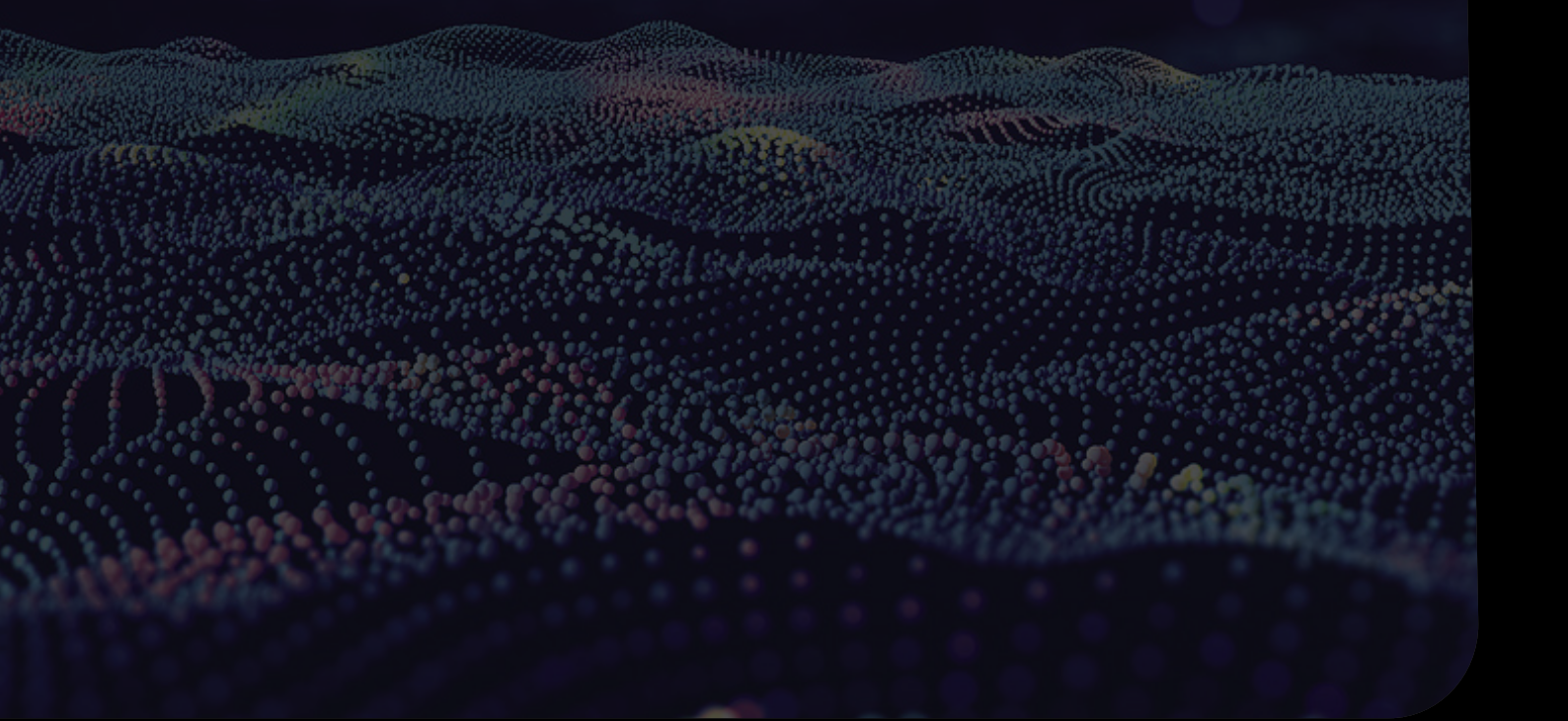
Building on this, there are a couple of reasons for us producing this report.

Firstly, we wanted to create and share a common perspective of the future and what's needed to get there. We're in the privileged position where we get to hear from a lot of people individually a lot about their perspectives, yet there isn't much of a common, collective voice around this.

There is a power in numbers, and we hope there's a power in you all knowing that your peers and colleagues in other organisations think and feel the same way.



**GOOD
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Secondly, we wanted something to happen. This isn't the first report about the future of charity, and it probably won't be the last. But a report alone won't change the world.

Individual organisations can, and a lot of the time are, working with a view around how they need to change. But some of the biggest challenges - how we articulate impact, how we update governance, how we change cultures - aren't anything that an individual organisation can do alone.

We're therefore proposing that this report is the start of the conversation, and that next we collectively come together to actually do something. We've got five suggested areas where we can collaborate on these big, meaty, structural issues.

We hope that by coming together we can share the effort, manage the risks we individually face by putting our heads above the parapet and use our collective brains and voices to create the future we want to see, rather than seeing it happen to us.

Thank you to everyone that's given their time to talk to us about this. And a huge thank you to Daisy for the huge amount of work that's gone into pulling this all together.

I'm genuinely excited and hopeful about what this could be the start of.

Andrew Bathgate
Co-Founder, Good Innovation



METHODOLOGY

We conducted 52 one-to-one interviews with senior leaders from across the charity sector, and leaders working on corporate purpose and impact, including: Trustees, CEOs, directors of fundraising, strategy, income and impact, directors of sustainability, ESG and CSR, and experienced consultants working with the third sector.

Breakdown by role:

- **CEO (11)**
- **Director of Fundraising / Income (25)**
- **Director of Strategy & Impact (5)**
- **Director of Data & Insight (1)**
- **Director of People (1)**
- **Consultant (4)**
- **Director of Purpose / CSR / ESG (5)**

We spoke to people from the following organisations:

- **Alzheimer's Society**
- **British Heart Foundation**
- **British Red Cross**
- **Cancer Research UK**
- **CBRE**
- **Children's Society**
- **Christian Aid**
- **Crisis**
- **Diabetes UK**
- **The Doorstep Library**
- **Education Development Trust**
- **Fairtrade Foundation**
- **Friends of the Earth**
- **Fujitsu**
- **Great Ormond Street Hospital**
- **Helen & Douglas House**
- **Homeless Oxfordshire**
- **Independent Age**
- **Macmillan Cancer Support**
- **Macular Society**
- **Marie Curie**
- **MS Society**
- **Myeloma**
- **NCT**
- **NFL Foundation**
- **NSPCC**
- **Oxfam**
- **PDSA**
- **Peeples**
- **Princes Trust**
- **Prostate Cancer UK**
- **Refuge**
- **Remember a Charity**
- **RNIB**
- **RNLI**
- **Roxburgh Consultancy**
- **Royal British Legion**
- **RSPCA**
- **Save the Children**
- **Scope**
- **Shelter**
- **St John Ambulance**
- **Sustrans**
- **Teenage Cancer Trust**
- **Trust Impact**
- **Vulnerable Paths**
- **WaterAid**

WHAT'S IN THE REPORT

Current context: The world as it is right now. Some shared pains, problems and potential from the current landscape.

DRIVERS OF CHANGE

Looking ahead, what's coming down the road that will challenge, provoke, and unlock innovation. From the unavailable impacts of climate change, to the realities of ageing audiences.

IMAGINED FUTURES

From our interviews, the shared (positive) vision for what the future could hold.

But...

Our reflections on the challenges to change.

BUILDING THE FOUNDATIONS

We've outlined six foundations we see as fundamental to designing the future of charity.

FOUNDATION 1: PURPOSE

Purpose has become lost. We need to refocus, refine and future proof organisational purpose in order to secure a role for future charity.

There's no big ask on this one, as purpose is so personal. Instead, we recommend investing in mission innovation to create a laser focus for the future.

FOUNDATION 2: RELEVANCE, RESONANCE & IMPACT

Impact must be more than a money in, money out equation. To future proof mission delivery, organisations need to be clear about their relevance in society and build resonance with donors, service users and programme participants, taking advantage of new technology and new spaces to build engagement.

Our Big Ask: Social currency - How can we create a shared language around impact?

FOUNDATION 3: FUTURE BUSINESS MODELS

Traditional fundraising models are in decline. The sector operating model is too homogenous. We need to invest in innovation to explore new approaches to income generation, leadership and longer term planning that moves away from short term metrics like CPA and values long-term engagement.

Our Big Ask: Intrapreneurship programme - How can we create cultures of entrepreneurship in charities?

FOUNDATION 4: CULTURE, TECHNOLOGY & INNOVATION

In order to tackle the big problems we need charities that are fit for the 21st century, with the right talent, culture and technology, and innovation at the heart of strategies, not sitting on the periphery.

Our Big Ask: AI collaboration - How do we create a foundation of understanding in order to develop innovative solutions that are fit for purpose?

FOUNDATION 5: COLLABORATION

Our challenges are too big to solve in isolation. We need to get past bureaucracy, ego and brand barriers to unlock collaborations and partnerships. We need charities to act as conveners, experts and quality assurance in purpose ecosystems.

Our Big Ask: Cause collective collaborations - How can we bring charities and corporates together to collectively solve mission or cause specific problems?

FOUNDATION 6: GOVERNANCE

Charity governance is broken. It's the biggest blocker to change, innovation and the future of charity. Without changing governance, how we recruit and train trustees, and the diversity of boards, there is no hope of change across the other foundations for the future of charity.

Our Big Ask: Governance collaboration - How do we come together as a sector to fundamentally change charity governance?

HOW TO USE THIS REPORT

We appreciate that, in true Good Futures style, this is a bit of a whopper of a read. There's a lot to cover! We don't want this to sit on the shelf, or a file on the cloud. We want and need this to have a life outside of this document.

Once you've had a chance to read and digest, we have three actions you can take:

1. **Get in touch!** Tell us what you think.
2. **Get involved.** Be part of one of our five big asks. We can't change the future in isolation. We want to build it together.
3. **Get talking.** Want to get your board talking about what these foundations mean for your organisation? We can help! We have a workshop for boards to help start a conversation about the future of charity, and how to apply this report to your organisation.

INTRODUCTION

In his 1962 book 'The Structure of Scientific Revolutions', philosopher and physicist Thomas Kuhn first introduced us to the term 'paradigm shift'. Whilst the phrase has now been widely co-opted to explain everything from revolutions in quantum computing, to 'life changing' condiments in the chiller cabinet, the original purpose of the term still holds power.



Kuhn describes paradigm shifts as arising when the dominant paradigm under which normal science operates is rendered incompatible with new phenomena, facilitating the adoption of a new theory or paradigm.

In Kuhn's original treatise there are four stages to a scientific revolution:

1. **Normal Science**, where the dominant paradigm is active and accepted by the majority. During the process of research, anomalies will arise that cannot be explained or answered by the existing approaches.
2. **Extraordinary Research** occurs when there are too many anomalies to ignore and the existing scientific principle is thrown into crisis. Scientists attempt to develop new theories and experiments to explain the anomalies. During this phase there will be lots of conflicting approaches.
3. **Adoption of a new paradigm / The revolution bit** – Eventually a new theory gains enough followers for it to become a competing paradigm. Some scientists will jump on board this new paradigm, leaving the old world behind. Others will be harder to convince, needing greater degrees of evidence and proof, whilst some will never give up their old beliefs. Eventually, opponents either retire or die, whilst a new generation grows up entirely within the new paradigm or belief system.
4. **The Aftermath** – As with many revolutions, history is written by the winners. The new paradigm becomes the accepted institution, written into textbooks as the accepted approach, and, with time, new anomalies arise, creating the next opportunity for revolution or evolution.

"We've got to break out of our paradigm. The more we can do to break down some of those barriers, prompt some of these debates and connect people, I think the better. Because we're all suffering the same challenges and we all realise that life is changing."

CEO

So why are we talking about the philosophy of scientific revolutions in a report about the future of charity?

Because we believe that the third sector is in crisis and on the brink of a revolution. The dominant paradigm of social good delivered by trusted charity, funded by philanthropy, grants and service contracts, articulating impact as a money in, money out equation, has served us well for the past century.

But societal, technological and political changes have created new phenomena, new tools, new challenges and new expectations, that our existing paradigm cannot capitalise upon. Others have innovated in the social good landscape through the lenses of corporate purpose and impact. Paternalistic and colonial power structures are being dismantled around us, both outside and inside the sector. The Victorian paradigm of charity is in crisis.

"We are so convinced by our own importance that we refuse to consider any other future."

Director of Fundraising

The good news: new paradigms are emerging. Experiments are happening across the sector exploring new models of governance, new approaches to income, new structures of collaboration and new balances of power away from the Global North. **Change is possible and change is happening.** But this change is also being stifled by the risk practices and ways of working of the old paradigm. Green shoots, like [Arthr](https://arthr.com/), are being shut down before they have a chance to truly flourish.¹

We don't have the luxury of waiting until all those who adhere to the old paradigm retire or die. The challenges society faces right now - climate crisis, an epidemic of loneliness, growing divisions in access to healthcare and education, and rising levels of poverty - threaten our existence as a society. They need collective action urgently, not in 20 years time.

You may think we're being hyperbolic, but consider that global warming is on track to reach and exceed 1.5 degrees Celsius (2.7 Fahrenheit) above pre-industrial averages in the early 2030s, regardless of how much greenhouse gas emissions rise or fall in the coming decade.²

With this brings rising sea levels and coastal erosion putting cities at risk of flooding, ocean warming killing off coral reefs, once-in-a-lifetime climate events like storms and heatwaves becoming regular occurrences, and tracts of once fertile land (e.g. California) becoming uninhabitable.

Also consider that 1 in 7 men and 1 in 10 women in the US have no friends,³ 1 in 4 children in the UK are living in poverty⁴ and over a third of patients (37%) do not receive their first treatment for cancer within two months of attending an NHS screening service.⁵

These problems are not going to be addressed by individual organisations working around the edges, or well-meaning charity of the year partnerships, or sternly worded letters published in The Times signed by 50 charity CEOs.

Which brings us back to the purpose of this report. This report isn't simply a playback of the views of the sector as it is right now, or a regurgitation of the same complaints we've read in similar reports for the last decade.

And it equally isn't a blueprint for one future paradigm that focuses social good solely on the third sector, because, quite frankly, we don't think there is one solution to all of this.

This report is an invitation to collaborate on the future. To bring together organisations and institutions interested in solving social problems to innovate now and redesign the foundations of future charity.

This is not about saving charity for charity's sake, but rather about building the foundations of something stronger, more agile and more fit to tackle future problems.

Because if we don't invest now in building the future we need and want, we will inevitably sleepwalk into the worst case scenarios.

Daisy O'Reilly-Weinstock

Director of Big Bets, Good Innovation

¹ Arthr - <https://arthr.com/>

² Stanford, 2023 - <https://news.stanford.edu/2023/01/30/ai-predicts-global-warming-will-exceed-1-5-degrees-2030s>

³ Galloway, 2022 - <https://twitter.com/profgalloway/status/1582487937870069760?lang=en-GB>

⁴ Joseph Rowntree Foundation, 2023 - <https://www.jrf.org.uk/data/overall-uk-poverty-rates>

⁵ BMA, 2023 - <https://www.bma.org.uk/advice-and-support/nhs-delivery-and-workforce/pressures/nhs-backlog-data-analysis>

THE CURRENT CONTEXT

Before we consider the future, we wanted to take a moment to recognise the current landscape and challenges charities face. The first question we asked all our interviewees was, 'What's the biggest threat to charities and the charity sector right now?' These are some of the themes that arose from those conversations.

LET'S START WITH THE OBVIOUS - THE RISING COST OF LIVING

"We're in a really challenging environment. Demand is going up, costs are going up and income is going down. Fundraising budgets are being cut. When you've got limited income coming in, how do you reprioritise again and again for those most in need, when all you're doing is lowering the benchmark every time? It's a really hard place to be right now."

Director of Fundraising

During the pandemic lockdowns of 2020 and early 2021, inflation fell as households cut back on spending. When restrictions started to lift in 2021, households were free to spend accumulated savings from the pandemic, leading to a rise in demand.

But businesses were not prepared to deal with the surge, having scaled back on staff and cut investment to survive restrictions. On top of that, global supply chains were continuing to suffer due to the continuation of lockdowns in China.

Enter 2022 and add into the mix the growing reality of the implications of Brexit on the UK market and depression of the value of the pound, and the warnings about the rising cost of living were already being shouted loud and clear.

Then, on 24th February 2022, Russia invaded Ukraine, and the shock to global supply chains saw a surge in prices for oil, gas and food, sending the inflation rate skyrocketing to 11.1% in November 2022. Energy bills more than tripled,

whilst the cost of consumer basics also went up. All at a time when the Conservative government was more interested in infighting and leadership contests, than action to tackle the rising cost of living.

From a charity point of view, cost of living and the knock-on impact of rising costs of delivery and rising demand was discussed in almost every interview. It's the reality all organisations are living right now.

But the effect on income was a mixed picture, with some still riding the positive wave of post-lockdown uplifts in retail and corporate partnerships, whilst others are already seeing the impact on events and legacy values.

We know from previous recessions that there's frequently up to a 6-month delay on the impact to fundraising (regardless of whether you consider the UK to technically be in recession or not right now).

The economic forecast may be looking brighter, with inflation rates expected to start to decline, and energy costs coming down later in 2023. However, when you combine a volatile economic environment that is directly hitting the mass consumer purse, with traditional fundraising products that have been declining for almost a decade (mass participation, regular giving, community and events).

Plus the addition of continued demands on fundraising to 'double income', and building robust financial forecasts for

fundraising becomes increasingly like divining meaning from a crystal ball - you've got to go with your gut and hope for the best.

COVID, AND THE TWITTER THEORY OF OPERATIONAL MANAGEMENT

"Charities, like every other organisation, are in the eye of the storm. We've had to deal with the pandemic, which has required a fundamental shift in working patterns, a fundamental review of the delivery model, exposed weaknesses in funding and financial revenue. And at the same time, we're then straight into a cost of living crisis. So that affects your recruitment, it affects your workforce, it affects your delivery."

CEO

The pandemic, and its subsequent hangover, brought a mixed bag of responses to charity operations and management, so let's start with the positive. Many organisations adopted radical new approaches to delegated authority, decision making and risk management.

Organisations which had previously taken years to get new products into market, or new campaigns signed off, were turning around appeal packs, new fundraising products and new operational structures in the space of weeks, not months. And, as far as we can tell, with very few negative impacts. Teams were trusted to do what was right, at the right time, with the appropriate resources, without having to go through layers of governance and sign off.

However, to survive the uncertainty of lockdowns, almost all organisations furloughed non-key staff members, re-forecast income to worst case scenario planning, and parked non-critical or uncommitted investment.

With the exception of a notable few, almost all the organisations we spoke to had performed better than expected during 2020 and 2021. Some even performed better than their original pre-pandemic financial forecasts. Mass participation moved online, individual giving numbers stayed stable, and face-to-face services pivoted to virtual delivery.

“Covid meant we had to be quicker, more agile, quick decision-making, trusting people to make decisions, driving partnerships quickly, governance had to catch up with the reality of what we had to do. And I think we’ve got to maintain that mindset of speed and agility.”

CEO

Now for the hangover. Much like Twitter under the ownership of ‘Space Muppet’ Elon Musk, charity teams have been doing their best to hold down the fort and keep the lights on, hoping that core services won’t break, but this goodwill is now creaking at the seams.

Having managed (and delivered) with scaled back resources, there is now a real need to invest and rebuild the foundations.

All at a time when finances and fundraising continue to be challenging.

THE FRACTURED RELATIONSHIP WITH GOVERNMENT

“There is no political partnership on offer anymore with the current government. The best example is international charities with the current government, where it’s obviously gone very, very wrong after a 20 year period of relatively stable, really quite progressive, well placed partnerships with government and international development.”

Director of Fundraising

The relationship between the third sector and government is broken. As austerity measures reduced budgets at both national and local levels in the UK, populist policies and politicians started to take centre stage in the US and Europe. Now, this once cordial marriage has become fraught and, at times, actively hostile.

“The other threat is the government’s attitude to charities and the kind of environment that our government has created around charities. There’s quite a lot of hostility from government towards the charity sector, particularly towards campaigning organisations.”

Director of Strategy

From the charity side we heard repeated frustrations about policy decisions that

lack evidence, a lack of engagement and involvement with the third sector, as well as anecdotal evidence of service contracts being awarded to commercial ventures with limited expertise, which promise cost savings over charity providers.

Whilst the majority of MPs (92%) are in some form of regular contact with charities (they’re more likely to have volunteered for a charity or been a trustee than the population as a whole), nearly half of civil servants (45%) have no contact with charities⁶, and social sector organisations make up only 3% of the members of Treasury working groups.⁷

“If you look at sort of the traditional charity policy and influencing model, to an extent it relies on an evidence based approach to policy generation in government. And we’re clearly now in a post-rational evidence world of policy where that just doesn’t work anymore. So the risk is you spend a lot of money doing very sensible work that just doesn’t go anywhere.”

Director of Strategy

⁶ Pro Bono Economics, 2022 - <https://www.probonoeconomics.com/a-shared-interest-policymakers-and-civil-society>

⁷ Third Sector, 2023 - <https://www.thirdsector.co.uk/gus-odonnell-calls-philanthropy-champion-role-whitehall-help-charities/policy-and-politics/article/1817105>



Among policy makers and politicians, there's disagreement about the role charities should play in society, what is and isn't appropriate when it comes to campaigning and lobbying, and even how publicly donated money should be spent (e.g. salaries, office locations, etc etc). Alongside complaints that the sector lacks coherence when it comes to messaging and data, making it hard for policy makers to wade through opinion.

"The thing that unites almost all charity sectors is we think we're doing something that the state should do. And yet here we are, forgiving them for not doing it, by doing it for them."

CEO

LIVING WITH PERMACRISIS

"It's really hard to stay the course and focus on impact and delivery when things change so quickly and your context changes. It makes delivering change much harder."

Director of Fundraising

After a decade of relative stability, permacrisis has become both a word and a mode of existence that all sectors have had to grapple with in the past 36 months. 'Crisis' was the word most frequently mentioned during interviews (alongside 'governance' - which we'll come to later).

Whilst charities and INGOs may excel at rapidly pivoting to deliver support during a natural disaster, or come together to deliver humanitarian aid; predicting, pre-empting and preparing for other crises and issues hasn't been their forte.

Too many organisations are focused on managing the crisis just gone, rather than preparing for the one coming up next.

"We're so slow at adapting. We don't anticipate issues. We deal with last year's problems in a scramble."

Director of Fundraising

HOW TO BUILD THE FUTURE WHILST KEEPING THE LIGHTS ON?

"How do we keep the lights on at the same time as reinventing the future? And I've not yet seen anyone come up with a really good answer yet. There is no magic bullet. So together we need to find small ways of reinventing the future whilst, you know, perhaps the lights might dim a bit at times, and kind of be comfortable with that."

Director of Fundraising

Which leads us to the meta-question: How do you navigate the current context whilst investing in the future? How do you experiment on future models of doing good whilst still delivering on your mission?

When faced with permacrisis, how do organisations retain the speed and agility unlocked during lockdowns, rather than reverting back to older, 'safer' behaviours?

How do you innovate to make the most of new technology and new approaches to tackle society's problems, when the current models of governance and risk management restrict innovation and investment?

Back to Kuhn's four-stage theory, how do you participate in extraordinary experiments whilst still operating in the old paradigm?

"It's hard to reinvent yourself quickly and agilely. You almost need to start again in some cases."

CEO



DRIVERS OF CHANGE

Looking forward, we wanted to consider some of the macro trends that will drive change over the next 20 years. It's easy to be cynical or the harbinger of doom when considering how some of these might impact future scenarios, but our advice: be a doomslayer, not a doomsayer. Grasp the opportunity for radical innovation and reinvention.

FUTURE AUDIENCES

The UK population is ageing, and with it, your audiences. With better healthcare and living standards, life expectancy is inching upwards and the proportion of older audiences is growing.

Throughout these changes, it's crucial we reevaluate the way we currently think about age. Ageist stereotypes continue to run rampant online and in real life, finding their way into marketing, product design and delivery. Both now and in the future, relegating the 65+ community to the 'seniors market' is both offensive to the ageing population and limiting to organisations.

On top of that, with people living longer, the traditional life stages we tend to use for segmentation will have to change to accommodate for people, for example, having kids later, or not at all. The uncertainty about the future of the planet will shift perspectives on this as well), following non-linear career paths, dedicating more time to moments of hedonism, or reaching financial milestones later.

Unsurprisingly, this means that the audience demographics of 2043 will have different requirements to the ones of today. How are you designing for both this ageing population and the new ideas about age that come with it?

GENERATIVE AI

- **STAT:** 80% of US workers' jobs could save time on a weekly basis by automating their workload. [[Vice](#)]

- **STAT:** ChatGPT reached 100 million monthly users in January 2023, just two months after its launch, making it the fastest-growing consumer application in history. [[Reuters](#)]

Although there's no telling what generative AI is going to look like in twenty years time, we do know that we're likely looking at the next smartphone moment: something that is going to fundamentally change how we engage with almost everything. We're at a point in time where progress in the artificial intelligence space is happening at lightning speed. The qualitative difference between GPT-3 and GPT-4 is monumental considering that they were released only a few months apart. Essentially, development is happening at a pace that's almost too fast for humans to grapple with. Even so, AI is already capable of radically transforming the way organisations work internally and how they deliver their impact externally. From resource optimisation to synthesising huge mountains of data to drive decision making, to designing more efficient service delivery systems, to simply delegating all of your administrative tasks to an AI secretary; there's a hundred different applications that are already viable or will be in the near future.

On the other hand, there is no shortage of AI doomsayers proclaiming that the chatbots are going to take all of our jobs and kill off any human creativity. And while there almost certainly will be portions of the workforce whose skills are suddenly rendered unnecessary, there will also be the opportunity to create new and different roles and

skill sets to complement the post-AI economy. AI could be the catalyst for a fundamental reinvention of our education systems, focusing on critical thinking rather than rote learning. The reality is that the way forward will be for organisations to learn how to incorporate AI (and future talent who are proficient at leveraging its potential) into their operations, to streamline their efficiency and magnify their impact.

CLIMATE CHANGE

- **STAT:** There could be 1.2 billion climate refugees by 2050. [[Zurich Insurance](#)]
- **STAT:** In 2022, climate change was the second biggest concern facing adults in the UK, coming in just behind the cost of living crisis. [[Office of National Statistics](#)]

"I think the climate crisis, rather than politics or any campaign, is a huge opportunity for a sort of national reset of what's important to us. The climate crisis is forcing people to realise that you can't just keep growing. You can't just keep trading forever, bringing in yet more plastic goods on ships from China to sell. And that's really exciting because if we're going to carry on with this hyperconsumerism, look at the opportunity for change there. I'm hoping that my charity, but also community activism, localism, the stuff that so many charities work on domestically as well, will benefit from that because it opens up a conversation about how we want to live."

CEO



It's a familiar narrative: the planet is heating up, ice caps are melting, polar bears are dying. Over the past couple years, we've begun to see the visible consequences of human overconsumption on the planet, whilst realising, at the same time, that we may be too late to reverse many of the negative effects we've caused. We're facing a reality where society will have to learn how to cope with unavoidable environmental changes, and ultimately reshape itself around the fundamental disruptions we're facing in the very near future.

Even if we cut our environmental footprint down to zero right now, we're still going to have to find ways to deal with the complex problems that will be thrown at us, like the impacts of climate migration, the degradation of productive land, and increasing amounts of supply-chain disruption. And then there's the other possible scenario, where we continue along the path we're currently on and let the climate reach the point of no return. Regardless of whether or not the climate falls under the scope of your mission, avoiding this scenario should be top of the agenda for everyone in the near future.

And whilst all this feels like an inherently negative outlook, there are huge potential opportunities for society to reprioritise and refocus on what we value as communities, as well as the opportunity and need for charities to innovate in response to new challenges. The changes presented by climate change are inevitable, so the best we can do is find the way through.

BLURRING THE BOUNDARIES OF 'GOOD'

- **STAT 1:** 76% of consumers say they'll stop buying from companies that treat the environment, employees, or community in which they operate poorly. [[PWC](#)]
- **STAT 2:** Putting the United Nations Sustainable Development Goals at the centre of the world's economic strategy could unlock \$12 trillion a year in opportunities and generate 380 million new jobs globally. [[Business and Sustainable Development Commission](#)]
- **STAT 3:** In 2022, the average young person listed 'buying an ethical product' as their third most common way to get involved, with 38% of them considering this to be philanthropy. [[Charities Aid Foundation](#)]

Charities no longer own social good. Corporate purpose, and investments in impact, are blurring the boundaries between the private and third sector. A customer who wants to drive a bit of good in the world can now pick and choose between purpose-led purchases from "ethical brands" or charity engagement in their shopping basket of social impact.

For now, corporates still lack the social credentials that charities have when it comes to delivering good, but as they improve their ESG initiatives and become more efficient at driving impact themselves, could they be the charity sector's direct competition for the impact market? And if so, who is holding them to account and ensuring that their initiatives are truly effective and

sustainable, instead of the green- or purpose-washing that they could result in?

"The first thing I thought in terms of threats is actually social purpose being assimilated by business. And we're already seeing it. I don't think it's long before organisations who would otherwise have looked to the charity sector for partnership will end up saying, why do we need to do that? If we've got good ESG credentials ourselves, why don't we just cut out the middleman? And that might be anything from delivering services to raising awareness or even doing some fundraising, et cetera, et cetera, there's no limits."

CEO

NEW REALITIES

- **STAT:** The annual growth of the VR and AR market increased at around 70% in 2020-2023. [[Adatis](#)]
- **STAT:** Between 2022 and 2030, VR and AR could add \$300b in value to the healthcare industry. [[PWC](#)]

Picture this: twenty years from now, you log on to work from your local café, pop on your VR headset, and suddenly you're in the virtual office environment.

You're walking around as if you're there, chatting to your coworkers and having face to face meetings without ever getting up. Or, you're visiting a museum, where virtual reality now lets you walk through history as if you were there.



As virtual and augmented reality products get better and better, the ways we interact, find community, and tell our stories are going to fundamentally change. Increasingly interactive storytelling is paving the way for new models of engagement.

A DIVIDED SOCIETY

- **STAT 1:** Only 35% of the UK population trust the national government, compared to the 41% OECD average. [[Office for National Statistics](#)]
- **STAT 2:** The UK wealth gap grew to a record £1.2 million per adult in 2022. [[Resolution Foundation](#)]
- **STAT 3:** Women are still paid less than men at four out of five employers in Great Britain. [[The Guardian](#)]

As we look back on the past years in the UK, there's a clear pattern of social fracturing. With dwindling trust in mainstream media and politicians, alongside ever-increasing levels of political polarisation, our society is becoming more and more divided.

At times, it can feel like public discourse is happening in separate but parallel echo chambers, with people turning to less nuanced voices that promise simple solutions to increasingly complex problems.

In the midst of all this, income inequality is skyrocketing, hate crimes are on the rise, progress on the gender pay gap is stalling, and we're seeing freedoms and equalities that we've taken for granted come under fire across the world.

And whilst none of this is particularly good news, there is an opportunity to reshape the ideals that we build society around.

We know that community and trust won't look the same in ten years as they do now, but we don't know in what ways. Charities and organisations will have to play a key role in bridging some of these gaps.

SOCIETAL SAFETY NETS IN CRISIS

- **STAT 1:** In the UK, you're 23 times more likely to be prosecuted for benefit fraud than tax fraud, even though tax crimes cost the average taxpayer nine times more. [[The Guardian](#)]
- **STAT 2:** In 2022, the proportion of symptomatic breast cancer patients seen by a consultant within two weeks of urgent referral dipped to 67.7% - down from 93.2% in 2017. [[The Guardian](#)]
- **STAT 3:** In 2022, Black people in the UK are over three times more likely than White people to experience homelessness. [[Heriot Watt University](#)]

There is no question that the UK's social safety nets are increasingly under pressure. The cost of living crisis is biting hard, with inflation hitting historic highs and wallets being stretched further than ever before.

The NHS is stretched to a breaking point, with long waiting times and overworked and underpaid staff.

A lack of new, affordable housing, means that homelessness is ticking up and more people are living in cramped and unsafe conditions. The pensions crisis

looms large on the horizon, with many people striking in the face of uncertain retirement futures. Meanwhile, the threat of a new crisis looming round the corner (e.g. Taiwan).

These crises stretch across every aspect of life, with their compounding pressures increasingly wearing down the quality of life and mental health of those dealing with them.

So how do we better connect people to the help they need, and how do we make sure that social safety nets are robust enough to accommodate the increasing number of people that need them?



IMAGINED FUTURES

20 years can feel both like an eternity and a heartbeat, depending on your perspective. Consider that Cancer Research UK was formed from the merger of ICRF and CRC 21 years ago, on 20th February, 2002. In that time they've become the largest independent funder of cancer research in Europe, growing from a combined income of £225m in 2002, to a whopping £668m income in 2021/22.



Cancer Research UK has fundamentally changed the landscape of both charity fundraising (with Race for Life) and collaborative commercial research (with Cancer Research Horizons).

In this time we've also seen the global expansion of internet access and usage, the introduction of personal portable smart devices (the first iPod sold in 2001), and the explosion of social media (Facebook launched in 2004).

But despite these changes to both our day to day lives and the charity landscape, many (if not most) of the social problems we faced in 2003 are still problems today. From gender inequality and modern slavery, to poverty, loneliness, racism, and access to education. Our world has both grown, and shrunk, but our problems still persist.

The giving landscape also hasn't seen many radical innovations. Individual giving and legacy are still the biggest products, though both have seen the introduction of new digital giving mechanics. Our fundamental giving behaviours haven't shifted.

We asked all our interviewees to imagine the world in 2043 and to write a postcard back from this future: What does the charity sector look like and how is it different from 2023?

"How much has life changed in 20 years? When I think about what I was doing 20 years ago, both professionally and personally, in some respects life doesn't really change. You still have the same hobbies, same friends. Have a pint, read books, I've been doing that 20 years ago. I'll probably be doing it in 20 years time. However, there are some fairly major changes. Just think of the smartphone. We've all got powerful computers in our pockets. We're always on, always connected. The world has shrunk."

CEO

Given permacrisis within the current context, and the potential impact of the drivers of change, we know that 2043 will offer a very different landscape, but what surprised and reassured us was the overwhelming energy for positive change that all these imagined futures shared.

These futures were not about saving charity for charity's sake, but about building the foundations for something better: a more collaborative, more connected, more impact-driven sector that leverages innovation for social good. A sector that embraces a range of different operating models, champions diversity, and has moved past paternalistic structures to centre service users, with cultures built around feminist leadership principles, and focused on national and local expertise and resilience.

Charities acting as conveners, as experts and catalysts in movements for change. Charities operating in connected ecosystems, rather than brand-based siloes. Ecosystems that are built on the [Pledge for Change](#) principles of solidarity, humility, self-determination and equality.

"Charities are working together more closely around key issues. They're recognising the systemic approach to change. It's not about the individual needs of individual charity. We start to think collectively. The me-ism of the 1980s has started to dissipate, and we can shift into us-ism. A shift to a new norm away from a capitalist me, me, me approach. So I hope that lots of charities are going to merge as a consequence. There'll be fewer single issue charities because they'll realise that that single issue that they're addressing is a symptom of lots of other problems that they could be addressing collectively."

Director of Fundraising

"I want to make sure there's a thriving sector that's a catalyst for a good society. Convening civic participation and continuing to evolve and innovate and change to be able to respond to poorly met or unmet needs."

CEO

"So the great news is that technology has meant that all those mundane tasks are

gone, that we've been able to connect with the population much more readily and more consistently and that we've been able to engage more. We've come together to have focused solutions and used our collective intelligence and assets to resolve global issues, with charity sitting in the middle of this model to keep us honest and informed and appropriate."

Director of Fundraising

"I think charities will survive and they'll find ways to evolve. And maybe the larger ones will be better equipped to do that because they're in a position to experiment a bit more and take risks. At the same time, they're, by their nature, a bit less agile and have bigger challenges around siloing, etc."

Director of Strategy

"I would expect there to have been some pretty major disruption and that when you look inside charities, they look quite different. I would expect them to look smaller in terms of headcount and to do a lot more through partnership and supplier management. I would expect them to look much more globally networked in general - more joined up. And then I think I'd hope we'll have moved forward in terms of less siloing, digital transformation, more partnership, more ecosystem players, etc. We'll see more consolidation, mergers, alliances."

Director of Strategy

"It's not, have you got a charity commission number? It's not the registration, it's not the governance, it's not the funding model, it's not necessarily some sectors are in and some aren't. It's the generosity of spirit. So my ideal definition of a future charity is a community of change and support with this generosity and helpfulness of spirit behind it."

Director of Fundraising

"I would like to see charities as innovators in terms of driving change. Charities should be identifying the gaps that exist in the area they're trying to support. And they should be ensuring that there is a constant stream of innovation and interventions that will hopefully make a much, much bigger difference than the interventions that have been tried before have done."

CEO

"I think charities should be much more focused on creating movements: movements for change. And with those people that are most able to deliver upon that change."

CEO

"In an ideal future, the civil society is on the cutting edge of where great stuff happens in society more generally. In transforming the way we operate it will transform our ability to be able to collaborate which means the collaborations themselves will have much more value and impact and will be necessary."

Director of Fundraising

"I think there's something about a much more hybrid model. One where it's less about charities operating individually, and much more about coalitions of people coming together to solve the problem."

Director of Strategy

"In an ideal sector you would have fewer charities, with a clearer focus and bigger movements potentially. I would hope, as time progresses, that the not-for-profit sector is seen as more of an equal to the commercial sector, that we truly understand and can articulate the impact that we have. The economic impact, as well as the impact for beneficiaries."

Director of Fundraising

"I think the model of kind of mission and money needs to overtake the voluntary income model. That's where fundraising has to go. A more social enterprise type model, and perhaps that's the way voluntary income just becomes less prominent."

Director of Fundraising

"In 20 years time, what I hope we see is an incredibly vibrant, diverse, thriving civil society in which the shape and size and scale of charities is very different from what it looks like today. I would hope you would see a real breadth and depth of different operating models."

That the sector would be known for breaking different ways of thinking about how people can be organised, how people can be mobilised, how people can innovate, and that you would see both different operating models, and different kinds of product and services, which are constantly innovating."

Director of Fundraising

BUT...

It's all very well for us to take flights of fancy and imagine possible future paradigms, but to get there we need to acknowledge and tackle the barriers, roadblocks and challenges to the change we face right now. Because without building these foundations our experiments will continue to fail.



During our interviews there was a clear, shared thread that connected many people and organisations together: we're collectively exhausted from managing crisis after crisis, all whilst continuing to try to drive through change.

1. Focus has been on keeping the lights on

With the financial uncertainty of the last few years, energy has understandably been focused on keeping the doors open, the lights on, and the ship moving. As a result, investment, focus and drive to keep the foundations up to date or innovate on core has slipped. Budgets have been stripped to ensure services continue. People have kept their heads down and blinkers on in an effort to survive the storm.

"Right now, we're already going through a big reforecast, having just started our financial year, and we're worried about cash flow drops. An extra £2 million in January just to keep the lights on around the country. It doesn't matter how well you've planned, or your intentions, your investments in your brave new world activity for this year has gone out the window. Because we've got to be able to pay people and keep the lights on."

Director of Fundraising

"[Charities are] potentially sleepwalking into a situation where their role in society is no longer clear."

Director of Fundraising

2. Collective exhaustion

Whilst Fundraising Directors appear to be an incredibly positive and optimistic bunch, there is a collective sense of exhaustion.

There has been so much change in the external environment: from austerity, to Covid, to cost of living, to new technologies like generative AI and VR, to increased regulation and reporting. Exhaustion at trying to maintain optimism in the face of uncertainty. Exhaustion at trying to innovate, and, as one director put it, “drag my organisation into the 21st century”.

“We don’t look outside. We don’t think about radically different futures. We just focus on, ‘I am in this space right now, what can I do in the next year?’ I’m finding myself just surviving, you know, like what do we need to do to stabilise? I don’t have the capacity to think about what’s next.”

Director of Fundraising

3. Still being tasked with double digit growth

Despite all of this, income generating teams are **still** being tasked with double digit growth. The phrase “double income in 10 years” was uttered at least a dozen times during our interviews. But how, and from where? The UK charitable giving market is in decline⁸, and it’s not just people giving less, it’s fewer people giving.

The answer to this isn’t to simply ‘grow giving’ by investing in fundraising and targeting high value donors, because that won’t get to the heart of the problems. This approach simply reinforces the old, failing paradigm.

“The pace of external change has definitely accelerated. Whether it’s COVID or cost of living or whatever might be next. Those things require a much greater level of agility and flexibility than traditional charities have had in the past.”

CEO

4. Recognise that change is needed

In every single interview there was a recognition that change is needed, and that change is good. But how, and from where? There’s no capacity or headspace for change. One interviewee, when responding to the question, ‘what’s the biggest threat to charities right now?’ gave the answer, “Charities themselves.”

“We have become businesses obsessed by risk and perception and brand and profit. Without any of the benefits of being businesses.”

Director of Fundraising

5. Disruption... but from where?

In other sectors change has come about as a result of crisis or external disruption, forcing change. At least two of the CEOs we spoke to had been brought in to lead their organisations in the wake of very public crises and inquiries. These individuals had been brought in on a mandate for change, supported by trustees; **and change is happening.**

We’re seeing the sale of unnecessarily large head offices to release funds, disinvesting in services or handing them over to other organisations or governments to administer, refocusing the purpose and mission of their organisations, and investing in innovation to future proof income.

But how can you take that same radical approach without the pain and trauma of an inquiry or crisis? Where does disruption come from, or are we just waiting for our business to become obsolete, like Blockbuster?

“One thing that has surprised me is the lack of major disruption in this sector in the decade that I’ve been in it, because around us other sectors have been turned upside down: retail, banking, telecoms, media. And yet, we still feel there’s been change around the edges, but nothing’s come along to kind of blow us out of the water and lead to organisations declining at 10% a year yet.”

Director of Strategy

6. We’re scared to dream big

Charities are tied up in so much regulation, governance and red tape that it’s throttling imagination, innovation and investment.

Society still expects charities to operate under Victorian principles of philanthropy, altruism and do-gooding that limit investment in big bets and make conversations about the value of ‘core’ difficult. Whilst trust in charities is increasing, the disconnect is still around the value of expertise and skill.

The problems charities are trying to tackle are monumental, but we expect them to be able to do this on shoestring budgets and best intentions. We ask them to imagine what they could do with 10X but then only unlock the investment for 0.1X.

7. The risk

So our challenge is: we know change is needed. We know the old paradigm isn’t working. But charity leaders are exhausted and suffering from change overwhelm.

The people we need to lead the charge and champion experiments feel like they’re trying to push water uphill when it comes to getting change through organisations. And the risk becomes that no change happens. The risk is that we carry on as we have been, whilst the sector slowly becomes less relevant, less effective and less impactful.

⁸ CAF, 2022 - https://www.cafonline.org/docs/default-source/about-us-research/uk_giving_2022.pdf

BUILDING THE FOUNDATIONS

As we said at the start, we're at the point in our revolution where we need to experiment and consider all possible paradigms. But current experiments are being stalled or killed off early due to a mismatch between the current operating model and future ambition. We need to take a hard look at the foundations of our organisations and challenge ourselves to design something better.



In the next section we've outlined the six foundations we see as fundamental to designing the future of charity. Without individual organisations, and the sector at large, taking a hard look at their purpose, how they tell the story of impact, how they challenge their business model, rethink culture, remodel collaboration and overhaul governance, the future of charity looks bleak.

Each section is structured in the same format:

- **CURRENT LANDSCAPE:** What's the context we are operating within
- **FUTURE IMPLICATIONS:** If nothing changes, what could the future look like?
- **BARRIERS TO CHANGE:** What's stopping us?
- **WHAT SHOULD THE FUTURE LOOK LIKE:** What could the future look like if we invest in innovation now?
- **HOW TO GET THERE:** Innovation experiments and starters for 10 on where to get going
- **OUR BIG ASK:** How do we come together to kick-start change?

We also promised that this report wasn't just going to be a list of complaints about the current ways of working. That's why there's a call to action for each foundation - our big ask. An offer from us to charities, corporates, policy makers and government, to come together to innovate on solutions.

"If we start to see the word charity as unacceptable, as paternalistic, as utterly one dimensional, and its purpose, as linked to failures of government, then we can start to create change."

CEO



WE BELIEVE
IN THE FUTURE
OF CHARITY.
WE WANT
TO HELP MAKE
IT A REALITY.

FOUNDATION 1: PURPOSE

"We [charities] don't have a God given right to exist. When times are really tough, you have to reimagine your purpose."

CEO

Purpose has become lost. We need to refocus, refine and future proof organisational purpose in order to secure a role for future charity.

CURRENT LANDSCAPE

The world is changing but our organisations aren't evolving with it

"Strategically, charities need to be able to evolve. The world is changing, and the nature of the problems that we're trying to solve are changing."

Director of Fundraising

The environments we operate within are constantly changing, but most charities aren't structured or designed to move with and innovate in response to this. Innovation is not limited to income or service delivery, it equally applies to mission and purpose. Are your solutions still relevant? Is your theory of change fit for purpose? Are you making the most of new technology? What's your purpose in society and are you structured appropriately to deliver against it? When was the last time you refreshed your purpose and do you keep a watching brief as the landscape continues to evolve?

Charities no longer own purpose

"Is it a threat that lots of other people, that corporates, want to create change? It isn't. Of course it isn't! That's ridiculous. Can we can't genuinely sit here as a sector and go, 'that's a threat'? Unless you believe that charities need to stay for some employment purpose?"

Director of Fundraising

Doing good no longer sits solely within the purview of the third sector. Corporates are learning that there's financial value in having a clear articulation of purpose and putting investment behind this. And whilst consumers don't fully trust corporates to deliver on their impact promises yet,⁹ they're rapidly gaining legitimacy as public demand for higher ESG standards pushes them towards becoming better at delivering purpose.

Whilst we can't argue that more effort focused on solving social problems is anything other than a good thing, from a consumer point of view, the fragmentation of doing good could divert their attention away from the third sector. How do you position yourself in an increasingly crowded social impact market, and how do you stand out if the market becomes saturated with corporates that could potentially be delivering the same impact as you currently do in the future?

"It's not about giving up because others are developing a social conscience and social activity. We've got to up our game and accept this is the new normal."

CEO

Are you aligned on purpose?

"Our issue has been pinning down the purpose. What's the point of our organisation? Being able to articulate that and get everyone on the side with it. Because once you have that, it's much easier to focus investment."

CEO

Can you articulate your organisational purpose in a single statement, and does everyone at board and trustee level buy into this? Why do you exist as an organisation? This may seem like an obvious question, but from Good Innovation's experience, it's surprisingly difficult for some organisations to answer.

Chasing money has muddied the waters of purpose

We spoke to one organisation who is going through a mission refresh. As a result of chasing funding opportunities, they discovered that they have four competing theories of change (that they know about). They created new services, in new markets that they may not have been expert in, in order to secure funding. Their purpose had become blurred from their original mission. How do you evolve your growth strategy whilst still staying true to your purpose?

Prioritisation isn't going to please everyone

"How do you focus and how do you decide what are the things that potentially can make the biggest difference, the biggest impact. If we tried to tackle everything we'd be very thinly spread."

CEO

⁹ McKinsey 2022 - <https://www.mckinsey.com/capabilities/sustainability/our-insights/does-esg-really-matter-and-why>



Refocusing your purpose may involve a long, hard look at your services. Are they still necessary or core to delivering your purpose? Are you best placed / the expert to deliver this, or is there someone else better equipped and positioned? Choosing to disinvest or close services will inevitably upset some groups (internally as well as externally), but the long term benefit may well be worth the short term outrage. For example, the RSPCA's move to hand over their prosecuting role to the CPS.

Is there a cause more important than climate change?

"By 2050 the world is fucked. All other causes will become less and less important as we focus on survival. Everything else goes out the window."

Director of Fundraising

Whilst climate change may not be core to your mission now, it should be moving forward. Ultimately, climate change is the core issue that will shape how our world looks in 20 years time - if it isn't addressed sooner rather than later, will your purpose still be relevant in the future? So, how do you future proof your purpose by bringing in the lens of climate? There's not only a consumer expectation, but a literal burning platform. Net zero is no longer enough. Climate positive is the new gold standard. So what's your role in achieving this?

FUTURE IMPLICATIONS (IF NOTHING CHANGES)

RELEVANCE: Without a clear and compelling reason to exist, or clearly articulated purpose, the sector declines and becomes less relevant.

DECLINE: Charities are overtaken in the purpose and impact space. Others make more compelling cases for support through commercial, consumer facing propositions.

BARRIERS TO CHANGE

GOVERNANCE: Current governance structures (which we'll explore as the sixth, and potentially most important, foundation) are not set up or leveraged to explore purpose, tasked mainly with risk management and financial planning.

FUNDING RISK: Re-assessing purpose may mean some services are closed or transitioned, potentially putting linked funding at risk.

HISTORIC THINKING: Challenging historic thinking and ways of working is always going to feel uncomfortable. The cries of "we've always done it this way", or "we tried something different and it didn't work last time" can be heard often and loudly. Resistance to change is expected, but don't let it be the reason to not try.

FUTURE THINKING: With the focus on keeping the lights on, capacity and resources to look up and out of the day to day and the sector has become limited. In order to reimagine purpose you need to take yourself out of the day to day and step into all possible futures. Immerse yourself in the fantastical, the hopeful, the utopian and the catastrophic. Only then can you truly see your organisation's purpose from all angles.

WHAT SHOULD THE FUTURE LOOK LIKE?

COLLABORATION: Clear articulations of purpose enable collaboration across and beyond the third sector, by setting lines of responsibility and removing duplication.

AGILE: Leaner, more agile organisations who exist within ecosystems of impact that sit across sectors.

FOCUS: Clear purpose enables mission focus and prioritised solutions.

HOW DO WE GET THERE?

- **Get everyone on the same page of purpose:** Are you, your board and your trustees all aligned? Do you all agree on your organisational purpose?
- **Future proof your purpose:** How and where does tackling climate change fit into your purpose? How can you ensure purpose doesn't stay static for another 20 years?
- **Imagine all possible futures:** Make the space to imagine the future - from the extreme utopian positives, to the worst case scenarios. Take inspiration from other sectors, other organisations and other charities. Cast your net wide.
- **Engage your ecosystem:** Purpose doesn't sit in isolation. Engage your ecosystem of service users, collaborators, funders and competitors to build, stretch, challenge and refine your purpose.
- **Build momentum:** How can your purpose live and breathe inside and outside your organisation? How can it build momentum and energy, capturing collaborators and supporters along the journey?

HOW TO START

MISSION INNOVATION: Get everyone on the same page of purpose by taking a step back and look at what role you play - and should play - within your wider system. Take a 'Mission Innovation' approach to your purpose and strategy by taking an insight and experiment led approach to defining who you are.

Find out more about our mission innovation work the [National Autistic Society](#) and [MND Association](#), or contact kevin@goodinnovation.co.uk to find out more.

FOUNDATION 2: RELEVANCE, RESONANCE & IMPACT

“It’s about relevance. But that relevance has got to have an edge to it. It’s got to have a meaning to it. It needs to resonate.”

CEO

Impact must be more than a money in, money out equation. To future proof mission delivery, organisations need to be clear about their relevance in society and build resonance with donors, service users and programme participants, taking advantage of new technology and new spaces to build engagement.

CURRENT LANDSCAPE

Unclear relevance leads to lack of resonance, and it’s all grounded in impact

“In a world where you can’t rely on owning the generic anymore, you’ve got to be much clearer about your relevance.”

Director of Strategy

Linked to the dilution of purpose, too many charities aren’t clearly communicating their relevance in their messaging. Without clarity on relevance, it’s hard to build resonance and engagement with donors, service users and programme participants. What sits at the heart of this problem is the impact.

“When you ask people to describe the purpose in eight words or fewer, generally, we get lots of lots of different views. And then you can see why impact becomes so impossible for them because the poor impact person, who’s always the junior person in the equation, is then asked to measure 567 different versions of success depending on how big the management team is.”

Consultant

Impact is more than money in money out

“What strikes me about the charity sector at the moment is we’re all obsessed by income and how much income is coming into the organisation. Impact is almost a secondary factor. The challenge with impact is there’s no common currency.”

CEO

Too frequently impact is reduced down to a money in, money out equation. Pence in the pound or a list of activities completed. That is not impact. Charities aren’t explaining or communicating impact in ways that show the true value of their work. Some of this sits in the hands of how narratives are communicated, and some of it in the maturity and lack of agreement of how we map, monitor and track impact.

Data for impact

“I think the problem is that people try to over complicate impact. They try and measure 200 different things and then wonder why they’ve only got patchy data, or wonder why people won’t answer a 200 question questionnaire. And then they go “we’ll just go back to what we used to do, which is nice, glossy photo and a case study because that’s how we raise money.”

Consultant

Behind impact sits data. Knowing what data to collect, how to analyse and understand that data, and, most importantly, where that data sits in your cause or mission ecosystem. Because impact doesn’t exist in isolation.

To truly understand impact you need to consider your efforts within the context of your ecosystem. And that involves sharing data with others.

Do you really know your audiences?


Do you really know your audiences, or are you working off old assumptions, insight and stereotypes? Take the emergence of the new gerontolescent segment of 55-75 year olds. How much of your marketing is based on ageist assumptions about technology, social media and preference? Or Gen Z? They’re the future of fundraising, but how much do you know or understand about their interest in your mission, or how to communicate with them? Will segmenting audiences by age still be relevant in the future?

Go to your audiences

“We are trying to persuade audiences to be in places we want them to be, rather than the places they are.”

CEO

As social media has evolved, and new virtual and hybrid spaces have developed, donors and service users are congregating in a wide variety of online and offline spaces. But too many organisations still expect donors to come to them, on platforms where the charity feels comfortable, rather than meeting donors in their spaces. It may be organisational discomfort at engaging in unfamiliar environments. It may be that organisations lack authentic representation in order to engage and interact with audiences on their terms and in their language.



It may be that these spaces are evolving and changing too quickly for organisations to keep up. Or it may be concerns about safeguarding or privacy that restrict organisations from engaging on certain platforms. Whatever the barrier, your audiences are still going to be there, so how can you find appropriate workarounds in order to go to them?

Mission focused storytelling

"We need to tell stories from a mission point of view that inspire others, and create opportunities to collaborate."

Director of Strategy

Current and future donors expect and demand greater transparency, accountability and engagement. They want to be able to see and interact with the impact they're having. For them, stories of impact and mission aren't annual reports or glossy case studies. VR and AR offer new ways to deliver interactive experiences that bring impact and mission to life. These stories need to centre service users and act as platforms for their narratives.

"We need to get better at listening to our communities and our audiences. We need to get better at telling their stories, but also them telling their own story through us."

Director of Fundraising

Trust is still an issue

Whilst trust in charity is increasing,¹⁰ the perceived importance of charities is still at a low, with only 56% of the general public thinking charities are essential.¹¹ Audiences risk viewing charity as inessential when messaging about impact and relevance isn't articulated to its full extent.

Fear of being cancelled stops the sector speaking out

"We don't present ourselves as solution focused. I'm fed up with charity CEOs going on the Today programme whinging."

CEO

Charity leaders (and therefore the sector as a whole) are under-represented in public discourse. Research carried out by the Sheila McKechnie Foundation revealed that just 2% of guests on current affairs TV programmes such as Question Time, Peston and the Andrew Marr Show are from civil society, compared with 10% from academia and journalism and 4% from business.¹²

Whether it's the fear of the 'Daily Mail' backlash, fear of saying 'the wrong thing' and being cancelled, or the challenge of towing the lobbying line, charities and charity leaders aren't sticking their heads above the parapets. Which is not helped by former government ministers claiming that charities "dabble in politics

way too much". Nearly three-quarters of voluntary organisations say they "steer well clear" of political issues.¹³

We're failing donors

"We don't live up to the expectations people have of us or that we set for ourselves. We're telling people, 'give to us and you can change the world'. Then we don't show them anything, we don't tell them anything. We treat them as if the donation in and of itself is enough to make them feel good. And it's not."

Director of Fundraising

Fundamentally, we're failing donors. We promise them that, by supporting a cause, they can change the world, but don't follow through on that impact story.

FUTURE IMPLICATION (IF NOTHING CHANGES)

DWINDLING SUPPORT: Donors no longer see the value of supporting charity and choose to fund social good by engaging in commercial propositions that can clearly articulate and explain impact.

OTHERS OWN THE IMPACT SPACE: Corporates see charities simply as delivery vehicles for their own purpose agendas.

¹⁰ Charity Commission, 2022 - <https://www.gov.uk/government/publications/charity-commission-charity-transparency-data-research-report/charity-transparency-data-research-report#conclusions-and-recommendations>

¹¹ Charity Commission, 2022 - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1089469/Charity-Commission-Public-trust-in-charities-2022.pdf

¹² Civil Society, 2023 - <https://www.civilsociety.co.uk/governance/tania-mason-charity-campaigning-join-dots.html>

¹³ Third Sector, 2023 - <https://www.thirdsector.co.uk/research-reveals-charities-involved-politics/policy-and-politics/article/1813408>

CHARITIES GET LEFT BEHIND IN THE CONVERSATION: Delays in internal sign off mean charities get left behind or forgotten in social discourse. They can't react in the moment due to governance constraints or brand fears.

"Our supporters are telling us again and again that they don't like a lot of the ways in which we communicate with them. They don't see the impact that they're having. They don't feel sure anymore that giving to charities is the best way to make a difference in the world. But we aren't listening."

Director of Fundraising

BARRIERS TO CHANGE

DATA: Leveraging the potential of data needs expertise and investment in collecting, storing and sharing. Do you have initiatives in place to make sure the data that you collect (and have collected) is actively unbiased?

TALENT: Creating interactive narratives, telling impact stories in new spaces, connecting with audiences on their terms, all involves talent. Do you have the right talent who can authentically connect and communicate?

INSIGHT: How current is your insight? How close are you to donors and service users? In order to build resonance you need to be close to your audiences. You need to co-create with them, and not just A/B test at the last stage of development.

LEADERSHIP: Putting yourself in the public eye can be scary, but we need more charity leaders who are ready to take that step.

WHAT SHOULD THE FUTURE LOOK LIKE?

IMPACT: Impact is at the heart of all communications. We leverage the power of data to tell better stories and empower donors, service users and programme participants to make active and informed decisions.

RESPONSIVE: Charity brands and marketing are empowered and supported to react and respond to evolving social dialogues, making the most of opportunities. Rather than waiting weeks for sign off through bureaucratic channels.

SOCIAL CURRENCY: Data sharing enables organisations to unlock more impactful interventions and evolve their theories of change through interfaced services that triage those in crisis to the right point of support.

RESONANCE: Organisations can clearly articulate relevance based on purpose, which in turns enables brands to build resonance with supporters and services users, built on narratives that centre the service users and offer them platforms to share their journeys.

ACCOUNTABILITY: Charity aren't scared of holding themselves, and others, to account in a public arena. Speaking up and challenging those in authority, and following through on those challenges with innovative solutions.

HOW DO WE GET THERE?

- **Experiment with storytelling:** Explore immersive and interactive narratives. Partner with others to dive into VR and AR.
- **Share data for impact:** Unlock impact by sharing your data with others to cross references and map effectiveness.
- **Co-create with service users & programme participants:** Co-create with your audiences at every step of your innovation journey. From start points to propositions to final product.
- **Develop your brand promise:** Purpose, proposition, personality will enable you to clearly articulate relevance and build engagement with audiences.
- **Invest in Insight:** How well do you know your audiences? Invest in regular and ongoing insight communities to enable you to respond to evolving needs and interests.

- **Expand your board:** Bring your services users onto your board and enable them to lead the change they need and want.
- **Speak up:** Raise your individual and organisational profile by speaking up and speaking out. Challenge those who say the sector shouldn't get involved. Be difficult. Be brave.

OUR BIG ASK

SOCIAL CURRENCY: We need shared language and shared metrics for impact, one that articulates more than just money in and money out, or participants engaged. Solving this could be a massive enabler to articulating impact and developing more effective solutions. But this can't be developed in isolation by one organisation or venture.

We're pulling together a collaboration of charities and academics to explore this topic, kicking off Winter 2023. If you're interested in being part of a collaboration to explore this topic, please get in touch with daisy@goodinnovation.co.uk



FOUNDATION 3: FUTURE BUSINESS MODELS

“There needs to be a revolution in how we generate income. Voluntary income will always be around, but it’s a shrinking market. Chasing incremental market share as an answer to how you fund charities of the future is not the right question.”

Director of Fundraising

Traditional fundraising models are in decline. The sector operating model is too homogenous. We need to invest in innovation to explore new approaches to income generation, leadership and longer term planning that moves away from short term metrics like CPA and values long-term engagement.

CURRENT LANDSCAPE

Traditional models of philanthropy are declining

“Most of our business models are either just about stable or creaking, or in some cases kind of collapsing.”

Director of Fundraising

This isn’t new news. Let’s be honest, our bankable products have been in decline for at least a decade. Donors want more from their transactions. They want transparency, control, and impact. Charitable giving is in decline¹⁴ and donations aren’t keeping up with the impact of rising inflation.¹⁵ And yet, income teams are still being tasked with growth, which raises two big questions:

1. Is it fair to say that the charity market is in decline? Are we measuring the wrong market? Should we instead consider the size of the impact market, which, when you include impact investments, was worth \$1.16 trillion globally in 2022?¹⁶

2. If traditional models of philanthropy are in decline, where will future income and growth come from?

“All of the traditional business models that underpin our charitable model are under threat. They’ve done fine for the last 50 years broadly but they’re not going to survive another 10 or 20.”

Director of Strategy

We need to look beyond growing giving

“Honestly, it’s arrogant to think the answer is simply to get more people to give or that the answer to our problems is different types of fundraising. It’s a refusal to think that actually the way we do things is wrong.”

Director of Fundraising

The answer to the future of charity is not as simple as getting more people to give. We need to change our value metrics from prioritising acquisition over engagement. It ignores some of the fundamental reasons people have chosen or been forced to stop giving in the first place, and discounts innovation happening outside the sector to deliver social change and articulate impact through non-charity vehicles and products.

“We have this ingrained assumption that people will always automatically think that a charity is a good thing and the right place for them to place their values. And that because we’ve got that ingrained in

us, we refuse to consider the fact that that actually isn’t how people always feel. All of our fundraising is based around the fact that all we need to do is just reach them. As soon as we get them in the door, it’s fine. And I think that’s terrifying.”

Director of Fundraising

Everyone is targeting high value

When asked where organisations saw future philanthropic growth coming from, almost all the organisations we spoke to said “high value donors”. From philanthropic venture funds, to giving circles; that’s a lot of focus on a small pool of individuals. Not only does this raise a question of how effectively high value donors will drive growth if everyone is competing for the same money, but it also begs the question: are we at risk of giving even more influence and control to the 0.1%?

Disintermediation

Disintermediation is on the rise. For younger donors in particular, why give through a middle agent when you go directly to source and see the impact first hand? Unless you can clearly articulate your relevance and role in the ecosystem, donors are starting to look to go around big brands and directly to the problem. And it’s not just donors. Gen Z are frustrated with the pace of change on climate policy, and we’re seeing a rise in direct action and protest, led by grassroots organisations like Just Stop Oil.

¹⁴ CAF, 2022 - https://www.cafonline.org/docs/default-source/about-us-research/uk_giving_2022.pdf

¹⁵ Pro Bono Economics - Autumn 2022, <https://www.probonoeconomics.com/winter-woes-the-outlook-for-charities-after-the-autumn-statement>

¹⁶ Impact Investing Institute, 2023 - <https://www.impactinvest.org.uk/modules/the-impact-investing-market/>



The persistent problem of 'core'

"I think the hardest sell for any charity is core funding, because for any business that just means they're going into some bottomless pit of core funding. And then how you tell that story back as a business is very hard."

Director of Purpose

Despite increasing levels of trust, there is still a stubbornly persistent public scepticism regarding how charities use their money and how they behave.¹⁷ The scepticism links to the challenge of core funding. Whilst we know core is vital, it's a hard sell, both to the general public and to corporate funders, because we don't currently market it as as impactful as restricted funding. There's an urgent need to change the perception of core.

Collaborative fundraising

Is there a potential fundraising future which sees a move away from brand-led campaigns, and leans into collaborative impact-focused fundraising instead? More initiatives like DEC, with multiple brand partners coming together to fundraise around a particular issue, cause or solution?

Financing the future

"Investing in startups and scale ups who are delivering great impact for people in cancer, so we can accelerate and meet our mission aims. We can help them, not only by investing money, but also through our data and NHS pipeline, in return for a share of the business."

Director of Fundraising

With traditional models in decline charities are innovating around funding, and exploring new business models that deliver both mission and money. Owned and invested commercial ventures can and should be a huge opportunity for the sector. Charities can tap into their existing networks, knowledge, and capabilities, to develop new ventures more quickly and efficiently than if they were developed independently. Using the sector's assets and brands can be a shortcut to knowledge and trust, and the marketing reach and access into a huge number of communities should be a shortcut to scale.

You'll notice we've said 'should'. Whilst we've been working with charities in this space for the past decade, we've yet to see the true potential of mission and money activities unlocked. The same barriers that impact the future of charity are also blocking new income generating activity: culture, strategy, governance and talent. We're publishing a report later in 2023 reflecting on our learnings from this work, so watch this space.

But they aren't quick wins

"There's a naivety, even in a charity like ours, about how long these things take, what you have to do and how long it takes to see a financial return."

CEO

These experiments in funding require different management, different talent and different expectations on return.

They aren't quick wins. But they could deliver long term financial returns, along with different approaches to mission delivery. However, too many of these ventures are being stopped before they even get to market because they're being assessed using traditional in-year fundraising KPIs and targets.


Too much homogeneity across the sector

"There's only really one kind of fundamental operating model in the sector. One which is a fairly bureaucratic hierarchy based on a pyramid structure, with functional departments based around different outcomes, a combination of services which might be institutionally funded or publicly raised, and potentially some sort of campaigning. In 20 years time I hope you will see a real breadth and depth of different operating models."

Director of Fundraising

As a sector we've become exceptional at spotting a good idea and replicating it. Whether that's new fundraising products or operating models. The homogeneity of the operating model of UK charities was commented on by a number of interviewees. Organisations siloed by product, built on hierarchical management structures, funded by either service contracts or voluntary income. And yet despite this uniformity, there's no evidence to show that this model is the most effective.

¹⁷ Charity Commission, 2022 - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1089469/Charity_Commission_Public_trust_in_charities_2022.pdf



"Are we, as a sector, truly facing the contemporary challenges that we've got ahead? I think we are really struggling to answer those big social questions within traditional organisational models that we've grown to know and love so much. But are they really delivering?"

CEO

New models of leadership

"We need new forms of leadership and operating models. Because financing becomes more codependent on mission activities."

Director of Strategy

Along with a need for new organisational structures, there are experiments with new models of leadership. Leadership built on feminist principles that champion diversity, transparent uses of power, self care and accountable collaboration (See ActionAid's approach¹⁸). However, similar to the homogeneity of operating models, these experiments are also being restricted by the current paradigm and the old guard's discomfort with exploring new ways of working that may destabilise their traditional power bases.

"In big organisations at a senior level, you have passive resistance to big change because people have grown up in the sector."

Director of Fundraising

Joining income and impact

"We need to move away from this simplistic separation of fundraising and mission execution, i.e. one side of the organisation raises a big cheque every

year, hands it over, and the other side does whatever they want. It just doesn't work anymore. We need different forms of leadership and different operating models because increasingly financing models, fundraising and other, are going to be more codependent on mission activities and the crossover between the two."

Director of Strategy

As future funding brings income and impact closer together, we equally need to break down the internal organisational silos and start to join teams and ways of working. We need new leaders and new leadership roles, that bring together mission and money under one banner.

FUTURE IMPLICATIONS (IF NOTHING CHANGES)

LACK OF INNOVATION: Siloed organisational structures, and paternalistic leadership hampers innovation.

NEW FUNDING BLOCKED: New approaches to income generation are blocked by governance, culture and lack of appropriate talent. Experiments are cut off or shelved too early.

DECLINE OF GIVING: With no, or limited, innovation in income, traditional giving continues to decline. With mission and money still separated internally, impact is still not landing with donors, causing further attrition as they choose to support other ventures and causes. Charity income declines, putting organisations at risk of closure.

DECLINE OF THE SECTOR: Mission focused ventures rise, and with a lack of charity support they build their base of expertise and knowledge. This new social purpose model supplants the third sector as the go-to model to solve social problems.

BARRIERS TO CHANGE

TALENT: New ventures require different talent, skills and approaches to risk from traditional fundraising.

GOVERNANCE: Experiments are being blocked by risk averse or poor governance, assessing opportunities using the wrong metrics, or fear of making longer term investments without guaranteed returns. Governance (as we'll come onto in Foundation 6), is the key blocker to all innovation.

STRATEGY: Strategy and planning needs to look beyond in year deliverables to long term investment in social change.

HOLDING ONTO POWER: New leadership structures will challenge power dynamics and force some leaders to hand over power and accountability or be more transparent in their leadership. Can we wait for these life-long charity stalwarts to retire in order to challenge power, or can organisations experiment with new culture and ways of working alongside traditional power dynamics?

¹⁸ ActionAid - <https://actionaid.org/feminist-leadership>



WHAT SHOULD THE FUTURE LOOK LIKE?

COLLABORATIVE: Collaboration internally and across sector and industry, focused on co-creation and convening for both income generation and interfaced service delivery.

FEMINIST: Organisations structured to enable diversity, inclusion and belonging, built on transparent power structures, self care and accountability.

DIVERSIFIED PORTFOLIOS: Income generation is a diversified portfolio of owned and invested activities, spread across philanthropic, commercial and contract-based income.

INNOVATIVE: Mission is delivered through a mix of sustainable services, funded ventures and charity funded activities, programmes and services. Impact and income are aligned on strategy and innovation, under joined-up leadership.

HOW DO WE GET THERE?

- **Collaborative fundraising:** Explore co-creating with others in your mission or cause space to create collaborative fundraising offers.
- **Venture funding:** Deliver mission differently by funding by investing in mission-aligned start ups and scale ups, leveraging your brand, data and reach to supercharge new ventures.
- **Mission & money:** Leverage your assets, skills and capabilities to develop

new, owned ventures and services

- **Change the perception of core:** Reframe the perception and value of core funding. Challenge assumptions and stereotypes about the value of charity salaries. This can't be done in isolation. How can we come together to change the public dialogue? How can you use impact narratives to showcase the value of talent?
- **Feminist leadership:** Explore new leadership methodologies to change ways of working and culture.
- **Break out of siloes:** How could you restructure your organisation to align income and impact? How can you break down operational silos to instigate more cross-directorate working?
- **Directors of income and impact:** How can Directors of Income become Directors of Impact?

OUR BIG ASK

INTRAPRENEURSHIP PROGRAMME:

We've heard time and time again about some of the cultural challenges in charities and how these can be a blocker to innovation - and to change more generally.

On the flip side, we've also seen first hand the power of an entrepreneurial approach and mindset to delivery. Through working with startups as they scale we've admired their tenacity, perseverance and ability to solve problems rather than get stuck, their ability to inspire team spirit and a common purpose, and their ability to

quickly take calculated risks balancing the benefit and the consequences.

To drive change we want to create a collective culture around intrapreneurship within the sector. We saw through Good Lab the benefit of taking people out of their day to day and immersing them in different ways of working, so we want to create a collective entrepreneurship programme.

A space where people can learn by doing, supported by their peers, advisors and entrepreneurs. A space where people can bring their delivery project and work in a way that coaches, educates and inspires them to get shit done. And a space that enables people to take this different culture back into their organisation and start to inspire others.

Interested in getting involved?
We'll be kicking off the first cohort in Autumn 2023. Please get in touch with daisy@goodinnovation.co.uk

FOUNDATION 4: CULTURE, TECHNOLOGY & INNOVATION

“We’ve got to offer people a 21st century service they would expect if they were using online banking or booking a flight.”

CEO

In order to tackle the big problems we need charities that are fit for the 21st century, with the right talent, culture and technology, and innovation at the heart of strategies, not sitting on the periphery.

CURRENT LANDSCAPE

Talent at a tipping point

“If you look at the complexity of the challenges we’re trying to solve, and the talent required, I think we’re at a tipping point. The job is getting harder, not easier in most instances and, if we’re not careful, it’s becoming less rewarding to be in a world where others can sell purpose alongside us.”

Director of Strategy

The problems we are trying to tackle are monumental. To have any chance of success we need the best talent. But a combination of external factors means that talent is at a tipping point. From the cost of salaries, to economic competitiveness and the value of charity as a career path.

However there are also internal challenges: are our culture and ways of working designed to flex to entrepreneurial talent and approaches? Can we consider alternative incentive structures in order to lure talent from start ups? How can we recruit differently to deliver on diversity, equity, inclusion & belonging (DEIB)?

Costs going up

“Our staff costs are going through the roof.”

Director of Fundraising

For many organisations, people are the biggest overhead. But the problem of pay didn’t begin with the cost of living crisis. Charity sector employees were paid an estimated £1.47 billion less than their counterparts in the rest of the economy in 2019 (assuming that people worked the average number of hours estimated in the Labour Force Survey),¹⁹ and 17% of charity staff in the UK are paid under living wage.²⁰

Loss of competitiveness

“We’re competing for talent in a global market against others who will reward better.”

CEO

Previously, whilst the third sector couldn’t compete on pay, we could compete on purpose. Now, as more and more businesses enter the purpose space, talent is at a premium. Add in the additional factors of remote working creating a global marketplace for the best talent, and the constraints that Brexit has created (particularly in the arena of research) and the talent squeeze could start to become a chokehold.

Do we value charity careers?

“How do we challenge the societal view that charity is not a valued career path?”

Director of Fundraising

It was playwright George Bernard Shaw who coined the phrase, ‘Those who can, do. Those who can’t, teach’. A horrendous and derogatory quote which has hung over the heads of teachers for over a century. A similar adage has been applied to charity careers. This view of a career in charity as ‘less than’ hampers our ability to attract talent and needs to be tackled. Particularly when it comes to careers in fundraising.

Stop asking for a degree

But... are we our own worst enemies? According to campaign group #NonGraduatesWelcome, listing a degree as a requirement into a fundraising role is “slamming the door in the faces of talented fundraisers simply because – for whatever reason – they didn’t go to university.” Good news, in 2019, only 34% of fundraising jobs advertised in the Facebook group Fundraising Chat mentioned being educated to degree level (45 out of 132). Three years later, this has fallen by half to 17% (26 out of 157).²¹ But we still have work to do.

Intergenerational workforce

“We need to accept that we’re now in a world where there’s four generations of people in the working world, which is the first.”

Director of Fundraising

¹⁹ Pro Bono Economics, 2022 - <https://www.probonoeconomics.com/Handlers/Download.ashx?IDMF=06cde62a-a1f7-4c1c-8463-f08dfc142c7b>

²⁰ Gus O’Donnell, 2022 - <https://www.bayes.city.ac.uk/news-and-events/news/2022/november/charities-can-make-huge-difference-to-society-by-working-with-government-and-private-business-says-lord-gus-odonnell>

²¹ Civil Society, 2022 - <https://www.civilsociety.co.uk/news/decline-in-fundraising-jobs-requiring-a-degree-research-suggests.html>

Talent isn't just about recruiting Gen Zs into your teams. As we covered in the Good Futures Future of Ageing report²², there are massive benefits to age-inclusive workplaces. However, over a third of 50-69 year olds still feel at a disadvantage applying for jobs due to their age²³, and a 2021 YouGov survey showed that employers in England aren't making the necessary changes to introduce policies relating to age, with the majority (51%) not planning any changes in the next 12 months²⁴.

Collaborative fundraising

The state of EDI in the third sector isn't where it should be. Last year, a report by the Association of Charitable Foundations found that D&I is the area that organisations have the "furthest to travel" in²⁵, and there's still more middle class white women called Lucy working in the third sector than people of colour.²⁶ We've previously written in detail about DEIB as part of Good Futures, and how charities approach change. [Read more here.](#)

Future workforce

With massive advances in generative AI expected in the coming years, it raises questions about future talent requirements. What teams and skills will you need? How can you future-proof your organisation to make the most of these opportunities? How could AI fundamentally change how you do what

you do, from fundraising to services? This isn't about the redundancy of humanity, but making the most of expertise and critical thinking. We don't believe that AI will replace human innovation, but we do believe that human innovators who use AI will replace those who don't.

Embracing Failure

"We need to be more honest about what went wrong in our reporting."

Director of Fundraising

We need more freedom to test and learn. And fail. And be honest when things don't work so others can learn from our approaches. But the burden of safeguarding the interests of donations, and the sector challenges of investment, mean that, even in organisations where failure is factored in as a reality of innovation, it's not, really. We pay lip service to failure. Our trustee reports showcase success and footnote failure. We need to switch this around. Share your lessons with your boards so they can help make better decisions in the future.

Digital transformation

"Charities need to get their heads round digital transformation. We talk about it all the time, but what is it we actually want to transform digitally?"

CEO

Only 9% of UK charities consider themselves digitally mature, but 37% of charities believe that digital transformation is a must-have²⁷. 'Digital transformation' was a phrase uttered by over half of our interviewees, but what surprised us was that no one agreed on what this really means. Is it about future-proofing your organisation's infrastructure? Is it about catching up with others? Is it about adopting emerging, disruptive technologies like generative AI? Is it a bit of everything, and if it's the latter, how can you ever hope to stay up to date with change?

Data, data, data

"We're still too siloed, we're still too slow, we're still too resistant to change. And we are, as a sector, hugely digitally and data naive. I don't just mean we don't have whiz-bang apps, but our ability to make use of data for everything from improving efficiency to improving services to improving fundraising is very basic at the moment."

Director of Strategy

²² Good Futures, 2022 - <https://goodfutures.co.uk/articles/future-of-work-preservation-and-purpose>

²³ Centre for Better Ageing, 2021 - <https://ageing-better.org.uk/good-recruitment-older-workers-grow>

²⁴ Centre for Better Ageing, 2021 - <https://ageing-better.org.uk/resources/good-recruitment-for-older-workers-a-guide-for-employers>

²⁵ Third Sector, 2022 - <https://www.thirdsector.co.uk/diversity-inclusion-area-foundations-furthest-travel-report-finds/management/article/1749055>

²⁶ Janey Starling, Level Up, 2022 - <https://www.opendemocracy.net/en/charity-sector-grenfell-housing-women-failure/>

²⁷ Charity Digital, 2023 - <https://charitydigital.org.uk/topics/topics/is-optimism-in-decline-in-the-uk-charity-sector-10641>



Data is at the heart of unlocking so much potential. From impact to innovation, talent to technology. Charities are sitting on a gold mine of data. We just don't have the right skills or approaches to leverage it yet.

Innovation

As an innovation consultancy born from the third sector, it's no surprise that we'd champion innovation. Instead of hearing us bang the drum, this is what some of our interviewees said about the importance of innovation for future charity.

"The traditional structure of fundraising, mission and service teams, all separated, is defunct. Innovation needs to sit at the front and centre of any charity's strategy."

Director of Fundraising

"A modern charity needs to be constantly innovating its core offer, not doing core and iterating or innovating round the edges."

Director of Fundraising

"We, as charities, should be real innovators. We should be pioneering and courageous. But that's hard to live up to. We want to foster innovation but the natural forces are pushing us in the opposite direction."

CEO

FUTURE IMPLICATIONS (IF NOTHING CHANGES)

TALENT DRAIN: The talent tipping point turns against, rather than towards, careers in charities. Charities lose out on the global talent required to solve the big problems.

LEFT BEHIND: Charities can't or don't keep up with the expectations of consumers in terms of engagement and customer service. Patience for the sector becomes increasingly limited (without broader dialogue about the purpose and role of charities in society). Donors turn to corporates for social purpose.

GIVE IN SPITE, RATHER THAN BECAUSE: Lack of innovation in product and purpose leads to donors giving in spite of, rather than because of charities.

BARRIERS TO CHANGE

APPETITE FOR RISK: Innovation requires managed risk, but current approaches to governance and delegated authority restrict action and limit innovation.

ANALYSIS PARALYSIS: Advances in technology and subsequent changes in consumer expectation is speeding up the pace of change. But charities are paralysed by decision making on change and investment, leading to them falling further behind competitors.

INVESTMENT: Some of these changes are going to require sizable investment. How do charities rationalise that against rising costs for service delivery? How do you make the long term case? How can you share the burden of investment with others, particularly when it comes to new technologies like generative AI?

CHANGE MANAGEMENT: Radical innovation on core services, operations, culture and infrastructure, all whilst keeping business as normal flowing, takes change and stakeholder management.

WHAT SHOULD THE FUTURE LOOK LIKE?

DIVERSITY: Talent is diverse and fairly incentivised. The sector is an attractive employer for global talent.

COLLABORATIVE: Collaboration across and beyond the sector unlocks new innovations in services, income and engagement.

SHARED RISK & INVESTMENT: Charities share the burden of risk and investment by co-creating and innovating on new technology, like AI.

HOW DO WE GET THERE?

- **Culture innovation:** Invest in future-proofing your culture through cultural innovation. Rather than approaching it as wholesale culture change in one move, we recommend experimenting with culture. Test, learn and iterate repeatedly. Need some help? Find out more about work with the [British Red Cross](#) to build cultural experiments.
- **Innovation strategy and investment:** Place innovation at the heart of your organisational strategy. What's your approach to innovation? How are you supporting and investing? What's the right governance structure to unlock incremental to radical ideas?
- **Social Impact Intrapreneur programme:** Being an entrepreneur inside a charity can be hard. We've developed a programme to cohorts of intrapreneurs develop their ideas & their intrapreneurial skills. If you're interested in finding out more, please speak to andrew@goodinnovation.co.uk



- **Charity grad scheme:** How can we fast track talent into the third sector? Organisations like [Charity Works](#) run sector graduate schemes to help organisations recruit and retain exceptional talent.
- **Stop asking for a degree:** Let's finally ditch the 'Russell Group' degree demands and remove barriers to application.
- **Share the salary:** Let's make recruitment even fairer by ensuring we [show the salary](#) on all job adverts.

OUR BIG ASK

AI COLLABORATION: By now we all know that AI is going to change how we do what we do. But what does this really mean? How can we upskill the sector quickly to understand how AI will change our sector, and how can we design solutions that answer real user needs, rather than retrofitting technology to fit?

Rather than multiple charities repeating the same learning exercise, we're pulling together a collaboration of charities and experts to explore what AI means for the third sector.

We want to upskill teams with the foundations as quickly as possible, and then co-create new interventions and solutions. We'll be building off the approach we refined in Good Lab to create shared ventures and services.

Interested in getting involved?
We'll be kicking off this collaboration in Autumn 2023. Please get in touch with daisy@goodinnovation.co.uk



FOUNDATION 5: COLLABORATION

“Alliances and partnerships now are painful, time consuming and bureaucratic because of how our organisations operate. If we transform how we operate, it will transform how we collaborate.”

Director of Fundraising

Our challenges are too big to solve in isolation. We need to get past bureaucracy, ego and brand barriers to unlock collaborations and partnerships. We need charities to act as conveners, experts and quality assurance in purpose ecosystems.

CURRENT LANDSCAPE

A snapshot of the UK charity market

There are currently 169,000 registered charities in the UK, with a total income of just under £80bn.²⁸ However, the full size of the sector is unknown, since only not-for-profits with a gross annual income of £5,000 or more must register. Plus, as many as 20,000 organisations that aren't normally regarded as charities also have charitable status in the UK – like schools and churches.²⁹

Small charities make up the vast majority of the sector - almost 96%.³⁰ About half of all UK registered charities have an income of less than £10,000, while 80% of all charities bring in less than £100,000.³¹

Are there too many charities?

It's a phrase frequently heard, "There are too many charities." But are there?

The reasons people choose to set up a charity can be incredibly personal (to remember, celebrate or memorialise an individual, community or moment in

time), or because they, as a community or group, are not having their needs or problems addressed or served by existing institutions or charities.

Anecdotally, the main issue with having this many charities is fragmentation of the sector. Whilst fragmentation can enable focus and expertise at a more local or sub-cause level, it can also mean that other organisations can lose their voice, and compete for awareness and funding. Most importantly, it creates confusion for donors and service users about where to turn or who to trust.

Where are all the mergers?

Despite the predictions of many that the pandemic would cause a surge in the number of charity mergers, data published by Eastside People has shown that charity sector mergers fell to their lowest level in eight years in 2021-22, and most of these were not mergers of equals, but takeovers.³²

But 51 mergers across 2021/22 isn't necessarily a cause for concern. Mergers are costly, time consuming and almost always painful to pull off (despite best intentions from all parties).

What we did see during the pandemic was an increase in informal collaborations across the sector, leading to what we hope will be more partnership working in the future

Why collaborate?

“To make deep rooted change we're kidding ourselves if we think we can do it on our own.”

CEO

We know the problems we face are too big to solve on our own. Not only can working in partnership with others help streamline resource and effort, it can also unlock funding from funders who want to see charities come together to create multi-faceted plans to tackle complex solutions. Like the Dream Fund from People's Postcode Lottery.³³

“If you step right back you can see how fragmented the cancer research space is globally. There's clearly a huge opportunity for pooling of resources, especially in an expensive game like cancer research.”

Director of Strategy

The blockers of ego and fear

“Mobilising a coalition of other charities, with all the inherent jealousies you sometimes get, is bloody difficult. Sometimes I feel like we could move quicker on our own.”

CEO

Aside from the complexity of bringing together competing organisations to partner, collaborate or merge, one of the biggest challenges we heard that teams face in even starting the conversation is ego.

²⁸ Charity Commission, April 2023 - <https://register-of-charities.charitycommission.gov.uk/sector-data/sector-overview>

²⁹ NCVO, 2022 - <https://howcharitieswork.com/about-charities/what-is-a-charity/why-are-universities-churches-and-private-schools-charities/>

³⁰ Small Charities Data, 2019 - <https://smallcharitiesdata.org/topic/the-number-of-small-charities/>

³¹ NCVO, 2022 - <https://howcharitieswork.com/about-charities/how-many-charities/>

³² Eastside People, 2023 - <https://eastsidepeople.org/resource/good-merger-index-21-22/>

³³ <https://www.postcodedreamfund.org.uk/>



The ego of individuals to protect their power, influence and reputation. The ego of brand and fear of competition. If we can park ego and unlock honest dialogues, imagine the impact we could collectively unlock.

"I sometimes sit in those [CEO] meetings and think we're all a bit guarded. We don't talk openly. We're all wrestling with the same things, but it's become a bit 'I'll show you mine if you show me yours' type of thing. I'm not very honest because we're a bit nervous about what honesty might bring."

CEO

Models of collaboration

"I think more and more charities will find themselves not as these sort of big entities raising funds and spending funds, but sitting at the centre of an ecosystem of different organisations, where you are the kind of the core that has clarity of the mission and the objectives. You're working in different ways around that to make that happen."

Director of Strategy

From mergers, takeovers, and strategic partnerships; to coalitions, collaborations and movement building; there are lots of different models and approaches to bringing together organisations to collectively work on shared problems.

And much like potential paradigms, we don't believe there is a one-size-fits-all solution for the sector. Instead, we're hoping to see a blend of multiple and varied approaches that centre charities as experts and conveners in ecosystems of change.

"Charities should be more focused on creating movements for change with those people [e.g. employers] who are most able to deliver upon that change."

CEO

Let's champion small charities

We want to champion small charities. They can bring niche, sub-cause expertise to the table, and deep rooted connections into communities. But small charities are fearful of getting into collaborations or partnerships with bigger organisations, fearing they'll lose out on voice or a fair share of returns. How can we create more equitable collaborations that value expertise over organisation size?

Evolving corporate relationships

"Corporate partnerships have gone from charity of the year, quite traditional - we'll give you a bunch of cash to put our brand somewhere, and we'll put your brand somewhere - to sitting on the CEO's table, linked to corporate purpose, ESG, and strategy."

Director of Strategy

Corporate relationships are evolving. Where it was once charities holding corporates to account on purpose and values, now the tables have turned. Corporates are interviewing charities on their ethical investments, DEI policies and ESG credentials, before you even get to talk about cause.

Mission-based planning

"Corporates want to strategically contribute to your mission in a way that leverages their capabilities."

Director of Strategy

Strategies are all well and good, but sometimes they can be too short term or rigid. Organisations that start with mission can build in flexibility and agility to take advantage of leftfield opportunities. Co-create opportunities with corporate partners that leverage both parties' expertise.

"Most organisations would write their strategy as, 'we want to do X, Y and Z, we want to fund X, Y and Z'. If you do this it's quite hard to partner when somebody says 'we don't want to do X, Y and Z, but we do want to do B.' Whereas if you take a mission approach and a flexible enough strategy you can mould B into B slash C which fits with your strategy and fits with what that organisation wants to do."

Director of Strategy



FUTURE IMPLICATIONS (IF NOTHING CHANGES)

OVERSATURATED MARKETS:

A lack of mergers or management of charitable status creates an increasingly oversaturated market that fails to effectively articulate the relevance of the charities within it to charity audiences.

SHORT-TERM SOLUTIONS ONLY:

The collaboration-averse nature of the market means that we never see any of the underlying societal problems be sufficiently addressed from a wider range of angles. Charities continue to work on siloed solutions that can only be effective in the short term.

CORPORATE TAKEOVER: Without collaboration, charities lack the resources to compete against corporate competition in the purpose space. Corporate purpose initiatives have the means to deliver better impact than charities.

BARRIERS TO CHANGE

EGOS: Brand egos and an eagerness to hold onto market share and individual power mean that brand preservation gets in the way of genuine collaboration.

COST: Mergers are expensive, and therefore, a huge long-term investment. How do you convince a risk-averse charity to invest in a long-term solution with potentially limited short-term returns?

BUREAUCRACY: Internal bureaucratic red tape means that mergers are a

significant time investment as well as cost. Most mergers and acquisitions fail to make it through the planning stage, as the list of boxes to be ticked stays long.

STAKEHOLDER MANAGEMENT:

Building collaborations is a bit like a marriage. They take effort, patience and dialogue. From finding the right partners that fit, to navigating internal and external politics. Sometimes you need a third party who can help you work through challenges, create a shared code of conduct and offer an external view when things get heated. (Having both built Good Lab, and launched Good Paye, we know what it takes to bring charities together to partner on an equal footing).

WHAT SHOULD THE FUTURE LOOK LIKE?

MISSION DELIVERY: Collaboration is the primary route to mission delivery, where charities sit at the centre of a delivery ecosystem that spans across sectors.

CONSOLIDATION: The charity market has shrunk, with more consolidation between charities. There's a rise in formal and informal collaborations and strategic partnerships, and more mergers of equals.

CROSS-CAUSE, CROSS-INDUSTRY: We see more collaboration between charities and corporates with (at first glance) disconnected causes as we become more aware that societal problems need to be addressed through a much wider variety of causes. For the same purpose, longer-term partnerships thrive.

LONGER TERM RELATIONSHIPS:

Charity of the year partnerships become charity of the decade, based on shared purpose and goals.

ECOSYSTEM CONVENERS: Charities act as conveners in change ecosystems, bringing together interested partners to collaborate and innovate on outcomes. Their role to ensure quality over purpose washing.

HOW TO GET THERE?

- **What's your ecosystem:** Where does your cause connect with others and how can you start building your ecosystem? Think laterally, not just within your direct mission area.
- **Diagnose your internal blockers:** Lift the lid and be honest about what's blocking collaboration. From fear and ego, to appetite and risk. It can be a cathartic exercise to unpack these challenges.
- **Challenge Charity of the Year:** Is it time to revolutionise the charity of the year model? How can you build more strategic and long-term partnerships, like WWF's relationship with Tesco, or Shelter and Ikea.
- **Mission:** Are rigid plans and strategies forcing you to turn down opportunities, or not make the most of skills partners could be offering? How can you take a mission approach to partnerships and collaboration to explore the breadth of all possibilities?



OUR BIG ASK

CAUSE COLLECTIVE

COLLABORATIONS: We believe in collaborations. So much so that they're the third pillar of our strategy as a consultancy. We want to help the sector supercharge and get more collaborations off the ground, building off the legacy and success of Good Lab. That's why, in 2023/24, we're investing in building cause collective collaborations. At the heart of these collaborations is innovation to co-create new products, services, solutions and ventures to answer specific challenges highlighted by the collective partners.

Interested in exploring the potential of collaborating with others in your ecosystem on shared, innovative solutions?

Get in touch with daisy@goodinnovation.co.uk. We're already exploring opportunities in pet welfare, so we're particularly keen to hear from CEOs of charities and businesses in this space.



FOUNDATION 6: GOVERNANCE

“Charity governance is archaic. It’s a throttle, a break, on innovation.”

CEO

Charity governance is broken. It’s the biggest blocker to change, innovation and the future of charity. Without changing governance, how we recruit and train trustees, and the diversity of boards, there is no hope of change across the other foundations for the future of charity.

CURRENT LANDSCAPE

Governance is broken

A phrase repeated in almost all interviews (in one variation or another was) ‘governance and the trustee model isn’t working.’ Trustee boards remain, on average, persistently white, wealthy, middle class and male. They’re risk averse and blockers to innovation and change.

We’ve left governance as the final foundation for good reason: it’s the most important. Without fixing the problems of governance we’ll never be able to truly unlock the potential of purpose, impact, culture, technology, innovation and collaboration. In fact, you’ll probably struggle to even get them on the agenda.

Poor governance and risk aversion is hampering and stopping experiments across the sector. Blocking innovation from getting to market, restricting investment to enable ideas to flourish, and maintaining the old, patriarchal power dynamics: the old paradigm.

Trustee diversity

In 2022 there were 928,143 trustees in UK charities,³⁴ but only 0.5% of trustees are young people (18-24 years old).³⁵ Two-thirds of charity trustees are male, 92% are white and the average age of trustees is 60-62 years old.³⁶ Trustee boards don’t reflect the diversity or make-up of the communities they serve.³⁷

In spite of efforts to increase diversity in trustee boards, the challenge is inherent to the current voluntary structure required by legislation. Trustees are often selected based on their networks, availability and net worth. Rather than skills or lived experience. The role also requires trustees to have some familiarity with ‘professional’ culture and formal, white-collar meetings. “This is all highly exclusionary.”³⁸

“The voluntary nature of the role, combined with the promise of authority, is skewed completely towards those with money and existing power and authority. It is a structure that perpetuates and embeds inequality and we’re not going to fix it by changing our recruitment processes.”

Felicia Willow

Trustees don’t understand their roles, or the sector

Too frequently, trustees have limited understanding of the expectations or boundaries on their roles. Either getting too involved in decision making that

should sit with the management team, or not getting involved enough by not reading documents in advance of meetings.

There’s also, in too many cases, a lack of basic respect for the sector. Being a trustee is seen by many as a place where you go to volunteer, not a place where you have a career. Trustees can be dismissive of the skills and expertise of charity teams, based on limited or no understanding of the unique challenges and regulations the sector has to work within.

Trustees leave their skills at the door and become massively risk averse

“My trustees say ‘we want you to take more risks, we want you to be more ambitious’. So you take them things and all of sudden they’re like, ‘oh shit, we could really break things. Let’s not do it. Let’s stick to what’s safe.’”

Director of Fundraising

There’s a change that happens to trustees when they walk through the door. They can be incredibly successful and entrepreneurial founders, with lived experience of the mission, and passionate about the cause. But the moment they walk into the room, their passion for innovation, for change, for transformation, can go out the window and they suddenly become incredibly risk averse and fearful.

³⁴ Policy Bee, 2022 - <https://www.policybee.co.uk/blog/uk-charity-statistics>

³⁵ NPC, 2022 - <https://www.thinknpc.org/blog/young-trustees/>

³⁶ The Finance Innovation Lab, 2022 - <https://financeinnovationlab.org/doing-something-about-the-dauids/>

³⁷ Third Sector, 2022 - <https://www.thirdsector.co.uk/charity-commission-trustees-dont-often-reflect-diversity-communities/governance/article/1800454>

³⁸ Felicia Willow, 2023 - <https://www.gettingonboard.org/post/the-charity-sector-structure-is-broken>



This isn't helped by the legal responsibilities of trustees being focused almost solely on risk management, with no mandate for innovation or personal responsibility.

Part of this change can be placed firmly at the foot of how organisations use their boards, and part of it sits on the burden of personal responsibility and risk that trustees shoulder in their entirely voluntary roles.

We need to better use trustee time and expertise

"Most of the time boards can only respond to what you put in front of them. If you want to have a different conversation you have to start by putting different questions in front of them. Make space, away from the normal agenda, with different stimulus."

Director of Fundraising

If we want to change the way trustees view risk, investment and innovation, we need to change how we engage and communicate with boards. From how we present financial information, to making space and time away from the standard agenda to present different stimulus and inspiration about the future. Thinking back to purpose, how can you make time to annually reflect on your organisational purpose with your board?

When it works, it works

"We have a capable bunch of trustees who get the landscape, are fully supportive of investment in the future, in strategic investment, and wouldn't shy away from spending money if they believed it was the right investment to get a return."

CEO

When it works; when boards are diverse, reflecting the communities they serve, with a mandate for investment, a peer to peer relationship with their CEO and management team, and a clear understanding of the expectations and boundaries of their roles - then good governance can supercharge a charity. The examples we found were, sadly, few and far between. We need to change this!

FUTURE IMPLICATIONS (IF NOTHING CHANGES)

GOVERNANCE BLOCKS CHANGE: Risk aversion, personal jeopardy and onerous expectations mean governance continues to block, limit or kill innovation.

LACK OF DIVERSITY: The current voluntary role further excludes diversity at trustee level, continuing to reinforce old power structures. Trustees don't reflect the communities they serve, limiting their perspective and understanding of the needs of these communities, blocking innovation.

STUCK IN THE OLD PARADIGM: The sector continues as it has, stuck in the old paradigm. Unable to take advantage of new technology quickly, or collaborate

to solve change. Ultimately, will this lack of innovation and change lead to the slow **DEATH OF THE SECTOR?**

BARRIERS TO CHANGE

VOLUNTARY ROLE: The current voluntary, unpaid nature of the role limits diversity and continues the perception that being a trustee is an easy option. It also continues to reinforce the 'low skill' view of the sector that some external professionals coming as trustees can have.

HOLDING TRUSTEES TO ACCOUNT: In our conversations, we heard some appalling examples of poor trustee behaviour, which, in some cases, would be classed as bullying in any other area. But the avenues to hold trustees to account, or for CEOs to raise issues with their board behaviour, are limited.

TRAINING: Trustees lack training both on the expectations of their role, and the sector at large.

SCULTURE: Part of the trustee problem sits with how we present information to them, and how we use their time. If they're only presented with dense spreadsheets and complex legal risk analysis, how can we ever expect them to look up and out at the future of the organisation?



WHAT SHOULD THE FUTURE LOOK LIKE?

DIVERSE: Diverse, cross-generational trustee boards that include people with lived experience as the majority (not the token)..

VALUED: Trustees are valued and celebrated internally and externally. In turn, they value the sector, its expertise and the skills of their organisations. Their roles are fairly compensated for the time and effort they require.

PEER TO PEER: Trustees have a peer to peer relationship with their CEO and management team, based on mutual trust, respect and understanding.

BALANCED RISK: Boards have a mandate to make appropriate investments in the future based on balanced risk. They look longer term, not year to year, and regularly reflect on the purpose of their organisation.

FAILURE: Failure and learnings are actively discussed with boards. These discussions are focused on growth rather than blame, and support innovators to continue to try.

INVESTMENT: Boards see the value of releasing investment. Teams present information in a range of digestible formats to bring these cases to life and explore the full range of options, rather than just best or worst case scenarios.

HOW DO WE GET THERE?

- **INSPIRE YOUR BOARD:** Take your board out of their normal routine and offer them inspiration. From foresight and trends, to hands-on experience. Reconnect them with the cause and reignite their passion for your mission.
- **TRAINING:** Help upskill your trustees, both about their role, and about the sector. Help take the fear out of finances.
- **RECRUITMENT:** Challenge who and how you recruit. Yes, networks and net worth can be invaluable, but there are other ways to bring that into your organisation. Lived experience should make up the majority, not the minority, of your board.
- **IS IT TIME THE CHARITY SECTOR HAD ITS CADBURY MOMENT?** Do we need to have a wholesale, root and branch review of charity governance? Is it time we challenged the standard approach and considered incentivised positions that are fairly compensated for the effort and time required? Without a mass movement to change governance, we're just going to continue circling the same problem.

OUR BIG ASK

GOVERNANCE COLLABORATION: We all know governance isn't working, but we're never going to solve this as individual actors. We're launching a collaboration to bring together interested parties to explore and innovate charity governance, launching Summer 2023.

We want to take a three-pronged approach to governance. Academic foundations to prove the anecdotal evidence, innovation to develop culture change, along with new tools and services to improve governance, and lobbying for a Cadbury-style review. Because if we don't challenge the foundations of the system then we'll continue to be stuck with many of the same challenges.

We're planning on kicking this off with a round table to get interested parties together to discuss shared problems and land on some quick start points and bigger ambition. We're aiming to bring people together in June / July 2023. We're keen that, whilst we make time for the therapy bit, we move as quickly as possible to innovation and action.

We're looking for CEOs, trustees, interested organisations and groups, policy makers, and, most importantly, individuals and groups who have been excluded in the past from joining trustee boards.

Want to find out more or get involved?
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HOW TO GET INVOLVED



Social Currency

We need shared language and shared metrics for impact, one that articulates more than just money in and money out, or participants engaged. Solving this could be a massive enabler to articulating impact and developing more effective solutions. But this can't be developed in isolation by one organisation or venture.

We're pulling together a collaboration of charities and academics to explore this topic, kicking off Winter 2023. If you're interested in being part of a collaboration to explore this topic, please get in touch with daisy@goodinnovation.co.uk

Intrapreneurship Programme

We've heard time and time again about some of the cultural challenges in charities and how these can be a blocker to innovation - and to change more generally.

On the flip side, we've also seen first-hand the power of an entrepreneurial approach and mindset to delivery. Through working with startups as they scale we've admired their tenacity, perseverance and ability to solve problems rather than get stuck, their ability to inspire team spirit and a common purpose, and their ability to quickly take calculated risks balancing the benefit and the consequences.

To drive change we want to create a collective culture around intrapreneurship within the sector. We saw through Good Lab the benefit of taking people out of their day-to-day, and immersing them in different ways of working, so we want to create a collective intrapreneurship programme.

A space where people can learn by doing, supported by their peers, advisors and entrepreneurs. A space where people can bring their delivery project and work in a way that coaches, educates and inspires them to get shit done. And a space that enables people to take this different culture back into their organisation and start to inspire others.

Interested in getting involved? We'll be kicking off the first cohort in Autumn 2023. Please get in touch with daisy@goodinnovation.co.uk



GOOD
FUTURES
FROM GOOD INNOVATION

AI Collaboration

By now we all know that AI is going to change how we do what we do. But what does this really mean? How can we upskill the sector quickly to understand how AI will change our sector, and how can we design solutions that answer real user needs, rather than retrofitting technology to fit?

Rather than multiple charities repeating the same learning exercise, we're pulling together a collaboration of charities and experts to explore what AI means for the third sector. We want to upskill teams with the foundations as quickly as possible, and then co-create new interventions and solutions. We'll be building off the approach we refined in Good Lab to create shared ventures and services.

Interested in getting involved? We'll be kicking off this collaboration in Autumn 2023. Please get in touch with daisy@goodinnovation.co.uk

Cause Collective Collaborations

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Workshop for boards: Want to start a conversation in your organisation about what these themes mean for you? The Good Innovation team can help by running a workshop with management teams and boards to help explore and discuss the implications.

ACKNOWLEDGEMENTS

We would like to thank everyone who gave up their time to contribute to this report. We chose to anonymise all quotes so that we could truly reflect the frustrations, hopes and challenges of those we spoke to, without need to water down or dilute their passions.

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Mark Hodgkinson

Kathryn Holloway

Sarah Hughes

Simon Humphrey

Alex Hyde-Smith

Joe Jenkins

Nairn Johnstone

Richard Lee

Emma Malcom

Angela McConville

Paul McKenzie

Nick Miller

Frances Milner

Lesley Pinder

Matt Radford

Claire Rowcliffe

Claire Rowney

Rachel Roxburgh

Gemma Sherrington

Chris Sherwood

Dr Sally Smith

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Will Stone

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Liz Tait

Ed Tait

Nicola Tallett

Matt Wilkley

“Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it’s the only thing that ever has.”

Margaret Mead

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