Bridging the gap
The ISIS Group reveals how partnerships can foster greater social impact

SPECIAL FEATURE
Insights from Professor Peter Shergold
PAGE 8

THE NEXT GENERATION
Corporate connects with community
PAGE 37

INVESTMENT & FINANCE
New world: How NFPs can survive in a solution economy
PAGE 10
BRIDGING THE GAP
BETWEEN BUSINESS AND NFPS

by Audette Excel, Founder, ISIS Group.

Since 1998, the ISIS Group has been providing services to people living in poverty in Nepal and Uganda using a unique dual model that incorporates both a business and not-for-profit component. Audette Excel, a founder of the ISIS Group, explains to Third Sector how not-for-profits can successfully partner with business to achieve greater social impact.

DONOR CONFIDENCE THROUGH A UNIQUE FUNDING MODEL

The ISIS Group is a foundation and a private business. In a unique funding model, the ISIS Foundation’s overhead costs are paid for by ISIS (Asia Pacific), a business set up for this sole purpose. ISIS (Asia Pacific) is an Australian corporate finance business which advises companies on large international transactions and raises money for global fund managers. Since inception, ISIS (Asia Pacific) has generated more than $7 million for the foundation.

The model allows business people to do what they are good at – making money – and development people to do what they do best – providing best practice service delivery to communities in need.

Due to the fact that the business funds the foundation’s overheads, donors know that every cent of their money goes where it is needed most – services on the ground in remote areas of Nepal and Uganda.

This means never having to argue with donors about overhead costs, something many donors are averse to funding. Just as importantly, because the financial liability of the foundation is underpinned by the business, ISIS projects are able to be community led, not donor driven. We have never gone into a village or region thinking ‘we know the answers’. Instead, we work with local people to find local solutions.

ADDRESSING COMPLEX ISSUES WITH A SIMPLE APPROACH

It is now accepted wisdom that the corporate world benefits enormously when it helps people in great need. Research shows that when businesses have a genuine commitment to community and social responsibility, profitability rises, driven by improved health, education and infrastructure for more than 30,000 people. After 16 years, we are specialists in working with displaced children, maternal infant child health, remote education, and community health and infrastructure.

When the ISIS Group started in 1998, the dream was to address three major challenges faced by many NFPs. Firstly, the conventional funding model means NFPs are often desperate to please their donors to secure continued funding. This skews the in-country work; projects favoured by financial backers are prioritised over projects that are most needed by local people, and development experts are forced to focus on meeting donor needs rather than on their work with community.

Secondly, being beholden to donors can stifle research and cloak mistakes. Research is expensive but essential for identifying community needs and monitoring projects. While comprehensive research can and should reveal mistakes, this can also potentially threaten donor support and add to financial risk.

Finally, NFPs are routinely and often unfairly criticised for spending too much on overheads, leading to financial restrictions that can compromise the work. Great support matters. No one can deliver quality services on the smell of an oily rag!

Through years of mistakes, learnings and evolving our thinking, we have seen that our simple model can make a powerful difference to the lives of many.

“Lasting social change can happen when business and NFPs work together in true partnership.”

– Audette Excel, Founder, ISIS Group

Compares provides secure and affordable housing for this and future generations. Through our GROW A Star program we strive to support all young people at risk to follow their dreams.

Greg Budworth,
CEO Compass Housing Services

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When business and NFPs partner with total honesty and respect for each other’s expertise, together we can have the greatest impact.

The past seven years, PwC has provided The ISIS Foundation with a senior accountant for 12 months. During their secondment to ISIS, the PwC ambassador gains versatile accounting experience in both the NFP and business sectors. They also travel to ISIS programs in Nepal or Uganda, to support and strengthen the local finance function. The relationship with PwC provides a meaningful experience for both ISIS and the employee. ISIS meets PwC’s need for leadership, training, staff motivation and corporate social responsibility, and PwC supports ISIS’ accountancy needs.

The ISIS Group also partners with Aspen, a global insurance and reinsurance firm. Together, we have developed a staff engagement program to support our work in Uganda. For eight years, our partnership has built morale and reinforced the corporate culture. The program involves team-building events, inspirational speakers and an ISIS-Aspen intranet. Each year, a few select Aspen employees visit the ISIS projects to understand how their support is used. Aspen staff from around the world have cited Aspen’s connection to community through ISIS as their greatest source of corporate pride. Aspen is now a multi-million-dollar donor, yet 90 per cent of the connection to ISIS is away from ISIS project sites.

We also have had the great fortune of building clinical partnerships with ten American hospitals which support our partner Kikwote Hospital in Uganda by donating medical supplies and equipment which are unavailable locally. These clinical partners also work with us on an international medical volunteer program for the hospital to provide expert training requested by Kikwote Hospital staff.

All these partnerships are focused on business and community objectives. We work hard to ensure the communities we work in with both in Nepal and Uganda always come first.

UNITING FOR CHANGE

Since ISIS started, we have witnessed a revolution in thinking about business and its role in society. ISIS is just one of many models seeking to bridge the inequality gap. There are many more to come!

Business and NFP partnerships are far greater than the sum of their parts when united by integrity and honesty. Most importantly, they have a huge impact when driven by what works best for the ultimate beneficiaries – in ISIS’ case, the people in the districts of Nepal and Uganda where the foundation works hand-in-hand with communities and organisations to make a real difference.

Working together requires mutual learning and respect, and the will to craft something that benefits everyone. When we do that, the whole world wins. ♦

Arthur Papahatzis is CEO of community mental health service Neami National, which provides services in over 60 communities across Australia. He is also Chair of the Mental Health Council of Australia’s Audit and Compliance Committee, and Director of Housing Choices Australia.

Sustainability is the greatest financial challenge facing the sector, as the term ‘not-for-profit’ implies.”

– JENNY DAVIDSON, DEPUTY EXECUTIVE OFFICER, YWCA AUSTRALIA

Third Sector spoke with three not-for-profit finance professionals to gain their insights on the financial challenges and innovations currently impacting the sector.