When Adara Group founder Audette Exel went to see director David Gonski AC FAICD in 2014, she was keen for his thoughts on a novel idea. Exel had already run a successful global advisory business to fund her not-for-profit (NFP) development organisation. Now she had hatched a plan to get top investment bankers and dealmakers to donate their fees from a range of corporate financial transactions to support good causes.

His reaction was forthright. “I thought it was fantastic,” he recalls. “Audette came to see me with the essence of an idea, which was basically that people may like to use their skills for a higher purpose instead of receiving fees — with the returns going to help people in need. I thought it was a terrific idea.”

Gonski was impressed not only by the scope of the “business for purpose” model, now known as Adara Partners (see page 42), but also Exel’s leadership and passion. “She looks at things from a world basis, as a world leader who isn’t just sitting in one country. She straddles two worlds: finance and not-for-profit but uses enormous energy in both,” he says. >
A commercial lawyer by training, former managing director of Bermuda Commercial Bank and ex-chair of the Bermuda Stock Exchange, Audette was also a member of the board of the Bermuda Monetary Authority (her signature was on Bermuda’s $5 note). In 1998, she founded the international development non-profit organisation Adara Group (formely his Group) after witnessing appalling conditions in the Himalayas and in Uganda’s Nakaseke District. The organisation’s expertise lies in two distinct areas: maternal, newborn and child health and community development. It works with communities in remote parts of Nepal and Uganda to help improve lives through health, education, infrastructure and other development projects.

The Adara Group consists of two Australian corporate advisory businesses, Adara Advisors and Adara Partners, whose sole purpose is to support its NFP international community development organisation, Adara Development, which encompasses trusts and charities around the world — including Australia, Uganda, Bermuda and Nepal. Audette notes that in the world of hybrid business/NFP constructs, there are legal and regulatory risks around holding integrity and ensuring the purpose is embedded. But while it might look like a complex structure, she says, it really isn’t.

“[To do the international NFP work that we do, we need regulated NFP entities in every jurisdiction we operate in. We have two businesses because Adara Partners needed a specific legal structure to allow the panel model to comply with all the relevant regulatory and conflict of interest issues.”

The model has worked so well that Adara has grown significantly and earned itself a global reputation. It funds and manages $36 million to support its NFP international community development organisation, Adara Development, which encompasses trusts and charities around the world — including Australia, Uganda, Bermuda and Nepal.

Audette notes “It has broader relevance to the not-for-profit world. “I think it has wide applicability in the understanding that you can partner with business and do it in a deep strategic way,” she says. “NFPs and the financial services community often see themselves as separate. Adara Partners shows they can work hand in hand. Don’t think of business as the enemy — think of it as a potential strategic partner.”

### Blueprint

**A model for partnership**

While the Adara Partners model requires a financial services licence to drive it, Audette says, it has broader relevance to the not-for-profit world. “I think it has wide applicability in the understanding that you can partner with business and do it in a deep strategic way,” she says. “NFPs and the financial services community often see themselves as separate. Adara Partners shows they can work hand in hand. Don’t think of business as the enemy — think of it as a potential strategic partner.”

### NFPs for the long term

AICD’s 2017 NFP Governance and Performance Study: Building long-term strength, identified four key issues that are of concern to not-for-profit directors.

**Culture** More than 70% were very likely to recommend their organisation as a good place to work, yet 52% said culture hadn’t been formally on the board agenda in the past year.

**Financial sustainability** 50% of directors surveyed reported that profit margins were below inflation.

**Risk management** 56% rated it of high importance, but only 41% said it was formally considered in decisions.

Information: aicd.com.au/nfpgs/study
A lot is written about how aversive and mean and extortionate those in the financial industries are, but... people want to do good things and contribute.

David Gonski AC FAICD

Football Federation Australia and Macquarie Atlas Roads – generating more than $2.3m in fees for Adara’s work, with an additional $5.2m in fees expected from current and future projects – are among the many companies working with Adara’s fourth mandarins for them. They’re all going out of their way to build adara Partners with and help people in need, says Audette.

“The other cool thing is watching panel members work across their competitive boundaries. It’s tough in the sector, but it’s great watching Graham Goldsmith FAICD [former vice-chairman and managing director of Goldman Sachs Australia] and Guy Fowler [chairman of Corporate Client Solutions at UBS] working together to build businesses, together with being totally brilliant — an entrepreneurial businesswoman to her enthusiasm for Exel’s strategy. The women met and deals — and this is a new way to bring it all together.”

“From an NFP perspective, there’s also a lot of governance. And that’s changing expectations, as our clients — our beneficiaries — are people in extreme poverty. We can cause real harm if we’re not careful. It’s easy to be convinced that a) it’s not a debate, and b) there’s no difference. Ziggy knows how to listen to all voices. It’s easy to be convinced of your own position; it’s so powerful to listen to others.”

“Powerful voices. One of the things I’ve learned at the board table is that it’s not a debate, it’s discussion — and there is a difference. Ziggy knows how to listen to all voices. It’s easy to be convinced of your own position; it’s so powerful to listen to others.”

“Hopefully, with my background in banking and reinsurance, I can add a different lens.”

BIO.

From New Zealand Based Sydney Roles Founder and chair Adara Group; non-executive director Suncorp Group; chair Victoria University of Wellington; chair New Zealand University; chair Melbourne (Royal). Worked Board member Bermuda Monetary Authority; chair Bermuda Stock Exchange; managing director Bermuda Commercial Bank; solicitor Linfielders and Adana Allan & Hermley.

Web: adaragroup.org
Twitter: twitter.com/adaraglobal

ADARA CORPORATE STRUCTURE

ADARA GROUP comprises two corporate advisors:

ADARA ADVISORS

which support NFP community development organisation ADARA DEVELOPMENT

ADARA PARTNERS

TWO-WAY TRACK

Adara Group chair and Suncorp board member Audette Exel on what she’s learned being on a listed board.

A chair who cares Audette Exel believes her Suncorp experience has helped inform her approach to governance at Adara Group. “I joined the board of a heavily regulated company where you govern at a whole new level,” she says. “The responsibilities and complexities are huge. Doing that well, at the same time as keeping your eye on the strategic and business issues that drive the company, is a balancing act.”

“As chair of those boards, Exel says she values directors who are genuinely passionate about the cause. “When I meet people who are looking to come onto a board for experience, but don’t want to see what board that’s a warning sign for me.”

“Another factor that helped shape her mind was the adage that you can’t judge a book by its cover. “If ever there was a time to focus on the kind of international work Adara does and how to support it, it’s now, she adds. “We need to stand up and speak for our neighbours. There are 850 million people living in extreme poverty. Our tagline is ‘bridging worlds’ and we want to do that to support people globally.”

Exel says Adara Partners was primarily devised to support the organisation’s longevity and financial sustainability. “It’s been 20 years into this [with the Adara Group] and I am conscious that what we build needs to be here in 20 years’ time — and 40 years’ time. It’s much, much bigger than me.”

Scary good Exel’s experience of global finance, governance and strategic direction while running Adara has helped influence her thinking on the Suncorp board, which she joined in 2012.

“For me, being a non-executive director of a major public company was not an ambition. I was totally focused on Adara,” she says. “When I was headhunted for the role, at first I said ‘no.’ She changed her tune when told the position was with Suncorp. “Suddenly, I was interested. I had run a bank in one of the world’s largest reinsurance markets and had a huge interest in looking at pricing and risk across balance sheets.”

“Another factor that helped shape my voice was the adage that you need to regularly do something that scares you to live the daily thoughts of you.”

Piecing together the puzzle Adara admits to being on a steep learning curve during her time at Suncorp. “You get to see this organisation with 5,000 staff and nine million customers.”

“From an NFP perspective, there’s also a lot of governance. And that’s changing expectations, as our clients — our beneficiaries — are people in extreme poverty. We can cause real harm if we’re not careful.

“I feel for many great small NFPs who work so hard and have to really stretch for resources to help manage governance when donors don’t want to fund their admin or core support. It makes me grateful to have our businesses perspective and our core support. So for us, governance is critical and we pay for it ourselves.”

At the board table it’s not a debate, it’s a discussion — and there is a difference. It’s easy to be convinced of your own position; it’s so powerful to listen to others.”

Paying it forward “From an NFP perspective, there’s also a lot of governance. And that’s changing expectations, as our clients — our beneficiaries — are people in extreme poverty. We can cause real harm if we’re not careful.

“I feel for many great small NFPs who work so hard and have to really stretch for resources to help manage governance when donors don’t want to fund their admin or core support. It makes me grateful to have our businesses perspective and our core support. So for us, governance is critical and we pay for it ourselves.”

“From an NFP perspective, there’s also a lot of governance. And that’s changing expectations, as our clients — our beneficiaries — are people in extreme poverty. We can cause real harm if we’re not careful.

“I feel for many great small NFPs who work so hard and have to really stretch for resources to help manage governance when donors don’t want to fund their admin or core support. It makes me grateful to have our businesses perspective and our core support. So for us, governance is critical and we pay for it ourselves.”