










# THE BUILDING BLOCKS

## ADVISORS/ARRANGERS

Building block	Key elements	Identifying features	Identifying procedures
<b>Vision</b> 	Mission and strategy	<ul style="list-style-type: none"> <li>• A social mission with an articulated and understood strategy</li> <li>• Adaptability to learnings and a changed environment</li> </ul>	<ul style="list-style-type: none"> <li>• Beneficiaries are clearly defined, targeted and consulted</li> <li>• Identified risks of not achieving social goals with planned mitigation</li> </ul>
<b>Culture</b> 	Motivation  Collaboration	<ul style="list-style-type: none"> <li>• Board members and staff exhibit organisation's values through behaviour</li> <li>• The willingness to learn from experience and failures in order to improve</li> <li>• Trusting relationships amongst staff and board</li> <li>• The willingness to engage with other intermediaries and sector stakeholders, where appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• Open communication channels and access to front line organisations</li> <li>• Non- financial rewards to maintain staff satisfaction</li> <li>• Internal communications' processes</li> </ul>
<b>Governance</b> 	Strength of board	<ul style="list-style-type: none"> <li>• A diverse, balanced and engaged board</li> <li>• An independent and entrepreneurial chair</li> <li>• The relationship between Chair and CEO</li> <li>• The alignment of the skills of the board to the needs of the organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Process for engaging board in strategy development</li> <li>• Management information measuring progress against strategy</li> <li>• Governance systems to detect and address risks and opportunities</li> <li>• Clear decision making structures and processes</li> <li>• Mission lock [and asset lock] policies</li> </ul>
<b>People</b> 	Recruitment and professional development  Staff skillset	<ul style="list-style-type: none"> <li>• High quality recruitment and development prioritised in organisation</li> <li>• Staff capability to adapt and deliver on multi-functional roles</li> <li>• The diversity and skills balance of the senior management team</li> </ul>	<ul style="list-style-type: none"> <li>• Recruitment and performance management processes reflective of social mission, values and requisite skills</li> <li>• Process for learning and development</li> <li>• Senior management team with mitigated key person risk</li> <li>• The degree that management and team structure reflects size and life stage of organisation</li> </ul>

Building block	Key elements	Identifying features	Identifying procedures
<b>Impact</b> 	Social impact delivery	<ul style="list-style-type: none"> <li>• Staff experience in planning, measuring and reporting on social outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Social mission involves clear plan for making a positive difference to identified beneficiaries</li> <li>• Metrics for tracking impact gathered regularly and used to tailor existing programmes and future investment decisions</li> <li>• Transparency around impact measurement results</li> </ul>
<b>Business development</b> 	Strong pipeline and conversion rates	<ul style="list-style-type: none"> <li>• The understanding of frontline organisations and potential clients e.g. commissioners, endowed foundations, corporates.</li> <li>• Capability to build partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Process for market testing</li> <li>• Lines of communication with fund managers and investors</li> </ul>
<b>Business model</b> 	Sustainable business model	<ul style="list-style-type: none"> <li>• The understanding of competitive landscape and the organisation's competitive advantage</li> <li>• The willingness and ability to adjust model to meet market's demands</li> </ul>	<ul style="list-style-type: none"> <li>• Identified pathway to growth and sustainability</li> </ul>
<b>External communications and fundraising</b> 	Communication strategy	<ul style="list-style-type: none"> <li>• Capability of articulating USP</li> </ul>	<ul style="list-style-type: none"> <li>• Communications strategy</li> <li>• Brand development</li> </ul>
	Fundraising	<ul style="list-style-type: none"> <li>• Staff experience of fundraising from a diverse range of investors</li> <li>• Degree of understanding of investors' needs</li> </ul>	<ul style="list-style-type: none"> <li>• Contacts within relevant organisations</li> <li>• Process for relationship management and reporting to shareholders/funders</li> </ul>
<b>Operational systems</b> 	Data management systems	<ul style="list-style-type: none"> <li>• Systems used across different areas of the organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Data management systems and processes established</li> </ul>
	Legal documentation processes	<ul style="list-style-type: none"> <li>• Understanding of appropriate use of legal documents</li> </ul>	<ul style="list-style-type: none"> <li>• Legal guidance</li> </ul>
	Financial and operational risk management	<ul style="list-style-type: none"> <li>• Proactive and timely risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Reporting on financial and management accounts</li> <li>• System of internal control</li> <li>• Disaster recovery, anti-fraud and recovery and resolution plans</li> </ul>
	Regulatory permissions and controls	<ul style="list-style-type: none"> <li>• Culture of compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory permissions in place</li> <li>• Compliance and risk management planning/actions in place</li> </ul>