










THE BUILDING BLOCKS

ADVISORS/ARRANGERS

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

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