

Change Management and Financial Management

Virtual Capacity Building Cohort

11st-14th August 2020

Conceptualised and Executed by:

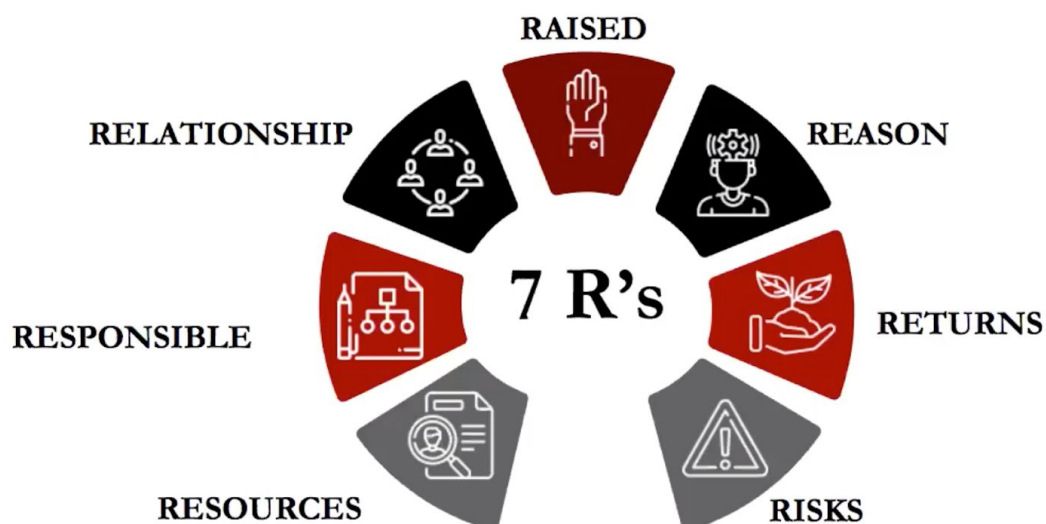


INTRODUCTION: CHANGE AND FINANCIAL MANAGEMENT

The process of change management has transitioned to become increasingly relevant in the face of the pandemic. Ms Vijaya Balaji discussed the idea, importance and process of change management for the non-profit sector. The session spelled out the rationale for change management and the questions one must ask themselves before embarking on change management. It stressed on the fact that resilience, both financially and of the workforce, is a key aspect of change management. The second part of the session discussed financial management and was spearheaded by Ms. Manjula Ramakrishnan. The session centred around how effective cash management it is essential to focus on budgeting processes and the ongoing management of cash. The session introduced Zero-based budgeting - a management tool that organisations can use to control their budgeting where one evaluates, justifies, streamlines and executes their costs.

7 R'S OF MANAGEMENT: CHANGE MANAGEMENT ACTIVITY

This activity involved organisations introspecting the changes undertaken by them around the 7 R's change management framework, as depicted in the following diagram:



Participants were required to:

- Think about the changes undertaken in their organisation along the aforementioned framework and channel their ideas of the same through this framework,
- They were asked to focus on who bears the impact of the change within the organisation, timeline of the change and risk of the change, keeping the organisational resilience in focus, and
- They were directed to use this information to develop a checklist for implementation.

KEY INSIGHTS FROM CHANGE MANAGEMENT ACTIVITY

- A majority of the change management undertaken was due to the pandemic in the field or in the skills required,
- The need for change was largely raised by the employees with specific regard to the program and field team, rather than the top management,
- The risks identified by the organisations were lack of investment and funds, and lack of infrastructure in the target audience to absorb the changes, and
- The most important resources that were identified were technology and infrastructure, people and funds.

ZERO-BASED BUDGETING: FINANCIAL MANAGEMENT ACTIVITY

This thought provoking activity aimed to get the organisations to reprioritise and rethink their costs incurred in order to improve their budgeting skills. This required the participants to:

- To create a zero - based budget for your organisation by identifying the high cost line items, type of cost and whether it is aligned to the objectives of your organisation, and
- State whether the cost was justified and whether there is an alternative way of incurring the cost.

KEY INSIGHTS FROM FINANCIAL MANAGEMENT ACTIVITY

- Organisations are looking to hire permanent fundraising executives, in the wake of the pandemic to help keep the funds coming in. However, it was brought to their attention that fundraising is not a year-round activity, and existing workforce can be repurposed to bring about the transitioned organisational goals.
- Organisations were looking towards reducing administrative, events and travel costs due to budget cuts, as they believed these would not impact the output of the organisations at this time

WAY FORWARD

- The organisations needed to observe and incorporate the implications of causal relationships between activities they carry out.
- They must recognize the fact there will be both negative and positive outcomes to every decision, and it is vital to recognise these implications, so one can strategize adequately for it.

- It is important to put your workforce and people at the centre of your pursuit for organisational resilience.
- In order to control your costs, it is vital that the costs should be tied back to the goals and objectives of the organisation. This will help prioritize and deprioritize the impact of the costs towards reaching the designated goals.
- Organisations should set their priorities by taking one year at a time
- A good way of realigning costs is to put most of the costs towards specific program costs, which are directly attributable to the program.