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# Southern Africa Trust: embarking on a sustainability journey

Keratiloe Mogotsi, Bhekinkosi Moyo and Angie Urban

In May 2020, working from her home office just over one month into a nationwide lockdown because of the COVID-19 pandemic, Masego Madzwamuse, chief executive officer (CEO) of the Southern Africa Trust (the Trust), knew that it could once again be at a crossroads. In 2015, the Trust had found itself in a quandary when its primary donor gave notification of its intention to withdraw its funding. The Trust had responded by making changes to its structure and strategy. Now, with uncertainty rife throughout South Africa, the CEO knew that she had to consider whether the changes that had been implemented over the past five years had prepared the Trust not only to respond to, but also to survive the pandemic and continue its vital work long into the future.

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## Background on the trust

The Trust, an independent, non-profit organisation (NPO) based in Midrand, Gauteng, was founded in 2005 in response to the high levels of poverty and inequality in the Southern African Development Community (SADC) region [1] ([Southern Africa Trust, 2023a](#)) (see [Exhibit 1](#) for a map illustrating these countries). Neville Gabriel was the founding executive director ([Synergos, 2023](#)). Gabriel served until August 2013, after which Bhekinkosi Moyo (see [Exhibit 2](#) for a brief biography) took over, first as director of the Trust and then as CEO from June 2014 to May 2018 (this change in title was because of the new strategy and resultant changes in structure in 2014). Madzwamuse (see [Exhibit 3](#) for a brief biography) took over as CEO in October 2018.

The Trust's purpose was to contribute to the reduction of poverty and inequality in southern Africa. Its activities included those related to public policy, official poverty reduction processes, human rights, stakeholder engagement, human and economic development, research, training and capacity building ([Southern Africa Trust, 2023b](#)). As a result, the Trust's projects had resulted in stronger engagement with civil society and the private sector at both national and regional levels ([Foreign, Commonwealth & Development Office, 2014](#)). It was committed to making an impact on the lives of the poor by facilitating philanthropic initiatives and influencing policy through public-private-civil society collaborations ([Southern Africa Trust, 2023a](#)).

Its primary aim was to influence policymakers to create policies that would alleviate the suffering of the poor ([Southern Africa Trust, 2023a](#)). To do this, the Trust focused on six key areas:

1. *knowledge*: sharing strategic information, from research and facilitation, with the policy community through the Trust's knowledge hub;
2. *accountability*: connecting poor and marginalised people with policymakers, thus meeting people's needs;

Disclaimer. This case is written solely for educational purposes and is not intended to represent successful or unsuccessful managerial decision-making. The authors may have disguised names; financial and other recognisable information to protect confidentiality.

3. *ecosystems*: building platforms within public, private and civil society sectors to ensure grassroots representation;
4. *people*: investing in people to create a value- and results-driven learning culture;
5. *institutional efficiency*: influencing policy and people to ensure effective change; and
6. *sustainability*: building a sustainable institution operating within and beyond the SADC region ([Southern Africa Trust, 2023a](#)).

The Trust's strategic priorities fell primarily into six broad areas ([Southern Africa Trust, 2023c](#)):

1. *agriculture*: educating and empowering small-scale farmers and women in farming by promoting seed saving and exchange programmes, maintaining the fertility of the soil, encouraging healthy food systems education, supporting skills development through grant applications, courses and small business assistance, among others;
2. *social development*: assisting youth in the field of skill development through support of community health, education, entrepreneurship development and employment opportunities;
3. *trade*: supporting programmes that offered training and entrepreneurship opportunities to informal traders, especially women, and working with organisations dealing with cross-border trading to ensure fair trade terms;
4. *migrations*: ensuring the portability of social security, including pension and health benefits, for migrant labourers. Focusing on refugees, women and youth, the Trust's activities concentrated on legislation and policy relating to the repatriation and human rights of migrants;
5. *climate resilience*: building movements and networks to address the effects of floods, drought and other extreme weather patterns, with an emphasis on natural resource management, thus increasing the resilience of communities and biodiversity; and
6. *workers' rights*: supporting former miners from Botswana, Malawi, Mozambique and Zimbabwe in their bids to access unclaimed social security and compensation benefits, by championing their cause and backing outreach programmes that provided knowledge on the rights of unskilled and migrant workers regarding occupational health benefits, social security and pension funds.

### *Funding*

Prior to 2015, the Trust received the bulk of its funding (80%) from the UK Department for International Development (DFID) ([Southern Africa Trust, 2016a](#)), a department with a mandate to meet the challenges of tackling world poverty by administering foreign aid ([Global Health Workforce Alliance, 2023](#)). Although many governments in southern Africa had developed poverty reduction strategies that were helping to achieve the United Nation's Millennium Development Goals (MDGs) [2] by promoting growth, democratic governance and social and economic justice, an integrated regional approach was required.

By mid-2020, the Trust had disbursed over R241m to 197 organisations in the 16 countries in the SADC region. The Trust had earned a reputation as a reliable regranteeing or grantmaking organisation with the ability to build the capacity of civil society organisations (CSOs) and act as a knowledge broker through its knowledge hub ([Southern Africa Trust, 2023c](#)).

Its approach to funding was multifaceted: the Trust issued proposals through its website or the media and accepted unsolicited proposals provided they aligned with its objectives. In addition, it requested organisations to submit proposals that were consistent with its

strategic priorities. It also considered discretionary funding for organisations needing urgent support ([Southern Africa Trust, 2023c](#)).

### *Capacity for implementation*

In 2020, the Trust had 49 staff members. This number had not changed since 2017. Madzwamuse said, “We had to freeze some positions and think about outsourcing and sub-contracting some of the functions rather than having a full-time person, as a way of managing overheads” [3] (see [Exhibit 4](#) for the structure of the organisation in South Africa).

Although Madzwamuse believed the Trust’s strategy to be sound, she was well aware of the ongoing challenges that NPOs faced when committing to sustainability. She expanded on this, saying:

Our strategies are great and the background research has been done, but it’s that translation of vision into practice that becomes a challenge; not only from a resources point of view, but also from the point of view of building new relationships and growing our partnerships outside our traditional base [3].

### **2015 Donor funding and consequent ideological crisis**

In late 2014 to early 2015, DFID notified the Trust that the United Kingdom’s aid programme to South Africa, through DFID, would come to a conclusion (in the form it had taken since the Trust’s inception) at the end of 2015 and that the relationship would transition to a development partnership model built around mutually agreed priorities ([GOV.UK, 2023](#)). The Trust’s core funding from DFID would last until March 2018 and, although it was receiving funding from other donors, the Trust nevertheless anticipated that there would be a shortfall in its budget when the relationship with DFID changed. It therefore had just 18 months to address this shortfall by securing additional sources of income ([Southern Africa Trust, 2016a](#)).

Receiving the notification of this change “was a shock to the system”, stated Moyo, who was at the helm of the Trust at the time [4]. When the change came into effect, the funds the Trust had at its disposal would only cover overheads for a limited period, because the Trust had depended largely on this single donor to carry out its work. He continued:

So, the Trust needed to start fundraising from other donors and the whole process of trust building, making a case for funding, etcetera [...] but this is not as quick a process as it seems on paper [4].

The search for alternative funding sources was happening in a context where the global flow of aid to Africa as a whole was in decline, particularly for the type of development policy work that the Trust undertook. Much of the donor funding coming to Africa was channelled into health or education, neither of which was dominant in the Trust’s strategy [4]. The Trust’s major challenge was its operational model, which dictated that annual donor funding should be spent in the year in which it was received. The crisis was less about the money and far more about changing the way the Trust worked and the manner in which it approached its budget:

“So, what was the alternative, if the universal discourse was shifting from development aid to development partnerships, which meant channelling resources through the private sector and the introduction of public-private partnerships (PPP)?” asked Moyo [4].

He realised that, along with the decline in the flow of funding, the nature of the funding would also change. Moreover, he recognised a new player in the development and social services sector in the form of the private sector. Again, he questioned the types of relationships that the Trust would have to forge if it were to access funding [4].

Moyo likened the Trust's precarious financial position, with only 18 months to come up with a solution, to being on a very short "runway". For the Trust's "aeroplane" to take off on such a short runway required the organisation to become light to ensure it could become airborne. "What does it mean to be light?" Moyo answered his own question:

It means we have to reduce our budget and our staff; it means we must be flexible in our approach; and it means that we must think differently about the Trust's future [4].

### *New future*

After overcoming the shock of the imminent retraction of DFID funding, the Trust realised that sustainability was a priority. Thus, between June and October 2016, with assistance from the DFID, it formulated the Business Development and Sustainability Strategy (BDSS) document, which adopted a long-term view of its method of operation. "The DFID worked with us to develop a new strategy, and offered both financial and technical support", said Moyo [5]. In formulating the BDSS, the Trust realised that there were alternative means of achieving its internal strategic objective, namely narrowing its focus and streamlining its infrastructure. The BDSS spoke of strategic repositioning to increase the Trust's longevity, and growing and adapting the organisation to enable it to tap into other funding sources. Furthermore, the BDSS sought to create a lean and agile organisation that would survive in uncertain market conditions, while proactively pursuing business opportunities (see [Exhibit 5](#) for ten highlights from the BDSS). To quote from the BDSS: "This strategy suggested that the Trust continue its mission to strengthen the voice, agency, and action of civil society in southern Africa ([Southern Africa Trust, 2016a](#))". To achieve this mission, the Trust focused on three service areas, the selection of which emerged through research and analysis of its capabilities, the competitive landscape and opportunities in the marketplace. These three areas comprised advocating for policy change; managing grant and impact investment funds; and running communication and media campaigns (see [Exhibit 6](#) for details on how these services worked together) ([Southern Africa Trust, 2016a](#)). Furthermore, the Trust decided to invest in property. "The Ford Foundation gave us a general purpose grant that we used to renovate the building we had just bought, which was to serve as a source for income generation", explained Moyo [5].

### **Challenges faced**

However, pivoting the organisation towards new forms of sustainability proved to be a challenge. Both the board and staff members had to overcome their ideological blockages and change their view of the old NPO, which was donor dependent, into one that was income generating [3]. The difference in what the Trust would be doing relative to a for-profit organisation was that the profits generated would not go to directors but be put back into the strategic objectives of the Trust, with the aim being to become a self-funded NPO. "We all had to learn to live with capitalism alongside the mission of a non-profit organisation", mused Moyo [4].

### *Mindset challenge*

I often talk about it [the mindset challenge] as the stage where we had to realise that we needed to be comfortable with asking questions, experimenting with the "what if", taking risks, and operating where we know we might be highly criticised, explained Moyo [4].

He knew that this stage would come with new and different criteria to guide the Trust into the future and that he would meet with opposition:

All of this took time, because it was conversations that needed to take place with staff members, conversations that needed to be had with board members, and we were getting resistance at both levels, he said [4].

In 2018, with Madzwamuse in the position of CEO, the Trust still faced the same crisis: it was running out of money and mindsets were not changing quickly enough. She said to the board, “We have to break up the cycle and the only way we get to break up the cycle is if we become bold about pursuing our business and sustainability goals” [3]. To help bring about the necessary change, Madzwamuse decided to break away from the technical process of how things were done at the Trust and momentarily focus on why they were done in this way. She needed to tackle the ideologies and culture of the organisation. “I realised that it wasn’t the shortage of information that was the problem, it was how people were interacting with it”, she stated [3].

Madzwamuse simplified the Trust's strategy into a one-pager, and contracted a scenario planner and strategy development facilitator to work with the board and senior management team. She explained, “I brought in facilitators who actually understood the culture and psychology of organisational and change management processes” [3]. She noted that the conversation steered clear of the typical strategy session conversations; for example, whether the Trust needed a sustainability plan. Instead, the conversations focused on the Trust becoming comfortable with its own politics, with the reality of the world it found itself in and with how the Trust was to own its vision in the future. The board imagined several scenarios, each of which required it to formulate responses. She described the session briefly:

We did exercises around “Who moved my cheese” [6], we looked at individual aspirations, and we played around with different scenarios in the funding landscape, taking the board through a process of reflecting on the past and journeying into the future. This process culminated in a common vision and a mutual understanding of the problem, Madzwamuse explained [3].

The board delved into the difficulties of change and examined why change was necessary.

We learned from organisations that had travelled this path [funding and sustainability] before us, KCDF, Semenye Trust, Hollard Foundation, and Harambee. Here the basic question was “what worked well and what didn't”, said Madzwamuse [7].

The board also examined and reformulated its strategy and criteria for engaging with the private sector [4].

### ***Competitors, partners and funders***

There were numerous organisations in southern Africa offering similar services to the Trust, pursuing similar sustainability strategies and competing for a portion of the dwindling aid. Classifying these organisations as competitors or partners depended on how the Trust positioned itself and how it managed relationships with these organisations. Moyo knew that the relationships with partner organisations would be affected with the cessation of DFID funding in March 2018. He explained:

We may be less able to fund some of the partnerships we have maintained. This leaves us with two options: either we compete with them or we can continue to partner with them. If we compete, we need a clear understanding of our competitive advantage and the risks involved. If we partner, we need to bring a distinct and valuable set of expertise and a clear partnership proposition so that we can proactively identify opportunities (Southern Africa Trust, 2016a).

In late 2018, Madzwamuse was concerned about the Trust's competitors:

We are competing with organisations that have done similar work. We are noticing old competitors operating in new areas of work, and new competitors with narrower focus than us, so they have been able to perfect their offering in the market, which makes them a lot more attractive than we are, particularly in the area of fund management and advisory services to corporates, stated Madzwamuse [3].

The Trust's funders were the donors, governments, businesses and NPOs that purchased the Trust's services, whether for their own benefit or for the benefit of others. The DFID, CS Mott Foundation and Ford Foundation had been its primary funders for the Trust regranting services (fund management), and therefore paid for most of the work. The new sustainability strategy called for a diversification of the Trust's funder base into three segments: governments and intergovernmental agencies; foundations, other public and private donors and businesses; and development cooperation agencies ([Southern Africa Trust, 2016a](#)).

### *Policy impasse and social responsibility*

The donor-funding crisis sparked fundamental changes in the Trust's strategy. However, this crisis also exposed weaknesses in the implementation of the policies that the Trust had helped to advocate. Moyo described the situation:

One of the other reasons for the operational shifts was strengthening links between policy and practice. Influencing how policies are formulated does not necessarily translate to change; the real action is in the implementation [4].

He described the politics of policy formulation and implementation, and how the lives of the disadvantaged, whose interests the Trust represented, were no better off with merely a policy without the policy being put into practice. He explained, "We really had to think about the Trust holding governments and the private sector accountable within the social responsibility frame" [4].

Referring to policy implementation, Madzwamuse explained that the agreement of regional-level protocols could only make a difference if implemented at a national level:

The Trust did an assessment of all the SADC protocols and was not surprised by the outcome; most of them were largely unimplemented. First, we had to think about how we strengthen the civil society infrastructure at a national level to push for the follow through of these policies. Second, was positioning: if we were going to be competing for resources and attracting resources, we had to be clear about our own impact in the field and thereby make the role of the Trust a lot more visible, said Madzwamuse [3].

### **Establishing Southern Africa Trust Enterprise**

Beyond the funding crisis, the BDSS and the potential of PPPs, was the possibility of innovative and alternative sources of funding to prepare the Trust for the future. One of these was fund management. During 2017, an increasing number of development partners had approached the Trust for fund management:

This was a challenge that the Trust took up, using its grant making infrastructure and experience to manage these funds. So far [end 2017] the Trust has managed two big DFID grants totalling £6.1 million [approximately R103.7 billion in 2017], as well as smaller grants. A further shift the Trust made this year was from doing projects for free to charging professional fees, explained Moyo ([Southern Africa Trust, 2017](#)).

Beyond fund management, these projects included policy development and advisory, as well as civil society capacity development among others ([Southern Africa Trust, 2017](#)).

To take on income-producing projects, the Trust reviewed its brand:

We involved brand experts and developers, and our staff to revise our branding and symbols. We developed a new brand manual, and revamped the website, which was launched in December 2017, said Moyo ([Southern Africa Trust, 2017](#)).

But this was not sufficient. The Trust had to change the way in which it worked [3]. In late 2018, Madzwamuse noticed something that competing NPOs with successful sustainability plans had, which was lacking in the Trust:

What made them [NPOs] take off were their endowment funds. They were given an endowment at the beginning, which allowed them to cover start-up costs but also to invest in marketing, in getting the right staff with the right skills to get their operations off the ground, said Madzwamuse [3].

Thus, at a board and senior management strategy session in 2018, the delegates agreed to establish a business development unit with initial funding from an “endowment” provided from internal resources:

We got the board to approve half a million rand from our internal resources to go towards developing the business development unit; this is the investment that we needed to get the Trust’s Sustainability initiative off the ground, Madzwamuse said [3].

The Trust registered the unit as a separate company in December 2019, wholly owned by the Trust. Called Southern Africa Trust Enterprise (the Trust Enterprise), it was envisaged as a commercial, income-generating entity. The board set the direction of both the Trust and the Trust Enterprise, and played a supervisory role over the Trust Enterprise’s activities to ensure compliance with the Trust’s mandate ([Southern Africa Trust, 2019](#)). “The new entity operates separately from the Trust, even though the Trust is the main beneficiary of the organisation for purposes of dispersing grants”, explained Madzwamuse [3] (see [Exhibit 7](#) for the structure of the Trust Enterprise).

The Trust Enterprise was responsible for effecting the BDSS and, in terms of strategy, had:

[...] a vision of becoming a partner of choice and offering the corporate sector, governments, development agencies, and philanthropies, which were the most appropriate strategies to alleviate poverty, inequality, and unemployment in the SADC region ([Southern Africa Trust, 2019](#)).

Its agenda also incorporated the empowerment of women and youth to enable them to participate fully in economic development and thus benefit their communities. Madzwamuse explained the clarity the Trust sought:

We have to be clear about the differentiation when we say community; who are we speaking about, which of the groups have we responded to historically, and to which groups are we going to expand our support? When we talk of marginalised people and vulnerable groups of people affected by poverty, it’s cross-border trader associations, farmers associations, groupings of ex-miners, women, and so forth [3].

Embedded in the Trust’s realisation of how important it was to define the groupings was an acknowledgement of the hierarchies within each grouping and their innate differences. She expanded, saying, “We really had to break it down further and put in an additional layer of power mapping to understand how power plays out on all levels” [3].

### ***Skills and resources***

The technical skills and human resources (HRs) required for the Trust Enterprise were insourced from the Trust and paid for by the Trust Enterprise, which started the process of alleviating the Trust’s salary burden. This hybrid staff model, while cost-effective, had its limitations ([Southern Africa Trust, 2019](#)). The Trust did not have adequate resources to fill all the vacant positions within the Trust Enterprise, as such capacity was drawn from the Trust, in particular the business development manager and consultants [7]. Madzwamuse described the staff and the skills required by the Trust Enterprise:

It’s not often we get someone coming from the private sector to work in this space. The bulk of our staff is people who come from the development sector, the NGO sector. They are used to writing grant proposals or funding proposals, so when it comes to the staff writing concept proposals for traditional companies, the packaging of the offerings and the pace of delivery are not coherent with what is needed in traditional companies [3].

According to Madzwamuse, finding such people was not easy. For example, in the position of development manager, the Trust Enterprise required a person well versed in the social development agenda of the region, with astute business knowledge and a flair for marketing (Southern Africa Trust, 2019). Madzwamuse expanded:

We have been having difficulty finding the right person to fill the position of business development manager. We have gone through maybe four or five people since 2016; at the moment, we have somebody we hired early in 2020 [3].

The incumbent had a one-year contract, as Madzwamuse wanted to ensure that the person met the requirements of the Trust Enterprise and the Trust:

What I have picked up is that the person understands the South African market very well, but less well for the rest of the region. So, the work is being driven from a South African context and we are trying to do regional work and set ourselves apart from our partners based in South Africa, said Madzwamuse [3].

She reiterated that having knowledge of all SADC countries was indeed a scarce skill, and explained that the role required someone who had experience in a multi-national company or in the business policy space, as well as someone who had worked on portfolios in more than one SADC country [3].

Madzwamuse saw the role of finance manager as an important one, requiring a person with a strong financial mind who would run the finances of the company and oversee the investment and fund management portfolios. The Trust Enterprise developed a policy to guide these latter activities and proposed to the Board of the Trust that an Investment Advisory Group be appointed (Southern Africa Trust, 2019). All investments and consulting work performed by the Trust Enterprise needed ultimately to ensure the sustainability of the Trust and support its work in communities. As the Trust would only support investments that considered both financial returns and ethical practices, the Trust Enterprise had to work with clients who promoted environmental stewardship, consumer protection, human rights and racial and gender diversity and equality. The Trust Enterprise used the environmental, social and governance (ESG) criteria to assess organisations in which it wanted to invest (Southern Africa Trust, 2019) (see Exhibit 8 for examples of ESG criteria used by sustainable investors as set out by the Forum for Sustainable and Responsible Investment).

### *Focus and accountability*

The Trust Enterprise hoped to attract sufficient business and earn enough income not only to fund its operations, but also to sustain the work of the Trust by focusing primarily on five areas:

1. *Policy and advisory services*: the Trust had the competence and capacity to create and advise on policy, and given that key actors (in government, civil society and the private sector) seldom possessed the required technical capacity, knowledge and resources, the Trust Enterprise offered its flagship advisory services to influence, craft and manage policy outcomes.
2. *Inclusive business strategies*: as part of the poverty alleviation strategy, the Trust Enterprise assisted small, medium and micro enterprises (SMMEs) in integrating into organisational and government supply chains, as well as supporting large organisations to integrate SMMEs by mitigating risks and securing continuity.
3. *CSO mapping and rating*: the Trust Enterprise mapped the ever-changing landscape of CSOs to provide up-to-date information according to geographic area, target sector and the ability of the CSO to implement its plans. It also provided CSO ratings that covered financial management, records of achieving its stated outcomes and successfully working with both donors and beneficiaries.

4. *Fund management and philanthropy*: the Trust Enterprise managed corporate social investment (CSI) and philanthropic funding for small, medium and large funders that sought to create healthy and sustainable societies in the SADC region.
5. *Conference and office rental opportunities*: the Trust acquired office space and conference facilities, both of which were equipped with sophisticated technologies that enabled meetings, conferences and hot-desking, as well as enclosed office space, along with parking facilities according to clients' needs. The Trust Enterprise managed this asset with profits going directly towards the work of the Trust ([Southern Africa Trust, 2019](#)).

The Trust and the Trust Enterprise's accountability measures were distinct in their delivery. Madzwamuse described the public accountability of the Trust when reporting outcomes of its work to donors:

A lot of this [reporting] is done through largely qualitative methods [narrative accounts]. It's okay to go back and say we actually failed to meet our objective and these are the reasons; that passes [3].

It was different for the Trust Enterprise: "In the private sector you have to be able to quantify [provide financial justifications], but you are also held accountable for the specific outcomes that you promised at the beginning", she explained [3].

### Improving market visibility

The Trust was similar to a number of other organisations operating in the SADC region in the area of policy research, given its focus on poverty and inequality, trade and development, migration and African philanthropy. The Trust was renowned for its ability to convene public and private stakeholders in the SADC region towards influencing policy to drive poverty alleviation and regional integration. The Trust's credibility created alliances and enabled it to formulate and implement advocacy campaigns on a number of topics. As a new entity, in 2019, the Trust Enterprise needed to prove its worth and it leveraged off the Trust's offering, focusing primarily on SMMEs and CSOs within the SADC countries, specifically those that wished to participate in the African Union's (AU) Agenda 2063 [8]. The Trust Enterprise's marketing strategy included the creation of a strategic partnership with the New Partnership for Africa's Development (NEPAD) [9] and the use of various business chamber organisations across the SADC region. It focused on marketing all of its services regionally and locally, especially the company's office rental and conferencing facilities in Midrand, Gauteng ([Southern Africa Trust, 2019](#)).

The Trust had begun work on its market visibility. Madzwamuse explained:

We are investing in our online presence and footprint; despite being in existence for 15 years, we were well known among the choir, so to speak, but not to people who were not part of the choir. So, we invested in our website, including a section on telling stories about our work in a way that puts the human face to what we do, because policy work can come across as very cold [3].

Madzwamuse wanted to convey the meaning of a phrase often used in the Trust's literature:

We want to demonstrate, in non-intercepted ways through the stories of the beneficiaries of the groups we've worked with, what it means when we say we want to 'amplify the voices of the poor' [3].

The Trust had numerous stories on transforming the lives of migrants, making a difference in the livelihoods of informal traders in different countries, providing access to finance for women who worked as cross-border traders or business owners, farmers associations looking to improve their seed varieties and many more. "These stories really give a different spin on our work, and for somebody who might be thinking about CSI in a strategic manner, they can visualise specifically where they could partner with the Trust. That [the stories] wasn't there before, so we spend a lot in building our capacity of storytelling, and improving our data collection system", she said [3] (see [Exhibit 9](#) for a story on empowering women farmers in southern Africa).

## Improving the use of its knowledge

The Trust had a lot of research that it had collected over the years, mostly in the form of monitoring and evaluation reports. Madzwamuse realised that the Trust was not reflecting on the valuable lessons in these reports:

We were not learning and routing it back to change the way we were doing things. So at a strategic level we realised that our research and knowledge management needed to be higher on our priorities [3].

The Trust also made this knowledge accessible to potential clients:

On our website there is a 'knowledge hub' tab, where you can get policy research, which we think is useful information for a company that might be looking to understand how to strengthen their social licence to operate in Angola, in Mozambique, in Botswana; the countries that the trust has got a footprint in in terms of grants, stated Madzwamuse [3].

She realised that these research products could add to their income. "But we are still in the teething stages of marketing the knowledge hub so that it begins to unlock the income", she added [3].

## Improving technology use

The Trust wrestled with how it could become an organisation of the future:

How do we dance to the reality of the fourth industrial revolution, reform our culture of work, and align ourselves with not only the future of work, but also the role that ICT [information and communications technology] plays, said Madzwamuse [3].

She explained how the Trust had digitised its workflow and various support systems such as HR management, procurement and finance. "The digital infrastructure was in place, we have a state-of-the-art office and conferencing facility, and we also introduced a remote working policy in 2017", stated Madzwamuse [3].

## Financial position

From 2015 to 2018, prior to the DFID funding withdrawal, the Trust received between R25 and R31m per year. In the financial year ending in March 2019, DFID's UK-South Africa Development Partnerships in Africa (USDPA) contributed just over R31m of the Trust's R41m income. Office rental income contributed just over R900,000, and value-added tax (VAT) refunds and interest on investments amounted to R1.9m. In the financial year ending in March 2020, the trust had secured funding of R37.5m, of which nearly R1m was derived from office rental, and approximately R600,000 from interest on investments and VAT refunds. The DFID USDPA donated R27m in the same period [10]. However, funding was still largely sourced from traditional funders, with the exception of rentals and income from conference facilities. "We continued to struggle to attract private sector funding", stated Madzwamuse [7].

## Pandemic

The COVID-19 pandemic began late in 2019 in Wuhan, China, and within six months had spread to nearly 100 countries across the world ([COVID-19 South African Online Portal, 2023](#)). The first recorded case in South Africa was in early March 2020 ([Mkhize, 2020](#)). On 15 March, President Cyril Ramaphosa declared a national state of disaster and, on 23 March, he announced a nationwide lockdown, starting 27 March ([COVID-19 South African Online Portal, 2023](#)).

## *Remote working practicalities*

The Trust began working remotely in the last week of February 2020:

We [the Trust] went into lockdown much earlier than other organisations, and we could do that because we already had a remote working policy. So we didn't have to go through a process of negotiating the [remote working] policy and trying to figure out how this was going to work. We just said, "For the sake of your health and for public health concerns we would like you to work from home with immediate effect". We suspended all face-to-face meetings and travel, explained Madzwamuse [3].

She felt that this demonstrated the agility of the organisation; the Trust was at an advantage, having thought through many of the flexibility questions in 2017 in its effort to create a caring organisation.

## *Project work impact*

The Trust asked its partner organisations, those with which it was working on its various projects in the region, to suspend face-to-face meetings in the interest of public health. Madzwamuse had orchestrated a move of the Trust's work onto digital platforms:

To stay engaged with our partners and those in the field we have introduced a weekly webinar service called 'Society talks'. We invite our partners and staff, and we have been discussing the impact of COVID-19 on a number of the sectors and communities that the Trust cares about, she said [3].

Even though the Trust introduced these measures, it soon discovered that it excluded some people. Madzwamuse explained:

We have picked up what we call "digital poverty", and in this lockdown there were actually some voices that were locked out. These people have no access to the internet, no data, no technology, so they can't just jump onto Zoom [3].

The Trust's strategy included providing access to technology for staff, but fell short when it came to beneficiaries. Madzwamuse acknowledged, "This ought to be part of our agenda; we have had our blind spots exposed, so who do we partner with in specialised fields? Access to technology must be part and parcel of our agenda of reducing poverty" [3] (see [Exhibit 10](#) for a report on the seventh webinar on the experiences of community foundations amid COVID-19 responses).

Early in the pandemic, the Trust updated its organisational risk matrix, recognising specifically the risks around the timeous delivery of projects. "We negotiated extensions with our partners, but extensions can buy you time for delivery, but they don't cut your overhead costs; every month we must pay salaries", said Madzwamuse [3]. Some projects required the renegotiation of overhead costs: "We shifted budget lines, moving some into overhead costs; this was a fix for now, but what it taught us was that there was something structurally wrong with our costing".

Madzwamuse felt that this costing crisis went to the heart of the Trust's sustainability plans. She continued, saying:

We haven't quite mastered the ratio of how much of a budget goes towards a project's activities and how much of it covers the overheads. In a number of projects, the Trust was essentially subsidising the initiators because we were paying for salaries and overhead costs out of our reserves instead of making projects fully financially sustainable [3].

The ratio of activities to overheads seemed obvious from a business point of view and for the Trust Enterprise to take on consulting work, Madzwamuse had a template created. "In our consultancy work there is no way we are going to take on a new assignment, where we

cannot afford to pay the staff for their time”, she said [3]. Madzwamuse believed that a shift needed to take place in the minds of donors; she explained, saying,

Many NPOs try to use this model [including staff overheads] and a lot of donors push back when you start having conversations with them about the overhead costs of the projects they fund, and being able to adequately fund those costs [3].

Madzwamuse continued, “We want to avoid funding models that essentially deplete the reserves of the Trust and remove the flexibility to innovate and fund long-term solutions” [7].

### A new normal

Madzwamuse was ever mindful of the 2015 donor-funding crisis and the changes it had forced upon the Trust, turning it into what was no longer a traditional NPO. She was prepared to take the Trust forward into relatively new territory:

Our success is not going to be about having a strategic plan; it's what we are learning as we are trying to roll it out. We are open to looking at weaknesses and the points that need improvement, and working out how to address those; as opposed to focusing so much on how well we are doing in certain areas and completely ignoring where there could be a major downfall, she concluded [3].

The uncertainty over the future of the Trust, and the national and global economies was a real concern in the time of the COVID-19 pandemic. Could the Trust effectively respond to and survive the pandemic? Which changes had set them on the right path, and what did the Trust and the company still need to do to ensure sustainability?

#### Keywords:

Change management,  
Non-profit management,  
Strategy,  
Social innovation,  
Social entrepreneurship,  
Non-profit strategy,  
Managing change in  
uncertainty,  
Sustainability,  
Strategic management

### Notes

1. This region consisted of Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe [Source: [SADC \(2023\)](#)].
2. The eight MDGs formed a blueprint agreed to by all countries and all leading development institutions to meet the needs of the world's poorest people. These goals ranged from halving extreme poverty rates and halting the spread of HIV/AIDS to providing universal primary education [Source: [United Nations \(2020\)](#)].
3. Zoom interview with Masego Madzwamuse, 17 September 2020.
4. Zoom interview with Bhekinkosi Moyo, 2 June 2020.
5. Personal email correspondence with Bhekinkosi Moyo, 12 February 2021.
6. A motivational business fable about adapting to change at work and in life [Source: [The Insider Tales \(2017\)](#)].
7. Personal email correspondence with Masego Madzwamuse, 23 June 2021.
8. Agenda 2063 is the continent's strategic framework for inclusive and sustainable development [Source: [African Union \(2023a\)](#)].
9. The NEPAD Agency is the implementing arm for the AUs Agenda 2063 development strategy [Source: [African Union \(2023b\)](#)].
10. Personal email correspondence with Raymond Muchemwa, 19 April 2021.
11. A motivational business fable about adapting to change at work and in life [Source: [The Insider Tales \(2017, 2023\)](#)].

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Exhibit 1. Footprint of the trust

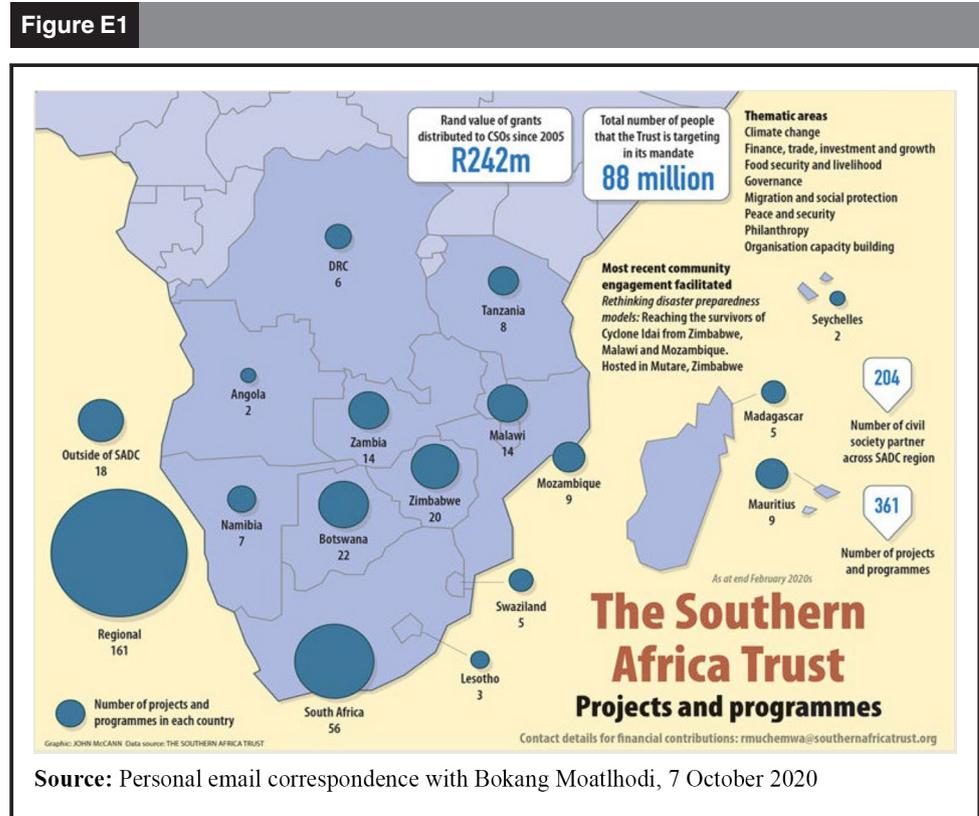


Exhibit 2. Bhekinkosi Moyo brief biography



### **Bhekinkosi Moyo: Adjunct Professor, University of the Witwatersrand**

Moyo is a writer, author, researcher and thought-leader with keen interest in questions of African resources, democracy and governance. He has so far championed African discourse on philanthropy, contributed to the growth of many African civil society formations and has taken part in most of the continental processes of development and governance. He has written extensively on African philanthropy, civil society and governance. Equally, he has gained considerable experience in management, leadership and strategic roles over a significant period of time. He has been an Adjunct Professor at the Wits Business School, University of the Witwatersrand since June 2018, and heads up the Africa Centre for Philanthropy. Prior to that, he was at the helm of the Southern Africa Trust, and a director of programmes at Trust Africa between 2007 and 2013. He earned a PhD at the University of the Witwatersrand in 2005, having completed a BA (Hons) and MA.

*Source:* [Bhekinkosi \(2023\)](#), [LinkedIn \(2023\)](#).

### **Exhibit 3. Masego Madzwamuse brief biography**



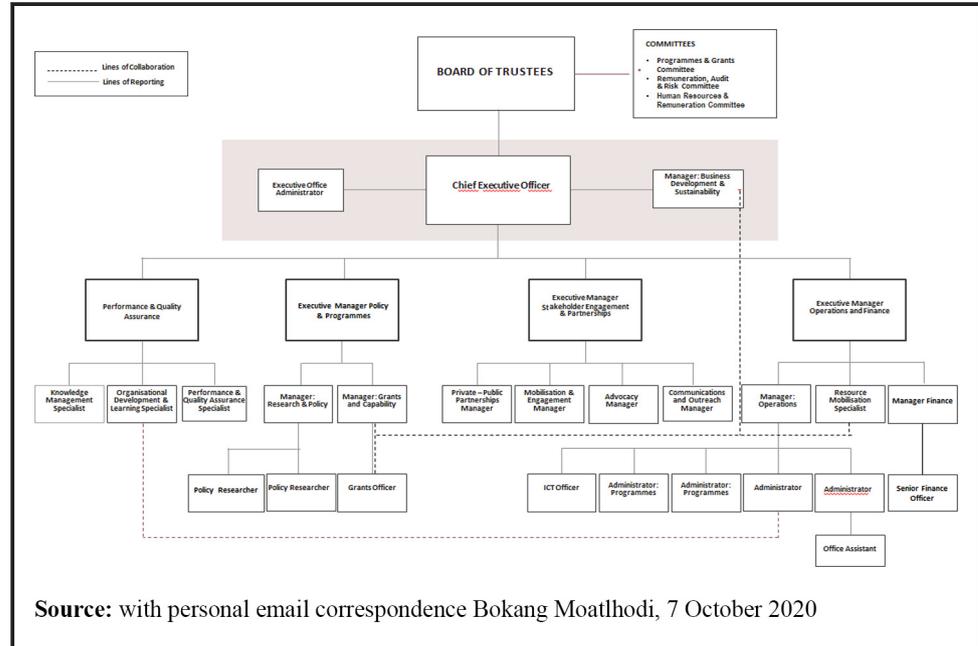
### **Masego Madzwamuse: Chief Executive Officer: Southern Africa Trust**

Masego Madzwamuse has over 20 years working experience in the development and social policy field. She is a social justice activist and practitioner in the development and economics space. Her career spans conservation, development and the environment. Prior to joining the Southern Africa Trust as a chief executive, she worked at the Open Society Initiative for Southern Africa, where she was the team leader for the Economic and Social Justice Cluster. She previously led the International Union for the Conservation of Nature (IUCN) Botswana Office from 2001 to 2007 and later the IUCN ROSA as Regional Programme Development Officer, where she stayed until 2008. She then joined UNDP and worked on the TerrAfrica Programme, promoting sustainable land management in Sub-Saharan Africa. Masego holds a Masters in Environmental Science from Rhodes University and a Bachelor of Arts degree in Environmental Science and Sociology from the University of Botswana.

*Source:* Zoom interview with Masego Madzwamuse, 17 September 2020.

Exhibit 4. Organisational structure of the Trust

Figure E2



## Exhibit 5. Ten highlights from the Business Development and Sustainability Strategy (BDSS)

**Table E1**

<i>Highlight</i>	<i>Description</i>
1. Tone of urgency and decisiveness	There are fewer than 18 months of DFID funding available. We must act quickly and decisively to prepare ourselves to succeed into the future. There are some very painful decisions that must be made. Our status quo won't survive into the future. We must also become more proactive about boldly pursuing business opportunities that align with our core capabilities
2. New terminology	The ability to unlock additional income sources requires a more entrepreneurial organisation. Our ability to embrace this identity and pursue both funding and business opportunities requires a shift in our language. However, we must be careful about how we use this terminology when we communicate with certain stakeholders
3. Change in identity	The Trust may have seen itself as a conduit for donor funding. It has since developed its identity, and this is encapsulated in the corporate strategy. However, when this identity is examined from a sustainability perspective, it is clear that we must develop a more dynamic mindset that is up-to-date with our context and current thinking
4. Financial scenarios	Four financial scenarios were developed to help understand the financial future of the Trust. The third scenario is preferred for now. This scenario requires reductions in the salary bill (by half) and overheads (by one-third) in March 2018. Even with these strict measures, a R10m deficit in our cash balances is anticipated for the end of Year 5
5. Bolder claims about impact	We have tended to work behind the scenes and be a "silent" and supportive partner of our beneficiary organisations. We have deliberately enabled our partners to claim the credit for these successes. However, we need to become much bolder in claiming our role in our impact. We will also need to be able to support these claims with objective and outcomes-based data that clearly attribute these changes to ourselves
6. Three focus areas for services	We cannot be good at everything or spread ourselves too broadly. An analysis of our capabilities and opportunities in the market suggest we offer services in three broad areas: advocate for policy change; manage grant and impact investment funds; and run communication and media campaigns. Even within these areas, we need to be mindful of where our strengths lie and when we need to partner with others to form a stronger team. There are a range of possible products associated with these service areas
7. Partners and competitors	This strategy identifies the types of partners/competitors we should be pursuing. We must also remember that there are many strong organisations that operate in southern Africa and seek to offer competing services. We can either treat these organisations as partners or competitors depending on how we manage these relationships and depending on how we position ourselves. We must base our services around a distinct set of capabilities, or we will flounder in this competitive marketplace
8. Lean and agile organisation	We will need to become a leaner and more agile organisation that is based around a set of core capabilities. We must reconcile our obligation to current donors versus the type of organisation we will need to succeed into the future. A flat matrix structure is also proposed where our specialists perform a variety of roles. We should also surround ourselves with a network of associates that we bring in as a project cost
9. Property investment	We plan on using approximately half of our reserves to buy our own property as soon as possible. This decision will reduce our overheads, provide an opportunity to generate income and create an asset which can stand surety. It will also lower the risk of us using our reserves to fund net losses because of budget overruns. This will encourage stricter financial discipline
10. Stakeholder communication	We must be careful about how we communicate this strategy to our stakeholders. Some partners may be threatened by the strategy, particularly when they have been receiving funding from us. We must also accept that our staff are also stakeholders. As such, we must manage risks around key staff impulsively leaving, without understanding the future nature of their work and contracts with the Trust. We must cultivate a strong team of champions who understand this strategy and help communicate it and bring it to life. Finally, we will need to align our brand and communication material with the requirements of this strategy

Source: [Southern Africa Trust \(2016a\)](#)

Exhibit 6. Services map

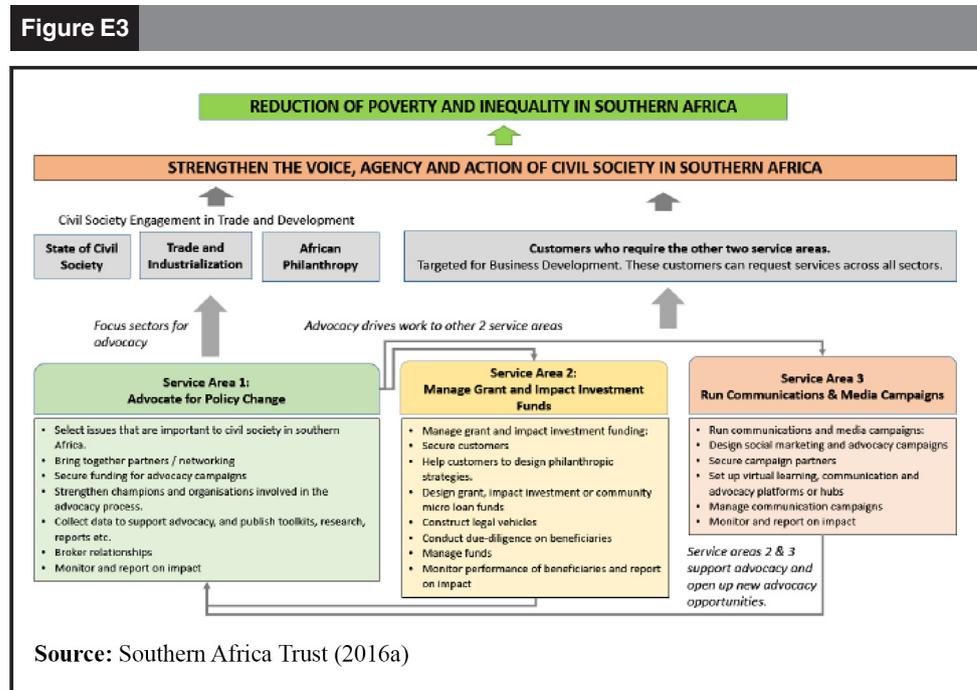


Exhibit 7. Structure of the Trust Enterprise

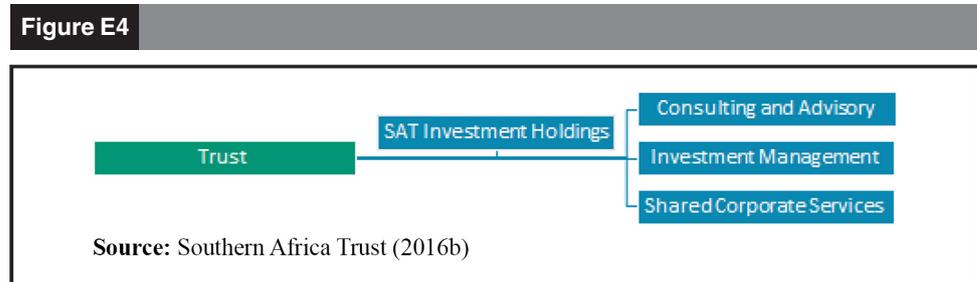


Figure E5



Source: Southern Africa Trust (2016b)

## Exhibit 9. Story on empowering women farmers in Southern Africa



Published on: May 20, 2020

In sub-Saharan Africa, women are the backbone of agriculture and make up most of the labour force in the sector, but they face many barriers that prevent them from enjoying the benefits of this economic activity. The key challenges facing women are access to land, credit and agricultural inputs as well as advanced technologies and tools to help them improve agricultural production, particularly in the rural areas.

The face of agriculture remains female and more than 60% of employed women in the south of the Sahara work in agriculture. The Southern Africa Trust research findings show that the majority of women in agriculture are involved in small-scale farming because of limited financial resources, knowledge and use of farming technologies. Also, in most developing countries, only 10%–20% of landowners are women. Most women have no rights to the family land and are often excluded from making any decisions. Women can therefore not use the land as collateral to access credit for any substantial investment. This confirms the gender-based discrimination facing women, whereby men play a dominant role in decision-making on behalf of their families or as members of the farmer groups. This further undermines women's rights, concerning land and business finances for family-owned enterprises.

The other challenge facing women is the limited access to credit; financial institutions focus their commercial lending on individuals and entities that are considered able to make repayment on loans and who meet the basic lending requirements. Women farmers have limited access to credit because they are considered high-risk applicants, as they lack the financial or material security to put down as collateral. Secondly, because of their fluctuating income flows, it is difficult for women to use standardised loan products that require regular payment. This limits them to acquire sufficient inputs, farming equipment and other requirements for the businesses. Women are mainly funded by family, own savings, personal loans and village savings loans (VSLs). Women farmers who borrow money from VSLs complain that the interest rates are too high to the extent that they end up accumulating debts.

Women also have limited access to the numerous agricultural inputs that constitute one of the major costs in agricultural production. Lack of key operational inputs and mechanised farming equipment, as well as limited knowledge on improved agriculture practices, lack of training and limited processing and business skills are experienced more acutely by women. These range from feed stuffs, fertilisers and permitted plant protection products, as well as cleaning agents and additives. Most women do not have an adequate supply of inputs as they are either not supplied freely by the government or do not have sufficient resources to purchase them.

Access to markets is hindered by the lack of transportation placing a huge burden on women to carry the load on their heads, for example, to the markets and grinding mills, in fulfilment of their ascribed gender roles. The lack of storage facilities for farm produce also tends to increase losses of harvests, aggravating the challenges of poverty that governments must contend with.

Climate change has also brought a whole new set of challenges. It has increased the risks of natural hazards which negatively affect agricultural output, imposing considerable challenges concerning the type and volume of input requirements. Long distances from their communities to input markets lead to expensive transport costs for carrying bags of fertilisers and other materials required for farming.

Women farmers can be successful, which will result in significant benefits to families, communities and African countries. African women farmers can achieve increased agricultural production with the right investment and policies. Also, to achieve Sustainable Development Goal number 5 of gender equality and to empower women and girls particularly in the agriculture sector, we will need to address challenges faced by women farmers.

In consideration of the observations noted, the following are policy recommendations that can enable the empowerment of women farmers.

1. Most policies targeted at developing specific sub-sectors in agriculture tend to be gender-neutral and therefore do not actively help women overcome the constraints that they face. The SADC Regional Agricultural Policy adopted in 2015 acknowledges gender equality and empowerment as an established regional priority. In this regard, the policy advocates for promoting and supporting the effective mainstreaming of gender issues of relevance to agriculture, food and nutrition security into regional and national policies and strategies. SADC should also expedite the operationalisation of the Regional Development Fund which will usher in the Regional Agriculture Development Fund, aimed at supporting agricultural development in the region, which will facilitate support for women farmers.
2. There is a need for increased support for farmer's unions and associations. Women farmers who are members of cooperatives or farmer's unions and associations continue to express satisfaction with some of the benefits of belonging to these platforms. As members of these associations, women farmers have access to farm inputs (mostly certified seed), capacity-building skills, marketing information and sometimes ready markets for their produce. In the Southern Africa Trust research, women farmers in Malawi indicated how they benefited from being members of a farmer association that allowed them to pay back seed loans with the produced seed after harvesting and the organisation that lent them the seed would buy back their produce.
3. More land reform initiatives need to be effectively implemented. It should be considered as a key resource for agricultural production as well as business. The lack of access to land by women will have a dampening effect in increasing agricultural productivity and poverty alleviation.

Source: [Southern Africa Trust \(2020\)](#).

## Exhibit 10. Society Talks webinar report



Published on: June 22, 2020

In the seventh instalment of Society Talks, the conversation focused on the experiences of the community foundations who play a major role in meeting the needs of marginalised people, during COVID-19. Panellists included Beulah Fredericks, Executive Director of the Community Development Foundation Western Cape, Jeremy Maarman, Director for the Initiative of Community Advancement, Niaina Harijaona, Technical Coordinator of the Citizens Organisation for Common Interests (Defence Madagascar) and Busisa Moyo, Chairman of I Am For Bulawayo Fighting COVID-19 Trust (Zimbabwe), facilitated by Marlon Zakeyo, of the Southern Africa Trust.

Beulah opened the narrative with a brief background of the work she does within the Community Development Foundation. Focusing on the upliftment and empowerment of women and children, youth civic engagement, the green economy (sustainable livelihoods and the taking back of empty spaces) and the giving economy (helping communities with horizontal philanthropy), Beulah specifically listens for burning issues within communities, talking less and listening more. The Foundation also covers the constitutional building of CBOs, looking at issues of governance, accountability, capacity building and training.

Jeremy started with an explanation of community foundations – mechanisms for community giving, financial and other, usually based around a community fund that addresses specific issues. Community members can give to the fund by debit orders or through fundraising events, thereby giving the community the ability to fund and support their own development.

Niaina summarised the general feeling in Madagascar towards COVID-19 as being very fearful, with CSOs being limited by travel restrictions, experiencing delays with activity implementation, delays with payments and struggling to continue their work.

Busisa outlined the situation of COVID-19 in Zimbabwe, saying they have had a spike in infections because people have started returning from South Africa. Currently on Level 2, Zimbabwe schools and churches remain closed, as well as some high-risk business sectors. He mentioned the broad suffering by many of the population because of the lockdown, and the inability to generate an income.

In discussing the impact on community foundations, Beulah explained how they were not set up for remote working. She explained how their group, the CDF, had no new funding and started the response to the pandemic on a back foot – many of the initiatives and fundraising events were suspended – so they focused their efforts on solidarity. She said the overwhelming call from the community was not for money, rather for emotional support. The community-led response was impressive, enabling feeding programmes through the

existing networks. The gaps she noted were in mental health, access to information and the lack of technology. Sadly, she speculated that the foundation may not survive many more months.

Jeremy said that the bringing of people together has not been possible, thwarting fundraising efforts and planned engagements. In response, they have launched an online talk show, with a strong youth focus, discussing among others, mental health issues. They were asked to deliver food security services in their ward, using Meal on Wheels and community donations.

Niaina said the response was mainly focused on the affected urban areas, distributing a mix of cash allowances and food and hygiene parcels. The biggest problem was identifying who should benefit from these subsidies, which was difficult because of high levels of corruption, with a lack of transparency and reporting on funds used. The civil society groups are trying to advocate for more collaboration and exchange of information with other groups and donors.

Busisa explained how they have not had the resources to reach everybody, especially the marginalised communities on the outskirts of the region, but the government has promised social grants to vulnerable groups in rural areas. The real challenge is the cities, where hunger has become a burning issue. The civil society groups have to identify these families and act fast.

Beulah explained how the approach initially was to deliver food parcels, but in a bid to restore dignity, they shifted to giving out small grants, which included money for food, taxi fares and data. She felt this was a strategic move on the part of the foundation, to show the community they were acting on their requests, really listening, the outcome of which promoted the horizontal sharing among community members.

In conclusion, Jeremy said the biggest lesson learned showed that people can get through whatever life throws at them, collectively and with collaboration. Niaina said their biggest lesson was the relations the CSOs have at grassroots level, during the travel restrictions that prevented many of their activities. This is what enabled them to know what was happening across the country. Another key point they noticed was with the increased reliance on technology to communicate, they had to rely on the youth-based organisations to facilitate. Busisa's key observations were to pay attention to the development of the health-care sector, building resilience through private, corporate and public sector cooperation and participation; to study value chain resilience, that is, to be able to provide at least food for the country in times of crisis; and to apply this thinking to the region (sub-Saharan Africa), looking at neighbouring countries and the need for cross-border collaboration in times of a global pandemic.

Society Talks is a weekly public dialogue hosted by the Southern Africa Trust through a live stream on YouTube. The dialogue brings together stakeholders within the development and business community, civil society and the public to inform, engage and share experiences with the broader society.

*Source:* [Kuluba \(2020\)](#).

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## Teaching notes

Keratiloe Mogotsi, Bhekinkosi Moyo and Angie Urban

### Synopsis

In May 2020, working from her home office just over one month into a nationwide lockdown because of the COVID-19 pandemic, Masego Madzwamuse, chief executive officer (CEO) of the Southern Africa Trust (the Trust), knew that the Trust could once again be at a crossroads. In 2015, the Trust had found itself in a quandary when its primary donor gave notification of its intention to withdraw its funding. In the classic donor versus grantee non-profit arena, being strong was the only choice that the Southern Africa Trust had been faced with in 2015. This shock to the system forced the Trust to embark on a change journey and find alternative sources of funding to keep the organisation afloat.

Now, with uncertainty rife throughout South Africa and the disruptions brought about by the COVID-19 pandemic, she knew that she had to consider whether the changes that had been implemented over the past five years had prepared the Trust not only to respond to, but also to survive the pandemic and continue its vital work long into the future. Change is the only constant and, in this case study, the theory of change is analysed with a view to understanding how the Trust has been transformed to what it is today.

### Case study teaching purpose

This case study seeks to introduce students to the theory of change in a non-profit context following the transition of the Southern Africa Trust from a classic grant funded non-profit organisation (NPO) to a revenue-generating enterprise. The dynamics of for profit and NPOs are different and, in this case study, students are exposed to the transformation journey and the change process that the Trust embarked on after losing funding from its main donor. Thus, change management as presented through the lens of the Southern Africa Trust highlights the different phases of change that NPOs may have to traverse to promote growth and sustainability. Furthermore, students are exposed to the importance of adaptability and being able to pivot organisational structures and strategies to align with imminent change, whether this change is planned or not. The donor landscape continues to shrink rapidly throughout the continent, so the case study is a suitable example of an NPO having faced donor retraction and the COVID-19 pandemic in a short space of time.

The journey of change is presented using the ADKAR model of change management created by Jeffrey Hiatt (2006). The ADKAR model is an outcome-oriented change management method that aims to limit resistance to organisational change.

### Learning outcomes

The case study is suitable for postgraduate studies in the fields of philanthropy, non-profit studies and social investment in Africa where management of NPOs is studied in the face of change, adversity and uncertainty. Typically, this would include Postgraduate Diploma, Master of Management and Master of Business Administration (MBA) students. The case study is also suitable for short courses offered to middle and senior managers and executives as part of an executive education offering.

The learning outcomes focus on enabling students to view operational model changes critically, as they pertain to:

- evaluating different management styles and uses of the ADKAR change management model in decision-making moments in times of crisis (such as COVID-19) in NPOs;
- evaluating different ways in which NPOs pivot to sustainability, including the use of social enterprise models and change management;
- anticipating and managing change in institutional formations through new technologies;
- articulating trade-offs between grant and non-grant resource mobilisation for African philanthropy; and
- application of change management theory to organisations' sustainability journeys.

## Research methods

The case study is based on primary data sources in the form of field interviews with Bhekinkosi Moyo (CEO: June 2014 to May 2018) and Masego Madzwamuse (CEO from October 2018). In addition, secondary data is obtained from available published sources relevant to the case. These published sources include organisational documents, industry reports and news articles.

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- Shah, M. H. (2014). An application of ADKAR change model for the change management competencies of school heads in Pakistan. *Journal of Managerial Sciences*, 8(1), 77–95, (Provides an example of the application of the ADKAR Model of Change Management: learning outcome 5).

## Teaching plan and approach

It is strongly recommended that the instructor introduces the case study, the ADKAR model of change management and the case questions at least one week before class to enable adequate preparation. Students are expected to read and assess the case study and accompanying material (the ADKAR model of change management, case questions and core readings) individually for comprehension and in syndicate groups for class discussions.

According to Hiatt (2006), the use of the ADKAR model of change management is appropriate when managing the “people” aspect of change. Organisational change tends to be a constant variable which organisations need to be cognisant of to remain relevant. For organisations such as the Southern Africa Trust that changed their registration and existence to adapt to change, it is essential to evaluate the human aspects of change to fully grasp how all that they achieved was possible. The ADKAR model of change management has been used by various organisations as an appropriate and practical framework to guide and evaluate change (Ali *et al.*, 2021).

Students can also be directed to the following multimedia sources, which can be viewed prior to the class discussion:

- The ADKAR Model of Change Management – <https://www.youtube.com/watch?v=oMii59NMO2Q>
- A Vision for Successful Non-Profits by Allen Proctor – <https://www.youtube.com/watch?v=mGF9uboiM5Q>
- The Inner Side of Organisational Change by Thijs Homan – <https://www.youtube.com/watch?v=3n-c6iAKFgg>

The teaching plan can be adjusted by the instructor depending on the size of the class, the time available and whether the instructor is teaching in-person or online. While the teaching plan is designed for a 90-min session, the instructor can reduce or expand on the various sections based on the needs of the students. During the in-person or online session, students will be expected to work individually and in syndicate groups.

Table 1 presents the 90-min teaching plan.

### Case questions

**Q1:** Using the awareness and desire elements of the ADKAR model of change management, do you think the sudden withdrawal of funding in 2015 helped the Trust in any way to prepare for the COVID-19 pandemic in 2020? Describe and evaluate three ways in which it could have helped/not helped and support your answers with quotes from the case study.

**Q2:** Given the context of the work the Trust does for poverty eradication in the SADC region, what are some of the key strategy pillars (knowledge element of the ADKAR model of change management) it was able to turn around in the organisation to reduce costs significantly? Assess how these can be adopted as lessons learnt for successful change management in non-profits post-pandemic.

**Table 1** 90-min Teaching plan

Allotted time	Area to be covered
10 min	The instructor introduces the case study, either online via MS Teams or Zoom, or in-person. The students can be asked to briefly comment on how they believe the donor retraction of 2015 helped or did not help the Trust to prepare for the disruptions caused by the COVID-19 pandemic <i>Instructor's note:</i> In the case of online teaching, the chat feature in MS Teams and Zoom can be used to bring students into the conversation by asking them to comment on topics discussed. The instructor can allocate 5 min for online interaction
10 min	The instructor summarises the main points of the ADKAR – with an emphasis on how change management is the core of the case study in terms of evaluating how the Trust morphed from a typical grant funded non-profit to a revenue-generating enterprise. When discussing the case questions, students will be expected to apply the various elements of the ADKAR model of change management and provide examples of how the Trust navigated the following: <ul style="list-style-type: none"> <li>■ awareness of the need to change its model;</li> <li>■ desire and willingness to engage in change;</li> <li>■ acquiring knowledge to execute change;</li> <li>■ ability to implement changes; and</li> <li>■ reinforcement of changes</li> </ul>
30 min	The instructor divides the students into syndicate groups, either online or in-person. If the split results in more than five students in a group, the instructor can reshuffle to ensure the groups are small enough for effective engagement. At least five groups should be created. Allocate one case question per group for the group discussion. Give the groups 30 min to discuss and prepare a report back or brief presentation for the class. Students need to apply the facts of the case study and the ADKAR model of change management to the case questions when preparing their report back/presentations <i>Instructor's note:</i> For online sessions, instructors can make use of the breakout rooms function in MS Teams or Zoom
30 min	Allow each group 5 min to present or report back to the class, either online or in-person. Instructors have two choices for the feedback loop: either allow each group to present and then provide consolidated feedback for all or allow each group to present and provide individualised feedback at the end of each presentation (approximately 2–3 min per group)
10 min	The instructor summarises the key learning points and the main findings from the case study. During this summary, the instructor should ensure that the various elements of the ADKAR model of change management are reinforced to assist students in understanding the transformation of the Trust

Q3: Evaluate some of the key challenges that were faced by the Trust when embarking on its new strategy to sustain itself using the ability element of the ADKAR model of change management. Assess how these challenges could be faced and managed by other NPOs in Africa.

Q4: Using the ADKAR model of change management, describe and evaluate some of the different ways that non-profits can change their operations to promote their existence and sustainability. Use examples from the case study, specifically the business development and sustainability strategy.

Q5: Did reinforcement (ADKAR model of change management) and technology have any influence in managing the changes for the Trust post the donor retraction in 2015? How do you believe technology helped/did not help in navigating the COVID-19 pandemic?

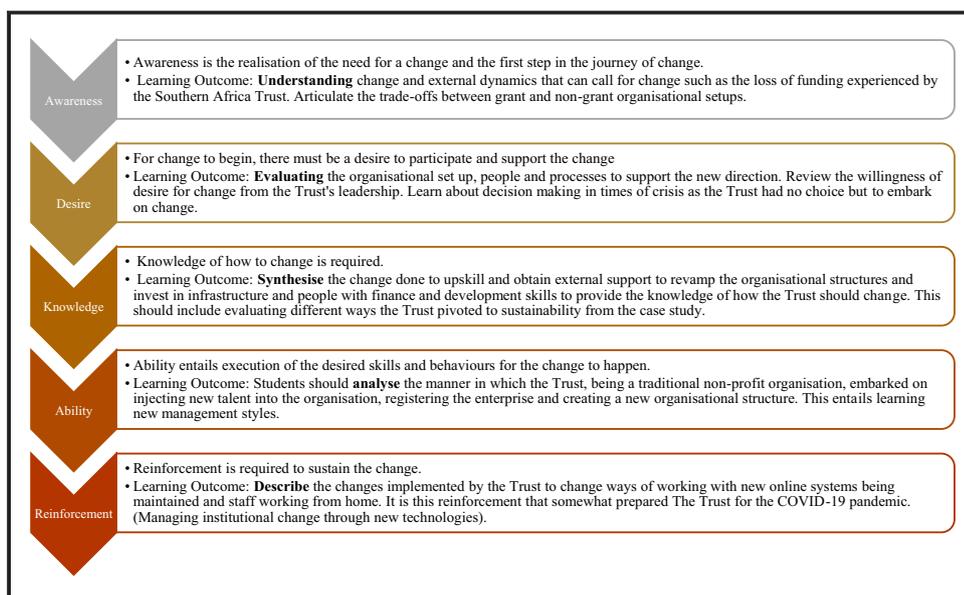
## Question analysis

Q1. *Using the awareness and desire elements of the ADKAR model of change management, do you think the sudden withdrawal of funding in 2015 helped the Trust in any way to prepare for the COVID-19 pandemic in 2020? Describe and evaluate three ways in which it could have helped/not helped and support your answers with quotes from the case study.*

In the case of an assignment, students who make use of a few (three to four) valid academic references in their write-up should receive five extra marks. References have been provided at the end of the teaching note and can be shared with students. The mark allocation for each question is at the discretion of the lecturer; however, reward the use of change theory and intense application of examples from the case study and the ADKAR model of change management as illustrated in the sample answers below. Note that students need to evaluate the effectiveness of these strategies as per the case study.

Figure 1 highlights the different elements of the ADKAR model of change management which has been adopted as the lens to analyse the transformation of the Southern Africa Trust for it to become the social registered enterprise it is today. To assist instructors, the elements of the ADKAR model are paired with the learning outcomes (based on Bloom's taxonomy) of the case discussion as follows.

**Figure 1** Visual overview of ADKAR model of change management with learning outcomes



### *Analysis of the crisis response in 2015*

In this section, the instructor focuses on the 2015 crisis response, that is, students need to explore what happened in 2015 that helped the Trust to prepare for the impact of the COVID-19 pandemic in 2020. The instructor can briefly mention the core strategic pillars emanating from the case study that required change management. These include changing focus and accountability, and improving visibility and the use of the Trust's knowledge to start generating alternative sources of revenue.

*Instructor's note:* Were these core strategic pillars effective? Students need to reflect on the limited timeline of 18 months that the Trust had to execute these changes. The Trust was successful in the transformation process in spite of the time pressure.

### *Leadership and strategic thinking in response to the funding crisis*

The main donor for the Trust (DFID) provided notice that the United Kingdom's aid programme to South Africa, through DFID, would come to a conclusion (in the form it had taken since the Trust's inception) at the end of 2015 and that the relationship would then transition to a development partnership model built around mutually agreed upon priorities. This decision was sudden and caught the Trust off guard. The leadership had only a few months to make changes and keep the Trust in existence. There was thus awareness of a problem and a strong urge and desire to create change as described by the awareness and desire element of the ADKAR model.

Highlighting the reactions from the leadership, we see from the case study, that receiving the notification of this change "was a shock to the system", according to Moyo who was at the helm of the Trust at the time. When the change came into effect, the funds the Trust had at its disposal would only cover overheads for a limited period because the Trust had depended largely on this single donor to carry out its work. He added that,

[...] the Trust needed to start fundraising from other donors and the whole process of trust building, making a case for funding, etcetera [...] but this is not as quick a process as it seems on paper.

Therefore, there was a sense of urgency and a desire to bring about immediate change. Undeniably, this was difficult to grasp and they had limited time to do so.

The search for alternative funding sources was happening in a context where the global flow of aid to Africa was in decline, particularly for the type of development policy work that the Trust undertook. Furthermore, much of the donor funding coming to Africa was channelled into health or education, neither of which was dominant in the Trust's strategy. The Trust leadership, therefore, had to consider costs, the operational model and staffing.

### *Three ways lessons learnt from 2015 could have helped/not helped going into the COVID-19 pandemic in 2020*

The Trust changed several activities post-2015 with a renewed focus on sustainability through alternative sources of funding. These changes include:

- Property investment including rental income from multi-functional space such as conferencing and hot-desking. When the pandemic began, the Trust continued to receive rental revenue from its tenants with active leases, which helped it to raise funds even though many countries in the world were under lockdown.
- *Working from home:* The Trust had introduced flexible working hours allowing staff to work from home in their new strategy. This helped it to adapt to the COVID-19 pandemic when many organisations requested staff to work remotely. Madzwamuse explained that the Trust began working remotely in the last week of February 2020. "We [the Trust] went into lockdown much earlier than other organisations, and we could do that because we already had a remote working policy. So we didn't have to go through a process of negotiating the [remote working] policy and trying to figure out how this was going to work. We just said, 'For the sake of your health and for public health concerns we would like you to work from home with immediate effect.'" The Trust also suspended all face-to-face meetings and travel. Madzwamuse felt that this demonstrated the agility of the organisation. The Trust was at an advantage, having thought through many of the flexibility questions in 2017 in its effort to create a caring organisation.

- The contactless work requirements of COVID-19 had also pushed the need for technology adoption. Many philanthropic organisations on the continent are still lagging behind in this respect and may not have budgetary allocations to improve current technology. For instance, the EPIC-Africa report indicates that over 71% of African civil society organisations (CSOs) did not have technical measures in place to support work-from-home requirements.
- *Retrenchments and restructuring:* Because of reducing costs, the Trust had to cut back on staffing as part of its restructuring. In 2020, the Trust had 49 staff members. This number had not changed since 2017. Madzwamuse said, “We had to freeze some positions and think about outsourcing and sub-contracting some of the functions rather than having a full-time person, as a way of managing overheads”.

Satisfactory answers will include descriptions of the Trust’s organisational structure (see [Exhibit 5](#) of the case study), which highlights the lines of collaboration between business development and sustainability with the CEO and resource mobilisation sitting under operations and finance. This change was essential to provide a strong drive and desire (ADKAR model of change management) for resource mobilisation as the Trust was no longer grant dependent, and thus all programmes and delivery needed to cater for sustainability.

**Q2. Given the context of the work the Trust does for poverty eradication in the SADC region, what are some of the key strategic pillars (knowledge element of the ADKAR model of change management) it was able to turn around in the organisation to reduce costs significantly? Assess how these can be adopted as lessons learnt for successful change management in non-profits post-pandemic.**

***Key strategic pillars to reduce costs (elements that had to change within the trust)***

The knowledge element of the ADKAR model focuses on the skills and steps required to make the required changes. Instructors should focus on the steps taken to establish the Southern Africa Trust Enterprise, and how the Trust built knowledge and made changes to the strategy, skills attainment, resources, focus, accountability and improvement of their knowledge and visibility. Answers should include quotes from Madzwamuse and Moyo in the case study.

***Formation of the trust***

The Trust had to become an income-generating enterprise and cease conducting work for free, which is typical in the non-profit arena. For example, Madzwamuse said:

We got the board to approve half a million rand from our internal resources to go towards developing the business development unit; this is the investment that we needed to get the Trust’s Sustainability initiative off the ground.

The Trust registered the unit as a separate company in December 2019, wholly owned by the Trust. Called Southern Africa Trust Enterprise (the Trust Enterprise), it was envisaged as a commercial, income-generating entity.

***Skills and resources***

The Trust had to find people to drive the new strategy. It did not have adequate resources to fill all the vacant positions within the Trust Enterprise, as such capacity was drawn from the Trust, in particular the positions of business development manager and consultants. Madzwamuse described the staff and the skills required by the Trust Enterprise, saying:

It’s not often we get someone coming from the private sector to work in this space. The bulk of our staff is people who come from the development sector and the NGO sector. They are used to writing grant proposals or funding proposals, so when it comes to the staff writing concept proposals for traditional companies, the packaging of the offerings and the pace of delivery are not coherent with what is needed in traditional companies.

Thus, the Trust had to invest in suitable knowledge and skills from outside of the Trust.

### *Focus and accountability*

In terms of focus, answers should briefly outline specific examples of the Trust's change of focus. The Trust shifted focus to attract income to fund its operations through the following:

- Policy and advisory services: the Trust Enterprise offered its advisory services to key actors (in government, civil society and the private sector) to influence, craft and manage policy outcomes.
- Inclusive business strategies: as part of its poverty alleviation strategy, the Trust Enterprise assisted small, medium and micro enterprises (SMMEs) in integrating into organisational and government supply chains.
- CSO mapping and rating: the Trust Enterprise mapped the ever-changing landscape of CSOs to provide up-to-date information according to geographic area, target sector and the ability of the CSO to implement its plans.
- Fund management and philanthropy: the Trust Enterprise managed corporate social investment (CSI) and philanthropic funding for small, medium and large funders that sought to create healthy and sustainable societies in the SADC region.
- Conference and office rental opportunities: the Trust acquired office space and conference facilities, both of which were equipped with sophisticated technologies that enabled meetings, conferences and hot-desking, as well as enclosed office space, along with parking facilities according to clients' needs.

In terms of accountability, the Trust and the Trust Enterprise's accountability measures were distinct in their delivery. Madzwamuse describes the public accountability of the Trust when reporting outcomes of its work to donors:

A lot of this [reporting] is done through largely qualitative methods [narrative accounts]. It's okay to go back and say we actually failed to meet our objective and these are the reasons; that passes.

However, she highlights how accountability was different for the Trust Enterprise saying: "In the private sector you have to be able to quantify [provide financial justifications], but you are also held accountable for the specific outcomes that you promised at the beginning".

### *Improving visibility*

As a new entity, in 2019, the Trust Enterprise needed to prove its worth and it leveraged off the Trust's offering, focusing primarily on SMMEs and CSOs within the SADC countries, specifically those that wished to participate in the African Union's Agenda 2063. The Trust Enterprise's marketing strategy included the creation of a strategic partnership with the New Partnership for Africa's Development and the use of various business chamber organisations across the SADC region. It focused on marketing all of its services regionally and locally, especially the company's office rental and conferencing facilities in Midrand, Gauteng.

To improve its market visibility, the Trust invested in its online presence and footprint. Madzwamuse describes how "we invested in our website, including a section on telling stories about our work in a way that puts the human face to what we do, because policy work can come across as very cold". Madzwamuse wanted to highlight the stories of the beneficiaries of the groups the Trust worked with and what it means "when we say we want to 'amplify the voices of the poor'". The Trust had numerous stories on transforming the lives of migrants, making a difference in the livelihoods of informal traders in different countries, providing access to finance for women who worked as cross-border traders or business owners, farmers associations looking to improve their seed varieties and many more:

These stories really give a different spin on our work, and for somebody who might be thinking about CSI in a strategic manner, they can visualise specifically where they could partner with the Trust. That [the stories] wasn't there before, so we spend a lot in building our capacity of storytelling, and improving our data collection system.

### *Improving use of its knowledge*

The Trust had a lot of research that it had collected over the years, mostly in the form of monitoring and evaluation reports. Madzwamuse realised that the Trust was not reflecting on the valuable lessons in these reports:

We were not learning and routing it back to change the way we were doing things. So at a strategic level we realised that our research and knowledge management needed to be higher on our priorities.

The Trust also made this knowledge accessible to potential clients by means of a “knowledge hub” tab on its website. Madzwamuse hoped that with proper marketing, the knowledge hub – which contained valuable policy research – would result in additional income for the Trust.

### *Lessons learnt for change management in non-profits*

The Southern Africa Trust was a typical NPO reliant on grants for its existence. The lessons learnt from both COVID-19 and the withdrawal of support from its primary donor in 2015 include the following:

- People are an asset and can change. Here student responses could consider the organisational structure changes and movement of people at the Trust, highlighting the new positions created and the “mindset challenge” described by Moyo in the case study. It was difficult to change people’s mindsets from grant dependency to becoming a revenue-making enterprise.
- Provision of training and involving people in the change processes helps with success. The change to an income-generating organisation required “all hands-on deck”.
- Investments in technology, automation and data analysis were essential to raise the ability of the organisation to change. From 2015, the Trust had digitised its workflow and support systems such as HR and finance.
- Investment in the knowledge hub to help dispense and make use of the data and information that the Trust holds. It also started providing policy and advisory services.
- Investment in new roles such as a development manager and people with expertise to enable delivery of the new strategy such as management consultants.

Non-profits overall can learn from the Trust's experience by investing in people to drive change such as employing skilled professionals to fill organisational gaps and to make use of their work to generate revenue such as providing data services and policy advisory services. Change management also requires investment in technology and increasing visibility through the media as the Trust did.

Satisfactory answers should refer to the change management theoretical framework specifically focusing on the knowledge pillar. In the case of assignments, essays that include a theoretical basis should receive five additional marks for being cognisant of the importance of theoretical framing.

***Q3. Evaluate some of the key challenges that were faced by the Trust when embarking on its new strategy to sustain itself using the ability element of the ADKAR model of change management. Assess how these challenges could be faced and managed by other non-profit organisations in Africa.***

Ability focuses on the desired actions and behaviours from staff members to implement the changes. Answers should focus on the ability challenges faced by the Trust and bring in current examples from other NPOs in Africa. Provide triangulation by evaluating how these same challenges created opportunities for innovation for the Trust.

Pivoting the organisation towards new forms of sustainability proved to be a challenge. Both the board and staff members had to overcome their ideological blockages and change their view of the old NPO, which was donor dependent, into one that was income-generating. The difference between what the Trust would be doing relative to a for-profit organisation was that the profits generated would not go to directors but be put back into the strategic

objectives of the Trust, with the aim being to become a self-funded NPO. Moyo explained it as follows: “We all had to learn to live with capitalism alongside the mission of a non-profit organisation”.

### *Mindset challenge*

Moyo describes the mindset challenge as the stage where “we needed to be comfortable with asking questions, experimenting with the ‘what if’, taking risks, and operating where we know we might be highly criticised”. He knew that this stage would come with new and different criteria to guide the Trust into the future and that he would meet with opposition:

All of this took time, because it was conversations that needed to take place with staff members, conversations that needed to be had with board members, and we were getting resistance at both levels, he said.

In 2018, with Madzwamuse in the position of CEO, the Trust still faced the same crisis it had faced in 2015; it was running out of money and mindsets were not changing quickly enough. She said to the board, “We have to break up the cycle and the only way we get to break up the cycle is if we become bold about pursuing our business and sustainability goals”. To help bring about the necessary change, Madzwamuse decided to break away from the technical process of how things were done at the Trust and momentarily focus on why they were done in this way. She needed to tackle the ideologies and culture of the organisation. “I realised that it wasn’t the shortage of information that was the problem, it was how people were interacting with it”, she stated. Culture and mindsets were thus a challenge and an inhibitor for the desired actions. Consequently, culture and mindsets then became an opportunity for the Trust to imagine new ways of working.

Madzwamuse thus embarked on the following strategy. She simplified the Trust’s strategy into a one-pager and contracted a scenario planner and strategy development facilitator to work with the board and senior management team. She explained, “I brought in facilitators who actually understood the culture and psychology of organisational and change management processes”. She noted that the conversation steered clear of the typical strategy session conversations; for example, whether the Trust needed a sustainability plan. Instead, the conversations focused on the Trust becoming comfortable with its own politics, with the reality of the world it found itself in and with how the Trust was to own its vision in the future. The board imagined several scenarios, each of which required it to formulate responses. She described the session briefly:

We did exercises around “Who moved my cheese” [11], we looked at individual aspirations, and we played around with different scenarios in the funding landscape, taking the board through a process of reflecting on the past and journeying into the future.

This process culminated in a common vision and a mutual understanding of the problem as the board explored the difficulties of change and examined why change had become necessary. Madzwamuse explained that the board also looked at organisations that had travelled this path (funding and sustainability) before the Trust such as KCDF, Semenyne Trust, Hollard Foundation and Harambee. The focus was on the basic question of: “what worked well and what didn’t”. Furthermore, the board also examined and reformulated its strategy and criteria for engaging with the private sector.

### *Competitors, partners and funders*

There were numerous organisations in southern Africa offering similar services to the Trust, pursuing similar sustainability strategies and competing for a portion of the dwindling aid. Classifying these organisations as competitors or partners depended on how the Trust positioned itself and how it managed relationships with these organisations. In 2018, Moyo had known that relationships with partner organisations would be affected by the cessation of DFID funding. He knew that the Trust may be less able to fund some of the partnerships which left it with two options: to compete with them or continue to partner with them. Moyo thus believed that:

If we compete, we need a clear understanding of our competitive advantage and the risks involved. If we partner, we need to bring a distinct and valuable set of expertise and a clear partnership proposition so that we can proactively identify opportunities.

In late 2018, Madzwamuse also expressed concern about the Trust's competitors saying:

We are competing with organisations that have done similar work. We are noticing old competitors operating in new areas of work, and new competitors with narrower focus than us, so they have been able to perfect their offering in the market, which makes them a lot more attractive than we are, particularly in the area of fund management and advisory services to corporates.

Therefore, the new sustainability strategy called for a diversification of the Trust's funder base into three segments: governments and intergovernmental agencies; foundations, other public and private donors and businesses; and development cooperation agencies.

### ***Policy impasse and social responsibility***

Instructors should highlight how the donor-funding crisis sparked fundamental changes in the Trust's strategy. This crisis also exposed weaknesses in the implementation of the policies that the Trust had helped to advocate. Moyo explains as follows:

One of the other reasons for the operational shifts was strengthening links between policy and practice. Influencing how policies are formulated does not necessarily translate to change; the real action is in the implementation.

He described the politics of policy formulation and implementation, and how the lives of the disadvantaged, whose interests the Trust represented, were no better off with merely a policy without the policy being put into practice. Thus, "We really had to think about the Trust holding governments and the private sector accountable within the social responsibility frame".

Referring to policy implementation, Madzwamuse explained that the agreement of regional-level protocols could only make a difference if implemented at a national level. The Trust did an assessment of all the SADC protocols and discovered that most of them were largely unimplemented. This led the Trust to thinking about how it could strengthen the civil society infrastructure at a national level to push for the follow through of these policies. The Trust was also cognisant of positioning:

if we were going to be competing for resources and attracting resources, we had to be clear about our own impact in the field and thereby make the role of the Trust a lot more visible, said Madzwamuse.

Similarly, other NPOs in Africa could embark on change management initiatives like the Trust did by focusing on adjusting policies, processes and governance. Well-being can also be highlighted as a key consideration for NPOs when embarking on change. Well-being consists of both material and non-material assets, resources and experiences, including taking into account both utility and opulence (Aina & Moyo, 2013). A delicate balance is thus required to enable continued social responsibility whilst changing mindsets, ways of doing things and maintaining holistic well-being.

***Q4. Using the ADKAR model of change management, describe and evaluate some of the different ways that non-profits can change their operations to promote their existence and sustainability. Use examples from the case study, specifically the business development and sustainability strategy.***

The ADKAR model of change management is an essential tool which can be used to drive the manifestation of new realities and new norms in an organisation, as the Trust managed to achieve. Thus, some of the ways that non-profits can change their operations so as to promote their existence and sustainability include the following.

### ***Awareness of the need for change***

After the announcement of donor retraction in 2015, the Trust made staff aware of the need for change and the changes to be executed. Moyo, for example, likened the Trust's precarious financial position, with only 18 months to come up with a solution, to being on a very short "runway". For the Trust's "aeroplane" to take off on such a short runway required the organisation to become light to ensure it could become airborne. According to Moyo, that meant reducing the budget and staff numbers, becoming more flexible in approach and thinking "differently" about the Trust's future.

### *Desire and willingness to change*

The Trust leadership encouraged staff to embark on the changes as uncomfortable as they were and create a new organisational structure and strategy. For example, between June and October 2016, the Trust formulated the Business Development and Sustainability Strategy (BDSS) document, which adopted a long-term view of its method of operation. The DFID worked with the Trust to develop a new strategy and offered both financial and technical support. In formulating the BDSS, the Trust realised that there were alternative means of achieving its internal strategic objective, namely, narrowing its focus and streamlining its infrastructure. The BDSS spoke of strategic repositioning to increase the Trust's longevity, and growing and adapting the organisation to enable it to tap into other funding sources. Furthermore, the BDSS sought to create a lean and agile organisation that would survive in uncertain market conditions, while proactively pursuing business opportunities.

### *Knowledge*

The necessary changes were communicated constantly to enable a mindset shift for both leadership and staff. To do this, both the former CEO and new CEO had to tirelessly work on mindset shift. For example, in 2018, with Madzwamuse in the position of CEO, the Trust still faced the same crisis as in 2015: it was running out of money and mindsets were not changing quickly enough. She said to the board, "We have to break the cycle and the only way we break the cycle is if we become bold about pursuing our business and sustainability goals". To help bring about the necessary change, Madzwamuse decided to break away from the technical process of how things were done at the Trust and focus on why they were done in this way. Thus, she needed to tackle the ideologies and culture of the organisation saying "I realised that it wasn't the shortage of information that was the problem, it was how people were interacting with it".

### *Ability to implement changes*

Upon registering as an enterprise, the Trust sought revenue generating opportunities to raise funds to sustain the new strategic direction. This required investments into human resources (HRs), infrastructure and technology. For example, funding was sought to acquire and renovate a building to allow for rentals. Furthermore, external consultants such as a scenario planner and a strategy development facilitator were employed to facilitate and work with the board and senior management team. The Trust also learned from other organisations that had already travelled the same path of funding and sustainability challenges.

### *Reinforcement of the changes made*

The revamp of the Trust needed to be sustained. It became a landlord and ran revenue-generating projects and a consultancy which brought about new ways of working such as working from home and digitalising their operations. By the time the COVID-19 pandemic hit the country, the Trust was well established with remote work and was able to transition smoothly. Satisfactory answers should make use of examples from the case study illustrating the ongoing revisits to the strategy to reinforce change: for example, Madzwamuse was aware of the impact of the 2015 donor-funding crisis and the changes it had forced upon the Trust, turning it into what was no longer a traditional NPO. She was prepared to take the Trust forward into relatively new territory:

Our success is not going to be about having a strategic plan; it's what we are learning as we are trying to roll it out. We are open to looking at weaknesses and the points that need improvement, and working out how to address those; as opposed to focusing so much on how well we are doing in certain areas and completely ignoring where there could be a major downfall, she concluded.

Furthermore, in terms of further changes she described how the Trust had picked up on "digital poverty" and how during the various lockdowns "there were actually some voices that were locked out [as] these people have no access to the internet, no data, no technology, so they can't just jump onto Zoom". She realised that although the Trust's strategy included providing access to technology for staff, it had fallen short when it came to beneficiaries. Madzwamuse acknowledged:

This ought to be part of our agenda; we have had our blind spots exposed, so who do we partner with in specialised fields? Access to technology must be part and parcel of our agenda of reducing poverty.

***Q5. Did reinforcement (ADKAR model of change management) and technology have any influence in managing the changes for the Trust post the donor retraction in 2015? How do you believe technology helped/did not help in navigating the COVID-19 pandemic?***

Technology and reinforcement of changes were key in enabling the Trust to cope with the COVID-19 pandemic as it was already attuned to working from home and managing operations online. The Trust reinforced the changes through, for example, migrated systems and meeting formats. Thus, the staff became accustomed to an online setup for internal HRs and finance systems, and for regular meetings.

The Trust was thus able to immediately shift and adapt to COVID-19 remote working demands. However, because many other NPOs had not made the shift and the audiences they needed to reach were not fully technologically equipped, it did make a few of the efforts in improving visibility slow as not all NPOs had access to data and equipment even if the Trust staff did. It is important for satisfactory answers to raise this point. Nevertheless, the Trust was heavily assisted by technology. For example, Madzwamuse described how the Trust grappled with becoming an organisation of the future saying:

How do we dance to the reality of the fourth industrial revolution, reform our culture of work, and align ourselves with not only the future of work, but also the role that ICT [information and communications technology] plays?

The Trust had digitised its workflow and various support systems such as HR management, procurement and finance. “The digital infrastructure was in place, we have a state-of-the-art office and conferencing facility, and we also introduced a remote working policy in 2017”, stated Madzwamuse. This remote working policy proved to be useful to the Trust when the country went into lockdown. Madzwamuse felt that these changes demonstrated the agility of the organisation and put the Trust at an advantage.

## **Conclusion**

The case questions are designed to engage students in a critical analysis of the case facts with a focus on the use of the ADKAR model of change management as a theoretical foundation which can be applied to for-profit organisations and NPOs. By the end of the case discussion, students should demonstrate an understanding of how the withdrawal of funding in 2015 and the changes made by the Trust prepared it for the disruptions caused by the COVID-19 pandemic. Moreover, students should be able to discuss the key strategy pillars that the Trust was able to turn around to reduce costs, key challenges faced by the Trust when embarking on its new strategy – including changes to technology – and how the Trust was able to reinforce and sustain its new strategy.

### ***Wrap up: key learnings***

Instructors can use the last 10 min of the case discussion to summarise the syndicate groups’ findings for each of the case questions and highlight the key learnings which, in turn, reinforce the learning outcomes:

- evaluating different management styles and uses of the ADKAR change management model in decision-making moments in times of crises (such as COVID-19) in NPOs;
- evaluating different ways in which NPOs pivot to sustainability, including the use of social enterprise models and change management;
- anticipating and managing change in institutional formations through new technologies;
- articulating trade-offs between grant and non-grant resource mobilisation for African philanthropy; and
- application of change management theory to organisations’ sustainability journeys.

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## **Abstract**

**Title** – *Southern Africa Trust: embarking on a sustainability journey.*

**Learning outcomes** – *The learning outcomes focus on enabling students to view operational model changes critically, as they pertain to:*

- *evaluating different management styles and uses of the ADKAR change management model in decision-making moments in times of crisis (such as COVID-19) in non-profit organisations (NPOs);*
- *evaluating different ways in which NPOs pivot to sustainability, including the use of social enterprise models and change management;*
- *anticipating and managing change in institutional formations through new technologies;*
- *articulating trade-offs between grant and non-grant resource mobilisation for African philanthropy; and*
- *application of change management theory to organisations' sustainability journeys.*

**Case overview/synopsis** – *In May 2020, working from her home office just over one month into a nationwide lockdown because of the COVID-19 pandemic, Masego Madzwamuse, chief executive officer (CEO) of the Southern Africa Trust (the Trust), knew that it could once again be at a crossroads. In 2015, the Trust had found itself in a quandary when its primary donor gave notification of its intention to withdraw its funding. The Trust had responded by making changes to its structure and strategy. Now, with uncertainty rife throughout South Africa, the CEO knew that she had to consider whether the changes that had been implemented over the past five years had prepared the Trust not only to respond to, but also to survive the pandemic and continue its vital work long into the future.*

**Complexity academic level** – *Postgraduate Diploma in Management, MBA, Masters in Management.*

**Supplementary materials** – *Teaching notes are available for educators only.*

**Subject code** – *CSS 11: Strategy.*