



Gearing up for sustainability: Supporting financial and administrative management change within think tanks

Project led by the African Heritage Institution (AfriHeritage) – Nigeria

Abstract

Sustainability, and in particular financial sustainability, is critical to maintaining a think tank's independence. Strong financial management therefore plays an important role in promoting and maintaining a think tank's credibility in the eyes of its donors and beneficiaries. Toward this end, a workshop aimed at strengthening financial and administrative management was organized by AfriHeritage in collaboration with the Consortium pour la Recherche Economique et Sociale (CRES). A participatory and practical approach was adopted throughout the workshop process, from the workshop's conception, to content development, to facilitation and follow up. Through the workshop, participants learned the importance of prudent planning, cash flow forecasting, budgeting and ensuring sustainability through proper absorption of indirect costs. They also learned how to develop effective institutional change management strategies, including the identification of change agents and collaborators.

COLLABORATING INSTITUTIONS

The workshop was organized by AfriHeritage in collaboration with CRES. Attendees included the Executive Directors, Finance and Administrative Officers and Project/Program Officers of the various West African Think Tank Initiative-funded institutions, as well as Senegal's Council for the Development of Social Science Research in Africa (CODESRIA).

WHAT THEY DID AND WHY

TTI-funded think tanks are expanding and maturing as the value of their analysis and participation in the policy process is more widely recognized by stakeholders. A challenge for all organizations in today's increasingly competitive world is not only ensuring they attain their objectives, but also that they do so in an efficient, effective and sustainable manner. Think tanks are no exception to this rule, despite the fact that many of them were not structured with such a business model in mind.

To help TTI-funded think tanks better respond to these pressures, a workshop on financial and administration management was organized. It was aimed at promoting sustainability, and in particular financial sustainability, which is critical to maintaining a think tank's independence. From this perspective, strong financial management therefore plays a critical role in promoting and maintaining a think tank's credibility in the eyes of its stakeholders, in particular its donors and beneficiaries.

The learning workshop had the following objectives:

- To create an effective working relationship between the Finance and Administration Officers on the one hand, and the project team leaders/Executive Director on the other, by clearly defining the role and mandate of each partner in project management;
- To demonstrate the mechanisms and systems that must be put in place as a prerequisite to enhanced project implementation;
- To clearly define and understand costs, and demonstrate the connection between accountability and control in the use of funds/grants and broader institutional sustainability;
- To help the Finance and Administrative Officers improve standards of reporting and accountability;
- To integrate the Finance and Administration Officers into the overall activities of their organizations;
- To enhance team spirit between program and finance staff, in recognition that they both play complementary roles in promoting the objectives of their organization.

The workshop explored the following themes:

- Project management – agile versus traditional
- Budget development and management
- Leadership and management
- Institutional change management
- Succession planning
- Costing, and indirect cost allocation
- Program and financial reporting

A participatory and practical approach was adopted throughout the workshop process, from the workshop's conception, to content development, to facilitation and follow up. The workshop included a combination of

plenary presentations and small group discussion sessions, group assignments and review of a case study. Experience sharing amongst the participants was encouraged throughout the entire process, not only during the workshop, but also during pre- and post-workshop activities. An online platform was created to help facilitate participant interactions.

RESULTS

The workshop was a success. Participants acquired many concrete skills and knowledge, including:

- Appreciating the importance of adopting a flexible or ‘agile’ project management approach, and how the organization can readjust its program of activities to ensure it achieves its objectives;
- Developing the organization’s cash flow forecasting capacity to manage its cash flow or liquidity as part of its prudent financial management;
- Understanding the importance of realistic budgeting to financial sustainability, and the need for all staff to work within their financial resources;
- Reflecting on the sustainability of think tanks as critically important and how it is linked to technical (programs), financial and human resources, and prudent succession planning;
- Developing strategies for absorbing indirect costs into budgeting is very important and how think tanks and their donors can integrate this into their financial planning.

Over the course of the workshop, participants discussed at length how to manage institutional change processes. It was noted that irrespective of what causes change (internal versus external factors), how it is undertaken (planned or imposed) and the strategies employed, Institutional Change Management involves managing the environment of change, and executing the change itself. Approaches to managing institutional change can be top-down, transformational, or strategic, and the institutional change management model a leader chooses will depend to a great extent on what stage of the life cycle the organization finds itself in, as well as external factors.

NEXT STEPS

Financial and administrative management of think tanks is of critical importance, and this includes prudent planning, cash flow forecasting, budgeting and proper absorption of indirect costs. All participants agreed on the importance of developing and implementing well-planned institutional change management strategies, which includes the need for leaders to identify and work with change agents and change collaborators within the organization. Participants were all in agreement of the need to conduct, on a continuous basis, similar workshops to ensure these strategies are effectively implemented within their organizations.