

Learning to Fly – With the Best of Both Worlds

It is a sad fact that there is a lot of misunderstanding and hostility between the voluntary and private sectors. Although each have unique and distinctive characteristics and objectives, they also share many common experiences and values.

Voluntary organisations believe in good work practices, effective management, and responsibility and commitment to client groups. They do not work in a vacuum. The fact that they achieve a great deal in a very uncertain and volatile financial climate is something that should be recognised.

The essential difference between voluntary and private organisations is their respective value systems, influenced by the relative prominence of the profit motive. However, both sectors work towards specific objectives, and in doing so adopt common skills, attitudes and considerations.

...there is scope for voluntary organisations to adapt and modify more of the private sectors financial practices for effective use in financial planning, control and management decision making (PCM). The role, purpose and benefits of effective PCM in the voluntary sector can be illustrated by comparison to the control panel on an aircraft. The pilot relies upon his instruments to measure and control the performance of the aircraft, show him how the aircraft is doing, what outside conditions are like, the path he should take and so on. The instrument panel is not however flying the aircraft, it is helping the pilot to do his job effectively.

Knowledge and understanding helps all organisations, regardless of size, to maximise their potential. It puts them in a firmer position to shape and control their own destiny.

The real cultural differences between the voluntary and private sector are created by the absence or otherwise of the profit motive. Such differences have created different approaches to the running and management of respective organisations.

The adoption of private sector approaches to financial information in the voluntary sector may be seen as an abrogation and corruption of its 'principles'. This would be true if no account was taken of the unique nature and needs of voluntary organisations, and practices were not adapted and modified to suit.

In recent years the voluntary sector has greatly strengthened its understanding of financial issues and information, including its relevance to their organisations and how to use it

effectively when making decisions.

Drawing once more on the aircraft analogy, each organisation has its own instrument panel, knowing how to use the controls can help guide our path. Happy Landing.

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