

ORGANIZATIONS
BUILDING TRUST,
COHESION,
FRATERNITY,
AND FRIENDSHIP
OUTSIDE THE
FAMILY AND WITHIN
THE COMMUNITY

Denis Moriarty

Do I call myself a leader?

Yes, because I am proud of what I have done as the managing director of Our Community, an Australian social enterprise, and proud of the team of exceptional people I have gathered to achieve the outcomes we have. (Please see the sidebar “Our Community’s Manifesto,” which all staff sign up to when they join the company.) While social enterprises are a relatively rare beast in Australia, they are very common in America and Europe. The much-lauded father of social entrepreneurship, Gregory Dees, has shone a light on the various manifestations of these enterprises, be they a business, not-for-profit, B Corp

(we were one at one stage) —and in essence we’re a business that puts people and planet first.

You’re a Leader in Australia? Keep It Quiet

Australians, by and large, don’t have a high opinion of leaders. We’re the country that invented Tall Poppy Syndrome, meaning we tend to cut down or resent people who achieve success. We have a range of vernacular expressions to denote people who stand forward as leaders – we say they’re skiting, they’re up themselves, or they have tickets on themselves, among

Sidebar: Our Community’s Manifesto

What we believe

- We believe in the power of the community sector
- We believe in human capital
- We believe in equality
- We believe women have equal rights to leadership roles
- We believe technology is a key to accelerating our reform agenda
- We believe laughter is good
- We believe work can be a place to make friends for life
- We believe business is good and can do good
- We believe treating people with respect gains respect
- We believe mayhem is not only healthy but critical

What we do

- We build stronger communities
- We create, curated and share knowledge and experiences
- We listen, then we act
- We revolutionize markets
- We ignite and accelerate
- We convene and connect
- We put back into the community that we work with

How we work

- We strive for fairness
- We are failure tolerant
- We take risks
- We question authority
- We use a balance sheet to create social change
- We believe in a work environment that allows for an authentic life balance
- We accept increments, but strive for revolution
- Ethics, inspiration, and innovation are at our core
- We value a flat structure: we share the cleaning as well as the decision making
- We celebrate success and learn from our mistakes
- We are dogmatic and passionate

Our ideal environment is the edge of chaos

The estuary region where rigid order and random chaos meet and generate high levels of adaptation, complexity, and creativity.

Ready, fire, aim!

others—and any politician projecting their leadership qualities risks not being thought of as a good bloke you'd like to have a beer with (gender equality in political leadership still has a way to go, even though we've had one of the best female prime ministers). On this continent, if you're a leader it's a good idea to keep it to yourself.

In part, this is because the underlying constant in most people's concept of leadership is an essentially military model—the general leading the charge with sabre aloft—and that's not something we've had much experience with. In most of our wars, we've been extras in other nations' movies. One Australian in fifty could remember the name of any general we've ever had. Our most sacred national holiday commemorates Gallipoli, a total and absolute defeat involving British generals ordering us to walk into Turkish machine guns, getting us shot to bits, and then bull-headedly doing exactly the same thing four more times, on the same day. Not surprisingly, our mythology focuses on the virtues of the privates—the diggers—rather than the command echelons. This rather obscures the fundamental problem of a modern leader, which is identifying and enlisting followers.

You can't, in this era, really make people do anything they don't want to, and with that restriction the job of a leader is that of bringing other people's wants into line with what the leader wants. Once you have a gang together, the leader is then faced with finding a way through the world and its pervasive discouragements.

The barriers you'll have to cope with—legal, financial, social and cultural, ecological—rule out most possible initiatives and constrict others, till the job of the leader reverts to guiding the enterprise through a jumbled maze and the ultimate goal settles back to doing the next thing.

NFPs: Doing What Government and Business Can't

Our Community, the company of which I'm Chief Executive Officer/CEO, is basically a support organization for not-for-profit organizations (NFPs)

and a software vendor to government. In the ecosystem, NFPs make up civil society, enabling citizens to do what government and commerce can't—to build trust, cohesion, fraternity, and friendship outside the family and within the community.

Individually, they range from billion-dollar behemoths—hospital groups, universities—at the top end to women's Aussie Rules football clubs and disability advocacy groups at the bottom. The total number of organizations, in a population of 26 million, has been estimated at about 600,000, of which only about 50,000 have enough money to merit employees, the rest being all-volunteer.

Those at the top end have the heft to deal on an equal footing with other big players—governments, unions, lobby groups, and mining companies—but the smaller ones are almost invariably struggling, there not being enough donations or volunteers or grants or governance expertise to go around.

That was where I started. Working in government in the 1990s, I could see that there was an insatiable demand from small NFPs for information about grants and other funding opportunities. Small community groups were attempting great things, but were constrained both by problems of scale and by pervasive inefficiencies. If you were a small group that wanted to keep track of what grants were available for your organization, for example, you had to buy your own copy of every Australian newspaper every Saturday and thumb through the classifieds.

That was a time, too, when the young World Wide Web appeared as an opportunity to level the playing field between giant companies and small triers. The sector needed help with fundraising, with training, with collective organization, and with the exchange of information, and the technology was available to do all of that. I could see a chance to deploy resources better across the sector. I had the goal; I needed to see a path.

In essence, Our Community works to build stronger communities through stronger community organizations.

Social sector organizations—NFPs, community groups, schools—are absolutely vital for the development of a thriving and vibrant Australia, helping us navigate the changes in work, learning, technology, demography, social roles, and support that are having such major impacts on our lives in the 21st century.

Many of these organizations were under-resourced and highly vulnerable. Starvation, dysfunction, and disorganization in the areas of fundraising, financial management, marketing, and governance had put the foundations of this important \$100 billion sector at risk.

Since its formation, Our Community has worked with a range of partners to create and share information and training that can be easily understood and immediately used by busy volunteers and hard-pressed staff.

We have also worked to bring all parts of this vast sector together to achieve a united voice and bring to bear its combined purchasing power.

The products and services we have developed and disseminated are having a real and sustained impact on the fortunes and effectiveness of many thousands of NFPs across the country and the grant makers, businesses, and community builders who work alongside them. This has had immeasurable flow-on effects for the health and success of Australian society as a whole.

Where Philanthropy and Commerce Meet

Because I'd been working within the not-for-profit sector, I initially thought what I wanted to build would have to be a not-for-profit itself. If I did it that way, I would attract a number of tax breaks and be able to appeal to philanthropic foundations—and, within that pervasive ethos, I have to say that I assumed every commercial impulse was intrinsically suspect, if not out-and-out evil.

By the time I was putting the deal together, however, I'd had some first-hand exposure to the social sector in the US and the UK, and that wasn't the message I was getting. The problems that I was trying to address in the sector actually, in many ways, stemmed from the legal and financial constraints of working under a legal regime that was notably unfit for purpose.

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Australian charity law had been taken over wholesale from the British model, which was based on an Elizabethan law passed in 1604—the year Shakespeare wrote *Othello*—embroidered over the next 400 years by English judges who unanimously favored organizations that provided nourishing broth to the deserving poor over those bringing about meaningful change in society. The law had hardly caught up with printing, let alone the internet.

I could see another way, one in which a special kind of business could generate a large social benefit as well as a profit. I didn't want to take on the fetters of being a not-for-profit, and I didn't want to run it as a straightforward business. I wanted to break new ground in this country with a new thing that would reward its employees, that I could make some money from, and that would do good in the world. The more effort I put into it, the more money I could make, and the more money I could put back.

The initial funding for Our Community came from investors who were convinced by the combination of philanthropy and commerce. They weren't looking for quick returns, and they weren't expecting to multiply their capital, but they did expect that the enterprise would be run with a focus on sustainability and adaptability. We couldn't just spend the money; there had to be a growth engine at the core. Our initial social capital investors were visionaries, led by Carol Schwartz AO {Order of Australia}, one of Australia's brightest business leaders.

Without support from investors who are poised precisely between commerce and philanthropy, leadership would simply be beside the point. From

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the beginning, Our Community was for-profit, but not for-profit only. A lot of our offerings were free, subsidized by our profit centers.

Most of our online help sheets were available to anyone, as was our advice line. Events that involved major expenses, though, like our community leadership conferences, or that were directed towards making money for the groups that used them, like the Funding Centre (our Australia-wide register of government and philanthropic grants), we charged for. Because our funding sources were purely commercial, we were able to give frank advice to NFPs without having to accommodate government pieties or legal red tape. We were able, too, to map out new projects as the technology advanced further.

In particular, we used our close relations with the community sector to find out where the shoe rubbed, and where we could prevent blisters. Increasingly, grant making was moving online; and because the software that ran this was being written from the perspective of the grant maker rather than the grantee, untold days and months of volunteer time was being burnt out in frustration. We asked users what they wanted, and we produced SmartyGrants, a system that let the sunshine through to both ends of the grant process—now a worldwide solution for grant makers, revolutionizing grant making. This software has not only automated and improved many time-consuming processes, but giving out money is hard work—choosing the right organization to give a grant should require far more sophisticated thinking about distribution and location for funding, target audience, and most importantly defining and measuring outcomes.

Creating a Culture of Care and Teamwork

We started with a handful of tech programmers working on the offerings of philanthropic foundations, and now we're contracting with entire Australian states and moving internationally. There's a universal need to bring do-gooders together on a mutually rewarding basis with the government and private organizations that have money and want good things to happen, and I can assure you that to do that task well is resource-intensive (which means it's hard for new startups) and needs a strong customer focus (which makes it difficult for purely profit-oriented businesses).

And what have I myself contributed to these positive developments? What distinguishes the leader from the passenger? Much management advice, in all sectors, boils down to "Don't break things," and I am no exception.

I started with the resources to enlist a good team to provide expert, knowledgeable, accessible and helpful services, and I've kept them enthusiastic, satisfied, and, above all, focused. As I say, enlisting followers is a matter of aligning goals, and my part in making this work is to keep the money coming in to pay good salaries and to minimize the strains of working here. I've concerned myself closely with the office culture.

I've tried for diversity, insisted on gender equality, bought our own building to allow for comfortable work conditions, accommodated home working through the pandemic, and now moved to an enterprise-wide 4-day week. There's a strong group dynamic, and we're able to keep at the front of the recruitment queue in a hotly contested market.

Enlisting followers is a matter of aligning goals.

It does help that I can offer my staff a sense of purpose that isn't simply financial. In all our dealings with the field—with the people who take our training courses, the people who operate emergency helplines, the people who serve coffee at our conferences—it's possible to observe that people at the pointy end, people with hands-on care duties, people heading progressive movements, like us and need us.

People want to think well of themselves, and working at Our Community does make that easier. It's made it possible to assemble an amazing team who can open new lines of thought, and rescue projects where I've gone a bridge too far. They work here because it's fulfilling.

That goes for me, too, of course. It helps that I enjoy working here myself, and I enjoy my life. For myself, I've kept in touch with the sector's needs by continuing my involvement with organizations working against homelessness and domestic violence. My partner Brendan is involved and supportive. We have adopted two children, and I'm on their school council, where I try to steer the surrounding culture in less racist and sexist directions. So where, in all this, does leadership, as opposed to administration, come in? What is it that I can say I did to get Our Community to where it is today? What is it about social enterprises that needs a different approach from your average mining company, or corner store?

Measuring Prosperity in Non-Dollar Terms

Because Our Community's goals aren't purely financial, they're harder to measure objectively, and they need judgment to balance. Working between wind and tide to keep the enterprise on course is a constant concern. As we say in our help sheets and manuals devoted to the chairs and boards and committees of NFP governance, financial control is good (indeed, essential), and compliance with the rules is good, but what governance is *for* is to keep the organization pointed towards its goal. And that's true for Our Community, too. A small number of our outcomes are:

- \$123 million generated by our activities and re-invested into building more tools and resources

- 422,000+ individuals educated through our training and conferences
- 5,000+ connections made between not-for-profits and new board members
- 14,000+ pages of capacity-building web content created
- 270,000+ pages of capacity-building newsletter content created and disseminated
- 75+ capacity-building books published
- 130,000 hours and \$16 million saved for not-for-profits through the creation and free distribution of templates for policies and procedures
- \$210 million collected in donations for 5300 not-for-profits (including millions that would otherwise have gone in fees)

The main reason Our Community isn't an NFP is that I wanted to retain the commercial incentive to make our services work to the maximum. That said, one of the goals of our own governance structure is for both the board and me as CEO to be able to remind each other not to be greedy—why we have an ethicist on the board. There's always the temptation, given the universal need for something like a grant's portal, to try to extract the maximum from both sides—to give as little service as we can get away with, and to charge as much as possible for each element of the service we do provide.

You could, I suppose, argue that immediate revenue maximization would be short-sighted anyway, and that a better balance is important in maintaining credibility with the sector, but I can assure you that it's a lot easier to make the argument for the long view to the board when the initial agreement that we were a social enterprise meant that the investors were prepared to wait twenty years to get their money back. We do, genuinely, want to see the Australian community sector and beyond prosper.

We were one of the first companies in Australia to be accredited as a B Corporation (we were one of the top 10% in the world), a process that provided external validation of our social credentials. In 2020, we ceased

our B Corp accreditation, in favor of legally mandating our social mission, becoming one of the first companies in Australia to enshrine our values in our Constitution, which states “commercial imperatives are afforded equal priority to our social mission, our commitment to employees, and our responsibility to the environment in which we work.”

Ethics: My Lodestar

One of the greatest lessons in my leadership journey—one that has shaped me, my life and our business—is a deep appreciation and understanding of ethics. I was awarded a Vincent Fairfax Ethics in Leadership scholarship 30 years ago and it was a seminal moment in my career. My studies over 18 months were led by the philosopher and ethicist Dr. Simon Longstaff of the Ethics Centre (Simon is now on the board of Our Community). That scholarship program taught me to be a more authentic and ethical leader; it was the antithesis of an MBA, and it is etched in my brain and soul and has shaped every difficult and strategic decision I have made.

The ethics journey also taught me about love. In fact, you cannot be a leader these days unless you have a degree of love for your colleagues. It’s one of the great lessons and it sounds a little hippieish and wacky, but government and business leaders could learn so much from practicing love. At one of our recent community sector conferences, we wrote a collective letter to Australian governments urging them to deploy love. We wrote:



Denis Moriarty is the founder and managing director of Our Community, a social enterprise based in Melbourne, Australia. His background is in executive and change management, but his inspiration for starting Our Community came through his involvement with not-for-profit boards, which sparked the realization that technology could be democratized to accelerate reform in the social sector.

Denis believes that we need to be constantly reminded that “communities” are more than just an abstract notion, and that community organizations are the true catalyzers of communities. That’s why Our Community’s mission is to build stronger communities through stronger community organizations.

The ethics journey also taught me about love.

“Governments – all of them: federal, state and local; left-leaning or right-leaning – need to stop hiring consultants to tell them how to reinvent systems. They need to send a simple message to every public servant across the land: What would it look like if a government loved its citizens? Show us what that looks like.”

Nothing Is Permanent Except Change

As Our Community approaches its 25th anniversary, I would feel confident that we were close to achieving what I’d set out to do—if it wasn’t that in the past 25 years the structure and practices and challenges of the sector have changed so dramatically and all our practices have had to be adapted and reassessed to match. There’s no end to it, and the primary reward for doing the work is that people let you keep on doing it. To me this is leading.

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