2021

YMCA Ethiopia Strategic Objectives Approaches (2021-2024)

YMCA Ethiopia
[Company name]
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A) Holistic Approach

The YMCA brand is built on the timely honored philosophy, Body – Mind – Sprit that advocates for holistic youth development mission. This is what makes YMCA is different from many other movements. As most of our services target on specific one goal or objective, let say reduce HIV prevalence among the youth, there is a chance to miss other needs of the youth, be it educational need or economic need. Integrating life skill or character building into physical fitness services, integrate life skills in job readiness, or health promotion, is a typical example as to how YMCA address the holistic approach of body, mind sprit. This may not be achieved always given the fact that most of our source of finance is from external funding partners whose funding requirement guided by specific goal and objective. However, YMCA Ethiopia strives to integrate its services and programs to enable the youth and community benefits from the holistic intervention.

B) Youth participation: Center of Our Youth Development Concept

Youth participation is a core value that underpins this action. It is based on the belief that young people are assets in development and that their role and participation in society is grossly undervalued. YMCA address the Youth participation through deliberate implementation of the S2C (subject to Citizen) mission more than ever before. YMCA strives to establish and strengthen the YMCA Youth Council to ensure meaningful participation in the organized manner.

C) Power Space

In this strategic period, YMCA's programs have been tailored with power space approach in realizing youth empowerment. Thus, creating space, creating awareness, building the life and leadership skills of the youth, helping the youth to see and seize the opportunities and engage in influencing the governance, will be our approach while we also consider the local contexts.

D) Partnership & Engaging Stakeholders

Thus, YMCA will put maximum efforts to develop, strengthen and model local partnership as to strengthen and expanding the movement mission to the wider community. Example, establishing the sport GYM for the youth and community is expensive. But, by forming brand focus partnership (franchising model) with the existing private or public facility, both parties can benefit. The specific approaches of YMCA for Partnership development involves the following;

1. YMCA practices partnership with organizations that have compatible visions and values.
2. YMCA promotes partnerships based on an active dialogue, mutual trust and accountability, openness, commitment, and respect for each other's autonomy, integrity and identity.
3. YMCA recognizes that partnerships are context-specific and must adapt to local conditions with respect to values, economic, social, cultural and political conditions and the strength of civil society.
4. YMCA focus in the partnership process is on the type of partner organization and the role it plays in social and political processes. Projects are tools for agreed action within the partnership.

5. The partnership is subject to dynamic interactions, changes, and external factors, calling for continuous analysis of the context and the relationship.
6. YMCA will respect the partner organizations agendas and their varying contexts, avoiding standardized approaches.
7. YMCA aspires to have a supportive attitude and approach towards its partners, and aims at strengthening their leading role.
8. YMCA acknowledges that varying access to resources and authority may create relationships of inequality between parties, and thereby a traditional donor-recipient relationship. YMCA's cooperation with partners aims at reducing such imbalances.

E) Diversity and Inclusion

YMCA respects diversity and inclusions of everyone regardless of ability, age, cultural background, ethnicity, faith, gender, ideology, physical conditions, income, national origin and race has the opportunity to reach their full potential with dignity. Our movement will adopt or develop a policy and procedures that guides its staff, volunteer and beneficiaries to adhere with the principles and respect the rights of others for equality and justice. The YMCA's programs and projects develop ethical standards and ensure availability of resources to manage diversity and inclusion at project management and service levels.

F) Financial Health[1]

- ***Social Enterprising***

As we revise this strategic plan, with the assistance of Africa Alliance of YMCAs, YMCA Ethiopia was able to assess, identify and strategize financial sustainability of the movement. Social enterprising model has, therefore, emerged as a strategic framework to make changes to realize financial targets of the organization. YMCA has assessed gaps and potential opportunities to scale up and generate resources through some of the programs and services. It has set priorities and targets to transform the existing resources and programs into business model (social enterprising model). One such example that will pass through such business model is the Technical and Vocational Training program.

- ***Diversify Funding sources***

At present the movement generates over 90 percent of the annual revenue/ income from oversees including YMCAs in Germany, Canada, USA, and from international non-YMCA development partners such as Plan International. Among these partners, EJW (Germany) has larger share, nearly 30 percent of the total annual income. Diversifying in this context means to secure more than one funding partner for a single program to reduce burden on the exiting partner and to minimize potential risk. The approach may involve integrating project or components of activities, and as needs be, focus on the same target groups than stretched ourselves to recruit more

[1] Financial health is about more than just reserves and endowment balances. Having a large budget or complex accounting system doesn't always result in good management and long term success. Just as our personal health depends on our behavior, so the financial health of a nonprofit depends on management behavior – policies and practices.

beneficiaries or participants. The other means will be proactive measure for fund raising locally through new partnership with business entities like airlines, banks, etc.

- **Consistent surpluses**

A healthy business model is one characterized by reliable revenue that covers operating expenses and contributes to surpluses – all in the service of mission. Nonprofit is a tax status, not a way of operating: A healthy business model is one characterized by reliable revenue that covers operating expenses and contributes to surpluses – all in the service of mission. Nonprofit is a tax status, not a way of operating: Positive operating results (unrestricted revenue consistently exceeding expenses) are an indicator of strong financial management, and are necessary for organizational health and financial resilience. Simply aiming for breakeven results doesn't allow for the breathing-room necessary when things don't go according to plan.

Surpluses allow the organization to cover the additional cash needs that typically don't show up on your income statement. YMCA leaders are encouraged to set revenue targets high enough to cover not just their direct and indirect operating expenses but also the "full costs" of doing business. These full costs over and above total operating expenses reside on the balance sheet and include covering working capital, reserves for an opportunity or rainy day, fixed asset or technology additions, and debt principal repayments. Though covering full costs every year is aspirational for most organizations, it is a worthy goal to work toward. Doing so can help ensure longer-term financial sustainability and vibrancy.

- **Ability to manage debt**:

Debt is a critical financial tool that can help organizations manage the ebbs and flows of cash for operations, facility purchases and upgrades, and more. But as liabilities bump up against an organization's ability to pay off those obligations, they can become a real problem. Measuring an organization's liabilities as a percent of total assets can show the big picture view of how much an organization owes relative to what it owns. As this percentage creeps up near the 50% mark, it can call into question the organization's ability to manage debt, which could jeopardize the delivery of programs and services.

- **Ability to steward facilities**:

If owning property and equipment is necessary for an organization's mission delivery, it has a responsibility to maintain and replace these assets over time. A best practice for organizations with substantial property and equipment is to create and sustain a reserve designated by the board of directors to fund facility improvements and replacements. Absent formal reserves, we can ask: Are there appropriate levels of liquidity to respond to issues such as replacing the hot water heater? To understand facility stewardship ability, accumulated depreciation can be a helpful accounting proxy for evaluating the remaining "usable" life of these fixed assets. However, keep in mind that the accounting value of an asset doesn't reflect its market value. An engineer can help identify the true future costs of fixed asset repairs and replacements.

Financial Health Strategies, Objectives and Measures

Dimension	Timeframe	Strategy	Organizational Objectives	Financial Objectives	Measure	Dimensions in Research
Distress	Immediate term	Defend against distress	Manage sufficient cash flow, pay bills on time	Current services level	Solvency/ Liquidity - cash and quick ratios	Distress, bankruptcy
Capacity	Short term	Build structure	Withstand economic shock; manage risk	Manage risk through resource building and organizational structure	Equity ratio = assets – liabilities/total assets	Flexibility, capacity, vulnerability
Sustainability	Long term	Buffering, exploiting, maintain structure	Growth; service expansion; long-term survival	Expand activities; manage profitability; build profits	Return on assets = 100% x (total revenue – total expenses)/ total assets	Stability, sustainability

- **Building a culture of philanthropy**

A culture of charity is really focused on the short term and making sure you're meeting your organizational needs on a yearly basis. A culture of philanthropy is really about thinking through how you pursue philanthropic investments in the longer term, so I'll give you a quick example, which I think will be helpful to think about for everybody.[2]

One way to do that that's really simple is just to think about a staff meeting that you're a part of or a board meeting that you might be involved in. Where is fundraising on the agenda? Is it at the last five minutes of your board meeting, somebody comes up to the front and said, "Okay, this is how much we've raised so far?" Or is it prioritized on the agenda?

Then the second thing I would say to think about is how you make sure that everyone is accountable to fundraising. So fundraising can't just be a priority for one individual. So all of you on this call joined because you see it as a priority, which is great, but it's a shared responsibility, as we've talked about. It's a shared responsibility for the board; it's a shared responsibility for your executive director, your director, your CEO, and the entire staff and your colleagues

Is your accounting department synced up with your development department so that they're talking to each other and you know when a gift comes in how that's being tracked financially? Does your website have a donation page where people can donate? These are all things and systems that you should be thinking about putting in place as you build this culture of philanthropy.

[2] *Culture defines as an organization's attitudes and beliefs, and ultimately, the behaviors that they take as it relates to, in this case, the philanthropy.*