



The beat and Impetus story

by Sarah Young, Impetus pro bono expert

Executive Summary

beat is the national charity for people with eating disorders and their families. Eating disorders are a serious mental illness and affect 1.1 million people in the UK. **beat** offers information and support to those affected and campaigns for better services and treatment. **beat** provides helplines for adults and young people, online support and a network of self-help groups.

beat was previously known as the Eating Disorders Association (EDA). The CEO, Susan Ringwood, joined in August 2002 and was keen to increase the impact of the organisation, raise EDA's profile and achieve earlier prevention and intervention. She also wanted to improve the skill set of the management and Board, strengthen the financial systems and processes, and boost the organisation's sustainable income. This would require a radical rebranding and a significant internal culture shift.

Attracted by the combination of money and strategic expertise, she approached Impetus Trust, the leader in venture philanthropy in the UK. After a lengthy period of due diligence, Impetus and EDA became partners in 2005 and EDA became the third charity in the Impetus portfolio. EDA was successfully re-launched as **beat** in 2007.

During the term of the partnership, Impetus supported **beat** in the development and implementation of the step-change envisaged by Susan. Between 2005 and 2009 Impetus invested a total of £325,000 and provided the equivalent of an additional £345,000 in pro bono expertise on specific projects.

The new **beat** brand has been extremely well received. The number of individuals supported by **beat** has grown strongly, increasing from 2% of the estimated number of sufferers in the UK in 2003/4 to 11% in 2008/9. Fundraising has been refocused on more sustainable sources, a new high calibre Chair has been recruited and the skill set of the executive team has been strengthened. The organisation is run more efficiently following the implementation of more sophisticated financial systems and a performance measurement tool. The step-change that Susan envisioned for EDA in 2002 has become a reality.

"There was a huge need at EDA to be more effective in raising awareness and reaching people with eating disorders and their families and friends. EDA needed to undergo a complete transformation and Impetus offered us exactly the sort of hands-on support required to achieve that goal."

Susan Ringwood, Chief Executive, **beat**

The **beat** and Impetus partnership

In 2002 **beat** was known as the Eating Disorders Association (EDA) and was the only national charity supporting people affected by eating disorders, their families and carers. At the time they estimated that they were only directly reaching about 2% of the 1.1 million sufferers in the UK.

The Chief Executive, Susan Ringwood, joined the organisation from the Prince's Trust in August 2002. She was keen to increase the impact of EDA to reach more people, especially younger people, without dramatically changing its size. Having heard about the venture philanthropy movement in the US, Susan wrote to Impetus in late 2003.

As well as the funding offered by Impetus, Susan wanted advice and expertise to underpin the financial support. She wanted to introduce more rigour into the management of EDA and felt that having a results-focused partner could help achieve this. Clear, agreed targets and milestone-based payments of funding were appealing in this respect.

The opportunity to draw on the specific expertise and knowledge within the pool of Impetus pro bono experts was also a factor. This network is made up of more than 150 experts in consulting, private equity, venture capital and professional and financial services, who waive their fees and work for Impetus portfolio charities on a pro bono basis.

"I knew the charity desperately needed to expand but did not know how to get to the next stage. We had received big donations before but it didn't move us forward. What was different about working with a venture philanthropist was, yes they offer money, but crucially they offered us capacity building."

Susan Ringwood, Chief Executive, **beat**

A complete re-branding was needed to boost the impact and low level of awareness of the EDA. A fundraising plan was urgently required to address the low level of sustainable income and more professional performance measurement and financial systems were a priority. There was no clear business plan and the Chair had announced her intention to step down. Mentoring of the executive team was also needed.

These objectives did not necessarily require significant growth in staff numbers, although there were some substantial one-off costs (for example upgrading the website and call centre). It was more about increasing effectiveness with the resources that were in place, rather than an expansion of resources.

During the due diligence process, Impetus carried out an intensive analysis of EDA's operations, including assessments of its strategy, finances and the quality of its management team and board. A detailed positioning report was compiled about EDA within the eating disorders field in order to determine how the organisation was placed relative to the 'competition'. Selected practitioners were interviewed including researchers, clinicians and consultants. This report was very useful to the EDA board and management, to see how EDA was viewed externally, and it encouraged Susan to push forward with her plans for a step-change.

In January 2005 EDA announced a partnership with Impetus to rebrand and reposition itself to dramatically increase its impact, ensuring that more people with eating disorders were helped more quickly and effectively. Impetus committed to a long-term

relationship with EDA comprising infrastructure funding of £325,000 and management support and capacity building, over the period of January 2005 to March 2009.

Impetus made £20,000 immediately available to EDA to be used for the recruitment of a new Chair while further funding was made contingent on the appointment of a high calibre individual. In late 2005, Sir Laurie Magnus, an investment banker with nearly 30 years of experience, was appointed and the remaining funding was approved.

*“The status of being an Impetus portfolio charity helped boost the interest of funders and donors in **beat**. There was a definite cachet that we had been chosen as it showed that a credible investor had confidence in our approach and had conducted thorough due diligence before making an investment.”*

Susan Ringwood, Chief Executive, **beat**

Strategic support from Impetus

Throughout the relationship there were monthly meetings between the CEO and Stephen Dawson, the Investment Director at Impetus. These meetings were a forum for Stephen to give Susan operational support and to ensure that progress was made against the objectives that had been agreed. However contact was also made on an informal basis with Stephen acting as a sounding board for Susan especially in the period while a new Chair was being sought.

*“I felt encouraged and supported by Stephen and he was an excellent mentor. He championed **beat** and although being challenging at all points, he was always careful not to get too operationally involved.”*

Susan Ringwood, Chief Executive, **beat**

Impetus also helped strengthen the management and Board of **beat**. Susan was able to complete the Social Entrepreneurship programme at INSEAD with funding from one of the Impetus donors. In addition, a Director of Operations post was established to act as a deputy for the CEO. This allowed Susan to spend more time working as an ambassador for the charity and less time on operational line management.

Stephen introduced Impetus expert Frank Neale to **beat**. Frank, a private equity investor since the 1980s, became Treasurer of the organisation. He has worked to focus the team on income generation and mentored the Finance Director.

Project-based support from Impetus experts

Impetus pro bono experts worked on a number of projects for **beat**, which originated from specific requests from **beat** or suggestions from Impetus. These projects equated to an estimated £345,000 in value.

- **Rebranding**

Rebranding was at the heart of the step-change that **beat** and Impetus wanted to achieve.

Young people are most at risk of eating disorders and Susan was particularly keen to improve the awareness, appeal and relevance of EDA's services to this group so people could be reached at a point where **beat**'s expertise could make the most difference. EDA had started out as a parent support organisation and the name and approach were not tailored towards younger people. The name 'The Eating Disorders Association' made it particularly inapproachable to a teenager.

Impetus introduced **beat** to a pro bono management consultant, William Barnard, who had extensive experience of rebranding. He worked with the executive team to review the brand, and provided a framework to guide the process and ensure there was wide consultation and buy-in from parties involved with EDA.

The team found that it was not just the name and positioning that needed to change to focus more on young people's needs. The changes required impacted on every aspect of the organisation, including the way that services were configured and how resources were deployed. For example, some of the Impetus funding was used to lengthen the hours of the youth helplines which were only open for 15 hours a week, compared to 250 hours for adults, and to update the website to make the design more appealing to younger users.

Impetus also helped **beat** make contact with an advertising agency whose suggestion for a new name proved to be the final choice. The new **beat** name and brand were launched at the Eating Disorders Awareness Week in February 2007. The name was chosen in order to send a positive message of hope and to appeal more strongly to young people.

*"The rebranding was very important for **beat**. The image of the organisation was transformed dramatically. The name '**beat**' is so much more dynamic than the Eating Disorders Association. Without Impetus we would not have been able to find or afford the kind of help that their associates provided."*

Sir Laurie Magnus, Chair, **beat**

The response to the rebranding was overwhelmingly positive, including from some long-standing EDA supporters who had expressed considerable reservations about the whole exercise. In the first year after the relaunch 83% more people contacted **beat** for support compared with a 15% growth the previous year. This growth has been sustained and the team at **beat** estimates that they reached 11% of sufferers in 2008/9 compared with 2% of 1.1m sufferers in the UK in 2003/04.

beat won the Institute of Marketing award for Brand Excellence in 2007 for the new name and the Children and Young People's Services Award for their youth forum in 2007 and 2008. In 2009 the organisation won a GlaxoSmithKline IMPACT Award. This award is designed to recognise and promote excellence in the work of small-to-medium-sized, UK-based, voluntary organisations that have made a significant impact on the health of their local communities.

- **Developing a sustainable funding base**

beat's income was heavily dependent on external, ad hoc sources of funding such as trusts and foundations, which were unpredictable sources of revenue. These were coming under pressure, which had led to funding issues. Earned, more sustainable income was needed so Impetus asked leading strategy consulting firm OC&C to undertake a comprehensive review of the commercial activities. The remit was to come up with practical suggestions to ensure that **beat** would be financially robust as it scaled up the number of people it helped.

Strategy consultant Daire Taylor led the OC&C team working on the project. *She comments: "We were helping them to think more commercially about their business, and to prioritise where they were spending their money. They do a phenomenal amount with the limited resources they have. Being able to provide them with direction so they could capture their resources in a more effective manner was very satisfying."*

The OC&C review made it clear to the management and Board of **beat** that the advertising, conferences and training courses had substantially greater potential as sources of income. By running courses and conferences, **beat** was fulfilling its charitable purpose of raising awareness and increasing understanding. However, a more commercial culture was required. Just because **beat** was a charity did not mean that the services could not be cost-effective. Earned income needed to be viewed as a mini-business, with tough decisions made around costs and pricing in order to give the leadership team the visibility to make long-term decisions.

Income generation was made a priority within the organisation. The fundraising function had proved problematic to develop and there had been significant, disruptive staff changes in this area. The decision was made to split the fundraising role into two: traditional fundraising (from trusts, foundations, the public sector and donations) and a completely separate Commercial Director role to promote and grow the income generating activities of conferences, training and advertising. A high calibre person was required with a commercial, marketing background. On the back of the OC&C report **beat** secured a loan to cover the costs of the role for a year and the post was filled in late 2008 by Ian Finnegan, who was previously Managing Director of one of the Walt Disney Company's portfolio of TV channels, Jetix UK.

Ian is organising a large, international, biannual Eating Disorder conference with the European Eating Disorders Review, a professional journal that is a joint venture between **beat** and a publishing company. It will take place in March 2010 and should help the organisation's income through ticket sales and sponsorship, and boost knowledge and understanding of eating disorders. Initial responses to the conference have been extremely positive.

Training courses have been made more flexible and tailored to what users want. The marketing spend on this area has been increased with better cost discipline implemented to boost profitability. The results have been a substantial growth in revenues and much greater predictability of this revenue / profit stream.

In 2008/9 there were 329,000 unique visitors to the **beat** website, making it the most influential and informative eating disorders website in Europe. Service providers pay for listings in a help finder service and the pricing structure for this has been changed to be more in line with comparable sites. £15,000 was spent in relaunching and improving the functionality of the service to make it more user friendly and to drive traffic growth.

- **Financial management**

EDA relied on very basic financial management systems, which made it difficult to monitor and forecast performance with any degree of sophistication. Improvements in both the systems and management expertise were required to increase effectiveness. When Impetus first invested, the Finance Manager was new in post and lacked the confidence to implement changes and insist on stronger financial controls.

Two Impetus experts helped develop her capabilities and confidence, along with improving the systems and controls. Natasha Higman, an accountant who had high-level experience at KPMG, undertook an initial audit of the systems and helped the Finance Manager raise her game. Later another Impetus expert with private equity experience, Frank Neale, was brought in to act as a mentor for her and to develop the financial reporting systems further. Frank subsequently became Treasurer. Quarterly management accounts, more sophisticated cash flow forecasts and budgeting were

introduced with systems for tracking and reporting on restricted grant income. A profitability analysis became an important management tool.

- **Performance measurement**

Impetus introduced a management consultant, Sandy Christie, to **beat**. He worked with the executive team to develop a balanced scorecard as an impact management tool. This has improved **beat's** business planning and operational services. For example the scorecard was used to help the team identify key service priorities such as increasing the ways in which young people can access **beat's** services using new technologies. It can measure not only the number of people reached, but also the impact of the services on people's lives.

- **Other - Self help network analysis and intellectual property review**

beat supports a UK network of self-help groups that provide local support and raise awareness about eating disorders and the local services available. Ruth McIntosh, a pro bono expert with a private equity background was brought in by Impetus to identify the strengths and weaknesses of the network with a view to making it more robust, safe and sustainable.

Impetus introduced **beat** to an intellectual property lawyer, Bratin Roye, who reviewed **beat's** assets and commercial agreements and educated the management team regarding copyright law.

Conclusion

The four-year Impetus/**beat** partnership ended as planned in 2009. **beat** has delivered on the original objectives, and exceeded its targets and expectations in terms of the reach and impact of the organisation since the relaunch.

The key achievements include:

- Successful launch of the new **beat** brand
- Increased the number of individuals helped from 2% of the estimated 1.1 million sufferers in the UK in 2003/4 (the year before the Impetus investment), to 11% in 2008/9
- Refocus on earned income – training, conferences, advertising; hired Commercial Director
- Financial systems and processes updated; performance measurement system implemented
- High calibre Chair in place and strengthened skill set of management team.

	2003/4 (year prior to the Impetus investment)	2008/9
Revenue	£623k	£924k
Number of individuals helped	16,400	117,000
Number of professionals trained	700	2,894
Unique visitors to website	178,000	329,000

*“I am a great fan of Impetus. They have done tremendous things for **beat**, not just in the provision of financial support but also in how they have increased the professionalism in the way the organisation is run. It has been a great partnership.”*

Sir Laurie Magnus, Chair, **beat**

beat has a very capable team and a clear strategy going forward. It is well placed to benefit from an increase in focus on earned income and intends to increase its impact to reach 20% of potential beneficiaries by the end of the financial year 2012 (from 11% in 2008/9). There are also plans to increase the support given to sufferers of obesity and bulimia and to boost the help given to adult sufferers.

More about **beat** on www.b-eat.co.uk