

Maximising Impact. Protecting Trust.

Why Not-for-Profit Leaders Must Do
More with Less – and Prove It



For leaders in the not-for-profit sector, the challenge has never been clearer. You are asked to deliver more services, reach more people, and achieve greater impact - all while income from donations, grants, and public funding remains flat or even declines. At the same time, the costs of running your organisation - from energy and wages to insurance and IT - continue to rise.

Across EMEA, funding volatility, wage inflation, and energy costs are forcing not-for-profits to rethink how every euro is spent. At the same time, regulators and funders are demanding unprecedented transparency. This “do more with less” pressure is the new normal. But in the not-for-profit world, it comes with an added dimension: scrutiny.

Boards, funders, regulators, and donors alike are asking tougher questions. They want to see evidence that resources are being directed where they matter most. Every euro, pound, or dollar spent on overheads is one not going directly to the frontline. For many organisations, proving efficiency has become as important as delivering impact itself.



The Real Cost of Inefficiency

It's tempting to treat cost control as a purely internal finance function. But inefficiency also erodes donor trust - and with it, funding.

Organisations that demonstrate transparency enjoy a clear financial advantage. Not-for-profits with a **Candid Seal of Transparency receive on average 62% more in donor contributions** than those without it (Candid, 2024).

Even more telling, donor trust is the strongest predictor of how performance is perceived. One study found that transparency helps build trust, but it is trust itself that explains **66% of how performance is perceived** by stakeholders (Nature, 2025).

For some organisations, inefficiencies have already resulted in **lost grant renewals, donor attrition, or even board intervention**. In short: financial inefficiency doesn't just drain budgets. It damages reputation, undermines trust, and risks future funding.





Doing More with Less – the Right Way

For not-for-profit leaders, the goal isn't to cut for the sake of cutting. It's to maximise every resource so that frontline programmes can thrive. That means:

- **Reducing overheads where savings don't compromise quality** - for example, renegotiating insurance or energy contracts to free funds without cutting frontline programmes.
- **Improving supplier management to ensure transparency and value** - making sure contracts are fair, competitive, and aligned with mission goals.
- **Freeing up budget to reinvest directly into staff, volunteers, and communities** - creating financial space to reward and retain the people who deliver impact.
- **Building credibility by demonstrating responsible stewardship of every donation** - reinforcing trust with boards, funders, and the public.

And while some watchdogs have historically set arbitrary caps on overhead, modern guidance highlights that smart operational investment is essential. Experts note that **efficient NGOs often spend 10–20% on overhead**, with global benchmarks ranging anywhere from 5% to 37% depending on programme design (NLA, 2024; World Bank, 2024). The key is transparency: showing stakeholders why that spend is necessary, and what value it creates.

How ERA Group Helps

At ERA Group, we work with not-for-profits to uncover hidden savings and improve transparency. Our Cost Intelligence, powered by our SpendVue platform, gives leaders clarity on where money is being spent - and where inefficiencies lie.

With the support of our specialist consultants, organisations have been able to:

- Negotiate fairer supplier contracts.
- Reduce utility and energy costs in volatile markets.
- Optimise IT, telecoms, insurance and many other indirect costs.
- Prove to boards and donors that every euro is maximised.

The result? More funds channelled into mission-critical work, and greater trust from those who support it.



Why CEOs and CFOs Should Act Now

The risks of inaction are growing. According to a recent survey, **55% of nonprofit leaders identified financial health as their biggest concern for 2025, with 92% citing financial uncertainty and 65% highlighting rising costs outpacing income** (Urban Institute, 2024).

For boards, regulators, and donors, cost inefficiency is no longer excusable. And for leaders, it isn't just about protecting today's budgets - it's about safeguarding reputation and long-term resilience.

Your Next Step

Every not-for-profit leader is asking the same question: how do we maximise impact without overstressing our finances?

ERA Group's free opportunity assessment provides the answer. In just a short review, we highlight where savings are possible and how resources can be redirected to what matters most.

Maximise mission. Minimise waste. Protect trust.

Start with a free opportunity assessment from ERA Group - and see how far your budget can go.





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