

# Building, Renewing and Withdrawing from your Partners without Blood on the Floor

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*Business Community Intelligence Masterclass 2007*



# So who is this strange West Australian?



*Lotterywest* is the Lotteries Commission of Western Australia

Established in 1933

Support for the State's hospitals

For the "poor and needy"

Grants reason for being



# A State Government Agency



- Full public sector operating standards
- Overseen by Board
- Reporting to Minister
- BUT
  - No funds from or through consolidated revenue
  - Hands-off – approach to grant policy and decisions



# A Successful Lottery Business



- 500+ retailers
- Highly profitable
  - 10% of population
  - 18% market share
  - 30% overall sales
- \$594 million turnover



# A Grant Maker



\$116 million in statutory grants

- Hospitals
- Sports and Arts sectors

\$75 million in direct grants

- Over 1000 community organisations
- Charitable or benevolent purposes
- 96% of applications successful

97% customer satisfaction rating

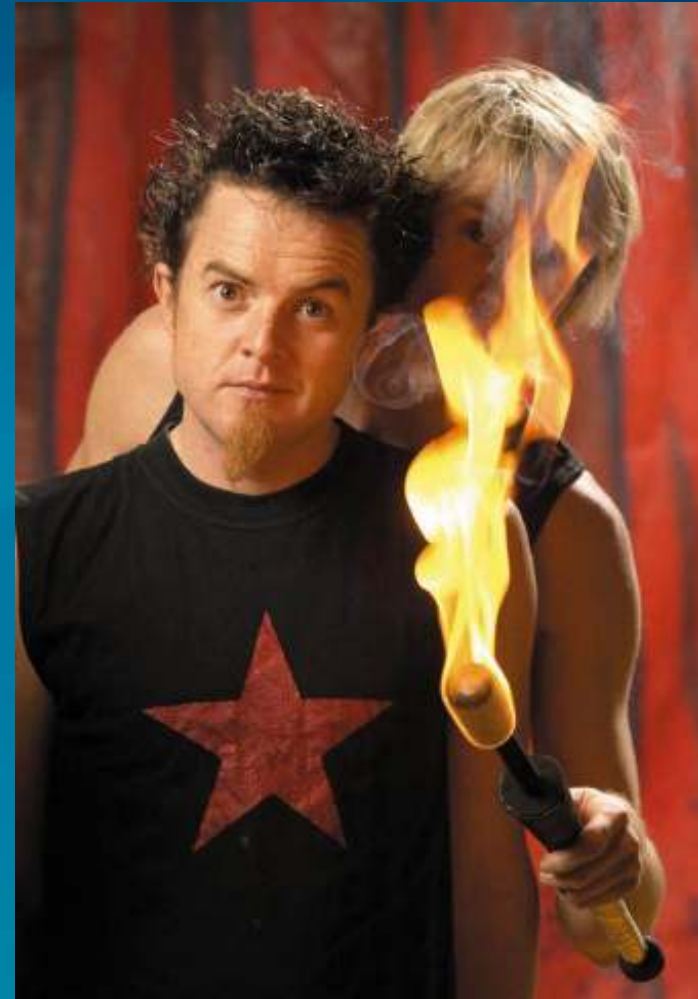


# A Unique Business Model



## Relationships and Partnerships

- Government
- Retailers
- Players
- Statutory beneficiaries
- Grant recipients
- Other funding organisations
- Philanthropists
- Community leaders



## Enuff spin ...



Building, Renewing and  
Withdrawing (without blood)

Simple premise – 3 R's

- Reputation
- Relationship
- Risk Management



# Reputation

## Responsive to requests

53% make early approach

## What about others?

Reputation and engagement  
Access Impact Relationship  
Renewal and innovation

## Research Lessons

Engender confidence  
95% consider us trustworthy  
Continuous improvement



## Relationships

### Uniquely positioned

- Share our network
- Leverage
- Connect ideas and people
- Exchange information

### Emergence of new partnerships and collaborations



# Risk Management

Robust

Creative

Safeguards for both

Invest in the beginning

- Business analysis
- Feasibility studies
- Environmental impacts
- Market research
- Stakeholder engagement
- Consultation phases

Take a developmental approach



## In Good Condition?

- Grant conditions are very important, versatile tools
- Conditions need to be:
  1. Developed in collaboration beforehand
  2. Help manage risks for all parties
  3. Rigorous
  4. Relevant and purposeful

Well developed conditions actually help grant recipients, not hinder them



## A case study – Spina Bifida Association



### Out of our Depth

- No government support
- Invest in organisational development
- Changing policy context

### Opportunity to withdraw

- Continued close association
- Identified gaps
- Gradual transition process
- Communicate with all stakeholders



## No need for the Pineoclean

- *There are two dilemmas that rattle the human skull: How do you hang on to someone who won't stay? And how do you get rid of someone who won't go?*

*The War of the Roses*

