

Beyond survival:

Expanding the strategic playbook for NFPs to achieve greater impact in a stretched care and support economy

By Les Hems and Dominic Leaver



Right thinking

Across the care and support economy, one reality is becoming unavoidable: commercial sustainability is under unprecedented strain. Fine-tuning operations is no longer enough to meet this challenge – not-for-profits (NFPs) that continue relying on operational enhancements will risk being overtaken by external structural challenges that need long-term strategic solutions and miss opportunities for growth and impact.

Now is the moment for executive teams and boards to be bold.

To meet the current challenge and forge a path to growth and greater impact, NFPs must consider a broader range of strategic levers. These include **unlocking value from underutilised assets, rethinking organisational and business models** (including hybrid and partnership structures), **leveraging group structures** for flexibility and growth and using **mergers and acquisitions** strategically to build capability and resilience.

Together, these four levers offer a **positive and proactive 'menu'** of options for executive teams and boards as they consider how to drive impact and growth in this challenging strategic environment.

Across the care and support economy, one reality is becoming unavoidable: commercial sustainability is under unprecedented strain.

Rising labour costs, regulatory pressures, flat or declining funding streams and greater consumer expectations are converging to challenge even the most resilient providers.

For NFP organisations the instinctive response has been to double down on short-term internal tightening operations, this often means improving service delivery efficiency, stabilising workforce capacity and controlling costs.



Fine-tuning operations alone is no longer enough.

If NFPs continue to rely on a narrow set of short-term internal levers, they risk missing out on impact growth opportunities and being overtaken by external structural challenges that require fundamentally different long-term strategic solutions.

How can NFPs establish a foundation for commercial sustainability and impact growth?

This moment calls for broader, bolder strategic levers.

This involves making moves beyond incremental optimisation and toward reshaping how organisations create long-term value, build resilience and fund greater impact. Here, we identify 4 high-potential strategic levers that are relevant for NFPs across the care and support economy.

1. Unlocking 'lazy assets' on the balance sheet

NFPs often sit on underutilised land, buildings and other revenue-generating assets, yet struggle to invest in service redesign, technology, or workforce capability. In a capital-constrained environment, optimising property and balance sheets is an immediate and essential lever to unlock funds for mission-critical investment in transformation.

Organisations can convert passive assets into active enablers of strategy by recycling underperforming or no longer fit-for-purpose assets, exploring co-location models that unlock new revenue streams, pursuing sale-and-leaseback arrangements to free up capital, selling or divesting from non-core profit centres or leveraging secure assets to access debt capital.

These mechanisms are already reshaping other sectors; NFPs that embrace them early will gain headroom for transformation and growth rather than operating under continual capital constraint.

As a first step on this journey, boards and executive teams must review and reimagine the potential of organisational assets and develop an asset strategy that unlocks impact and commercial value.

2. Reimagining the role of charities: new organisational forms and business models

A growing number of mission-led organisations

are challenging the assumption that charities are non-commercial, inflexible and confined to being price-takers. Instead, they are deliberately rethinking business models and legal form as a strategic lever using joint ventures and hybrid vehicles to unlock purpose through agility and specialisation.

These new approaches:

- unlock access to capital, partnerships and capabilities that traditional structures often cannot
- protect core services while creating space for innovation outside business-as-usual constraints
- promote new perspectives on how impact and purpose can be realised.

Platform-based and hybrid models show how service systems can be reshaped around consumer choice, workforce flexibility and scalable economics. Internationally, legal forms such as the UK's Community Interest Companies demonstrate how access to growth capital and mission delivery can be balanced through deliberate design.

Franchising is a form that few NFPs have explored the strategic potential of. It provides a compelling mechanism for efficiently and effectively scaling impact by replicating successful service models whilst leveraging the capacity, relationships and know-how of local providers. This model has typically not been explored due to a lack of critical capabilities required to successfully lead and run a franchising model.

Many boards and executive teams worry that these shifts introduce unnecessary structural complexity on top of already complex operations. What is often missed is the opportunity cost: constrained innovation and agility, limited capability specialisation, reduced capacity to incubate new models and a less deliberate approach to managing risk.

In a stretched care and support economy, the organisations likely to thrive will keep purpose at the centre whilst exploring new ways to unlock their strategic and impact potential.

A first step on this journey might include exploring case studies of compelling alternative organisational forms and business models that unlock opportunities for greater impact and commercial value.



3. Creating value through group structures

Many successful corporate sectors use multi-brand or group structures to drive flexibility, diversify revenue and reach differentiated market segments.

For NFPs, group models offer similar opportunities:

- tailoring brands to different client cohorts and geographies without duplicating overhead
- invest in services that have impact growth potential – including through franchising
- incubate innovation
- separate services with different risk profiles
- scale shared services
- create value through property and investment assets.

This is a strategic organisational architecture conversation, not an operational one – and its potential is largely underexplored in the care and support economy – with some notable exceptions.

A first step on this journey might include identifying the business units and services that are not achieving their strategic potential because they are constrained by the current structure (e.g. misaligned brand, unable to pursue new growth opportunities, starved of investment, sub-scale or tax inefficient) and identifying potential solutions.

4. Using strategic M&A as a tool for impact growth and service system resilience

Consolidation is happening around the sector – but not always strategically and often driven by survival. For NFPs, M&A should not just be about ‘getting bigger’; it is about getting more capable and scaling impact.

When done well, M&A can enable greater impact, unlock scale economies and strengthen organisational resilience. However, boards and executives are often reactive in relation to M&A and, for example, can fail to exit assets in a timely manner, which often leads to disorderly exits and eroded economic value.

Additionally, M&A is essential for service system resilience by preserving service continuity and protecting vulnerable communities from provider exits. However, current resistance and regulatory/legal barriers to M&A are a drag on overall system impact and efficiency.

A first step on this journey might include NFP leaders rethinking the potential of M&A, not as a last resort, but as a proactive lever for futureproofing, transformation and impact growth.

What this means for the sector

This is a moment for *proactive strategic redesign for impact growth*, not reactive survival.

The sector cannot afford to keep fighting today’s challenges with yesterday’s toolkit.

NFPs must expand their strategic imagination and draw from a full suite of options used across high-performing industries.

The organisations that thrive in the next decade won’t be the ones that operate the leanest – they will be the ones that think and act the boldest – the ones that understand the service delivery systems they operate within and act both individually and collectively to achieve greater impact.

Where to from here

To help leadership teams move from exploration to action, we facilitate ‘Strategic Options Workshops’ tailored for executive teams and boards, or both.

The session includes:

- exploration of one or more strategic levers (capital, M&A, group models, asset optimisation)
- scenarios and high-level pathways
- identification of 3–5 actionable next steps
- clarity on what to explore, what to park and what to accelerate.

This is a fast, pragmatic way to broaden strategic thinking – without committing to major investment or long strategy cycles.

Want to know more?

If you would like to discuss this article in more detail, please contact:

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