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## CASE STUDY

# From collapse to prosperity

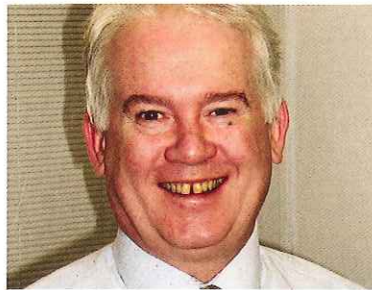
Keith Fernett used a slogan on a t-shirt to help turn around his ailing housing charity

When Keith Fernett became chief executive of London homelessness charity Anchor House in 2004, it was on the verge of collapse. Six years later, its turnover has almost tripled and it has won awards for everything from financial management and regeneration to use of technology. How has he done it?

Fernett joined the charity soon after the introduction of Supporting People grants, which required providers of housing support for vulnerable or disadvantaged people to submit to a review of their services. Anchor received the lowest rating in all six categories. "The organisation was a sunken submarine with water pouring in everywhere," he says. "It had not moved with the times. There was no business plan, budget or procedures."

His first priority was to boost morale among the charity's 34 paid staff. "I got the staff together and asked them for their vision," he says. "I had to get them focused on the reason they were here – to change the lives of the residents. I involved them and communicated with them. I swore a lot."

He also started wearing a t-shirt that said "Make things happen" on the



Fernett 'Standards are now very high'

front and "Now" on the back. There was also a crackdown on terminology: words such as 'hostel', 'homeless' and 'support worker' were banned and the charity's building was rebranded as a 'life skills and residential centre' manned by 'lifestyle architects'.

With staff on side, Fernett's next job was to bring in much-needed income. He persuaded the trustees to sell half an acre of land next to

its building that had been left undeveloped, raising £2.5m. The charity used the money to completely refurbish its building, add 25 extra beds and overhaul its IT system, providing a computer in every bedroom.

It also persuaded local colleges and businesses to provide training for residents, and started encouraging residents to volunteer. It then began providing opportunities for volunteers to help run the charity. "We have reduced spending on staff in areas such as maintenance, cleaning and catering because volunteers have taken their place," says Fernett.

The charity has about 40 employees now, including six former residents. He expects Anchor's turnover this year to be £2.3m – up from £850,000 when he joined. "We've had to be ferocious in our financial management," he says. "Our standards of management and professionalism are now very high."

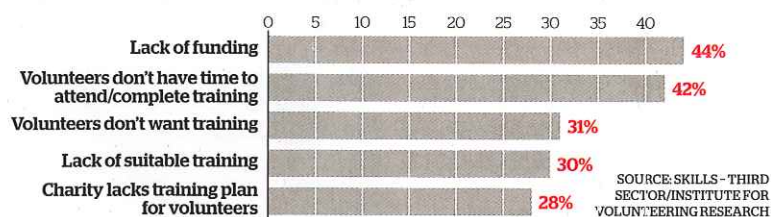
And it all started with a positive mental attitude. "I told the staff we were not going to have blame or talk about how things used to be – we were going to look forward," says Fernett. *Femke Colborne*

More Management at: [thirdsector.co.uk/resources/goodpractice](http://thirdsector.co.uk/resources/goodpractice)

**"We have cut spending in areas such as cleaning because volunteers have taken the place of staff"**

## Conversation piece *Barriers to training volunteers*

Funding is the main barrier to training volunteers, but their limited desire for development and time constraints also pose problems, according to *Valuing Volunteer Management Skills*, a survey of 1,004 volunteer managers. More than 25 per cent of charities have no training plan.



## OFF THE SHELF

Emma De Vita reviews

### Selected

If you throw together a group of people and give a task, it's inevitable that someone will quickly become a leader. In their new book *Selected*, Mark van Vugt and Anjana Ahuja try to understand why, as its subtitle explains, some people lead and others follow, and why it matters.

It's a perennially important subject for management professors, and van Vugt and Ahuja propose a new theory of leadership, influenced by evolutionary science. They contend that leadership and followership emerged during human evolution. "When it comes to the workplace," they write, "the pinstripes come from an ancient brain."

Evolution works on such timescales that each of us possesses a brain more evolved to the savannah. That's why we prefer to feel a valued member of a small team rather than a tiny cog in a large organisation. And apparently it's why we prefer to be led by tall, straggled leaders.

What to do, then, if you're short, weak-chinned character manager with your eye on the top job? Try to win your colleagues' approval and respect by your behaviour. Be as much a friend as a boss. Just don't entertain the idea of cosmetic surgery and muscle-bulking steroids.

*Emma De Vita is books editor at Management Today*

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