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From Alliance to International: The Global Transformation of Save the Children

CASE STUDY

PART A –BARRY CLARK COMES ON BOARD

Shortly after coming into office as the board chair of Save the Children Alliance in 2002, Barry Clarke had a meeting with the existing Alliance Secretary General Burkhard Gnaerig. Barry introduced himself and said, “Look, I’ve been involved with Save the Children for quite a while but I’m not all together sure about how the alliances is organized. Could you take me through the organization plan?” Burkhard replied by pointing to a huge white board in his office and together they worked from one end of that board to the other. “What I noticed about the organization plan,” recalls Barry “is there were a lot of pieces that didn’t connect. There were lots of dotted lines that went nowhere. There were pieces that didn’t join up.” Barry admits he was naïve, assuming at first that Save the Children’s problem was principally structural and in his first few months he was squarely focused on trying to understand a system that appeared to him as “administratively wasteful and not terribly productive.”

What Barry learned from his first meeting with the Alliance Secretary General was not entirely new to him. As a volunteer Save the Children UK (SC UK) board member in the early 1980’s, he had occasion to visit SC UK’s operations in Vietnam. “I knew the street address of our office in Hanoi was in a district

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with many other international NGOs. As I got closer I noticed a house with a large red Save the Children logo. It looked similar to the SC UK logo, but I realized that it actually belong to SC USA. Two doors down, I came across another Save the Children sign. In this instance, it was clearly not SC UK. The sign was blue and belonged to SC Sweden, also known as Radda Barna. I passed two more offices, those belonging to SC Norway and then a SC logo with a huge maple leaf on it (Canada), before I finally found SC UK.” Perhaps it was logical for SC offices being clumped closely together, but Barry found it strange that his SC UK program director barely knew his alliance counterparts. It was also clear from Barry’s visit to the Ministry of Health that Vietnamese officials had no way of distinguishing one alliance member from the other. ¹

Eglantyne Jebb, Save the Children’s founder, did not envision that SC would become so decentralized, at least it would not seem so according to her biography, *The Woman who Saved Children*. While it was doubtful she considered the organizational design questions required for an effective global social movement –few models existed at the time – there is much that she did and said which indicates she expected close coordination of SC activities. “It is essential”, she wrote, “that we develop a powerful international organization for child saving which would extend its ramifications to the remotest corner of the globe.” And within a year of establishing SC UK, she quickly established SC Fund International on January 6, 1920 with its home office in Geneva Switzerland. As independent SC committees rapidly expanded across Scandinavia and affiliates established in Ireland, South Africa, Canada, Australia, and New Zealand, all working under the auspices of the union, she was keen to support these organizations, ensuring that learning was shared, that there was a common sense of purpose throughout, leading international fund raising, guiding national members, and making grants to third parties and directly managing relief programs. Eglantyne wrote, ‘Members of the movement must be prepared to act not as representatives of their own nation but as representatives of mankind.’”²

Whether or not the biographer’s depiction of Eglantyne’s vision is accurate, the high costs of communication and the war were just a few of the barriers for a strong central role for SC International. As World War II broke out, one witnessed various national SC organizations she helped to create becoming isolated from each other. Indeed, many SC organizations were based in countries on opposite sides of the conflict. And after the war, the SC members developed different priorities. Some focused primarily inward on their own reconstruction needs. Others like SC UK reached into Africa, India, and many ex-colonial countries while SC US began reaching out to Latin America and East Asia. SC’s increasing decentralization from 1919 to the 1950’s was not necessarily a bad thing. As a whole, SC’s national members were so successful in the post WWII era that SC represented the largest amount of NGO activity in a dozen countries around the globe.

During the 1960s and 1970s, however, a number of new global agencies -- CARE, UNICEF, World Vision, and Plan International -- began to expand rapidly, catching and then overtaking SC in size, reach, and impact. With less of a decentralized history, and making use of public appeals through television, these organizations were better able to coordinate and secure major funding for their global activities. It

¹ Barry Clark quotes taken from interview transcript by Steven Lux 01/24/12.

² Clare Mulley, *The Women Who Saved Children* (Oxford: Oneworld Publications), chapter 14.

became clear also that other organizations were better able to respond to major humanitarian crisis. In reaction to the Guatemalan earthquake of 1976, ten national SC organizations offered support to the victims, and six of those sent people to deliver the aid on the ground. None of the six organizations represented in Guatemala, however, knew what the other SCs were trying to accomplish. This was directly counter to emerging trends whereby donors such as the World Bank and USAID were establishing post-earthquake reconstruction standards. Cooperation was not only encouraged, it was demanded and SC's inability to coordinate damaged its reputation.

As a result of the Guatemala experience, SC national member CEOs agreed to establish a forum –an annual members meeting – to address collaboration of service delivery across the loosely federated organization. These annual meetings of all of SC's member CEOs served many purposes. In addition to discussing questions of collaborative service delivery, the meetings also led to member-wide lobbying at the UN to ratify the *Declaration of the Rights of the Child*. This was a major interest of Eglantyne that went back to her original organization goal back in 1923.³ The meetings also provided a point of contact that allowed older, larger members such as SC UK and SC US to coach and support the newer, younger national organizations. To prepare for these annual meetings, different national organizations took on the responsibility for organizing the event, rotating it throughout the SC members. Over time, it became too much of a burden for most organizations to handle on their own so that in 1993 SC members agreed to create an independent secretariat based in Geneva called Save the Children Alliance (SCA).⁴

While many saw its creation as an important step toward improved collaboration, SC Alliance's role was never clearly defined. For the first decade of its existence, there were never more than a handful of SC Alliance employees and most of SC's national members jealously guarded their independence. Only in 2002, as SC member CEOs began to learn more about their competitors did proposals for a more centralized SC begin to make sense. That said, no one within SC or those looking from the outside ever suggested that centralizing would be an easy task. The diagram on Burkhard Gnaerig's white board that he was trying to explain to Barry Clark represented more than 15,000 employees worldwide with operations in more than 60 different countries delivered by 28 distinct SC national members at the time. Size difference was obvious, with the largest SC member having 200 times the revenue as compared to SC's smallest member. Some members were focused on advocating for the rights of children, while others focused on service delivery. And, the governance structures were dramatically different across the membership. In some cases, SC members were constituted as membership organizations while others looked more corporate in their structure.

³ DECLARATION OF THE RIGHTS OF THE CHILD [Proclaimed by General Assembly Resolution 1386(XIV) of 20 November 1959. This was the basis of the basis of the Convention of the Rights of the Child adopted by the UN General Assembly 30 years later on 20 November 1989.

⁴ The history of Save the Children (specifically reference to previous two paragraphs) is reworked prose taken from an unpublished work, *Save the Children: Building a Global Alliance*, by Christopher Barlett (Thomas D. Casserly, Jr. Professor of Business Administration, Harvard).

PART B – IN SEARCH OF STRATEGY

The more Barry thought about the whiteboard, the more he realized that SC's structure was not the barrier to improved collaboration among SC members. "Our problem wasn't so much a structure or organization or people problem, it was in fact a lack of coherent strategy." Over time, he realized also that there were a number of important allies throughout the SC network interested in change. In particular, the "Big Four" (CEOs of the four major SC members representing United Kingdom, USA, Norway, and Sweden) were beginning to assert themselves in promoting a more centralized SC.

For people like Charles McCormack, CEO of SC USA, the justifications for became increasingly clear over time despite hesitancy from US member perspectives. The existence of multiple Save the Children identities represented by the alliance and existent in country programs was not only confusing to peers, partners, government interlocutors, and donors; the inefficiencies involved in having multiple regional offices within one region and multiple country office structures within one country were also just too obvious. On top of this, it became fundamentally too difficult to manage. "Almost daily, there were conflicts over specific priorities. Should we receive funding from Glaxo Smith Kline? Would we make a statement about Israeli settlements in the West Bank? Would we comment on celebrity adoption? There was constant turmoil, conflict and unpleasantness throughout the SC system. It required time to resolve these disagreements. And the resolutions often led to the lowest common denominator."⁵

A major concern of the "Big Four" was the future development of SC. In terms of total funding, they were clearly not growing as fast as their competitors and they were seeing their collective "voice for children" diminish over time. Charlotte Petri Grnitzka, CEO of SC Sweden, wanted SC to develop collective strength in advocacy, perhaps similar to what SC had done with the *Declaration on the Rights of Children in 1923*. In this sense, she felt SC did not tap the collective strength of the network to initiate advocacy campaigns. SC Alliance also lacked credible responses – because of their structure - to increasing calls for donor coordination, a movement that eventually led to the Paris Declaration on Aid Effectiveness.⁶ Perhaps the greatest vulnerability national member organizations felt from lack of collaboration was the threat of scandal or public relations catastrophes. The SC Alliance had no common professional standards across the membership and there was no coordinated strategy for promoting SC's brand or maintaining it in the face of controversy.

Not only were many SC members not collaborative, in many case SC members were actively competing with one another. Competition existed at two levels. First, as global communication and interaction within the development community increased, SC members often fought for the same pots of funding. This included the traditional forms associated with large aid organizations. It also included the increasingly messy business of web-based fundraising. Second, SC members also competed with one another around program implementation. This competition included access to key stakeholders within government and geographical areas where they wished to implement their work. It also included conflicting ideas about the best practice approaches to addressing children's needs.

⁵ Charles McCormack quote taken from interview transcript by Tosca Bruno-VanVijfeijken Feb 2012.

⁶ http://www.oecd.org/document/18/0,3746,en_2649_3236398_35401554_1_1_1_1,00.html

In response to what seemed obvious to him and a growing list of allies, Barry managed to convince the SC Alliance board they needed to embark on a strategic review process. “Without any great originality – what must have been one of a hundred 20/20 visions written at the turn of the millennium, we started a 20/20 strategy review process.” Rather than hiring a team of experts to do the review, the SCA board invited every national member organization to respond to an open questionnaire, an aspirational exercise about “where they wanted to see Save the Children go.” The concrete output from this five month exercise was a massive consultation document which was shared with all members at the Spring 2003 SC Alliance annual meeting. The members then agreed to elect a strategy committee to interpret the information in the document and to develop a proposal for a new SC Alliance global strategy. Committee members included the chief executives from Sweden, Norway, Canada, UK and US so that there was a spectrum of views with Barry Clark as facilitator. “I had the 4 guys with the money (the big four) and I had the Canadians as a balancing factor representing everybody else.”

The strategy committee met frequently over the twelve month period and managed to bring to the following annual meeting May 2004 in Hong Kong a new strategy, a document that was written on a single sheet of paper. The essence of that strategy included the following:

- Adoption of independent board members to the Save the Children Alliance and the appointment of an independent Chair
- A plan to develop a coordinated Alliance strategy for 2020
- Agreement on a common goal for the alliance, namely *By working together as a global Alliance we want to maximise our contribution for the benefit of children.*
- Agreement on a 5-year plan to 2010, which ends up consisting of three pillars:
 - Stronger Members in 18 Countries: Help grow small national members through the "Strong Members" effort
 - Start a "Unified Presence" process to coordinate field offices. At least 5 Members should achieve Unified Presence at the Country Level and at least 15 should move one step closer
 - Quality Education for Children in Crisis: Test the success, and benefits, of their new coordinated efforts through "Rewrite the Future", a global initiative aimed to deliver education to 3 million children in areas of armed conflict, and improve the standards of schooling for another 5 million

(Eight months later, following the December 2004 Asian tsunami, SCA took on a 4th strategic initiative called the Alliance Cooperation in Emergencies (ACE).)

Though all SC members unanimously approved the strategy group proposal, the committee members are quick to point out that it was not an easy task to reach consensus. Some felt that it was simply impossible to coordinate strategy. Others felt SC would lose strength by forcing different members to collaborate. As such Barry did his best to pull in different perspectives into these discussions, both “federalist and separatists”, recalls Barry. “There were all night meetings, locked up in Istanbul hotel rooms where the committee members were not allowed to go home without making a decision on one point or another.” Regardless of the decisions that developed inside the meeting rooms, all committee members knew that the members would not approve a new strategy without an active consultation process along the way. So in between meetings, the committee members and the SC Alliance staff reached out to the 20 some member organizations to get their feedback and support.

PART C – GIVE AND TAKE, CHANGING GOVERNANCE

In the winter of 2008, three years after implementing the new global strategy, SC Alliance made two significant hires. First, it brought Peter Woicke onto its Board as Chair. Second, it appointed Charlotte Petri Gornitzka as the Alliance’s CEO. At this point, SC Alliance was no longer pondering whether there would be significant change to the organization. For long-timers like Mark Edington, Program Director for SC USA “there was a growing inevitability about it (the change).”⁷ Much of the pressure for change in 2008 was then coming from the country and program offices throughout the SC network that were now operating under “Unified Presence.” The logic was simple. If the field offices were successfully coordinating their work at the field level, why should the central headquarters not do the same? As such, many of SC leaders across the network who initially resisted Barry Clark’s ideas were more and more on board with what Charlotte and Peter would ultimately propose. In May 2008, however, it still was very much an open question as to how far the changes would go and what the organization would look like after the existing 2005 – 2010 plan.

Peter Woicke came to Save the Children as a relative novice to the NGO world. He had spent 30 years in international finance at JP Morgan Chase and then six years as executive vice president of the International Finance Corporation. “I had heard of Save the Children, but I had little idea about their operations. I ended up in this position as a result of a head hunter search.” As such, Peter came to the Alliance with fresh eyes, in some ways inexperienced eyes, but at times also very critical.

To start, Peter did not think much of the board he was elected to chair. “In terms of governance, the SC Alliance Board was not a proper board at all. There were only three independent seats on the board. The rest were CEOs from the Big Four (US, UK, Norway, and Sweden) and a few other small member countries.” In many senses the board focused on management “trying to shape the decisions in the field,” but the board did not make these decisions. Peter soon realized that the real decisions were made by the Big Four after the board meetings took place.⁸ To many, including Peter at times, it made sense that the Big Four would want to control major decisions. SC UK and SC USA accounted for roughly 75% of the SC’s worldwide budget and nearly an equal percentage of all 14,000 SC employees. That said, Peter found the board structure and governance to be unacceptable and he wanted it changed.

In contrast to Peter, Charlotte Petri Gornitzka came into her new position at SC Alliance having had extensive experience working with NGOs and specifically SC Sweden. From 1998 to 2003, she was Director of Communications and the Undersecretary General of the Swedish Red Cross. And, in 2003–2008, she was Secretary General to SC Sweden. During her tenure at SC Sweden, Charlotte was also designated as a SC Alliance board member. She was deeply aware of the organizational challenges SC faced and also cognizant that any change would not come easy. She had direct experience as secretary general of SC Sweden persuading her board and the whole Swedish membership that integration and

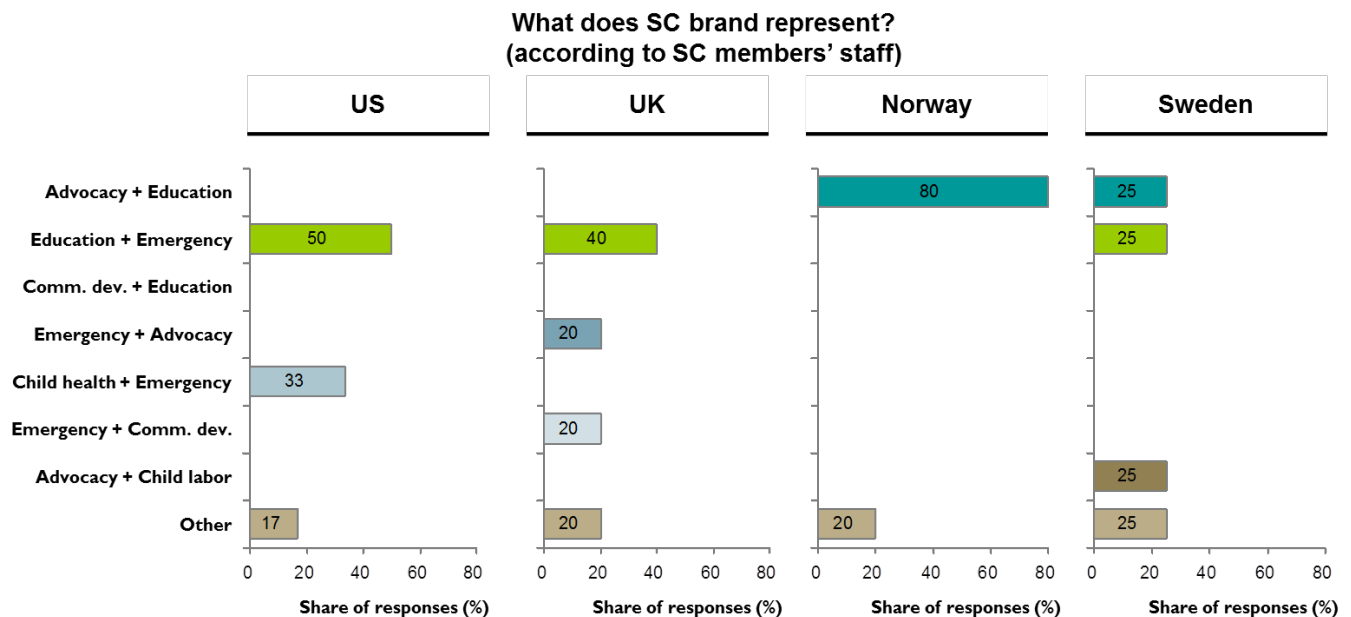
⁷ Mark Edington, 20 years of field management and senior leadership experience in SC, quotes taken from interview transcript by Steven Lux 01/23/12.

⁸ In 2007, Save’s governing body was the Annual Members meeting, which consisted of all 29 member organizations. Alliance Board members were elected at that meetings. The Alliance had its Secretariat in London and three advocacy offices in Brussels, Geneva, and New York.

centralization was imperative. “Sooner or later SC Sweden would become too small” she argued and “If we believe in our mission we should really build on things and combine with the difference and see them as asset toward an international, united Save the Children.” Having successfully convinced SC Sweden Board and the organization’s members that centralization was a good thing, she actively sought out the position of the SC Alliance CEO. “I really wanted to lead that change process in one way or another.”⁹

To be certain, there were plenty of skeptics reacting to the types of changes that Peter and Charlotte championed. One of Peter’s most telling moment occurred at a presentation he made at the Save the Children USA board meeting in late 2008. After articulating the Alliance’s broad vision for change – namely adding more independent positions to the board, giving more formal power to the alliance board, and making it more of a governing board than managing board – the USA Chairman said in front of the entire USA board, “That is the biggest nonsense I have ever heard.”

It is understandable, Charlotte said, “that every large member organization wanted to ensure that its way of working was retained or that its view was well represented. They needed to go back to their national donors and tell them that its culture and the way it worked with children would be safeguarded.” When she was making the case for centralization as Secretary General for SC Sweden in 2006, she had firsthand experience addressing the deep ideological differences between members of SC Sweden and their counterparts within SC USA. “SC Sweden was very much oriented to human rights and children rights on the one hand and SC USA was very much about service delivery.”¹⁰



⁹ Charlotte Petri Gornitzka quotes taken from interview transcript by Steven Lux 02/08/12.

¹⁰ Text taken from transcript of Boston Consulting Group, BCG Perspectives, March 15, 2010
https://www.bcgperspectives.com/content/videos/poverty_hunger_organization_design_save_the_children_fund/

“We didn’t start with a decision about what would be the right organizational structure,” Charlotte reports, “Instead, we focused on thinking about what children need, what the relevant role for Save the Children was, and what we were good at. Structural changes followed our determination of the impact we wanted to have for children.”

While the resistance to certain proposals for change was strong, Barry, Peter and Charlotte all point to the importance of SC’s mission statement. People inside SC were by and large committed to the mission of the institution which made it easier to keep the discussions about change on track. “Every time we got derailed,” remembers Barry “we could harp back to the mission and ask, ‘how is the current or future strategy helping us to achieve our mission.’”

Another important factor influencing Peter and Charlotte’s change effort in 2008 was the alliance wide collaborative experiences gained from four strategic initiatives established for 2005 – 2010. In many ways these experiences contributed to growing optimism that SC could develop an effective global organization that would allow individual members to act in concert around the globe. On the other hand, the increased mandate for collaboration among SC members exposed a number of tensions and mistrust that needed attention.

A good example of the tensions that remained was implementation of a new member initiative, the Alliance Cooperation in Emergencies referred to as *ACE*. Instead of passing this on to the Alliance to implement, SC US, SC UK and other founding members insisted that the members take charge of this collaboration. According to one senior Alliance executive, there were two reasons for this: “First, they wanted to move faster than we sometimes could. From our position we had to convince all members of the alliance before we could take action. But also there was still an enduring lack of trust about the capability of the Alliance in the mid 2000s.”¹¹

The unified presence experience was also indicative of the challenges and hard choices facing SC as they moved to more centralization. Designation of “managing member” in a country versus “participating member” led to a “power grab”, from one Area Director’s point of view, given the new sets of incentives for taking on projects. For instance, some member organizations tended to focus their energy where they were the managing member and began to pull back where their designation was “participating member.” There were also limited means at the time to tap expertise from members not present in the countries where the work was to take place.

Unified Presence also exposed the complex process of fund management as reported by one country director. “I am usually managing 8 different grants for 8 different bilateral and multi-lateral funders, each of which funds a different portion of the program staff time. For example, my position is paid 20% by 5 different grants. I need to track this and report separately to each funder. But SC Denmark’s staff is funded by the Danish Government through a 4-year loosely defined grant with unrestricted use of funds. How do you merge these funding systems? Funding streams shape our thinking and the mindset is a night and day difference.” Integration was not simply contained to leadership control and financial systems.

¹¹ This and following quotes from Senior Executives and Area Directors taken anonymously from interviews conducted by Christopher Bartlett.

Tougher issues also resided in reporting systems, cost recovery, HR systems, technical assistance, and grants writing. In this sense, the details began to drive larger questions about SC's self-image for the future.

“What exactly do we mean by our Alliance? I don’t think we know. Do we want to be a loose association of independent members? Should we be a united group of organizations working to achieve a common purpose by integrating our operations and leveraging our individual and collective resources and capabilities? Or do we aspire to become a single strong worldwide body with one global mission and strategy, and a single unified organization to deliver it?” (A senior director at the home office of one large member organization)

In 2008 there was no easy way for the alliance to answer these questions. Power within SC was relatively diffuse compared to other global NGOs. That is, SC UK had the mandate as the founding institution and a huge revenue source, but SC USA was the largest financial contributor (roughly 35%). And among the smaller revenue generating members – such as SC Sweden and SC Norway – significant power rested with members viewed as guardians of SC's consciousness. Given the absolute size of the SC network, its many parts, and influential players – Peter and Charlotte set out on an intensely personalized communication process to convince members – one by one – to move towards a more centralized global organization.

Two individuals were not enough to move the respective parties in one direction. People like Jasmine Whitbread, SC UK CEO from 2005, Tove Wang, SC Norway CEO, and Charles McCormack SC USA were just a few of the critical persons lobbying for a specific set of changes that would dramatically transform the organization. Mark Edington easily identified an additional 20 people across the SC Alliance that had to be convinced of the need for change and then became critical change agents themselves. Each spent countless hours on the phone, opened up their homes, traveled to the field, made presentations at member board meetings, and crafted carefully designed messages to influence specific decision makers within different member institutions throughout the alliance. Whitbread recalls, “There were tears shed and tempers that flared, but we managed.”

From the time the new SC International CEO and Board chair came into their new positions through the summer of 2009, there were a series of meetings whereby change leaders of all sorts explored and developed proposals about the future of the organization. For some, such as Charles McCormack, the trend towards a more centralized institution was obvious. The new SC, in his view, would have to develop “a globally coordinated centralized leadership and management function, with a combined advocacy and program strategy and integrated monitoring and evaluation, human resources and other relevant functions.” That said, there was intense debate on the particulars of merging 27 different regional offices and the 16,000 employees spread across more than 60 different country programs. And certainly, there were some that felt the integration had gone too far. Charlotte saw it as her role to make sense of these competing interests:

“We spent a lot of time working with people and being as inclusive as we could be. We also attempted to view differences in opinion as strengths rather than obstacles.

Some stakeholders, for example, considered our emergency-relief work our most important function; others believed it was our long-term work for children's rights. But we concluded that, realistically, we needed both to be a credible organization. So we built on and leveraged these different views, for the good of the entire organization.”¹²

An important first step in articulating SC's choices occurred May 2008 at the All Members gathering in Seoul Korea. “At this point, members agreed that the current governance structure was unsatisfactory and the CEOs agreed to continue with a collaborative strategic planning process for 2010 – 2015. (Peter Woicke)” At the same time, SC established three workgroups, namely 1) Fundraising (led by SCUK), Strategic positioning (headed by Tove Wang, SC Norway), and People, Organization and Governance (POG) group (led by Carolyn Miles, SCUS). These groups became the platform for more intense, detailed discussions about options SC should explore.

Despite the clamor for change, most felt that changes in organization and governance had to preserve SC's unique identity within the NGO community – its history and principals - as the advocate for children. “The Boston Consulting group deserves a lot of credit in helping us along the way,” remembers Carolyn Miles, President and CEO of SC USA. They started doing pro bono work as part of the initial integration required for the 2005 – 2010 Alliance wide strategic plan and then brought in resources to structure conversations around strategy, brand, and organizational development. She remembers the reams of presentations prepared by BCG and the extensive organizational design work done by the team she led. “They (BCG) were really able, in concert with the People Organizations and Governance team, to help us understand the options on how to make these changes and to think through, in a very collaborative way, how to take things forward.” It was in the working sessions with BCG, for instance, that the idea hatched to bring all field operations under one SC International.

The most obvious outcome of the discussions that began in late 2008 was that SC was not going to go back to the loose affiliation of members that existed from 1919 through the 1990's. In addition, there was no sense of threat by a complete break up of member countries that in fact almost occurred in the period between 1930 – 1970. It also became clear, however, that there would not be a complete unification of the SC Alliance nor would the national members have equal rights in organizational decision making based on membership alone. In this sense, there emerged a set of indispensable conditions that all members would have to live by that included among other things very clear preferences on how a more centralized SC would manage donor relations, which SC members would have power to appoint members to its international board, and how SC's broad coalition of members would manage program implementation.

The first concrete step to formally change SC's organizational structure – that is, adding strength to the center – came in November 2009 at the members meeting in Reading, UK. For outside observers reviewing the minutes of the meeting, it looks like a landslide decision. That is, 28 of the 29 members agreed to the restructuring of SC. But for insiders like Peter Woicke, the outcome was only certain when

¹² Text taken from transcript of Boston Consulting Group, BCG Perspectives, March 15, 2010

the vote tally was complete. At that moment it was finally certain that SC's structural problems that emerged as obvious in 1976 were finally being addressed and that members were setting into motion a dramatically different SC. With their vote, members agreed to reconstitute Save the Children Alliance into what would now be Save the Children International. New bylaws for SCI board were then drafted and approved in December 2009 and the old alliance board stepped down in January 2010. SC International's board would no longer include any of the SC member CEOs. Rather, the board now consists of 14 directors – 9 drawn from the boards of the largest members by income (4 SCUSA, 3 SCUK, 1 SCN, 2 SCS), 3 elected by other members, and 2 independent external elected by the board.

Roughly two years after their appointments to SC Alliance, Peter and Charlotte had achieved much of what they had set out to do. Both resigned within weeks or months of the members meeting in Reading UK. In their place, Charlie Perrin was appointed as SCI Board Chair and Jasmine Whitbread (former CEO of SCUK) took over as SC International CEO. These new players were then responsible for the next most significant task of SC's organizational change, what became known as the "All Members Agreements."

It took all of 2010 and through March 2011 for SC International and its member organizations to work out what the All Members Agreements constituted. According to many, this may have been the most difficult period of negotiation in the entire change process going back to early 2000. "These were the agreements where members actually ceded some of their control, authority and power to the center. The discussions were all around the details of that and the negotiating process was extremely complex and difficult. It was not just the staff that needed to sign off on these agreements but also the SC member organization boards. It was never certain that the SC UK board and the SC USA board would provide their sign off."¹³

What members agreed to in the end was a more tightly networked organization with a set of "deliberately constructed built in interdependencies." To summarize these in the simplest way, SC's change management team describe what responsibilities and rights SC members retained and those that they gave up. The responsibilities an individual member country *retained* were all rights to fundraising. "SC International cannot take a dime from a donor without doing that through a member organization. (Rudy)." Members also retained technical assistance/thematic expertise such that health and education experts are staffed and delivering assistance to the field through the member organizations. This second responsibility was related to the first because members felt the technical assistance and program design piece was needed to maintain credibility with donors. It was also important because that is where the expertise existed and SC wanted to keep it with the members to spread power and influence between parts of the global whole.

The main responsibility that member organizations *gave up* was the operational control and direction of programs that occur in the field. This is now facilitated by SC International through the regional offices and country programs as a direct outgrowth of the model of *Unified Presence*. Leaders within SC International describe the organization today as necessarily more collaborative that it was in 1993. In this sense, the organization they designed includes many sources of power and authority in a way so

¹³ Rudy von Bernuth, Save International, quotes taken from interview transcript by Tosca Bruno April 2012.

that the pieces cannot exist without the others. As such, from Jasmine Whitbread's view, SC International is in a better position to tackle the challenges of the 21st century.

*"If you close your eyes and imagine a twenty-first-century organization, where is the center of that organization? What I envisage is a deliberately networked, interdependent organization, where the locus of operations is no longer in a central place, and where essential functions, power and influence are distributed across the different parts of the global whole. What I envisage is a series of connected hubs around the world. The virtual center is much more widely spread out and allows us to tap into world-class and diverse talent."*¹⁴

¹⁴ Text taken from transcript of Boston Consulting Group, BCG Perspectives, Oct 3, 2011
https://www.bcgperspectives.com/content/videos/leadership_transformation_jasmine_whitbread_going_global/

PART D: SAVE THE CHILDREN ORG. CHANGE: IMPLEMENTATION AND EARLY RESULTS

When the Members Agreements were officially signed in March 2011 and the constitution of the Save the Children International firmly in place, there were no allusions that the change management process was now complete. Indeed, change managers within the new SCI and the existing national members knew they were in for a challenge. Implementation of the new Members Agreement, in fact, would be more laborious, more time consuming, and more complicated than the change that SC had experienced to that point.

At the core of the change management team was Rudy von Bernuth, former Vice President and Managing Director for Children in Emergencies and Crisis at Save the Children US. Rudy had more than 40 years of experience working within SC at the country, regional and headquarters levels and was considered the ultimate insider to understand the impact of the change and what it would take to see the new structure through. His new title with SCI was Director of International Programs. At his side was Pam Innes. She came on board to Save the Children in 2005 to manage organizational transitions related to *Unified Presence* and the like. As such, she had enough experience to understand the implications of SC's new structure. She also brought extensive knowledge of private sector change management. Her new title in March 2011 was Transition Manager.

Both Rudy and Pam felt that time was a critical factor in the change process. "If we moved too slowly we risked losing momentum. There were high expectations and we feared the 'Obama effect' of not fulfilling our promises. If we moved too fast, however, we risked making huge mistakes that would unravel the change process." In any scenario, Rudy and Pam were keenly aware that they needed to energize the support of people that were behind the change while also making sure that implementation did not incite the negativity of those that were not supportive. As Rudy recalls, there were people waiting to say "I told you so, this is not working!" In the end, Rudy and Pam proposed a change management plan that would be complete in December 2012, just 21 months after the Members Agreement was signed. They did this fully aware of how ambitious this time frame would be.

Perhaps the most ambitious and daunting task that SCI faced were two key aspects of transferring country level programs into a unified delivery platform. To start, there was the oft complicated registration process required to establish SCI as the legal entity in charge of all program activity at the country level. Simply put, SCI was not in control of the political, legal, and bureaucratic hurdles required for registration and transferring of staff and assets. As such, there were vast differences in the time and resources required to register under SCI's name, which negatively impacted SCI's planning. In some cases, rather than re-registering fully, some members preferred to "hedge their bets": in those cases members retained their own registration and sought additional registration for the new Save the Children International organization.

The second major transfer piece was unifying operations and program management under one coherent management system. While some countries had done this successfully under the Unified Presence program that started in the mid 2000s, many had not yet to start the process at all. "We also made the mistake assuming that all countries which had transitioned earlier under UP must have done it well."

Facilitating this transition became a great concern of the change management team as it appeared there was a capacity deficit in critical parts of the SC network required to see this through.

Fundamental shifts in staffing were also a major part of the change required for the new SCI. To start, SCI had to rapidly recruit—either transfers from member organizations or new hires—into virtually every one of the 75 senior international staff positions at headquarters and in the regional and country offices that represented SCI. This included amending contracts to fit in the new SCI structure and pulling together and fielding change management teams to support the change processes at all levels. “At this point in time, SCI was quite thinly staffed in proportion to the magnitude of its tasks it faced. Thankfully, BCG provided significant support through secondment of its staff as temporary change managers in SCI, embedded in the organization.” As the SCI Senior Leadership Team came into place, Rudy and Pam recognized the challenge that this volume of change might create. That is, they were always worried that staff at all levels would become distracted from ongoing operational work and instead focus on internal issues of change. “We made concerted efforts to structurally separate the transition teams from the operational units.

In all of this, Rudy and Pam faced considerable jealousy that emerged about who was being selected for new leadership positions. “There was a perception that most new leaders selected for SCI came from SC US and UK because they were in effect the only ones who had prior experience with large scale operations management (including in emergencies).” Some feared that this might mean that SCI would lose other the important capacities to manage very complex political and cultural sensitivities in various parts of the world that were found in SC members other than the USA and UK. “In fact, the talent pool that joined SCI was quite diverse,” recalls Rudy, “with about 35% of those chosen for SCI positions coming from outside the SC family, a similar number were non OECD in national origin, and a diverse range of members had staff selected to join the new structure.”

To be clear, the transitions made in 2011 to staff and toward a unified SCI set in motion dramatic shifts in accountabilities at multiple levels and in power and control at the country level. This was no longer a theoretical change based on some long term plan. Program staff had to hand over control of budgets and decision making. National boards that raised funds and bought assets were no longer in control of these resources. Finance and audit departments within member agencies no longer had the power over project finances as before. For SC Norway and Sweden, organizations that are membership-based the challenge was to manage their members’ perception of how the new SCI would affect principles important to them. How would the Scandinavian members continue to advocate for rights-based approaches? Also, members needed to move staff from one function to another and in some cases, combine or cut functions.

Both Rudy and Pan recall that in the face of any and all types of resistance, be it the administrative hurdles that weighed on people or the staff that actively fought the change, their best tool to keep things moving forward was the same tool which change leaders had used to convince SC members that the Alliance had to change. That is, they put front and center the values of SC and constantly communicated the central message that more children would be reached and that SC would have greater impact as a result of the change. At the same time, change managers felt it was important to be

open and honest about the uncertainties. In so many ways, SCI was entering the unknown. “We had trouble predicting how much time and resources the change process would require and how the change would impact ongoing operations.” As such, rolling out the change was dramatically different from one country to the next.

Rudy and Pam, as well as the newly appointed CEO for SCI, Jasmine Whitbread, were keenly aware that SCI needed a coherent and consistent communication strategy during the transition. The first question they had to answer was *WHAT* they wanted to communicate. In the beginning, there was reluctance to communicate too much given the uncertainty about legal matters associated with the transition and fear that some of their missteps or difficulties with planning would undermine their efforts. Rudy did not share this concern and felt that transparency was critical for success. “We need to share both the successes we achieved and the challenges we faced” and as a result SCI gradually increased the information flowing from SCI about all aspects of the change process. In both Rudy and Pam’s view, the more they communicated the more success that had in facilitating the change process.

The second question they had to answer was *HOW* they would communicate. Taking cues from the change process prior to the All Members Agreement, SCI knew that the communication would require numerous time-consuming informal face-to-face meetings and phone calls. There was simply no substitute for personal engagement by key leaders. To share this burden, Jasmine made use of a lead group of seven CEOs including UK, USA, Sweden, Norway, India, Canada and Italy, which constituted a quasi-advisory group. Any major strategy decision that SCI made would transmit through these seven CEOs and onto every SC member CEO. In terms of formal communication systems, Rudy’s unit in SCI monitored the change process from the start till present day through weekly meetings of the transition team and change managers as well as monthly debriefs with the member program directors. This has included quarterly face to face member program directors meetings to review progress and resolve issues, as well as ‘Pulse checks’ which are sent out through Save the Children and members.

Early results

It is too early to suggest that SCI has concrete data to evaluate the results of SC’s transition. Anecdotally, Rudy and his team are impressed that the combined voice of Save the Children at the country level, facilitated through UP, has resulted in increased media attention. SC in any one country – unified under one umbrella – represents a greater geographical coverage, more clout with funders and a more powerful voice with peers and government counterparts at the country level. Earlier experiences with the *Rewrite the Future* campaign and other early steps towards a partially networked organization with greater interdependencies had already born that out. In this sense, there is a lot of positive feedback from country level staff about the changes. Interestingly enough, interlocutors at the country level such as embassies and bilateral donor agencies also expressed appreciation for how Save’s integration simplified their work. But it is yet unclear whether simple also means greater opportunities to receive funding or to make Save the ‘partner of choice’ for donors.

Importantly and again anecdotally, the change also made it easier to raise money. In some countries Save’s proposals seem to be more competitively considered by funders. Pam observed as well how

certain internal barriers to funding were being overcome; for instance, in the past certain members did not want to fund the programming work of certain other members. This was now no longer the case – there was more room for “funding in”, so more members did just that.

In global advocacy, moreover, Rudy and Pam observe a more integrated organization has opened more doors with targets and other power holders. Advocacy during emergencies improved in quality, and there is more internal convergence around advocacy messaging in general -- how to talk with one voice. The process of selecting members as account managers for major accounts with multilateral organizations – while challenging to undertake because of the competition it tends to evoke – also means that those account managers no longer just ‘chase proposals’, but instead are developing a strategic relationship with the multilateral concerned. This is important since Rudy and Pam feel that Save the Children has always punched below its weight vis-à-vis those actors.

Rudy and Pam also observe that, from a human resource perspective, staff showed they are able to shift their identity from being based in specific members to that of being part of one team – which points to a change in organizational culture. “You do see some changes in models and mindsets”, as Pam noted. Rudy and Pam also note that the change process is succeeding in creating higher professionalization and programming standards. Save the Children is better able to attract and retain the ‘best in class’ staff into the SCI team, as well as offer them a better career path because it now offers promising staff the ability to run larger scale and complex global programs. Until the change, only the two largest Save the Children members, US and UK, had been able to offer that career scope. As noted earlier, recruitment of country directors caused some anxiety and resentment among certain smaller members when their staff were not selected due to lack of prior experience in leading large scale operations. This negatively affected morale in the short term and led to a ‘victim-stance resistance’, initially. “That is a natural reaction as human beings, you’ve got a major force hitting you in terms of the changes introduced, and now you are saying my people are not good enough? That is a lot, as fear factor” (Pam). Ultimately, however, they as change managers feel that the integrated competitive search will strengthen the overall talent pool in Save the Children. In a broader sense, the more networked, interdependent organization also offers member CEOs an opportunity to remake their own organization and renew their competencies and relevance -- an interesting leadership opportunity.

Most importantly, Rudy and Pam note that the level of ambition at the country as well as regional and global levels is changing within Save the Children. At the same time, the degree of influence that Save is able to exert is increasing as well due to the larger scale, scope, and coverage of unified programming.

Issues on the horizon

Pam, Rudy and other key stakeholders in the SC transformation process understand that issues remain requiring continued attention and further resolution. Some decisions in the change process were left intentionally vague in order to secure passing of the Members Agreement. For example, SC is still sorting out the exact boundary of member continued functions in the new structure versus what they should actually stop doing. Will the provision of technical assistance by members be worked out based on market mechanisms, or will it be based on supply motives? And how will members maintain and fund a

pool of technical advisors when the demand for them is less than 100% of their time? In addition to the technical role that members play, will the fundraising lead among members function smoothly when considering the major global donors – those that do not have specific national footprints – such as the UN organizations, World Bank, and foundations like Gates? What will happen, for instance, when some donors wish for operational work to continue to go through certain national members instead of the globally networked organization? Will donors really go along with the globally integrated program delivery system?

Additional unanswered questions to keep an eye on as the transition progresses have a lot to do with the behaviors of members in the new structure. Will member organizations achieve new efficiencies in the new structure and invest those savings to create higher impact in their new roles? Second, will members continue to support SCI financial needs? The needs may go beyond membership dues and grants and contracts that are part of their relationship. How resilient will SCI's funding basis be over the years to come, given that it is not allowed to raise any money of its own under the negotiated agreement? Will SCI have the ability to be flexible, pro-active and timely in its response to opportunities? The current variation in member behavior when it comes to financial support to the center indicates that this might be one of the biggest challenges to resilience of the change that was set in motion in Save the Children in the last couple of years.