Title of Dissertation:

What are the most appropriate strategic planning and governance models/process’s in establishing a new non-governmental organisation?

Strategic planning for Indian Ocean Disaster Relief Sri Lanka.

Department: Centre for Emergency and Development Practice (CENDEP), School of Built Environment

Award: Masters of Art in Humanitarian and Development Practice

This thesis is submitted in partial fulfilment of the requirements for the Degree of Masters of Art in Humanitarian and Development Practice.
Abstract

This dissertation examines the principles of strategic planning and governance in non-governmental organisations (NGO’s). Increasing levels of professionalism, growing competition for funds and the additional demands for transparency from donors are forcing NGO’s to think more strategically. Strategic planning and good internal governance procedures can offer organisations a methodology for meeting these increasing demands. In light of this, I looked to investigate and identify current best practice in the areas of strategic planning and governance with a view to establishing a set of guidelines for organisations to take into account when embarking on an strategic planning process.

This investigation is undertaken in the context of a real-world organisation that is about to start operating in Sri Lanka. The organisation is called Indian Ocean Disaster Relief (IODR), it is a UK registered charity about and I have recently been appointed as the Country Director for the Sri Lanka Programmes. The organisation is currently very small, its operations in Sri Lanka are its first long term development projects. I am the first employee and am tasked with setting up and establishing the programmes in Sri Lanka. In light of these circumstances there is an opportunity to take a strategic approach from the very beginning.

Matching the need to submit a dissertation with the real-world needs of establishing IODR in Sri Lanka I decided to combine the two. My learning’s from researching strategic planning and governance have been applied to my employment with IODR and the need to produce a strategic plan that will act as the basis of our initial work in Sri Lanka.

Based on this situation the research question to be asked is:

“What are the most appropriate strategic planning and governance models/process’s in establishing a new non-governmental organisation?”

Strategic Planning for Indian Ocean Disaster Relief Sri Lanka.
The approach taken to understand strategic planning and governance combines desk and journal research with some primary research in terms of interviews. Desk research was used primarily to understand the theoretical aspects of strategic planning and governance. Subsequently, I approached 2 organisations to act as case studies and drew comparisons between the theory of strategic planning and governance and how they worked in the real world. Armed with this understanding I then facilitated a workshop with the key stakeholders of IODR from which the strategic plan was initiated.

**Conclusion**

The research has shown that strategic planning and governance are key factors in the success of organisations in the voluntary sector and provide a methodology for structure, direction and transparency within the sector. It has highlighted common ingredients that are required for good strategic planning and governance and the importance of widespread consultation in their definition. The case studies have highlighted examples of good and bad practice in strategic planning and governance and how they can influence the success of the organisation.

With all these matters considered IODR embarked on a strategic planning process that would establish the strategy for its work in Sri Lanka. A workshop was held with all major stakeholders involved. This defined the main ingredients of the strategic plan and established the governance structures and reporting responsibilities. Subsequently the outputs of the workshop and the findings of the desk research have been combined to develop a strategic plan that will be used by IODR Sri Lanka during its first 12 months of operation.
# Contents Page

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title Page</td>
<td>i</td>
</tr>
<tr>
<td>Abstract</td>
<td>ii</td>
</tr>
<tr>
<td>Contents</td>
<td>iv</td>
</tr>
<tr>
<td>Table of illustrations</td>
<td>vii</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>viii</td>
</tr>
</tbody>
</table>

## Chapter 1: Introduction

- IODR Background: 1
- The Weligama Training and Education Centre: 2
- Programme activity areas: 5
- Current Status: 6
- Challenges: 6

## Chapter 2: Strategic Planning

- Introduction: 7
- What is strategic planning?: 7
- Strategic planning in the voluntary sector: 8
- Models of strategic planning in the voluntary sector: 10
- Mike Hudson’s overview of strategic planning: 11
- Alan Fowler’s NGO Capacity Framework: 13
- Mission, Vision, Values and Objectives: 16
- The Vision: 16
- The Mission: 18
- Defining Vision and Mission statements: 19
- Values: 20
- Objectives: 22
- Other factors for preparation of strategic planning: 24
- Stakeholder Analysis: 24
- Resource Mapping: 26
- Understanding organisational culture: 27
- Organisational Lifecycle: 29
Chapter 3: Issues of Governance...........................................Pages 35 – 46

Introduction................................................................. 35
What is Governance?.....................................................35
Roles and composition of the board.............................. 37
Sub-committees and Advisory panels.......................... 39
Strategies for working with boards.............................. 39
Total Activity Analysis (TAA).......................................42

Observations for Governance in IODR...................Pages 44 - 46

Chapter 4: Case Studies..................................................Pages 47 – 55

Introduction................................................................. 47
Case Study: Action for Children in Conflict............ 48
  Observations.......................................................... 49
  Findings................................................................... 51
Case Study: SOS Sahel..................................................53
  Observations.......................................................... 54
  Findings................................................................... 55

Chapter 5: The IODR Strategic Planning Process........Pages 56 – 62

Developing the strategic plan and governance procedures... 56
The Strategic Planning Workshop............................... 57
  Session 1: Introductions........................................... 57
  Session 2: The Vision and Mission of IODR........... 57
  Session 3: Stakeholder Mapping............................ 58
  Session 4: Resource Mapping................................. 59
  Session 5: Governance............................................. 60
Overall Observations of the workshop...................... 61
After the workshop..................................................... 62
# Table of illustrations

<table>
<thead>
<tr>
<th>Illustration</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Map of Sri Lanka</td>
<td>2</td>
</tr>
<tr>
<td>Architects drawings of Weligama Centre</td>
<td>4</td>
</tr>
<tr>
<td>Mike Hudson’s Overview of Strategic Planning</td>
<td>11</td>
</tr>
<tr>
<td>Alan Fowlers’ NGO Capacity Framework</td>
<td>14</td>
</tr>
<tr>
<td>Mike Hudson’s Hierarchy of Objectives</td>
<td>23</td>
</tr>
<tr>
<td>Stakeholder Mapping Examples</td>
<td>25</td>
</tr>
<tr>
<td>Mike Hudson’s Organisational Life Cycle</td>
<td>29</td>
</tr>
</tbody>
</table>
Acknowledgements

This dissertation has had input and influence from a range of people. Initially the Masters in Humanitarian and Development Practice at Oxford Brookes was a hugely enjoyable and productive experience; all the lecturers and fellow students deserve thanks for the feedback and comments throughout the course.

When it came to the dissertation thanks are given to Margie Buchanan-Smith for her guidance and coaching in her role as my dissertation supervisor. Additionally staff and trustees at Action for Children in Conflict and SOS Sahel were generous with their time and gave much needed reality to the theoretical aspects of the dissertation.

Last, and definitely not least, my wife for putting up with me whilst I completed the course and this dissertation.
Chapter 1: Introduction

After 4 years of working in development organisations in Sierra Leone and Kenya, I recently took time out to improve my skills by studying for an MA in Humanitarian and Development Practice; as a means of reflecting on my previous experience in the field and furthering my academic knowledge. Part of the requirements to complete the course is submission of a dissertation. I was keen that the dissertation I submitted was focused on a real world situation and that it would have a real world use, beyond submission as part of the Masters qualification.

For personal reasons I had already decided to seek employment in Sri Lanka after the Masters course, as a contrast to previous experiences in Africa. In July 2006 I was fortunate enough to secure a position with UK charity Indian Ocean Disaster Relief (IODR). They were about to commence operations in southern Sri Lanka by establishing an office and building a training and education facility that would provide capacity in addressing the needs of children and young people. I was appointed as Country Director for IODR Sri Lanka in September 2006 and the organisation plans to start operations in March 2007, upon completion of the construction of the facility.

Part of the process in establishing this NGO is the need for research, and the development of a strategic plan before departure that will give the organisation guidance through its early stages. As a way of undertaking this task and learning the process of developing a strategic plan for an international NGO working in the developing world, I have decided to combine the need with that of presenting a dissertation as part of my Masters course at Oxford Brookes University.

This dissertation will therefore deliver a strategic plan for the IODR Sri Lanka that will research and reflect best practice in the areas of strategic planning and governance, two issues vital to the success of a new organisation.

In order to give some context of IODR in the dissertation, it is valuable to provide some background information about the organisation.
Indian Ocean Disaster Relief (IODR)

**Background**

IODR is a UK registered charity currently managed by 3 trustees who are all brothers. They are all successful business men who own a chain of hotels in London and are influential within the capitals hospitality sector. Despite having many good qualities and contacts, none of them have a ‘development’ background. This could be a challenge to the organisation as its operations commence in Sri Lanka.

On Boxing Day 2004 they were extremely moved by the terrible events of that day in Asia as the tsunami wave killed over 250,000 people. They acted as coordinators for the London Hoteliers Association and used their 15 hotels as collection points for donations of money and goods. In the days that followed there was a huge response and a lot of money and goods were collected. They chartered a plane and flew all the goods out to Sri Lanka to provide emergency relief for the tsunami victims. Being philanthropic in nature and in response to enthusiasm from their supporters, they decided to form an NGO that would provide a longer term support to the tsunami victims.

The organisation was registered in March 2005 with the stated objective of “the relief of financial need and suffering, and the advancement of education amongst children and young people who are the victims of natural or other kinds of disasters in the countries around the Indian Ocean by the provision of accommodation, facilities and equipment including food, clothing and medical attention.”

---

In the weeks that followed the tsunami it seemed that a swarm of NGOs descended into the effected areas, Sri Lanka itself receiving hundreds of organisations in the first month after the wave. This stampede prompted the trustees of IODR to hold back and plan their interventions carefully. Over the next few months they decided to build an orphanage that would provide long term care to children orphaned by the tsunami. It took nearly 2 years to purchase suitable land in Weligama and obtain planning permission for the construction of an orphanage.

I became involved in the organisation in May 2006 when I met the trustees in London to discuss the project with a view to being appointed as the country director. Having met them, I visited Sri Lanka in June 2006 on holiday and to get an initial feel for the requirements and suitability of their orphanage project. I was aware of current trends away from the institutionalisation of children, towards a more holistic approach and informally talked to a few NGOs in the area. Upon my return I recommended that they change the focus of the facility they were building to that of a ‘community education and training centre’ focusing on children. This would meet their desire to assist vulnerable children but would help many more people over many years rather than an orphanage, which would only help around 20 orphans and would be difficult to fund in the long term. They agreed with my observations and I was appointed country director, part time from September 2006 to undertake the initial planning and research before moving out full time to Sri Lanka to start the job in March 2007. As a result of the change in focus, the architectural plans were altered to include facilities that reflected the new usage.

The Weligama Community Education and Training Centre

This is not the finalised name of the facility in Weligama, but for now it reflects the general idea of what it will do. The activities of the facility will focus on education and training of children and young people, organisations working in community health and capacity building of CBO’s in those same areas.
The facility that is being built in Weligama is a fantastic resource from which to develop and deliver such programmes. It is currently under construction and is due to be completed in May 2007. Below is an artist’s impression of the site:

The site offers accommodation capacity for running residential training courses, flexible classroom spaces for education programmes, a kitchen to provide on-site catering, accommodation for staff and international volunteers as well as a sport and play area. The site is naturally landscaped in a location on the edge of the town centre of Weligama.
Programme Activity Areas

In a perfect world an initial needs assessment would have happened, the facility designed to reflect these needs and the activities of IODR be developed with the local community to address their most pressing needs. This is the theory of development work. However, it is not a perfect world and having agreed to the position as Country Director I accepted that there were some pre-existing conditions in the activities that the organisation would be undertaking. These conditions were based on decisions made before my involvement and the desires of the trustees in maintaining credibility with existing private sector donors, many of whom were business associates of the trustees. The aspects of the programme on which I had no influence are as follows:

- IODR Sri Lanka would be based in Weligama, Southern Sri Lanka. Land had already been purchased and planning permission obtained.
- The facility being built on the site was already planned and defined. My influence on the design was considered in terms of the changed role from ‘orphanage’ to ‘training and education’. Construction started in October 2006 and is due for completion around May 2007.
- Having changed the focus away from an orphanage, there were 2 main areas that the trustees instructed we would work in:
  - Children and young people – The trustees wished to maintain some elements of childcare in the activities since this was the premise under which many of the private sector donors had made their donations.
  - Community Health – A significant donor, and partner with IODR, donated a significant amount of funds to facilitate community health initiatives.
- The organisation would be self funded within 12-18 months. My own experience of fundraising was one of the reasons I was employed. Although the current trustees have funds to build the complex and commence operations, they do not wish to support IODR Sri Lanka from their own funds in the long term. It is a clear objective of mine to develop a fundraising strategy over the initial 12-18 months.
Current Status

At the time I joined the organisation there was no strategic plan or governance procedures in place. The organisation was in its infancy and I was their first employee. It was clear to me that in the time between my appointment and moving to Sri Lanka (about 6 months) it would be important to research the situation in Sri Lanka with respect to the pre-defined programme activity areas and to develop an agreed plan of action with the trustees as to how we might work together. I concluded that the best way of doing this was to develop a strategic plan for the first 12 months that all major stakeholders agreed upon and that would act as the platform from which to start IODR’s work in Sri Lanka. It would give clear boundaries and responsibilities to all major stakeholders, yet allow enough autonomy so as not to be asking questions back and forth all the time.

Challenges

Two ex-pat aid workers arriving in Weligama with a brand new facility and some pre-existing plans on what they will use it for has the potential to throw up many challenges both locally and within the organisation. We will have to work hard to proactively engage with the local community and ensure that we have their support in what we are doing. Internally, there is likely to be unexpected situations on the ground where the trustees will need to trust my judgement, or where they disagree with some actions that I take. In order to be successful and keep all stakeholders committed, a strategic plan will need to be developed as a reference point in all that we do. The strategic plan will need to be clear in its definition of the boundaries of activities, yet leave enough flexibility to adapt to the local situation in Weligama.

I had never before written a strategic plan, although I had some idea as to what was involved. It was therefore prudent to research some of the theories and thoughts relating to strategic planning in the NGO sector, ensuring that what was written for IODR was reflective of current thinking and of value to the organisation.
Chapter 2 - Strategic Planning

Introduction

This chapter will examine the meaning of strategic planning in the context of the development sector. The idea here is to understand what is meant by strategic planning and how it can be applied in organisations to give clear direction and motivation to all involved. Literature has been reviewed and selected with a view as to how it might be relevant to an organisation such as IODR. At the present time the organisation is in start-up phase and has no existing operations, thus presenting the opportunity to take a strategic approach from the very beginning. This section will focus on understanding the basic concepts of strategic planning.

What is strategic planning?

A quick search on the internet offers a range of definitions of strategic planning. I have selected a few here that give some idea of the range of definitions that exist. Strategic planning is:

- Long-term plans based on the organisations overall business objectives. Strategic plans are typically multiple years and reach out 5 or 10 years (or more).²
- Involves creating an action plan based on clear end results and accurate assessment of current reality.³
- Planning which focuses on longer range objectives and goals. It is essentially direction-setting and focuses on new products and new markets.⁴
- Identifies the medium to long-term goals integral to the institution’s mission.⁵

² From website: www.mc2consulting.com/riskdef.htm
³ From website: www.gcsaa.org/mc/benefits/glossary.asp
⁴ From website: www.gcsaa.org/mc/benefits/glossary.asp
⁵ From website: www.scsea.bc.ca/glossary2001.htm
Looking at these definitions, a number of trends seem apparent:

1. Strategic planning is medium to long term in its outlook
2. It involves planning to achieve goals and objectives.
3. It is a process that needs to be managed and monitored.

Any organisation with a genuine desire to succeed generally undertakes some form of strategic planning. It is important for an organisation to have some agreed overall plan that will help it achieve its goals, whether that be for profit or not. The business section of any library is littered with books on strategic planning and the Strategic Planning Society recognising over 200 strategic planning concepts\(^6\). However, it is not the objective of this dissertation to examine them all widely. Instead we will focus of the need for strategic planning within an NGO and the voluntary sector.

**Strategic Planning in the Voluntary Sector**

Organisations in the voluntary sector are different from those in the private or public sectors in that their primary objectives are social rather than financial or economic. They are driven by a cause and tend to be established and managed by those who believe in the cause. The very nature of working for an organisation with a cause is that employees believe in the cause and it is this that often motivates them in joining the organisation and what keeps them together during difficult times.

The competitive market forces that drive commercial organisations, which either succeed and survive or are driven out of the market because they are uncompetitive, do not exist to such an extent in the voluntary sector. Historically, it could be said that this lack of competitive environment meant that voluntary organisations lacked professionalism and has lead to accusations of wasted funds and inefficiency within the organisations. However, recent years has seen the emergence of a much greater demand for accountability, from donors, beneficiaries and the general public as to how funds are spent and how

\(^6\) Strategic Planning Society website: [www.sps.org.uk](http://www.sps.org.uk)
effectively they are used. This has lead to increasing levels of professionalism within the sector and a rise in awareness of the need for strategic planning in running a successful organisation. Alan Fowler (2002) comments that ‘strategic planning has been relatively neglected by the voluntary sector, where resources were expanding with few questions asked about effectiveness. Those days are over and strategic planning is now a common way of rationalising and prioritising resource allocations.’

My own view, having worked in the corporate sector as well and the voluntary sector is that there are key factors to success in running any organisation, for profit or social good, and that people in the voluntary sector can learn a lot from strategic planning in the private sector. The main difference is in the business models in both sectors. Both types of organisations have customers, both have products or services. The main difference in the voluntary sector is that often the customers, or beneficiaries, as they are commonly known, are not empowered to benefit from the ‘products’ (or services) that are offered to them, so the organisation needs to raise funds from get a third party, often a donor, to facilitate this empowerment for the beneficiaries to receive their products or services that will help build livelihoods and sustainable futures.

Strategic planning has started to play in increasingly important role in the success of organisations in the voluntary sector, often driven from increased competition for funds and a greater call for accountability from general public. Additionally, strategy is important because voluntary organisations are ‘coalitions of people with different aspirations that need to be integrated to enable the organisation to thrive’ (Hudson, 2005 pg 92).

The increasing importance of Strategic Planning has been identified as one of a number of influences on UK NGO’s policy and procedures. Tina Wallace, in her book *Standardising Development* suggests that it is driven by a number of factors (Wallace 1998):
• Rapid Growth experienced by many NGO’s in the 1980’s and 1990’s which ‘led to a loss of clarity and balance within the organisation’ and the increasingly felt need for ‘professionalisation’.

• A crisis of ‘developmentalism’ which revolved around a sense that after so many years of development, not much had really changed – poverty and conflict seemed to be increasing rather than decreasing and strategic planning was seen as a way of understanding this and measuring progress towards clearly defined and measurable goals.

• The need for organisations to develop a ‘niche’ – Increasing numbers of NGO’s meant increased competition for funds. Organisations realised that they needed to define their ‘market place’ more clearly in order to hone their activities and be clear to donors where they specialised. Strategic planning is one way of achieving this.

• It became seen as a tool that could involve staff in the ‘south’ and play an important role in team building and knowledge transfer into local staff.

Models of Strategic planning in the voluntary sector

The increasing need for NGO’s to get people ‘working together towards common objectives has arisen only in the last 15 years.’ (Hudson, 2005 pg 95) This need has lead to an increasing importance of the role of strategic planning within the sector and there has been increasing academic interest as to how commercial world management theories can be applied in the volatile environments within which NGO’s operate. There is a wealth of material on the subject and it is not the purpose here to review it all in detail. It is important for the purposes of this paper that the reader gains a clear grasp of the meaning of the commonly shared concepts; understanding the advantages of the process and the pitfalls to avoid, as well as the process for achieving them in practice. To highlight some of the theories we will evaluate 2 current models of the concept of strategic planning in the NGO sector. These models, by Mike Hudson and Alan Fowler, are specific to the NGO sector and have some relevance for the scenario of IODR, which will later be examined in more detail.
Mike Hudson’s Overview of Strategic Planning

Mike Hudson in his book ‘Managing without Profit’, suggests that a ‘coherent philosophy for managing strategy in third sector organisations can be derived from a number of core concepts’ and that ‘these concepts can be linked together into an overview of strategic management.’ (Hudson 2005 pg 94)

In order to illustrate this Hudson offers this diagram:

![Diagram of Strategic Planning Process]

Source: Mike Hudson Managing without Profit

This simple illustration summarises how the components of strategic planning work together and shows the relationships between them. It clearly indicates the top-down flow of activity, from the vision of the organisation, through to the strategies implemented to move towards it. There is also an upward flow that monitors performance and provides feedback to ensure that the activities of the
organisation relate to the mission. All of these concepts take place in an external environment that influences the whole model.

Hudson suggests that a key benefit to strategic planning in the voluntary sector is the fact that it can create ‘an intellectual connection’ between donors and service users. Here lies a key difference between the voluntary sector and the private sector. As suggested earlier, the service users cannot afford the ‘products’ offered by NGO’s and need someone else to pay for them to use the service, these are the donors. Non-Governmental Organisations (NGO’s) need to ‘sell’ to both groups and be accountable to them, but in different ways, adding to the complexity of the situation. The lack of competitive forces in the voluntary sector means that the ‘market’ does not force organisations to be strategic in order to survive. He says that ‘strategic management provides the discipline to assess users’ needs, orchestrate resources to meet those needs and monitor the outcomes.’ (Hudson 2005 pg 96) It can be a powerful tool for the organisation to show the outside world what they are about, what they exist to do and how they plan to achieve that.

If the process is done well, taking a participatory approach at all levels in an organisation and externally where appropriate, then Hudson believes that it ‘helps to weld together a coalition of interest that is needed for the organisation to survive.’ (Hudson 2005 pg 110)

His model also recognises the importance of a sense of mission to organisations in the voluntary sector. People working in the sector do not generally do so for the money! In the private sector, the goal is, above all, economic: make profit. People have this in mind in all that they do, because they all directly benefit, by keeping their jobs and getting pay rises or promotions. In the voluntary sector the overriding motive is not economic, but social and therefore not so easy to measure. There is a strong sense of conviction about the work they do and often strong passion towards their organisations and causes. Hudson believes that if time is taken to harness this passion for the cause behind a clearly defined vision and mission, the organisation will have clear focus going forward.
In my view this model is a little simplistic in its approach, although this also makes it very clear and easy to understand. Certainly all these factors are important, but other factors need to be considered in addition to these aspects. The organisations capacity to achieve what it sets out to do and the effectiveness with which it does this should also be considered. Nevertheless, Hudson’s approach to strategic planning in the voluntary sector has merit.

**Alan Fowler's ‘NGO Capacity Framework’**

Alan Fowler is widely published and is seen as a leader of management thinking in the sector. His idea of strategic planning encompasses additional factors not considered by Hudson. He looks at strategic planning within a perspective of organisational capacity and effectiveness, implying that you can do as much strategic planning as you want, but if you lack the capacity to implement and be effective, it will all be a waste of time. Fowler defines that the objective of strategic planning is to ‘make long term choices in terms of concrete goals and resource allocations that are likely to maximise impact without compromising identity, autonomy and viability.’ (Fowler 2002 pg 76)

As suggested in this definition, he defines capacity as ‘the capability of an organisation to achieve what it sets out to do: realise its mission.’ (Fowler 2002 pg 74) Capacity, he says, should not be defined in terms of people, finances, buildings or procedures, but should be viewed in terms of an organisation's results in light of its mission. If the goals are set in the appropriate way, then capacity to achieve them should be a key part of considerations taken into account when agreeing them. He also notes that when assessing capacity in light of strategic planning, the organisation should identify ‘who is the NGO’s primary stakeholder – because the values and expectations in relation to this group provide the most important standards against which to assess capacity.’ (Fowler 2002 pg 74) This is reflected in the fact that he refers to the strategic planning model as the ‘NGO Capacity Framework’. This framework reflects the key characteristics of NGO’s and concentrates on areas which are crucial to their work and their role in society.
In the context of IODR and the fact that it is in its infancy, it will be important to understand what it is capable of achieving in the initial year of activities. For this they will need to understand the resources available and link the objectives to this capacity. Resource mapping is discussed later in the paper. Fowler offers a more detailed model of strategic planning:

Fowlers’ model suggests that to do well an organisation must have capacity in five areas. The initial two areas relate to the organisations ‘design and systems which link vision to action through appropriate strategies.’ (Fowler 2002 pg 75) The other 3 areas ‘link the NGO to the outside world by mobilizing resources;
maintaining external relationships and producing results consistent with the mission.’ (Fowler 2002 pg 75)

An important factor, relating to capacity, that Fowler points out is the organisations effectiveness. If capacity is the ability to achieve what its sets out to do, then ‘effectiveness means achieving this at an appropriate level of cost and effort’ (Fowler 2002 pg 76). In order for organisations to be effective they need to know what tasks to do, why and how they relate to each other. It is this link between the vision and the activities that illustrates organisations effectiveness and can be the cornerstone for promoting success and measuring achievements.

Fowler pays particular attention to the importance of moving from the organisations ‘vision’ towards ‘action’ in development work, claiming that ‘inconsistency between the NGO’s vision of the world and what it does is a common source of ineffectiveness.’ (Fowler 2002 pg 76) It is the transition from vision, often the reason an organisation exists and why people work for it, into actions carried out on a daily basis, which moves the organisation towards the vision. He suggests three stages the organisation needs to go through to achieve this:

1. Conformation of what the organisation stands for in terms the vision, mission and role in society.
2. Linking these longer term strategic choices that give it overall direction and maximise the impact on society.
3. Translating choices into tangible actions carried out by staff in collaboration with some stakeholders.

He adds to Hudson’s point about strategic planning being a top-down approach against the need to match it with a bottom-up process of dialogue with external stakeholders. The inclusion of external factors as a major influence on actions and the organisations ability to reach its goals is the main area in which the two approaches differ.
From IODR’s perspective, as well as taking into account the common factors of the two models, will need to understand its external environment. This will take the form of an analysis of the external environment in the strategic plan.

**Vision, Mission, Values and Objectives**

Both these models, and others relating to strategic planning, commonly emphasise a number of key factors. These are the vision, mission and values of the organisation as well as aims and objectives. These elements are crucial to setting the overall long term direction of the organisation and should often be referred to and occasionally reviewed. For this reason we will now examine them in a bit more detail.

**The Vision**

An organisation’s vision can be seen as a ‘description of a desirable future situation for the organisation’s users’ (Hudson 2005 pg 99), alternatively it is ‘a statement about what your organization wants to become.’ (Hudson 2005 pg 99) An organisation’s vision is not necessarily routed in realism or achievability, but states an ideal scenario and one that those involved with the organisation can get behind. It often acts as the driving force behind the work of an organisation. A specific definition I found to be most relevant when relating to voluntary organisations was that it is a ‘clear mental picture of a future goal created jointly by a group for a group for the benefit of other people which is capable of inspiring and motivating those whose support is necessary for its achievement.’ (Hussey 2003 pg 34).

Overall, a vision statement should resonate with all members of the organization and help them feel proud, excited, and part of something much bigger than themselves. A vision should stretch the organization’s capabilities and image of itself. It gives shape and direction to the organisation’s future.
Some examples of visions are:

**WaterAid**’s vision is of ‘a world where everyone has access to safe water and effective sanitation.’

**RNIB** states that it ‘wants a world in which people with a visual impairment enjoy the same rights, freedoms, responsibilities and quality of life as people who are fully sighted.’

**Action for Children in Conflict** would like ‘a world where children’s rights are respected and protected so that they can reach their potential’

Interestingly, looking at these definitions and reflecting on Hudson’s definition of vision, it seems that these examples give a desired picture of ‘the world’, rather than of ‘the organisation’. My own thoughts on this are that the vision goes beyond the organisation and acts as a utopian idea of what is possible, whereas it is the mission statement that starts do bring the organisations aims into consideration.

In the voluntary sector there is often a strong sense of vision. People tend to work for a particular organisation because they believe in its cause; they are committed to a vision of their cause and its place in the world. A strong sense of shared vision within an organisation requires that all levels of the organisation, employees and board members alike, are clear about what they are there to ultimately achieve.

The vision for IODR will set the ultimate aims all the major stakeholders have for the organisation. This will have to be defined in an inclusive process where all concerned have input.

---


The Mission

Although they are often grouped together, a Mission Statement is slightly different from the Vision Statement. If the Vision Statement is about an idealistic, expansive view of what the organisation wants to become, then the Mission Statement is more focused on what the organisation does.

"A good mission statement captures an organization’s unique and enduring reason for being, and energizes stakeholders to pursue common goals. It also enables a focused allocation of organizational resources because it compels a firm to address some tough questions: What is our business? Why do we exist? What are we trying to accomplish?"¹⁰

It could be said that a mission statement is concerned with what the organisation does to achieve its vision. It is restrictive, whereas the vision is expansive. If we look at the same organisations whose vision statements were given above, we can see some of these differences:

- **WaterAid’s** mission is ‘to work through partner organisations to help poor people in developing countries achieve sustainable improvements in the quality of their life by improving domestic water supply, sanitation and associated hygiene practices.’

- **RNIB’s** mission is ‘to challenge blindness. We challenge the debilitating effects of blindness by providing services to help people determine their own lives. We challenge society’s actions, attitudes and assumptions. Many barriers are put in the path of people with a visual impairment – our task is to help dismantle those barriers.’

- **Action for Children in Conflict** see their mission as ‘Action for Children in Conflict (AfCiC) works to break cycles of violence, hatred and despair by providing psychological, emotional and educational support to the

survivors of conflict. AfCiC focuses its activities on children and young people, who have the greatest capacity to transcend the conflicts of their communities and to bring about change in the future.’

(All sourced from same websites as the vision statements)

There are clear differences between these statements and the vision statements of the same organisations. The mission statements tend to be longer and give more detail as to what the organisations will do to reach their vision. The statements are more realistic, rather than visionary. There is a definite link to the vision and you could say that the mission starts to refine the ‘pie in the sky’ vision into something that can be translated into the daily activities of the organisation. It could be said that the vision is something the organisation cannot achieve on its own; they define ‘a world where…’. The mission however looks more at what the organisation itself can achieve.

In a similar way to the vision, IODR will need to work with its major stakeholders to define the mission of the organisation as a key part of its strategic plan.

**Defining a Vision and Mission statements**

There are numerous approaches to defining an organisations vision and mission, amongst them is one that is easy to remember. The model breaks the definition of the vision and mission into various elements, some looking at the behavioural elements of a vision and the systems and controls required to monitor its implementation which is more akin to the mission statement.

**Behavioural Elements:**

- **Envisioning** – defining the vision of the founders
- **Activating** – gaining support from a wider audience for the vision
- **Supporting** – from the leaders of the vision process towards those involved in implementing it.

**Systems and Control:**

-
Implementing – understanding the implications of the vision and ensuring that planning takes this into account

Ensuring – that measures are in place to monitor performance towards the vision

Recognition – those that are working towards the vision

(Note that the letters form the word ‘EASIER’ as a way of remembering\textsuperscript{11})

Values

Having defined a vision and mission for the organisation, it is also strategically important to define the approach the organisation takes to achieve them. The rules the organisation applies when conducting its activities might be considered to be ‘values’. A dictionary definition suggests that values are ‘standards of behaviour’\textsuperscript{12}. Within the voluntary sector, it is the values that underpin the culture of the organisation and the principles it applies when doing its work.

Hudson claims that ‘values are critically important to people who work for and support third-sector organisations’ (Hudson 2005 pg 102). This statement highlights another unique characteristic of the voluntary sector; the fact that voluntary sector organisations have certain implicit values derived from the nature of the work they do. It is however dangerous to assume these implicit values and to undertake a process to define them explicitly. A profile of people working in the sector would show a strong sense of ethical values, more concerned with social justice than economic performance. For many it is not just what the organisation does that is important, but the way it does it. It is values that should guide the trustees, managers and staff when they are developing policies and making decisions.

David Lewis argues that the functions of management such as controlling, planning and motivating are ‘distinguished from the style of this management,

\textsuperscript{11} This concept was taught to the author on a training day some years ago and the reference is not available.

\textsuperscript{12} Pocket Oxford Dictionary (2006) page 763
such as consultative, participatory or cooperative’ (Lewis 2003 pg 15). In other words, it is not just getting things done that is important, but the way in which they are done. This is not such an important factor in the private sector. Charles Handy also suggests that ‘third sector organisations are essentially value-driven organisations.’ (Handy 1998)

Both Hudson and Fowler suggest that values are important in organisations in the voluntary sector to a greater extent than those in the private sector. The process of defining values can focus employees on the way they conduct themselves and carry out their work.

Interestingly, the previous organisations used as examples for mission and vision do not expressly define their values. This might indicate an assumption of values based on their cause and thus a weakness in their strategic planning process. Other organisations were therefore investigated. Some examples of values:

**Oxfam's** website states their values ‘are founded on our beliefs and centred around three inter-related themes’. These are:

- Empowerment
- Inclusiveness
- Accountability

**Save the children UK** states their values as:

- Child-focused:
- Ambitious but practical:
- Independent:
- Open
- Collaborative
- Accountable
- A team

---

13 Oxfam Website: [http://www.oxfam.org.uk/about_us/mission.htm](http://www.oxfam.org.uk/about_us/mission.htm)
It is clear from looking at these values that they reflect a ‘way of working’ rather than describing the work itself. Each of the values, once agreed as part of a strategic planning process, can then have measures or questions attached to them which are monitored over time and will allow the organisation demonstrate its adherence to the values it promotes. This can be important in demonstrating to all stakeholders, whether they are donors, beneficiaries or staff, that the organisation is true to its word and is accountable to its statement of values.

Values can play another role, external to the organisation, especially in those organisations, like IODR, that operate in developing countries where bad practice may be present in terms of corruption, nepotism or gender bias. Operating with a set of clearly defined values can help in the transfer of these values to local staff within an organisation and to the organisations it engages with in its work.

The values that IODR Sri Lanka maintains in its programmes in Weligama will determine how the organisation is perceived locally and how successful it is in gaining the trust and respect of the local community.

**Objectives**

It is objectives that start to put a bit of ‘meat on the bones’ in terms of strategic planning. They start to offer a clear indication of the actions that will be taken to achieve the vision and mission of the organisation. The US Army describes objectives as ‘Statements describing the results to be achieved by a program and the manner in which these results will be achieved over a specified period of time. Usually, objectives are linked to one or more program goals.’\(^\text{15}\) When it comes to objectives and actions, the military can often offer clarity!

Objectives can exist throughout all levels within an organisation, from strategic objectives at the top, down to individual monthly objectives for staff at the operational level. In fact Hudson offers a ‘hierarchy of objectives’ (Hudson 2005 pg 114):

The diagram clearly illustrates the transition and flow of long term strategic objectives into short term individual objectives. It is this transition, in my opinion, that is a key element in the success of strategic planning. Trustees, executives, managers and staff can spend as long as they like talking about strategy, but it is the translation of strategy into action that determines the level of success they have in respect to their mission and vision; this is the role of objectives. After setting the vision, mission and values of the organisation, it is the objectives that start to give people tangible actions connecting them to the overall direction of the organisation. Objectives must be realistic and actionable, but avoid what Hudson calls the common trap of strategic objectives being ‘well meant statements of good intentions that could be applied to many different organisations.’ (Hudson 2005 pg 115)

With IODR being in its infancy, detailed objectives will not be able to be defined. Initially, for the purposes of strategic planning, the organisation will need to focus on the strategic objectives. These will set the longer term targets and, once activities begin, it will be vital to apply these strategic objectives to departmental and individual ones in order that staff have clear understanding of what they are doing and why they are doing it. The strategic plan will need to include time for
strategic planning reviews during the year as these aspects become more clearly defined.

**Other factors for preparation of strategic planning**

Thus far we have examined the basic steps of strategic planning – vision, mission, values and objectives. These statements, developed in sequence, will deliver a clear direction to the organisation. However, there has been mention throughout of external considerations and issues relating to an organisation's capacity to achieve its mission. We will now look at these in a bit more detail.

**Stakeholder Analysis**

The strategic planning process should not take place in an internal vacuum of the trustees or senior executives. It is important that all people that have contact with the organisation are also taken into account, internally and externally. Stakeholders have a direct impact on the success of the organisation in achieving its objectives and ultimately its mission and vision. Managed well, they can help the organisation; managed badly and they can obstruct it. A stakeholder can be considered to be ‘any specific people or groups who have a stake in the outcome of the project.’\(^\text{16}\) This definition can include internal and external stakeholders.

Internal stakeholders in a voluntary organisation are those that are directly involved in implementation of the objectives of the organisation. These could be trustees, executives and staff. External stakeholders are those people that do not work directly for the organisation but come into contact with it during the course of its work. This can be a much longer list and might include beneficiaries, partner organisations, donors, local government or local communities.

A characteristic of the modern day voluntary sector has been the increasing demand for accountability of the organisations to its stakeholders, be they

---

\(^\text{16}\) Ten Step Management Website: [http://www.pmostep.com/290_1TerminologyDefinitions.htm](http://www.pmostep.com/290_1TerminologyDefinitions.htm)
funders or beneficiaries. People want to know that the organisation is sticking to its values, that it is working effectively and that it is reflecting a proven need in the community. This has meant that it has become increasingly necessary for the organisation to understand who their stakeholders are. As well as knowing who they are, possibly it is more important that they understand who their stakeholders should be if they are to remain in line with their values and objectives. This analysis of who their stakeholders ARE compared to who they SHOULD be should be part of the strategic planning process.

A process that can be useful and achieving this is doing a ‘stakeholder mapping exercise.’ This works particularly well in a workshop environment with key stakeholders present. Giving everyone post-it notes and putting a white board at the front with the organisations name in the middle of the page, participants place the post-it notes on the white board with the proximity to the centre reflective of how close that stakeholder is to the work of the organisation. Once this has been done for the current stakeholders, it should be repeated for the ‘desired’ stakeholders in light of the organisation’s mission and objectives.

The stakeholder maps might look like this:

![Current Stakeholders Map](image1)

![Desired Stakeholder Map](image2)

Source: These are reduced versions of the real exercise shown in Appendix 2

These illustrations show that for the ‘current stakeholder map’ there are some stakeholders that are fairly close to the organisation but a number of others that are on the periphery of its work. On the right, the ‘desired stakeholder map’ shows many more stakeholders closer to the organisation and some new stakeholders (yellow boxes) with whom there is currently no relationship.
One of the significant outputs of this stakeholders mapping exercise is that a clear difference between current and desired stakeholders can be seen. A simple gap analysis of the two maps can be used to drive activities of the organisation that will enable them to move towards its desired stakeholder map. This is a powerful illustration of how participants in the strategic planning process can translate strategy (i.e. vision, mission and objectives) into activities undertaken by staff on a daily basis.

This process will be useful for IODR in driving some early activity from the strategy.

**Resource Mapping**

As previously mentioned when examining Alan Fowlers approach to strategic planning, an organisations capacity to achieve its mission is a very important consideration in setting achievable goals. The organisation needs to understand what it is capable of achieving with the resources at its disposal, or what resources it needs to achieve its goals. These then need to be taken into account when setting objectives. Additionally, and similarly to the stakeholder mapping, it is good for the strategic planning process to assess the capacity of the organisation with the involvement of key stakeholders.

One method of understanding what capacity, or resources, the organisation has is an exercise in resource mapping. Similar to the stakeholder mapping exercise, this involves stakeholders getting together with a white board and post-it notes and writing down what they have and what they need to achieve their objectives. The output of this process will be a clear idea of what the organisation has available to it in meeting its objectives. It also identifies risks between capacity and the objectives. This is where Fowlers identification of the important of understanding capacity as part of the strategic planning process comes into play. Either the objectives can be altered to reflect capabilities, or actions can be agreed to secure additional capacity to meet what has already been defined.
This process will also be useful for IODR in driving some early activity from the strategy.

**Understanding the organisational culture**

An organisations culture can be defined as an ‘amalgamation of the values and beliefs of the people in an organisation’. In this context, culture is a reflection of the expected behaviour of the organisation and its employees.

The strategic planning process can be influenced by the culture within the organisation and different cultures can make the process easier or harder. As well as organisational culture influencing the strategic planning process, the vision, mission and values can also have a big impact on the culture and sets the parameters for the expectations of employees and external stakeholders.

As a background to the strategic planning process it can therefore be valuable for an organisation to understand the ‘type’ of organisation it is. This can then influence the way in which the process is managed internally and externally and identify some of the pitfalls that may appear throughout the process.

Charles Handy has looked closely at the culture in organisations in the voluntary sector. He identifies ‘four of these basic styles from which all organisations choose some mix, depending on their history, the kind of work they do and the kind of people who do it.’ (Handy 1988 pg 86) These are:

- **Club Culture** – Handy describes this as a ‘spiders web, because the key to the whole organisation sits at the centre, surrounded by ever widening circles of influence.’ (Handy 1988 pg 86) Essentially the organisation behaves like a club, built around its head. There is a strong personality at the head, often the founder, who would do everything themselves but can’t, so needs an organisation to support them. These organisations work well where ‘personality and speed of response are critical’ (Handy 1988 pg 86) and where the right people are recruited; those that are likely

---

to ‘blend with the core team and can act on their own.’ (Handy 1988 pg 87) However, if recruitment is not paid enough attention it can lead to a dictatorial feeling as the power of the leader overwhelms the staff and leads to discontent.

- **Role Culture** – These organisations act like a set of boxes, each with a job title and all linked to each other with responsibilities. The name of the person in the box is secondary to the box itself. These organisations are managed rather than led and tend to be formalised with systems and procedures. People are clear in what they have to do and measures are in place to monitor how they are performing. These organisations are successful where the environment is stable, but struggle with change. A changing environment is common in voluntary organisations operating in unstable countries and such organisations could be vulnerable to criticism if they are not flexible in adapting to these changes.

- **Task Culture** – The organisational culture here is that a group of resources should be applied to a project, problem or task. There are ‘groups of people working together who share their skills and responsibilities.’ (Handy 1988 pg 90) They would tend to be more able to react to changes and would have ‘plans’ rather than ‘procedures’ and ‘progress reviews’ rather than ‘performance assessments,’ giving staff the flexibility to make decisions and react to the environment. Handy claims that these organisations do well where problem solving is the job of the organisation, a trait that could apply to many NGO’s in the field. A drawback is that employment can be insecure as the organisation cannot employ people it does not need.

- **Person Culture** – The person culture ‘puts the individual first and makes the organisation the resource if the individuals talents.’ (Handy 1988 pg 92) The most obvious examples are doctors, who group themselves together in a practice but operate independently. Here, individual talent is all important and needs the organisation to maximise its performance.

IODR will need to identify which aspects of these cultures it portrays and take this into account in the strategic planning process.
**Organisational Life Cycle**

Similarly to organisational culture, the place an organisation is in its life cycle has an influence on the strategic planning process. From start-up to closure an organisation goes through a number of phases in its lifetime and has different advantages and vulnerabilities along the way. Understanding the characteristics your organisation with respect to its stage in the life cycle can facilitate greater effectiveness in the implementation of the organisations strategy by playing to the strengths of the organisation. The diagram below was developed by Hudson to describe the characteristics of organisations from formation, though growth, into maturity and decline.

It is interesting to note that Hudson suggests that movement through the life cycle is not a steady journey but one with differing periods of calm and crisis. Whilst in a particular phase the organisation runs smoothly, but as it grows and matures the models it adopts in each phase become unwieldy, which leads to crisis as the organisation adapts new strategies to cope with its changed circumstances.
Common Factors for success strategic planning

Amongst the wealth of material written on the subject of vision and mission statements there is common advice as to the factors that should be considered in the process to give it the biggest impact and best chances of driving the organisation towards success. The website ‘about.com’ looks at these factors for success and neatly summarises them.18

- **Full and active executive support** - It is important to understand that the strategic planning process is not simply a matter for the Chief Executive and his management team to define the direction of the organisation and tell it to the others. The inclusive participation of employees ensures commitment to the outcomes across the whole organisation, rather than a sense of exclusiveness. Alternatively, by its very nature, strategic planning should not be left to mid-level managers or low ranking office staff. It is a key component of successful strategic planning that all major stakeholders are consulted and therefore become committed to the outcomes.

- **Effective Communication** – This is a process where everyone involved needs to clearly understand its purpose, its implications for their daily activities and how they will work with external stakeholders. With executive support, the aims of the process of strategic planning need to be clearly explained in order that all involved feel consulted and committed to the outcomes.

- **Employee Involvement** – It almost goes without say that when staff are involved in the strategic planning process they are more committed to the outcomes. Not only this, but employees are those that are ‘on the ground’ and often have the clearest idea of how the organisation is perceived and how it operates within the external environment. The process needs to be managed in a way that employees are consulted, but not in a way that obstructs the process itself.

---

18 From About.com website: [http://humanresources.about.com/od/strategicplanning1/a/implement_plan_2.htm](http://humanresources.about.com/od/strategicplanning1/a/implement_plan_2.htm)
• **Clear Understanding of the external environment** – In the private sector this would be a competitive analysis, but in the voluntary sector it involves taking into account the environment in which the organisation operates.

Having reviewed the various aspects of strategic planning and the influences on its success, it is now useful to look in a bit more detail at how these elements relate to the situation of IODR.
Observations for Strategic planning in IODR

Models of Strategic Planning

There is no single model for strategic planning that is perfect. However, it is clear that there are a number of key ingredients that will be essential to define at the beginning to act as a guide in everything that follows. These ingredients should be defined in consultation with internal and external stakeholders and reflect the organisations’ ability to achieve them.

Vision, Mission, Values and Objectives

These elements will dictate how the organisation operates for the first few years of its life, before they are reviewed in 3 years. They will influence how the organisation is perceived in the UK and in Sri Lanka; which organisations they work with, which people benefit from the activities of IODR and the way in which the organisation engages with everyone it comes into contact with. The awareness of, and commitment to, these elements by everyone directly involved will drive the way the organisation operates on a daily basis and will, without doubt, influence whether or not the organisation is successful.

Being of such importance meant that the process for their definition needed to involve all major stakeholders, together in an environment that encouraged open debate between all parties.

From a personal perspective it is the transition from vision and mission into measurable objectives, and therefore actions, which will be key to developing the daily work of the organisation towards these objectives. Having a clear, agreed, mandate from all major stakeholders will be a platform upon which all else will be built.
**Stakeholder Mapping**

This is a valuable exercise in understanding who IODR is accountable to and who it needs to be working with to achieve the objectives. Most importantly it identifies the current situation with IODR compared to where it needs to be in terms of stakeholders. This in turn leads to a clear set of actions that will be required in the first few months to move towards the desired stakeholder map and thus the mission and objectives.

**Resource Mapping**

Similarly to the stakeholder mapping exercise, this exercise helps in identifying the capacity at exists to achieve mission and objectives and needs to be considered in their definition. The process of seeing ‘what we have’ and ‘what we need’ to achieve our objectives also highlights the actions that will be required to attain the capacity needed to be successful.

**Organisational Culture**

The culture of the organisation can to a certain extend be influenced by the values. At this early stage of the organisations development I think that IODR is in the Club culture, with the chairman of trustees leading all activities of the organisation. He has raised 100% of the funds, has capacity to raise more and has total decision making authority on every current aspect of IODR’s activity. I have never even met the other 2 trustees, who are his brothers. I foresee that as operations in Weligama get underway that this culture will shift to one of Task Culture and, as previously discussed, this transition can be uncomfortable. I will gain responsibility for the activities of the organisation in Sri Lanka, based on an agreed strategic plan, and his involvement will be from a distance. This process should be recognised and considered in the activities on the ground, especially on the clear establishment of governance and reporting procedures. The strategic plan will play an important role in maintaining cohesiveness between the trustees in the UK and operations in Sri Lanka.
Position in the Organisational Lifecycle

No doubt IODR is in the ‘birth’ phase of its lifecycle. The structures are informal and there are no real management systems in place. All this will change once operations start in Sri Lanka. There will be new employees, partner organisations and a flurry of daily activity. With this will come the need to establish basic systems and implement reporting procedures. The current trustees will lose control of daily activity and need to develop faith in my abilities to do a good job in implementing the strategic plan. To encourage this I will need to positively engage with them on a regular basis, send regular reports and be proactive in developing a productive working relationship with them. The challenges will come if I have plans for activities that they don’t agree with. The role for the strategic plan in this scenario is vital; so long as what I am doing can be related to the plan, then there should be no opportunity for disagreement.

Conclusion

It has become clear in evaluating the elements of strategic planning that the strategic plan of IODR Sri Lanka will be an essential platform upon which to start operations in Weligama. The process for developing it should be inclusive and transparent, leading to a consensus of direction that leaves everyone motivated and excited at the birth of the operational side of the organisation. The plan will become the document against which I judge what activities the organisation engages in at Weligama. Additionally it is a good process for identifying the priorities of the organisation and ensures that these are given the appropriate attention.

The way I chose to achieve was to hold a workshop of the current major stakeholders, externally facilitated, that addressed issues of vision, mission, values and objectives. The output of this workshop was an input to a strategic plan that reflected all that was agreed in the workshop.
Chapter 3 – Issues of Governance

Introduction

An issue that goes hand in hand with strategic planning is the governance of the organisation. Doing one without considering the other can lead to many problems such as lack of accountability, lack of direction and general all-round confusion as to what is going on. If strategic planning is implementing a set of activities that aim to achieve the vision and mission, then governance is the organisational structures, rules and procedures that are put in place to monitor the achievements and drive the organisation forward. In the context of this research we are looking at internal governance rules and procedures of the organisation relating specifically to the roles of the board and its trustees, rather than wider issues relating to ‘good governance’ and state governments or private organisations.

Primarily this is concerned with the establishment of a board of trustees to govern the organisation and how this body engages with its daily activities. The cohesiveness between the board and the management of the organisation is important in not only being successful, but in being seen to be successful (an important quality in the sector). This is easier said than done and it has been commented that ‘working with governing bodies is one of the most difficult challenges of voluntary sector management.’ (Osborne 1996 pg 30) In this context it is important to understand what governance is and how best practice can be observed in relation to IODR.

What is governance?

Ohio State University have defined governance as ‘the planning, influencing and conducting of the policy and affairs of an organization. ’ Another website looks more specifically at the voluntary sector in stating that ‘governance in the non-profit sector refers to the actions of the volunteer board of directors of an

---

19 From website: oit.osu.edu/projmanage/glossary.html
organization with respect to establishing and monitoring the long-term direction of that organization.\textsuperscript{20}

Good governance should be a theme that runs throughout the organisation and should not restricted to the Chief Executive reporting to a board of trustees, although this is certainly an important aspect. In the voluntary sector, where organisations exist to 'do good', there is increased pressure from donors, beneficiaries and the general public for greater accountability, transparency and openness, all of which is related to governance. It is also increasingly important for voluntary organisations working in developing countries where corruption and bad practice are widespread. They must lead by example and govern themselves in a way that reflects best practice and current thinking in terms of accountability and transparency.

Although the demarcation of where governance stops and management starts can be blurred, we must realise that governance is not the same as management. Hudson suggests that ‘governance is the boards' responsibility and management is a staff responsibility.’ (Hudson 2005 pg 42) This might be true at a theoretical level, but for governance to really work it must be a theme throughout the organisation. It is the role of the Chief Executive to act as a link between the staff and the trustees, to ensure that all parties have a clear understanding of the strategic plan and how it translates into the daily activities of staff employed by the organisation. Trustees will not and should not get involved in the daily operations of the organisation, but they should be involved in ensuring that these daily activities are reflective of the organisations vision, mission and objectives. An example of this division might be in the appointment of new staff members. The board could be expected to approve the need for a new position, but the Chief Executive would make the appointment since they would understand the daily operations of the organisation and would be best placed to appoint someone that would fit into the existing environment.

\textsuperscript{20} From website: envision.ca/templates/profile.asp
The role and composition of the board

All registered charities in the UK must have a board of trustees and it is this body that the Chief Executive is accountable to. The Charities Commission states that a board of trustees are ‘legally responsible for the overall management and decision making in a charity.’

The roles of the board can be split into that of ‘authority’ and ‘maintenance of values and autonomy’ (Osborne 1998 pg 31). This would cover four main areas:

- **Legal** responsibility for the employment of staff
- Contributing to the making of **policy**
- **Securing resources** such as grants or assets
- **Monitoring** the quality of work, in relation to the strategic plan.

With the board having responsibility for areas as diverse as finance, legal and sector expertise, it is important that it is made up of people with a variety of skills and works together in a cohesive fashion. Richard Chait, in his book ‘Governance as Leadership’, lists six competencies against which the effectiveness of a board of trustees can be assessed.

- **Contextual** – Do board members understand the vision and mission, values and objectives of the organisation they govern?
- **Educational** – Does the board understand its duties and responsibilities?
- **Interpersonal** – Is there a sense of cohesiveness within the board and how do they nurture and support each other?
- **Analytical** – The extent to which the board recognizes the complexity of the issues its faces and measures accordingly.
- **Political** – The extent to which the board accepts the need for relationships with key constituencies.
- **Strategic** – The extent to which a board takes a strategic approach to its work.

---

These criteria focus on the boards’ ability to perform effectively. Hudson, in comment on Chaits’ work says that ‘boards that exhibited all six competencies performed significantly better than those lacking one or more of them.’ (Hudson 2005 pg 52) To assess a board of trustees against these criteria would help identify areas where the board needed to strengthen itself.

Hudson himself suggests that although there is no single solution to the structure and role of boards, there are ‘powerful propositions about governance that apply to most circumstances.’ (Hudson 2005 pg 40) These are that:

- Effective governance is best provided by a small group of people.
- Governance must be transparent and well communicated in both directions.
- Well managed processes and communications are the real essence of good governance.
- Regular review of the boards’ performance needs to be an integral part of the boards work.

Additionally, Fletcher in 1992 surveyed 300 Chief executives to define their ideal board. A number of features came out of this that will provide a good parameter against which IODR can develop its board over time. The main features were:

- Members are carefully chosen for the skills and connections they can offer.
- They play an active part in long range strategic planning.
- They actively promote the organisation and open doors to funding opportunities.
- They prepare for meetings by reading material that is sent to them beforehand.
- Review financial statements carefully, demanding clarification if there is any confusions.
Sub-committees and Advisory panels

Organisations of a certain size may make use of subcommittees or advisory panels as a means of delegating more detailed work and centring areas of expertise together for strategic matters i.e. finance. Sub-committees and advisory panels can greatly assist in reporting to the board on matters of importance where board meetings are not the best place to address them and for bringing in external input to the strategic direction of the organisation.

A subcommittee refers to ‘a permanent committee of the board to which specific functions are delegated.’ (Osborne 1998 pg 55) They make decisions and are accountable to the board for their action. At present IODR will not need to consider subcommittees as the organisation is small enough to manage issues directly.

Advisory panels are established ‘to advise the board on an on-going basis.’ (Osborne 1998 pg 55) They have no decision-making authority, but can be quite influential to the boards’ decisions. Both panels are similar in function, it’s just that advisory panels have no decision making power. These might be more relevant to IODR where external advice from major stakeholders, who are not trustees, will add value in the early stages of the organisations life. An advantage of advisory panels, according to Hudson, is that ‘they can bring wisdom, expertise and judgement to the organisation, without becoming an alternative decision making mechanism.’ (Osborne 1998 pg 62)

Strategies for working with boards

It has already been stated that the way in which the board and the Chief Executive work together can influence the success of the organisation in moving towards in mission and vision. Our understanding of governance and the roles and responsibilities of boards highlight the importance of good working relationships between the organisations staff and its trustees.
The characteristics of a good board, the breadth of skills they should have and the actions that would allow assessment of the organisation's performance have all been described, but actually achieving these characterises requires actions as well as words. Harris and Rochester point out that establishing this relationship in new organisations (like IODR) is particularly important since ‘ownership of the agency shifts from the board members to a director/Chief Executive.’ (Osborne 1998 pg 40) Initially the board have full control of the organisation and are ‘enthusiastic proponents of its purpose’ (Osborne 1998 pg 40). As the organisation grows and they employ staff, this agency moves to the director, whereby trustees can start to feel uncomfortable that they are not in control any more. They claim that during this transition period the trustees are ‘galvanized into action’ and ‘look for a new generation of members’ that will help in its future growth. IODR are in exactly this situation and will need to ensure that such discomfort is countered by positive engagement and agreed actions on all sides.

There are some basic management techniques that can be applied to foster a culture of cooperation, teamwork and trust between the organisation’s staff and the board. This positive engagement helps increase the effectiveness of the board. Hudson suggests that such effectiveness ‘is often a joint effort between the chair [of the trustee board] and the chief executive.’ (Hudson 2005 pg 81) He goes on to recommend a set of actions that can assist in achieving this required effectiveness:

- **Involve the Chief Executive** – The board do not exist to tell the Chief Executive what to do, but to work with them in partnership towards the mission and vision of the organisation. The Chief Executive can play a significant role in governance development but they need a clear mandate from the board to achieve this. If the board address governance as a specific area, they establish actions and plans that encourage the Chief Executive to be involved.

- **Plan an annual meeting cycle** – A clear timetable of meetings throughout the year, defined in advance, helps all parties plan better in relation to governance. Additionally, specific agenda items should also be
pre-planned; such as annual activity reviews, review of the strategic plan or trustee reviews. These preparations will give everyone concerned a clear picture of what is expected of them and what must be examined throughout the year. It also ensures that board meetings are varied and not just a process of going through the motions every few months.

- **Establish the right agenda** – Agenda for board meetings can become cluttered and unrealistic for the time allocated to such meetings. Hudson proposes some questions to act as a guide when deciding whether an item should be added to the agenda: Is it a fundamental issue for the organisation? Does it have policy implications? Is it a priority for board time? These controls will ensure that board meetings discuss only the matters that are strategic, important and relevant to the board.

- **Clarify the Staff’s role** – Staff are important to ‘support the chief executive in managing the organisation and servicing the board.’ (Hudson 2005 pg 84) Their role within governance involves working with the Chief Executive to ensure governance runs throughout the organisation. They can also play a direct role in board meetings, whether by invitation (ad hoc), as observers or as full participants in the meetings. The Chief Executive should be clear about when to use each option depending on the issues for discussion at any particular board meeting.

- **Communicate Extensively** – As previously discussed, communication is key to success in all organisations. Within governance, staff should be aware of who the board are, what they do and report to them as required. Additionally, board members should not be strangers to the staff and occasional visits to programmes and informal discussions with them can be fruitful without interfering with their ongoing work.

- **Documentation of board procedures** – This will ensure that there is agreement on the procedures from all sides and that everyone is clear as to what is expected of them. It also assists in transparency and communication, internally and externally, of the direction and governance
of the organisation. These procedures might include structure and roles of members, processes for electing new members or terms of reference for each member.

- **Resource the Board support function** – In a culture where ‘administration overheads’ are closely scrutinised, allocating funds to facilitate the boards activities can be overlooked. It must be accepted that effective governance needs some capacity to deliver its objectives in strategically monitoring the organisation. This would include expenses for holding meetings, communicating the minutes and facilitating workshops. Without sufficient capacity the board and Chief Executive do not have resources to work effectively.

- **Review the Boards performance** – Making this a transparent regular task of the board ensures self regulation and promotes good governance within the rest of the organisation. The work of the board, its skills composition, adherence to strategic plans and attendance at meetings can all help ensure that a vibrant board adds value to the wider organisation.

**Total Activities Analysis (TAA)**

There is a methodology that was developed by Margaret Harris at the Centre for Voluntary Organisations to help boards assess their effectiveness in an open and transparent way. Total Activities Analysis (TAA) ‘provides a means through which staff and board members can explore and analyse what is going on in their organisation and negotiate an agreement about the role of the governing body.’ (Osborne 1998 pg 36) The approach adopted by TAA is ‘exploratory and analytical' rather than prescriptive. It offers a number of steps in a process by which the essential questions will be answered.

**Stage 1 – Analysis of the organisations functions**

The idea here is to gain a current/new perspective on the organisation. It is suggested that participants (including staff and board members) openly brainstorm the question: “What activities have to be done by the organisation
if it is to achieve its goals?” and “Which of these are the responsibility of staff or board members?” This will encourage participants to step back from daily work and see the organisation from an overview perspective, something that can get lost in daily work; a case of not seeing the wood for the trees.

Stage 2 – Analysis of how functions are shared in practice
The output of stage 1 is a list of functions against which current activity can be measured. These separate lists are then compared to highlight areas of difference between the perceptions of staff and board members. Also highlighted will be differences between who the staff and trustees see as being responsible for undertaking and monitoring the activities.

Stage 3 - Discussion of sharing of functions between staff and trustees
The output from Stage 2 provides areas for discussion where there are differences between the perceptions and understanding of staff and trustees in regard to the work of the organisation. These discussions, if carried out in an open and inclusive manner can resolve differences and help realign the work of the staff and the board members towards the organisations commonly shared goals.

This approach, if carried out on a regular basis, provides a framework within which all major internal stakeholders can assess the activities and roles of the organisation in an open and positive environment, leading to better understanding between them and improved working relationships and clarity as a result.

Having reviewed various areas relating to governance and its role in supporting the strategic planning process, we shall now examine how these factors can add value to the situation with IODR.
Observations for Governance in IODR

It is clear from the research that how IODR is governed will influence the degree to which it is successful in implementing its strategic plan and achieving its objectives. As the Country Director for IODR Sri Lanka, currently their only field-based programmes, it will be crucial for me to proactively address and plan the governance strategy in order that resources are maximised and the organisation grows in a direction agreed by all.

The role and composition of the IODR board

The role of the trustees in the governance of a voluntary organisation has been clearly defined, as have the best practice theories of what their profile should be and how they can steer the organisation strategically towards its mission and vision. It is important in the strategic planning process for IODR to address the governance strategy directly and openly with all major stakeholders. This will involve evaluating the current IODR setup against the criteria outlined in the research and thus identifying the strengths to exploit and the weaknesses to be aware of.

It has already been mentioned in the introduction that IODR is currently governed by 3 trustees, all of whom are brothers and none of whom have a background in the voluntary sector. According to the research this kind of structure has weaknesses and vulnerabilities. Additionally there is little or no sectoral expertise to monitor or challenge how I am implementing the programmes, or even to see whether they are appropriate programmes. On the positive side, the current trustees have already secured significant funding for the project, they are very well connected in the London hoteliers scene and have access to good resources.

In terms of stakeholder representation on the board there are people that are making big commitments to the project in terms of fundraising and programme support that are not trustees. This creates potential for disagreement between
them in terms of the trustees making decisions without consultation. This matter will need to be addressed.

**Sub-committees and Advisory panels**

The use and potential benefits of subcommittees and advisory panels are clearly understood. At present IODR operations are so small that there is no clear need to start setting up such structures. However, as already commented, there are stakeholders that are providing funds for the organisation who are not currently represented in the governance strategy; the workshop identified that it is not possible to add them to the board of trustees, and the establishment of an advisory committee with a mandate to advise the board became a valuable option.

**Strategies for working with the IODR board**

The research described in this chapter clearly highlights the importance of the relationship between the Chief Executive or Director of Operations and the board members. There needs to be a culture of mutual trust and understanding between both parties. From a director’s point of view, I therefore included governance as part of the strategic plan. A number of initiatives were also proposed:

1. Proposed expansion of the board to broaden the skills profile of members.
2. An annual plan of trustee meeting based around my visits back to the UK and their visits to Sri Lanka
3. A number of clearly defined issues that are the focus of each meeting. These will reflect issues defined in the research.
4. Clear reporting procedures for monthly, quarterly and annual reviews.

In terms of the activities in Sri Lanka and the staff that will be employed by IODR to implement its plans, it is also recognised that it will be important from the start to communicate the strategy and governance principles of the organisation. Staff will need to have a good level of comfort that the organisation has integrity and is
thinking strategically. This will then hopefully be reflected in the attitude they have to their work and the understanding they have as to why they are doing it.

**Use of Total Activity Analysis in IODR**

The process of TAA described in the research offers a transparent methodology for identifying and examining issues relating to the role and performance of the board. It is proposed that this process is included in the strategic plan and used as an exercise that is incorporated as an agenda item in the annual plan for board meetings.

**Conclusion**

If strategic planning is vital to the direction of the organisation, then governance is vital to overseeing that this is being achieved with integrity. The structure, roles and composition of the board of trustees is vital for the organisation's long term growth and for IODR it will be important to proactively examine these factors. With the organisation still in its founding stage there is a good opportunity to establish a culture of best-practice from the very beginning and try to ensure that aspects of governance are given their rightful importance.
Chapter 4: Case Studies

Introduction

Having researched the theoretical aspects of strategic planning and governance it is also useful to look at some real world examples to see how these principles work in reality. I have identified two organisations that offer very contrasting examples of how strategic planning and governance can make or break an organisation. These case studies will give some situational background and then examine where success or failure is related to strategic planning and where good or bad governance is demonstrated.

The two organisations have been chosen for different reasons. The first one, Action for Children in Conflict, was my employer from December 2001 in their programmes in Africa and more recently in the UK on a part time basis in raising funds for their projects. During this time I was witness to the journey they have been through and have detailed knowledge of what happened.

The second organisation is SOS Sahel. The Chief Executive of SOS Sahel gave a discussion during my Masters course where she described the journey her organisation had been through in transitioning its focus and strategy in the past 3 years. When I came to do this dissertation SOS Sahel was an obvious example of good practice and I met with the Chief Executive, Sue Cavanna, for a detailed interview to gain a deeper understanding of the process through which they had been.
AfCiC was formed in 1995 to work with children in developing countries who were the victims of conflict. It successfully grew over 8 years with operations in several African countries. As well as securing programme funds from donors, they raised un-earmarked funds from a successful direct mail campaign and 6 charity shops in the Oxfordshire area. The Chief Executive was also the founder and all of the trustees had some kind of personal friendship with him. There was a diversity of skills on the board, including finance, legal and Human Resources, although it lacked someone from the humanitarian sector. They met on a quarterly basis with the Chief Executive and the fundraising director; no other staff members were involved or consulted in the meetings. Meetings were fairly informal and rarely were all trustees present. The culture of the organisation was ‘club culture’; with the Chief Executive leading unilaterally and building a team of people around him that would support him and, more importantly, not challenge him. Hudson identified this as a known weakness of the cult culture.

In 2003 the organisation started to become a victim of its own success with its overseas programmes expanding and gaining a good reputation. These overseas programmes produced good results and met real identified needs on the ground. However, it was often commented that this success was ‘despite the UK office, rather than because of it.’

The success overseas was not matched by fundraising efforts in the UK office and a funding deficit was soon unavoidable. Over the coming 12 months there was awareness amongst the staff of the financial constraints but this was shielded from the board members at meetings, who accepted verbal assurances instead of evidence of fact. By mid 2005 the issue had reached its peak and an external advisor was bought in by the Chief Executive to see if he could help. It became clear that the organisation had significant debts and that drastic action was needed. Several steps were taken.
• The board of trustees were given a report by the external advisor that made them aware of scale of the problem and made a number of recommendations. They were shocked to read its findings.
• The Chief Executive was suspended indefinitely and the organisation was put into administration.
• All non-essential UK staff were laid off, leaving just a book-keeper and programme administrator to manage the overseas programmes.
• The biggest country programme in Africa was immediately closed. Leaving 75 local staff unemployed and all programmes closed.
• Programmes in 2 other countries were told not to expect any funds for 6 months.

These were all serious and drastic measures that were taken under legal requirements to protect the creditors and stop the debt increasing. The next 12 months saw the implementation of a ‘Corporate Voluntary Agreement’ with the creditors that would service the debt at a reduced rate over 3 years. The organisation was saved due to its existing income streams that were enough to sustain programmes in 2 small overseas operations as well as servicing the debt. There is now a new Chief Executive in place who has worked closely with trustees to develop a plan for the coming 12 months that will manage the debt, continue to fund existing activity and grow the staff to include a dedicated fundraiser.

In hindsight, it is possible to identify a number of factors, discussed in this paper and relating to strategic planning and governance, that could have foreseen this situation arising and prevented much of the ‘heartache’ that subsequently occurred.

**Observations**

• Lack of strong governance
  • The board were friends with the Chief Executive and therefore too willing to accept his word.
  • There was limited understanding as to the roles and responsibilities of being a trustee amongst board members.
• Trustee meetings were not planned in advance and did not address specific issues throughout the year.
• Staff in overseas programmes or UK support staff did not have input to trustee meetings.
• There was a lack of ownership taken by the trustees of their role in holding the Chief Executive accountable for his actions.
• No pressure on the Chief Executive to produce a strategic plan or to be accountable for his activities in relation to any kind of agreed strategy.

• Lack of strategic planning
  • There was not any real strategic plan; only some general financial plans which became irrelevant as the debt increased
  • The overseas programmes developed at their own pace with little monitoring of plans or budgets.
  • UK based staff were pulled between the demands of overseas programme staff and the financial constraints of the UK.
  • The Director of Fundraising had a bias towards UK programmes and overseas programmes were ignored.
  • As debts increased a culture of ‘robbing Peter to pay Paul’ developed that focused on ‘what needed to be paid this month’ and misappropriation of funds from different donors to meet short term needs.

• Lack of coordination between country offices and UK offices
  • Despite some in-country fund raising, there was no strategic planning in place that gave everyone a platform from which to work.
  • Programmes overseas became disparate and lacked focus in their activities, essentially doing whatever programmes they thought best.

• Lack of capacity to monitor field programmes
  • There was little or no formal process for country directors to plan or report their activities.
• No funds allocated for monitoring or governance of the organisation.

**Findings**

Despite the upheaval, the organisation has survived and its programmes in two countries were small enough to manage through the crisis. The organisation is now starting afresh and has an opportunity to establish new processes relating to strategic planning and governance that will breed a culture of success that is closely monitored and will prevent the past events ever being repeated. In light of this there are a number of simple recommendations specific to strategic planning and governance, which I would propose based on research carried out in this dissertation.

1. Expand the board of trustees to include new members with a sectoral background who are not associated with the new Chief Executive.

2. Plan the next 12 months of trustee meetings and pre-plan themes for discussion at each one, as well as the regular activity and financial review.

3. The Chief Executive works with all staff (UK-based and overseas) and trustees to develop a new strategic plan for AfCiC for the coming 3 years. This should be an inclusive process that establishes a platform for all future activities. Adherence to the plan in all activities should be reviewed at all trustee meetings.

4. Trustees need to develop a culture of governing and being responsible for the activities of the organisation. Financial monitoring must be evidenced, rather than verbalised and programme reviews should be distributed before meetings and reviewed during them.

5. Specific funds and measures for monitoring the overseas programmes should be established, with country directors all implementing a centrally agreed annual plan for their country.
The organisation has learnt its lesson and AfCiC is now well placed to exploit the good work it does in its overseas programmes. The trustees seem to be taking their responsibilities seriously and the new Chief Executive has already started to look at recruiting new trustees and formalising trustee meetings.
Case Study: SOS Sahel

SOS Sahel was set up in 1985, and is the only British development organisation to focus exclusively on the semi-arid lands of the Sahel and Horn of Africa. It currently supports activities in several African countries. These activities focus on the long term management of forest, land and water resources in these areas and developing programmes that improve crop production, ensuring water supply and providing micro credit opportunities. Projects are designed by local people to meet their needs and address their problems. The UK arm of the organisation focused on raising funds for their overseas programmes which grew over time as direct operations for the organisation. All the direct country operations were working towards a long term strategic plan agreed by trustees and committed to by the Chief Executive.

Since its inception, the organisation had developed a diverse board of trustees from different areas of specialisation. They met regularly and meetings were well attended. Trustee meetings addressed strategic issues and attendees were well prepared for meetings in advance. There were contributions from overseas and UK staff in the meetings and decisions were communicated throughout the organisation. There was a strong sense of teamwork and a task-driven culture amongst staff and trustees that contributed to cohesiveness between all functions of the organisations.

In 2002, due to financial governance procedures that were in place, it became clear that there was the possibility of a funding short fall within the organisation if the current plans were implemented in each country. Once this matter was identified, the trustees worked closely with the Chief Executive and took input from UK and overseas staff in deciding the best course of action. After open debate and wide consultation, it was decided to ‘de-franchise’ the overseas programmes into self sustaining operations and to shift the UK organisation’s focus towards campaigning and advocacy. The decision was taken far enough in
advance to develop a plan and to work with the overseas organisations in building their capacity to transition into self governing, self sustaining local organisations.

The organisation also made good use of subcommittees to address in more detail the issues relating to the transition. These then reported back to the board and a new strategic plan was developed for the period of transition that ensured all areas of risk were considered and that core activities could continue throughout.

In 2006 the organisation has successfully transitioned itself according to the strategic plan. The overseas organisations, although maintaining a close relationship with the UK office, are now independent organisations; independently governed and with strategic plans to which they are working towards and holding themselves accountable to their own boards of trustees. The UK office has shifted its focus to campaigning and raising awareness of the issues faced in the Sahel and it has retained its reputation and commitment of staff and stakeholders throughout the process.

**Observations**

This example clearly illustrates the influence that good governance procedures and a strategic plan can have in preventing problems and enabling an organisation to monitor what it is doing and make decisions that reflect its circumstances. Specifically:

- A strong and varied board of trustees can be the difference between success and failure. SOS Sahel trustees had a range of skills that proved invaluable during the transition and prevented major disruption of their work overseas.
- Board meetings were regular and well planned which enabled a clear picture of the strategic direction of the organisation to be maintained.
- The role of the Chief Executive in balancing working with the trustees and managing the transition proved key in the process.
• There was awareness and monitoring of ‘risk’ from the trustees and the Chief Executive. Using workshops and management techniques they assessed where problems might arise and recognised their strengths in other areas.

• The trustees were not ‘friends’ of the Chief Executive and held her accountable for the organisation’s activities.

During the interview with Sue Cavanna she also gave her advice on governance that was based on her experience of working through the transition process with SOS Sahel. This was particularly useful when looking at my own situation and I made note of some specific comments:

• It is important to manage the board of trustees as well as the staff
  • Avoid micro-management which can be disruptive
  • Set aside time to ‘manage the board’.
  • Do your preparation first and then go to the board.

• Have a strategy for the board of trustees
  • Have a good mix of skills
  • Get ‘inside the heads’ of the trustees to understand what drives them
    • Understand their relationships with each other.

• Have clear governance structures
  • Look at steering committees to involve external stakeholders
  • Have clear line management and reporting requirements.

• Be brave and cautious!

**Findings**

SOS Sahel has clearly held governance and strategic planning as core values within the organisation. This culture of accountability and teamwork enabled them to recognise problems before they arose and to plan the future of the organisation accordingly. They are a good example when looking at best practice in governance and strategic planning and there are no specific recommendations or findings that I would propose without knowing the organisation in more detail.
Chapter 5: The IODR Strategic Planning process

Developing the Strategic Plan and governance procedures

All the research and evidenced case studies highlighted the importance of strategic planning and governance in the voluntary sector and I was determined that IODR would engage in a process to establish these principles from the very beginning. I decided that the best way to start the process was to convene a workshop of all major stakeholders. The workshop would be positioned as a ‘kick off’ event for the organisation’s work in Sri Lanka. I also felt that, at this stage, I was not the best placed person to lead such a workshop and that using an experienced external consultant to facilitate the workshop would increase its effectiveness and allow me to fully contribute to the process rather than getting too concerned with running a workshop. I contacted someone that I knew would be appropriate. Together we discussed the issues to be addressed in the workshop and what I wanted to achieve at the end of it in terms of strategic planning and governance. She agreed a workshop was a good environment within which to achieve this and we developed some key objectives for the workshop:

1. To establish the vision, mission, values and objectives for IODR SL.
2. To understand and agree roles and responsibilities of all key stakeholders in relation to governance and strategic planning.
3. To agree a general plan for the coming 12 months.

In order to achieve these objectives an agenda needed to be crafted that would lead the attendees through the process of understanding strategic plans and governance, yet not get bogged down in lots of discussions about unrelated matters. It was decided to make use of interactive management exercises that would guide us towards the objectives. The research undertaken highlighted a number of structured exercises that would prove valuable in the workshop, such as stakeholder mapping. I discussed this with the external consultant who then developed a proposed agenda describing the event (Appendix 1). This was sent
to all stakeholders who agreed it was a good idea and the date and venue were agreed.

**The Strategic Planning Workshop**

On 9th October 2006 the workshop took place in a meeting room well stocked with white boards, maker pens, blue-tac, post-it notes and a ready supply of refreshments. It was attended by all key stakeholders and facilitated by the external consultant. The agenda had been sent to all attendees 2 weeks in advance of the meeting ensuring that they had a clear idea of what was involved. The use of researched exercises to facilitate the development of the basic ingredients of the strategic plan i.e. vision, mission and values was important, as well as an informal and safe atmosphere where all felt free to express their thoughts were important ingredients of the day. Having an external facilitator to lead the process enabled me to fully participate as a key stakeholder and gave her the freedom to independently challenge statements where appropriate. Minutes of the workshop were taken by me and are detailed in Appendix 2. It is not the objective here to describe the workshop in detail, but to make observations as to the process used and outputs of the various agenda themes.

**Session 1: Introductions**

During the introductions I described the current situation regarding structures. It was immediately clear that there was confusion as to the legal status IODR in Sri Lanka and IODR in the UK. There was a lack of clarity as to whether the Sri Lankan organisation should have local registration or be registered as an international organisation. This had implications for governance structures in the UK and in Sri Lanka and needed to be clarified.

**Session 2: The Vision and Mission of IODR**

Initially we reviewed the current stated objectives of the organisation, as registered with the Charities Commission. It was agreed that this did not reflect the new future of the organisation and that it needed to be redefined. A
structured exercise was used that encouraged attendees to individually imagine their vision of the organisation in 5 years, with total freedom; what might it have achieved and what might it look like at this time. This was a great way of creating enthusiasm in the room and got the workshop off to a positive start. It started to identify what was important to the various stakeholders with answers ranging from ‘being a key player in child protection in southern Sri Lanka’, to ‘being self supporting and funding.’ The exact words of a vision were not finalised at the time but have since been agreed. The mission statement was a logical step from the vision and the values of the organisation were easily agreed.

At this point I felt that we all agreed to the general direction of IODR Sri Lanka and the values it would enshrine in all that it did. The principles of participation and human rights were not necessarily themes that the trustees would have chosen due to their lack of sectoral knowledge, but I took the opportunity to explaining their importance and they were agreed.

This exercise alone set the course for the rest of the workshop as well as for IODR Sri Lanka itself. In half an hour we had established the core ingredients of a strategic plan that would determine the organisations work for the next few years. This was a good platform from which to move to the other aspects of the workshop.

**Session 3: Stakeholder Mapping**

The output from the stakeholder mapping exercise clearly evidenced the gap between where IODR Sri Lanka currently sits with regard to its stallholders and where it would like to be. The difference between ‘where we are’ and ‘where we want to be’ when shown diagrammatically (see Appendix 2) was clear. It highlighted to the group the amount of work that will be required to move towards the vision and mission. For me, this started to provide a connection between vision and mission and the activities on the ground. It was clear which stakeholders needed to be engaged and in what order of priority. These would be valuable inputs to the strategic plan. I didn’t feel that there were any problems in regards to stakeholders at present, since this is what would be expected for an
organisation in its infancy. The value in this exercise was in starting the transition from strategic planning ingredients to actions that can be taken in the field when we start working in Sri Lanka. These actions will be directly linked to the strategic plan against which I will be evaluated.

**Session 4: Resource Mapping**

Having defined the core ingredients of the strategic plan, and bearing in mind Fowlers views on capacity being an important factor in their definition, this exercise helped identify what resources were at our disposal for achieving what we had defined as our vision and mission. On the positive side it was clear that IODR’s had good resources in terms of funding and access to a strong network of business contacts that could be approached for more funding. This was a reflection of the trustees and key stakeholders business acumen and would be key in allowing the organisation to grow in its early stages. I felt comfortable that the early stages of activity at the centre in Weligama would not, within reason, be constrained by financial limitations. Funds were available to complete the construction and support operations for 12-18 months. This provided a great platform from which to build quality programmes that would be appealing to donors as we moved to secure funds independently towards the end of that time frame. I also noted that this was just about the only resources we had. There was currently no capacity in terms of sectoral expertise, legal representation or expertise in monitoring what we are doing.

Once again there were outputs from this exercise that started to indicate activities that would be taken on the ground to start to build the capacity and secure the resources required to move towards the vision and mission. I also observed that this exercise might have included a more direct link between the resources we were discussing and their relationship to the vision and mission. It was more of a general discussion about resources than specifically tying them to the vision and mission.
Session 5: Governance

This was an important and potentially difficult session. In preparation for this session I had detailed discussions about strategy with the external consultant. We needed to educate those present about the roles and responsibilities relating to governance, describe current methods of best practice in the sector and approach the subject of expanding the current board of trustees to reflect this. One aspect that was planned was to propose the inclusion of the major external stakeholder as a trustee. He was providing significant funds for work in community health over a period of 4 years, giving him a strong argument for becoming a trustee. There was also the issue of governance in relation to a local and international organisation in Sri Lanka.

The discussion around roles and responsibilities of trustees was fruitful and it was recognised that additional governance resources would be required. We then approached the issue of additional trustees. This was immediately resisted by the current chairman of trustees and it was clear that the current trustee board would not be expanded at the present time. Their strategy was to keep the legal governance between the founders. As a result of this, everyone agreed that some alternative was needed to bring in external expertise that would hold me accountable as well as offer advice and have influence on the operations of the organisation in Sri Lanka. The best way to achieve was to establish an advisory panel, or steering committee, who acted like a board of trustees but without the legal authority. This was acceptable to all stakeholders given the constraints of expanding the existing board.

We then discussed the issues of local registration of the organisation in Sri Lanka and decided that it would be best to register as a local organisation with a local board of trustees that would be reflective of a participative local approach. The local board would have members of the UK board and steering committee as well as local representatives for legal and financial expertise. I would be employed by the UK organisation and seconded to the Sri Lankan organisation. It was also agreed that I would establish a local steering committee that would encourage participation of members of the local community that would be invaluable in
advising on the cultural appropriateness of our work and its relevance to local needs.

The output of this session was that we now had agreed clear governance structures. They might not have been what were initially desired, but there were many positives and plenty of scope for external and local input in Sri Lanka. The governance structure agreed is in Appendix 2. This structure once again provided a link from strategy to action. Within this structure it was now my responsibility to develop a plan that would create a culture of strong governance in the UK and in Sri Lanka. The important aspect was to agree a structure, this was achieved, now the task was to maximise its effectiveness.

**Overall Observations of the workshop**

Subsequent feedback from all participants proved that the workshop was a valuable exercise. It established a commonly agreed vision, mission and set of values that would guide the organisation in its early stages. There were some specific aspects of the workshop that I found particularly useful:

- The use of structured exercises in addressing issues of complexity is more effective than unstructured discussion.
- It became clear what the primary motives for the various stakeholders were. Essentially this revolved around wanting to be seen by their piers to be involved in a project that was ‘best of breed’ in what it did and that became self funding in a set time scale. This is useful in understanding the motives of trustees and stakeholders and will be reflected in my approach to them over time.
- It is clear that the trustees are fixed and we need to develop other governance bodies, such as an advisory panel, to include major stakeholders and gain maximum value from their skills and connections.
After the workshop

After the workshop, the outputs were taken and integrated into the strategic plan (appendix 3). The composition of the strategic plan reflected principles of strategic planning and governance derived from the desk based research and findings of the case studies. The final strategic plan document was therefore a combination of all these factors and gives the organisation a platform upon which to build its Sri Lankan operations.
Chapter 6: Conclusions

The process of investigating the theories of strategic planning and governance in the voluntary sector has been a fulfilling and learning experience. Comparisons of theory and practise and the subsequent development of a strategic plan for IODR Sri Lanka makes the organisation well placed as it starts its programme in Sri Lanka. Not only is there a solid strategic plan in place, there is also a culture of cooperation and shared vision that gives momentum for the future.

This dissertation has reviewed a wide range of literature and comment relating to the issues of strategic planning and governance within the voluntary sector. This research has highlighted that strategic planning and governance can be key factors in the success of organisations in the voluntary sector in meeting the increasing professional and competitive demands of donors, beneficiaries and the general public. It has identified a number of common ingredients that are required for good strategic planning and governance, and the importance of widespread consultation in their definition. These ingredients - such as vision, mission, objectives and values – if agreed and clearly defined in an inclusive and open forum can offer a platform from which the organisation can work and grow.

Although the literature offered clear definitions of strategic planning, I felt that some of it did not emphasise enough the influence of the external environment on the planning process; particularly Hudson, who only allocated a small paragraph on the subject. The increasing demands of donors for accountability and the volatile environments within which many NGO’s operate mean that the external environments are increasingly influential on the success of strategic plans. These strategic plans should not be developed in isolation of the external environment and need to be reflected in the ingredients of the plan. IODR Sri Lanka will start operating in a country that has suffered the extremes of manmade and natural disasters in recent years. The Weligama area, where we shall operate, was devastated by the tsunami in 2004 and is only just recovering. The additional issues raised by the increasing conflict in the North and East of the country could also have a significant influence on whether or not the strategic plan can be successfully achieved. For these reasons the needs assessment,
identified in the strategic plan as a key deliverable for the first few months, will take a close look at the external environment and will identify areas of strength and opportunity against the weaknesses and threats that we will face in the first 12 months.

As a reflection on the theory, the case studies offered a valuable insight into the transition of theory to practice and a how these principles of strategic planning and governance worked in real organisations. The two examples detailed contrasting stories and highlighted examples of good and bad practice in strategic planning and governance and how they can influence the success of the organisation. Action for Children in Conflict was seriously damaged as an organisation because of its lack of a strategic approach and the weakness of its governance structures which, although these events are now in the past, will take them sometime to recover from. SOS Sahel by contrast was able to avoid any such problems through their existing strategic approach and a culture of strong governance. Their governance processes were able to identify problems before they occurred and allowed them to consult widely and prepare a strategy that would alter the organisations direction so that it continued to prosper. Sue Cavanna at SOS Sahel emphasised the role the director plays in managing the trustees. This was not apparent in the literature and will be a valuable insight as I start working for IODR and have to manage the relationship with the UK trustees and advisory panel.

With all these matters considered IODR embarked on a strategic planning process that would establish the strategy for its work in Sri Lanka. A workshop was held with all major stakeholders involved. This defined the main ingredients of the strategic plan, established the governance structures and defined reporting responsibilities. Having a facilitated and planned workshop, with structured exercises to develop the elements of the strategic plan, significantly contributed to their agreed definition and a sense of shared vision and motivation between all concerned. Issues that could potentially lead to conflict or confusion in the future were laid bare on the table and discussed in a constructive manner. The issue of governance structures was a good example of this. Had we not understood the needs of the current trustees and their desire to maintain a very small board we
would not have been able to instigate the advisory panel as a vehicle for governing aspects of the organisation other than the purely financial. This advisory panel allows other stakeholders to participate and facilitates the inclusion of people with other skills to get involved and to monitor, advise and contribute to the strategic direction of IODR Sri Lanka.

After the workshop, the minutes of which gave clear information for the development of the strategic plan, it was prevalent to apply the theoretical models that had been reviewed and incorporate them into a strategic plan. The format of the strategic plan was an area where I found little guidance. None of the authors offered a structure to what the plan should look like and I turned to the private sector and management organisations to find some examples. Once again however there seemed to be not such thing as ‘the perfect strategic plan and I chose to look at the basic ingredients that were common to most of them – vision, mission vales and objectives. I also added output from the workshop as a means of showing how the strategy was being turned into actions and looked at some other factors that seemed appropriate, such as defining the deliverables of the needs assessment and outlining initial financial arrangements.

The conclusion of this whole process is a simple, clear and agreed strategic plan for IODR Sri Lanka for its first 12 months of operation and beyond. I am convinced and highly encouraged by the process that was undertaken to develop the strategic plan for IODR Sri Lanka. The organisation now has an agreed plan of action that gives clear boundaries in terms of areas of activity, yet leaves enough flexibility to react to the local situation and the needs of people in the local community as it starts work in Sri Lanka.

Now, the writing and the planning is complete, it is time to put them into action.
Appendices

Appendix 1 – Agenda for Strategic Planning Workshop

Appendix 2 – Minutes of the Strategic Planning Workshop

Appendix 3 – The strategic Plan for IODR 2007-8
Appendix 1 – Agenda for Strategic Planning Workshop
## IODR – Strategic Planning Workshop

9 October 2006
Rochester Hotel, London

<table>
<thead>
<tr>
<th>TIME</th>
<th>TOPIC</th>
<th>OUTCOME</th>
<th>MATERIALS</th>
</tr>
</thead>
</table>
| 1.00 – 1.15 | **Introduction**               | ♦ Arriving  
♦ Shared sense of what we are setting out to achieve in this workshop | ♦ 2 flipcharts  
♦ Oblong post it notes          |
|          | **The vision & mission of IODR** | ♦ Establish a shared vision that can be clearly articulated  
♦ Agreed core values            |                                |
| 1.15 – 2.15 | **Stakeholder mapping**        | ♦ Identifying current stakeholders & their relationship to IODR  
♦ Creating a desired stakeholder map (incl relationships to IODR)  
♦ Beginning to identify actions necessary to create desired map | ♦ Flipchart paper  
♦ Square (ie smaller) post-it notes |
| 2.15 – 3.00 | **Resource mapping**           | ♦ Identifying resources currently available to IODR                    | ♦ Post-it notes & flipchart    |
| 3.00 – 3.15 | **Tea Break**                  |                                                                        |                                |
| 3.15 – 4.00 | **Resource mapping**           |                                                                        |                                |
| 4.00 – 4.40 | Governance  
- Why is this important, key issues for a new NGO, some examples of good practice –MBS (15 mins)  
- Open discussion on how governance structures and processes are being put in place for IODR, and what needs to happen | Clarity on what governance means and why it is important  
- Beginning to Identify appropriate governance mechanisms for IODR, and actions necessary to achieve that |
| 4.40 – 5.00 | Action Plan  
- Recap on actions identified throughout the afternoon, assigning responsibility and timeframe  
- Identifying any other action needed | Clear action plan:  
a) October – Jan  
b) 1st 3 months on the ground  
c) rest of 2007  
NB will be most detailed for a) and least for c) |
| 5.00 | Close |
Appendix 2 – Minutes of the Strategic Planning Workshop
Objectives of the Strategic Planning Workshop

1. To establish the vision and mission for IODR SL.
2. To understand and agree roles and responsibilities of all key stakeholders.
3. To agree a general plan for the coming 12 months.

Session 1: Introductions

- It was agreed that the strategic planning workshop would focus exclusively on IODR’s Sri Lanka project.
- Each attendee introduced themselves and defined their stake in IODR SL.
- Matthew gave an overview of the current situation with IODR SL.

Summary of current situation with IODR SL:

- IODR is a UK Registered Charity with 3 trustees and Tony Matharu as Chairman of Trustees.
- IODR’s stated objectives (from Charities Commission website) are “the relief of financial need and suffering and the advancement of education amongst children and young people who are the victims of natural or other kinds of disasters in the countries around the Indian Ocean by the provision of accommodation, facilities and equipment including food, clothing and medical attention.”
- There is a registered Sri Lankan company that has privately purchased land in Weligama and obtained planning permission for a building. Once complete the building will be ‘rented’ by IODR.
- IODR is not currently a registered NGO in Sri Lanka but the process is underway to register as a local organisation.
- Matt Banks has been appointed Country Director for Leone Ellis has been appointed Programme Manager (Children and Young people) for IODR Sri Lanka. Both will be seconded to IODR SL in a capacity that is compliant with Sri Lankan working visa conditions.
- Matthew is currently undertaking UK planning phase for IODR Sri Lanka for 3 months. Thereafter Matt and Leone will move to Sri Lanka to undertake a 3-4 month needs assessments and supervise completion of the construction.
Dr Max McKay-James is a key stakeholder for community health programmes under the working title 'medicalresource.com'

Max has committed £40k by the end of 2007. £15k already secured and available.

Some IODR funds are already in the bank. Other funds will be sought in the coming months via corporate sponsorship or other means.

Thereafter, as the programme in Sri Lanka develops the plan is to have the project self funding within 2 years.

This workshop is the starting point for all major stakeholders.

<table>
<thead>
<tr>
<th>Actions Session 1</th>
<th>Owner</th>
<th>By Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research local vs International Registration of IODR SL. To include differences in governance requirements</td>
<td>Matt</td>
<td>Mid Nov.</td>
</tr>
<tr>
<td>Understand work permit conditions for Sri Lanka</td>
<td>Matt</td>
<td>Mid Nov.</td>
</tr>
</tbody>
</table>

**Session 2: Vision & Mission of IODR.**

- Brainstorm exercise that captured aspirations and vision of the organisation. Attendees were asked to describe their vision of the organisation by the end of 2008. What would the organisation have achieved, what will it look like etc… After discussion a number of areas were agreed:

  1. IODR SL will be self supporting and self financing local organisation supported by IODR UK by the end of 2008.
  2. In the Weligama area there will have been a throughput of people with a demonstrable impact on their lives in the areas of health and well-being and meeting special need of vulnerable children and young people.
  3. There would be improved capacity of community-based organisations (CBO's). Particularly in the area of community health.
  4. Other elements of the vision were:
     - IODR activity reflects local needs (Sri Lanka and Weligama)
     - A community facility
     - Education and Training
     - A model of best practice.

- The ‘approach’ of IODR SL will be:
  1. Based on local needs
  2. Participatory
  3. Monitored and Evaluated
  4. Integrated/rooted in the local community.

- Core Values of IODR are:
  1. Integrity – Honesty
  2. Transparency – Accountability
3. Striving towards best practice
4. Equality & Respect for all
5. Humanity – Sincerity
6. Listening to our beneficiaries and stakeholders.

- Output of this will be a vision and mission statement for IODR Sri Lanka

<table>
<thead>
<tr>
<th>Actions Session 2</th>
<th>Owner</th>
<th>By Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Definition of IODR SL Mission &amp; Vision statement.</td>
<td>Tony</td>
<td>End Oct</td>
</tr>
<tr>
<td>Input of values/approach integrated as part of IODR culture and management ethos</td>
<td>Matt</td>
<td>On-going</td>
</tr>
</tbody>
</table>

Session 3 – Stakeholder Mapping

The purpose of his exercise was to identify the current stakeholders for IODR SL. Once complete the same exercise was undertaken that identified the ‘desired’ stakeholder map in the future. The diagrams below indicate the current and desired stakeholder maps with their importance and proximity to the organisation indicated by their position in the map. (Closer to IODR UK indicates those that are more involved/important. Further away indicates stakeholders that are currently less engaged)

Current Stakeholder Map:
Characteristics of Current Stakeholder Map:
- A few key stakeholders very close to the organisation
- A range of other stakeholders that are much further away and therefore not currently involved in IODR activities.
- This is reflective of a new organisation that has a small number of ‘founding’ stakeholders and a range of other stakeholders that don’t really know what is happening with the organisation.

Desired Stakeholder Map:

Characteristics of Desired Stakeholder Map:
- Many more stakeholders identified – most of them in Sri Lanka
- All stakeholders are closer to the organisation
- Overall, most stakeholders are in Sri Lanka. This is a good reflection on the core value of IODR SL being based on local needs and using a participatory approach.

### Actions Session 3

<table>
<thead>
<tr>
<th><strong>Actions Session 3</strong></th>
<th><strong>Owner</strong></th>
<th><strong>By</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Undertake local stakeholder mapping exercise in Sri Lanka</td>
<td>Matt</td>
<td>Early ’07</td>
</tr>
<tr>
<td>Local needs assessment in Sri Lanka</td>
<td>Matt</td>
<td>Early ’07</td>
</tr>
</tbody>
</table>
Session 4: Resource Mapping

The objective of this session was to understanding the current resources that are available to IODR SL and then to compare it to the required resources and plan on obtaining those resources that are not currently available.

Current resources available:
- Funds to complete construction
- Grange Hotels
  - Commitment to the project
  - Staff resources and skills
  - Contacts, suppliers etc…
- Dr Max (Medical Resource) secured £15k, £40k committed by end 2007 for community health programmes
- Local Management – Wansa Hettiarchchi
- Local architect, lawyer, project manager and site foreman.

Potential resources available:
- Itemised fundraising with Grange Hotel suppliers
- Sponsorship opportunities
- Other potential networks of funding
- Christmas Fundraising.

Resources required:
- Funding for local staffing
- Community Health expertise (locally recruited, Tony has a contact)
- Local staff
- Resources for local community – tangibles, training etc.
- Supplies for the centre
- Funds for running costs
- Local transport capacity for Matt/Leone
- Reserves – un-earmarked funds, ideally 3 months running costs
- Local knowledge and intelligence
- On-going maintenance costs.

Conclusion:
- IODR SL has resources to get up and running. Thereafter needs to be a focus on securing funds for the on-going running costs of the programmes activities.
- IODR have a range of potential resources that could provide sources of funding, publicity and support. These need to be developed in the coming months and in the long term.

<table>
<thead>
<tr>
<th>Actions Session 4</th>
<th>Owner</th>
<th>By Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop budgets, sponsorship opportunities and fundraising strategy</td>
<td>Matt</td>
<td>End Oct</td>
</tr>
</tbody>
</table>
Session 5: Governance

- Margie gave an overview of the principles of best practice relating to governance issues in operating a Charity.
- Functions of a board are:
  - Leadership (steering, anticipating, resolving tensions, wisdom & good judgement)
  - Providing accountability for the organisation
  - Agreeing policy & strategy
  - Representation
  - Employer
  - Resource provider where appropriate
- A board should also have a mix of skills that can contribute to different areas of activity: Such skills might include:
  - Development expertise – technical knowledge & sectoral knowledge
  - Fundraising expertise
  - Accountancy & financial management
  - Legal
  - Organisational development
  - ‘Wise heads’
  - Well-connected
- With IODR the Board of Trustees will remain as it is, with 3 trustees.
- In order to maintain the current trustees but also facilitate additional support and advise to the operations of IODR Sri Lanka, the following governance structure is proposed:

- **IODR Sri Lanka Steering Committee**
  - Formation of a committee consisting of representatives IODR UK and SL Trustees, Max, plus other advisors by agreement to meet twice a year for programme reviews, planning and agreement of future plans.

- **IODR Sri Lanka Management Board**
  - Compliant with Sri Lankan requirements for locally registered organisation. Board to include Tony and Wansa plus others
  - Consisting of Tony, Matt, Max, Wansa plus local lawyer and others TBA. This board has no liability, financial or legal, but is to guide operations of IODR SL.
  - Responsible for day-to-day operational management of IODR SL.

- **IODR Sri Lanka Board of Trustees**
  - 3 Trustees, 6-Monthly meetings with representatives of each board. Min 3 required including Max.
Session 6: Action Plan for coming 12 months

Now – Christmas Focus on planning, UK budgeting, UK research, sponsorship packages.
Jan – opening in ’07 On the ground needs assessment, detailed programme planning, local staff recruitment and preparation for implantation.
Opening – end ’07 Initial implementation, establishing the organisation locally, start applying for donor funds.

A more detailed plan is currently in development and will be shared upon completion.
Appendix 3 – The strategic Plan for IODR 2007-8
Indian Ocean Disaster Relief
(Sri Lanka)
Strategic Plan 2007-8
Vision

“IODR see a world where all children have the opportunity to achieve their full potential and lead fulfilling and healthy lives”

Mission

“IODR undertake activities that work towards improved opportunities for vulnerable children and their families in Sri Lanka whilst also improving the capacity of local organisations in providing child-focused and community health initiatives.”

Core Values:

1. Integrity – Honesty
2. Transparency – Accountability
3. Striving towards best practice
4. Equality & Respect for all
5. Humanity – Sincerity
6. Listening to our beneficiaries and stakeholders.

Approach:

1. Based on local needs
2. Participatory
3. Monitored and Evaluated
4. Integrated/rooted in the local community.
Executive Summary

The year 2007-8 will be one of new beginnings for IODR Sri Lanka. It will mark the opening of the Weligama Community Education and Training Centre in Southern Sri Lanka, IODR’s first long term overseas development project, and see the initial livelihoods work with children and young people on education, and community health programmes.

The primary objectives for the first 12 months of operation are:

1. To establish IODR Sri Lanka in Weligama and successfully open the Weligama Centre.
2. To understand local needs and capacity in terms of education for children and young people and local community health
3. Establish strategic partnerships and links with potential donors with a view to securing funds in future years.

The first year is really focused on completing the construction of the facility, understanding the local needs in the areas we have chosen to work and to start working with the local community to meet these needs. Additionally it will be important to develop strategic relationships with external stakeholders and start developing medium and long range fundraising opportunities.

This strategic plan gives all current internal stakeholders a guide as to the activities of the coming 12 months; defining areas and boundaries of activities, yet leaving flexibility to ensure that the work of IODR Sri Lanka reflects the defined local needs.

The content of the strategic plan is derived from the strategic planning workshop held in October 2006 and attended by all major internal stakeholders. This meeting defined the overall vision, mission and values of IODR Sri Lanka, as well as a number of other activities. It is from these core ingredients, the future of IODR’s activity and this strategic plan is defined.
Stakeholder Planning for 2007

The strategic planning workshop defined the current map of stakeholders for IODR and then the desired map of stakeholders, taking into account the vision, mission and values of the organisations. In light of this exercise we can define actions in the strategic plan that will move us towards our desired stakeholder profile.

Current situation:
- Strong central team of stakeholders.
- Strong networking opportunities for UK fundraising.
- Mutual trust and shared vision amongst all major current stakeholders.
- Very small number of Sri Lankan stakeholders.

Desired situation:
- Wide range of local stakeholders relating to activities and fundraising.
- Increased local community involvement in IODR.
- Links to government and multilateral agencies (UN agencies) established.

Action plan for first 12 months:
The strategy for identifying new stakeholders and developing relationships with them will aim to move IODR towards its desired stakeholder map. The exercise will be repeated at the end of year 1 as part of the activity review.

- Undertake a stakeholder review as part of the initial needs assessment and identify local organisations and networks identified in the ‘desired stakeholder map.’
- Engage with stakeholders identified in needs assessment with a view to developing long term strategic relationships
- Promote the work of IODR with stakeholders to identify joint activity or funding opportunities.
Resource Planning for 2007

The strategic planning workshop examined the resources available to IODR Sri Lanka as it starts its work in Weligama. It also examined what resources would be required to achieve the mission and objectives and thus the actions to be undertaken to secure them.

Current situation:
- Very strong UK financial resources and business connections
- Good financial resources for completing construction and starting activities in Sri Lanka
- Initial local contacts established and trustworthy.

Required Resources:
- Local expertise and knowledge in areas of chosen activity.
- Supplies for finishing the building of the Weligama Centre.
- Local capacity to work effectively.

Action Plan for first 12 months:
- Use existing funds to establish ‘best practice’ programme activities, reflecting the local need, which establishes IODR’s presence locally.
- Define programme activities during the needs assessment and secure local expertise as required.
- Supervise the completion and fitting of the Weligama Centre ready to start running programmes as soon as possible.
- Employ local staff with experience and expertise in chosen areas of activity.
The Needs assessment

The needs assessment will take 2-3 months at the start of the year. It will be done in parallel to the final construction of the buildings in order that activities can start immediately upon completion. The primary aims of undertaking such an exercise are to develop clear understanding of local needs, networks and culture in the chosen areas of activity to ensure that the activities we engage in are reflective of the local need and participatory with local community members.

Taking the strategic plan as the platform, the needs assessment will aim to define in more detail the specific needs in Weligama for the areas which IODR have chosen to work in. An important aspect of this process will be the involvement of the local community. We will use participatory techniques to run workshops and hold meetings that will ensure we are understanding their needs and defining our activities in relation to those needs.

Specifically the needs assessment will deliver:

- An assessment of local needs in the areas of children and young people education and support
- An assessment of local needs in terms of community health
- An assessment of local capacity in terms of organisations and networks that already exist in working in these areas.
- Detailed local governance and reporting procedures
- Initial 12 month activity plan and budget
- Stakeholder action plan
- Resource action plan
- External Environment Analysis
- Monitoring and Evaluation measures and procedures
Strategic Partnerships

IODR Sri Lanka cannot work alone and will need to develop partnerships with a range of organisations. At present two partnerships have been initiated; one in each area of activity.

MedicalResource UK:

MedicalResource is a UK-based organisation that ‘helps to meet overlooked and unmet healthcare needs.’ They will act as the primary partner and funding organisation for IODR’s community health programmes. IODR will work closely with MedicalResource to plan a long term community health programme that aims to build capacity in local organisations that meet local health needs.

Play Therapy International (PTI):

PTI is a UK-based organisation that is ‘dedicated to promoting the use of play and creative arts as ways of enabling children to reach their full potential.’ They have agreed to accredit IODR Sri Lanka as their implementing partner in Sri Lanka. IODR will implement child focused programmes that meet PTI’s recognised standards for group and one to one therapeutic play as be accredited for doing so. IODR will also arrange and administer training courses build local capacity in play therapy skills.

New and local partnerships:

Once present on the ground IODR Sri Lanka will actively seek to build relationships with local organisations working in the same areas of activity as IODR. Progress towards developing such partnerships will be reported as part of the stakeholder review process.
Finance

A monthly budget for £2000 for the first 2 months has been agreed. This will give sufficient capacity to undertake the needs assessment and gain enough information to develop a more detailed budget for the remainder of the year. Once the budget is approved, payments will be made by arrangement with local trustees of IODR Sri Lanka.

In the longer term, it is a key strategy that IODR becomes self funding. This will require development of a detailed funding strategy that promotes the early work of IODR locally in Sri Lanka and in the UK. To be successful in fundraising there will need to be UK resources to coordinate these activities.

Monitoring and Evaluation

An important area of planning is how IODR will monitor its activities and ensure they are in line with the vision, mission, values and objectives of the strategic plan. For this we will need to define a set of measures that are assessed and reported at appropriate intervals. These measures will be developed in Sri Lanka with programme staff as they join the organisation and initial programmes start their activity. Their involvement in developing the measures we set ourselves will build commitment and help bond the staff members.

External Environment Assessment

All of IODR’s planned strategic activities will take place within an external environment. Sri Lanka has a volatile history that combines the worst of manmade and natural disasters; religion and ethnic background are strong influences on a conservative and cautious society. IODR is not a post tsunami relief effort as such, but a long term community development initiative that will depend on acceptance and inclusion of the local community to be successful in its work. Many Sri Lankan people hold negative perceptions of ‘western NGOs’ and IODR will need to prove we are different.
The needs assessment will provide a more detailed assessment of the external and local environment. This information can only really be understood once the Country Director arrives in Sri Lanka.

**Governance**

The strategic planning workshop established an agreed structure for the governance of IODR Sri Lanka and its relationship with IODR UK. The following structure was agreed:

In light of this structure planned activities will need to be undertaken to ensure best practice in governing the organisation.

**Schedule of IODR UK trustee meetings:**

Trustee meetings will take place locally 4 times a year and in the UK twice a year. The first one is already planned for 23rd February 2007 and the second one will take place in early August 2007.

**Schedule of IODR Sri Lanka Trustee meetings:**

Within 3 months IODR Sri Lanka will have appointed a local board of trustees in line with registration requirements. The inaugural meeting will take place on or around 1st June 2007 at which time further meetings will be agreed.
Reporting to the trustees in the UK and Sri Lanka:

- All trustees will receive monthly activity and financial reports from the Country Director in Sri Lanka.
- The Country Director will additionally provide quarterly reports indicating activity in relation to the strategic plan.
- These reports will be distributed before planned trustee meetings and discussed during the meetings.

Agenda items for Trustee meetings:
Throughout the year there should be a number of strategic areas that should be discussed at trustee meetings. These should cover the following areas:

- Total Activity Analysis exercise to assess governance structures.
- Detailed Review of the strategic plan.
- Review of skills profile of the steering committee and recruitment of external advisors.
- Review of planned activities in relation to the needs assessment.

Expansion of the IODR Sri Lanka Steering Committee
Given IODR’s governance structure it is important that the skills profile of the steering committee is broadened. This will be valuable in advising the Country Director of best practice and challenging the operations of IODR in Sri Lanka. It is proposed to increase the current steering committee from 5 members to 7 or 8 and to specifically recruit people with experience in the voluntary sector in developing countries. This will be discussed at the first meeting.
**Bibliography**


**Other Sources:**


Action for Children in Conflict General Background – [www.actionchildren.org](http://www.actionchildren.org)