

## Save the Children International:

### Advancing New Structures, Systems and Governance to Deliver Impact at Scale

Save the Children is in the midst of a dramatic transformation, from a loose confederation of autonomous members to a federation with strong central authority to manage development programs, coordinate humanitarian response and lead global campaigning efforts. This has required changes from the highest levels of international governance to the country-level program delivery – and a redefinition of roles and relationships at almost every level. The momentum for change came from a vision of large-scale impact, a theory of change that demanded unity of voice and a networked way of working. It also stemmed from the demand of field staff for higher levels of the organization to work in a more streamlined, efficient way.

#### **Background**

Save the Children International is made up of 29 national organizations working together in some 120 countries. As a result of the complex transformation that the organization is advancing, Save the Children International (based in London and led by an International CEO) is now responsible for delivering programs internationally on behalf of all Save the Children members. The global organization is governed by an Assembly (representing each member of Save the Children) and an International Board (consisting of 14 seats - 9 seats are divided up on the basis of budget size, 3 seats are chosen from the Assembly and 2 seats are for external, independent Board members). The International Board oversees a holistic global strategy for Save the Children and supervises the International CEO.

Both the centralized program delivery structure and the global governance system have resulted from an ambitious process of change undertaken by the organization. These changes were spurred by the adoption in 2009 of a single global strategy for 2010-15 that provided a framework for becoming “one Save the Children.” Earlier, in the mid-2000s, what was then called the International Save the Children Alliance had identified four key challenges for intensified cooperation among Save the Children members. *Rewrite the Future* sought to align strategy in a key program area. *Alliance Cooperation in Emergencies* advanced more coordinated response to emergencies. *Stronger Members* sought to develop new members and strengthen existing small members, and reduce the reliance on a few large members (e.g. Save the Children US, UK, Norway and Sweden). *Unified Presence* sought to “unify” multiple members operating in the same country under the leadership of a single member. Progress on these key challenges emboldened Save the Children’s leaders – spurred on by demand among field staff – to take more decisive steps toward integrating and unifying the global organization.

## ***Key Features of Change***

The multi-way merger of field programs under the direction and management of Save the Children International is the major feature of change. Save the Children's choice reflects its decision to "bite the bullet" and pursue change on many fronts simultaneously.

- First, Save the Children's program delivery is going from having been led by multiple members who ran separate offices in the same countries to a unified country program. This has required a change in registration with host countries – reflecting the conversion of multiple Save the Children members' registration to a single entity representing Save the Children. The change has also required transition of personnel and donor funding to Save the Children International.
- Second, unified country programs now report to a central International Programs Unit (IPU) at Save the Children International (in London) rather than to various Save the Children member offices. This required the establishment of Save the Children International as the new executive center, led by Jasmine Whitbread (former CEO of Save the Children UK), that has strong capacity for program delivery, operations management, strategy development and facilitation.
- Third, this requires a fundamental redefinition of the role of regional management. The 21 regional offices of various Save the Children members have now been replaced by seven Save the Children International regional offices that report to the IPU.
- Lastly, the changes have demanded a profound rethinking of the role of Save the Children members who saw their country programs and country offices as the "heart" of their work. The value-added by Save the Children members is increasingly in the area of technical expertise, resource mobilization, constituency building and partnership. This new role aligns well with the global organization's *theory of change*, which highlights innovation, evidence-based advocacy, partnerships and results at scale.

At the country level, this transition builds on the work that had already been underway on *Unified Presence*. Some country offices had already gone through the process of unifying programs under the leadership of a single Save the Children member. This made it easier for them to then transition line management from that single Save the Children member to Save the Children International in London. Other countries had not yet gone through the unified presence process, and had to undertake both the unification of programs and the transition to reporting to Save the Children International at the same time. About 30 percent of countries (including all in Asia) have made the full transition. The goal is to have all transitions completed by the end of 2012 (although some delays in local registration may hold up progress). 2012 is a year of major transition both at the country level and at the IPU, and the change management challenges are considerable.

At the center of the organization, the replacement of the relatively small secretariat (which controlled some \$3 million in budget) by an international headquarters (which will oversee the implementation of nearly a \$1 billion in country programs) with line management over all international operations has been complex. The decision to pursue this change forced the organization to confront many fundamental questions. How should program delivery be more effectively organized and supported? What policies and systems are needed to harmonize functions (including finance and compensation) at the country level? How many regional offices are required, where should they be located, and what should their relationship be to

country offices and to Save the Children International? These decisions were informed by a team led by Jasmine Whitbread (International CEO) and Mark Eddington (first IPU Director). The team consisted of staff from several Save the Children members, and was supported by the Boston Consulting Group.

With line management of international programs shifting to Save the Children International, members that were used to managing their own programs and country offices had to redefine their roles and value-added. This offered a new way to think about how interdependence and complementarity could make the global organization's work more effective. For example, the lead responsibility for global initiatives (like child protection, HIV/AIDS, child rights and governance) is assigned to a Save the Children member who can convene interested members, coordinate technical expertise, develop a program and advocacy strategy, and provide capacity building to country offices. In the past, such roles were played by multiple members, creating redundancies across members and confusion in country offices. The hope is to use resources more efficiently in the future and to allow members to be thought leaders to the broader organization.

Resource mobilization is the key role that Save the Children members retain, but new roles and systems had to be worked out. For example, a new "home donor rule" establishes that members take responsibility for (and are credited for resources raised from) donors in their home markets. This would mean that Save the Children US would be Account Manager for all US government donor agencies, any US-based foundations and any corporations with headquarters in the US. For multilateral agencies like the World Food Program, UNICEF or the Global Fund, members were asked to express interest in either being the Account Manager or a Sub-Account Manager. For some multilateral agencies like the EU or ECHO, there are six or seven Sub-Account Managers, and part of the Account Manager's role is to work out a meaningful role for Sub-Account Managers (possibly including being able to raise funds). The account management role is defined as going beyond raising funds to encompass engaging in policy dialogue and being considered a partner of choice. Account Manager is not a lifetime role. Key performance indicators are now being tested and a review of Account Managers' performance will be conducted in 2013. Poorly performing Account Managers are unlikely to retain their roles.

The shifting of the line management role to Save the Children International has proven to be challenging with some institutional donors. For example, the dialogue between Save the Children US and USAID took almost two years. Only recently did Save the Children US receive a letter from USAID acknowledging the role Save the Children International will play in program implementation with respect to funds provided to Save the Children US. This is an important milestone, given that USAID is the largest single donor to Save the Children globally (making up some 15 percent of annual budget). Importantly, USAID agreed to a shared overhead rate (between Save the Children US and Save the Children International). Save the Children US remains completely accountable to USAID, even having the capacity to hire key personnel and second them to Save the Children International, if compensation for those positions is outside of the harmonized salary range.

All of these elements add up to significant change (accompanied by both anticipation and anxiety) at almost every level and location of Save the Children globally. The organization has invested in change managers that have served as "roving advisors" that support country offices as they "go live" in terms of unifying country operations and reporting into the IPU. Building trust, changing mindsets and strengthening internal

constituencies for change have been key priorities for leaders and major goals of internal communications efforts.

### ***Major Lessons Learned***

*Ambitious goals are important, but change takes time* | The bold vision (linked to a compelling theory of change) for how to organize a more effective, influential global organization has been the driving force for the various parts of Save the Children, particularly since the process of transformation has been arduous and all-consuming. Important elements like changes in local registration or negotiations with key institutional donors have turned out to be more time-consuming than anticipated in some countries. Ultimately, however, resolving those issues and bringing external partners along has built confidence in the new way of working.

*Ceding control, acquiring influence* | Large members of Save the Children have given up control over program implementation, which had traditionally been an important source of identity and power. This has required a fundamental change of mindset as to how members add value to the broader organization. These members have traded in control for influence and expertise. The big payoff of the change process is to leverage the potential of each member most effectively (maximizing complementarity and minimizing redundancy) to have impact at scale. To achieve this, members must work in a networked way, combining centralized program operations with decentralized support for program quality.

*Building a supportive organizational culture* | Working in a networked way (rather than in vertical relationships) requires an organizational culture that values teamwork and collaboration. To help staff see the interconnections among various parts of Save the Children's work, Save the Children US has established cross-functional impact teams that help people see their role as vital to how the broader organization delivers results. Despite having a shared theory of change and organizational strategy, there are still multiple interpretations of key concepts (like results, partnership or breakthrough), given the diversity of the organization. Creating a shared global language is challenging but necessary.

*Retain attention for second phase of change* | Given the complexity of Save the Children's transformation, the first phase of change has been intense and draining. The second phase (focusing on program quality, partnerships and impact) is crucial to ultimately deliver on the promise of this new organizational model. Helping staff develop a set of skills relevant to a new way of working is also vital. For example, diplomacy and negotiation skills are essential in this new world, but are still under-valued by the organization. Mechanisms like the Global Program Directors Group (which has monthly calls and quarterly face-to-face meetings) were established to support country office transitions, but they must still evolve into fora that resolve problems and foster collaboration on an ongoing basis.

*Going global at a time when local ownership is being prioritized* | The new structure is already showing that it is conducive to growth. In the past, for example, Save the Children US only raised funds for its country offices. Now, it raises funds for any country in which the global organization works. As a result, Save the Children US is raising funds for twice as many countries as it did before. However, many institutional donors are increasingly interested in funding local NGOs directly, rather than channeling funds through INGOs. Will Save the Children's focus on unified, global implementation capacity draw attention away from the need to transform country offices into independent local organizations?