

June 2009



Increasing Effectiveness in Global NGO Networks

By Jon Huggett,
Katie Smith
Milway, and Kirk
Kramer¹

¹ The authors would like to thank Bridgespan consultants Steven Perez and Francisco Aguilar for their contributions to researching this article.

A tsunami hits a densely populated coast. Cell phone photographers stream images and sound right to YouTube. Aid organizations mobilize, and the world watches as several national members of the same global network respond independently in an uncoordinated way.

* * *

A new treaty is being developed that would allow countries to claim carbon offsets through forest conservation. National leaders in the same global nonprofit network disagree about its value: some are strong, public advocates; others petition instead for reduced industrial emissions.

* * *

A large organization solicits funds from a major US foundation. At the same time, its sister nonprofit, with the same brand name, approaches the foundation. The funder's leaders are confused, and wonder about the seeming conflict. Is there infighting? Can the foundation make any sort of investment with confidence?

* * *

Leaders of several fundraising organizations—located in different countries, but all part of the same nongovernmental organization (NGO) partnership—independently contact the leaders of one of the NGO's field organizations. They each want direct reporting relationships with field staff; they are also pushing projects that donors in their home countries want to fund.

The question of how much to centralize—or decentralize—decision-making and operations has dogged global organizations for centuries. Studies of for-profits show that the best answer can be different at different points in an organization's growth. But few such studies exist for nongovernmental organizations (NGOs), and for too many of these nonprofits, the scenarios described above will sound all too familiar because they reflect flashpoints that occur when an operational structure is no longer optimal. What's needed is a way for an NGO's leaders to get out ahead of these flashpoints when possible, by learning to determine in advance when their organization's approach to operations and decision-making need to be revised, and along what lines. In an effort to help with this important task, we synthesized what we've learned through case work with a diverse group of global nonprofits; we also conducted interviews with the leaders and staff at more than 30 global NGOs. Our findings illuminate an emerging approach that blends the best of efficiencies at an organization's center and local innovation in the field.

An Emerging Approach

In order to determine the best operating approach for an international organization, it's important to understand how it has grown to date. Consider the inception of a typical global NGO. Likely, it was founded in a developed country. And initially, it probably expanded by following one of two patterns: Some NGOs, such as The Nature Conservancy, begin by systematically opening branches in other countries, essentially *radiating* growth from a strong center that maintains field support and overall program budgets. Others—a majority that includes Doctors Without Borders (Médecins Sans Frontière or MSF), Oxfam, and many more—begin by supporting “ad hoc” *replication* of the founder organization, in most cases creating a coordinating center or another mechanism to knit together a loose partnership

Boston

535 Boylston St., 10th Floor
Boston, MA 02116
P 617 572-2833
F 617 572-2834

New York

3 Times Sq., 25th Floor
New York, NY 10036
P 646 562-8900
F 646 562-8901

San Francisco

465 California St., 11th Floor
San Francisco, CA 94104
P 415 627-1100
F 415 627-4575

of legally separate fundraising entities that share a common (if not standardized) brand. These entities and their attendant field operations tend to sprout when an independent nucleus of like-minded folks have the inclination, means and energy to start an affiliate. Sometimes the coordinating center is an afterthought.

In either scenario, significant challenges emerge as the organization expands and becomes more complex. The *radiators*, which benefit early on from tight program management and straightforward reporting structures, eventually find that funding partners agitate for more influence over field work and direct relationships with frontline staff. *Replicators*, on the other hand, have the brand and fundraising advantage of being “home grown” everywhere, but can trip over one another and duplicate efforts in the field, arguably wasting donor dollars. Either that, or they operate autonomously in their own geographic spheres, taking less advantage of each other's experience as engines for growth and impact.

Importantly, however, some of these organizations are addressing (and avoiding) these challenges by evolving to a hybrid approach, with radiators ceding some control and replicators tightening coordination without building large central staffs. Among clusters of NGOs with common defining characteristics, we have identified a number of organizations that are now pursuing this approach; we call them *integrators*. These organizations combine many of the advantages of radiators (e.g. coherence) and ad hoc replicators (e.g. the ability to act as a local anywhere). They include micro-credit agency Opportunity International, sustainable development nonprofits Oxfam, and World Vision, and Habitat for Humanity International, which helps poor families obtain homes. All have achieved impressive growth sustained over 10 years or more.

Integrators work to distribute their “centers” and keep them focused on elements that need to be standard throughout the network and define an overall brand name. (These elements can include core goals, expectations, practices, or behaviors.) However, these NGOs also explicitly allow flexibility and individuality, location to location, by mapping the strengths of each network member, and appealing to those strengths to allocate authority for activities, initiatives and functions. In this way, one location may become the network's “evaluation” lead; another, the “program lead,” and a third, the lead for recruiting staff with particular expertise. Network members collaborate as they operate, bound by common goals and certain global parameters, but free within those boundaries to leverage and share unique strengths.

Getting to integration via loosening or tightening can be messy, and few organizations would claim 100 percent success. But the approach is worth considering because of its potential to enable increased effectiveness, and also sidestep some of the challenges—and ensuing flashpoints—typically associated with operating a global NGO. Similar to a jigsaw puzzle in which each piece is different but works with others to create a coherent whole, integrators constantly look for synergy among their various operations, blending strengths to provide the strongest possible offering. Additionally, they bring together streams of local knowledge and expertise to muster greater power on the global stage, raising worldwide public awareness of an issue, for instance, or lobbying for action by the UN.

It's heartening to see the results that integrators are achieving; however, we're also cognizant that the approach is not for everyone. For many organizations, such as the YMCA, for example, the benefits of coherence may not be enough to justify the upheaval that would likely accompany the change process. Nonetheless, we believe that this approach holds promise for many NGO networks. In the rest of this article, we will discuss when an NGO's leaders should consider moving their organizations from radiator or ad hoc replicator toward integrator; we will also offer more detail about just what the change process might entail.

When is the Integrator Pattern Worth Pursuing?

When is it worth the investment in changes necessary to become an integrator? The experiences of the organizations whose leaders we interviewed suggest three primary signals: programs bearing the same brand overlap in the field, advocacy is at odds, and funders are confused.

Programs bearing the same brand overlap in the field

In an age when the world can watch a disaster unfold, the world also will take note if two organizations bearing the same name are tripping over each other at the scene. Global coherence and coordination become critical in times of disaster, and organizations moving toward integration have found relief work a logical place to focus initial coordination efforts. Take, for example, Oxfam, an NGO that has evolved from having half a dozen affiliates arrive on the scene in the wake of the 1976 Guatemala earthquake to creating a network among their local, grass-roots organizations that can respond to a disaster quickly and efficiently. They are propelling this evolution by delegating in-country program offices to lead on-site response and logistics; catalyzing a network of program staff with relevant experience to move the right resources to the right people; and enabling members in the developed world to initiate rapid-response funding appeals.

Fewer eyes tend to be watching when overlaps occur in ongoing development programs (often driven by national partners located in developed countries that want more control over field operations). As a result, integration—whether via tightening replicators or loosening radiators—tends to be a longer process.² But it is no less critical in order to make the most of every donor dollar. In the absence of program coherence and a commitment to sharing knowledge across fields, staff in the same country may duplicate back offices, while staff in different locations may be

² Some radiators have seen their centers dissolve over the issue of control in the field (e.g. Food for the Hungry International in the early 2000s), and their funding partners push activities like grant management out to field directors who then report to multiple partners.

going up the same learning curve and repeating avoidable mistakes. As one development leader lamented ironically, “What happens in the field stays in the field.” Integrators aim to create program “leads” that share best practices to streamline service delivery and allow local field experts scattered throughout the world to share difficulties and successes, and to learn from one another. They also work to distribute staff that support field operations across national support offices.

Advocacy is at odds

Grass-roots experience gives organizations credibility in policy debates that experts from the developed world can lack. But if voices from different parts of a branded network are dissonant, this power evaporates; worse, the internal conflict can derail useful policy discussions. On the other hand, an organization that can speak confidently and knowledgeably for communities around the world can get heard at the UN or on other world stages, including major media. Consider Oxfam again, this time for its 1998 campaign to reach out to the World Bank on debt relief. Oxfam had traditionally focused on field work rather than advocacy or mass campaigning. It had submerged the various voices of its organizations in a series of partnerships with other entities, each with a different point of view. Thus, the Oxfam brand did not stand for a clear position in the then-emerging worldwide debate on debt relief for the poorest countries, an issue that ran the risk of failing to capture the imagination of the public.

Ray Offenheiser, executive director (ED) of Oxfam USA told us how Oxfam learned the power of harnessing its collective voice: “The EDs of Oxfam International affiliates—for example, from the UK, the US, Holland, and Australia—decided to take a stand, arguing that debt relief was critical to education in developing countries. We produced a 240-page book on the state of basic education in developing countries around the world, showing that the cost of servicing debt was harming education. We turned the ‘child out of school’ into a poster child for these macro-economic policies. This was not about giving poor countries a free pass on their debt obligations, but rather about illustrating the links between onerous policies of debt and structural adjustment and the collapse of social sector expenditure budgets in developing countries and its impact on several generations of young people. With this as our first campaign, we opened our first small advocacy office in Washington DC. Our substantial report and positioning on this issue enabled us to launch conversations with [then-UN General Secretary] Kofi Annan, Jim Wolfensohn [then head of the World Bank], the White House, and a variety of governments.”

In this way, Oxfam was able to raise collective awareness and make a thousand voices heard as one in the raging debate around debt relief. In 1999, the Debt Initiative for Heavily Indebted Poor Countries (HIPC) was enhanced with faster, deeper and broader relief. What’s more, the success of this intervention gave people throughout the Oxfam network the confidence to tackle more complicated issues, such as trade.

Funders are confused

NGO networks are in the business of moving resources from the haves to the have-nots. This is mission-critical for World Vision, MSF, Save the Children, and many more. But when funders are approached by multiple bearers of the

same brand in an uncoordinated fashion, the ensuing confusion can negatively affect resource-raising. Integrators are able to deliver a consistent and compelling expression of needs to donors in different locales. And coherence helps them collaborate effectively with global funders. Consider an NGO network with a program in India being funded by its UK affiliate. How should the network approach a US foundation that has expressed interest in its mission and work? Should the field manager talk to the foundation's program officer in India? Should UK board members approach people they know at the foundation's headquarters across the Atlantic? Or should the US affiliate approach the foundation on its own turf? Ideally, the NGO network could do all three, in a coordinated and coherent manner, a skill that will be increasingly important as more funders think globally rather than nationally, and as larger numbers of internationally recognized individuals (Bono of the rock band U2, for example) seek to raise awareness of social challenges.

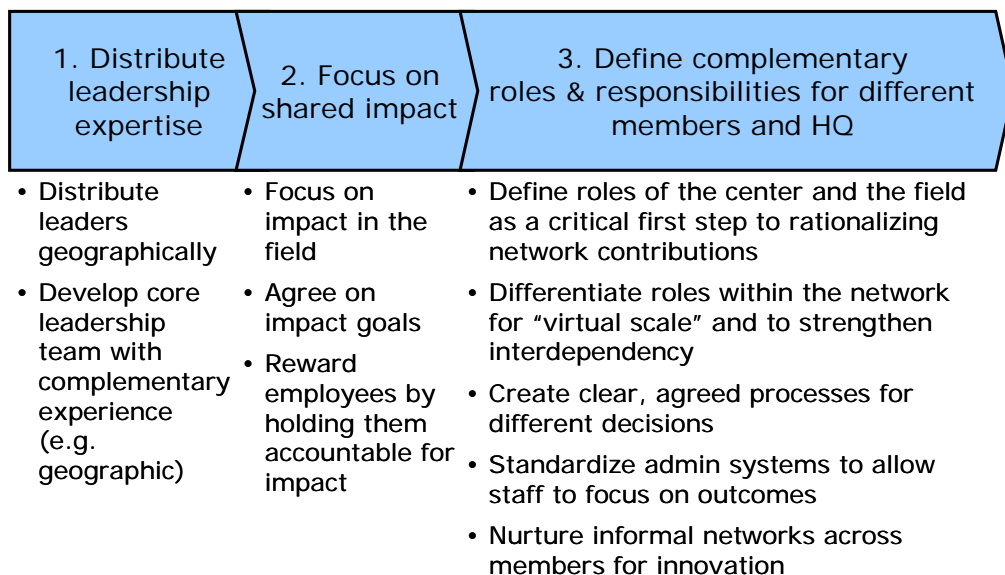
For organizations facing these roadblocks, the investment in integration will be worth making. Global coherence can galvanize fundraising, and get funds sourced and used to the greatest effect, regardless of locale. Such coherence sets the stage to achieve more impact (and, by proxy, to grow), which makes the integrator approach both attractive and timely. (The below graphic summarizes the kinds of challenges radiators and ad hoc replicators encounter that might cue serious consideration of an integrator approach.)

Challenges that might cue consideration of an integrator approach

Duplicate field programs	Inconsistent advocacy	Competing fundraising
<ul style="list-style-type: none"> • Inefficient use of resources through unnecessary duplication • Programs operating at cross-purposes in the same geography • Missed opportunities to reap economies of scale, skill and scope 	<ul style="list-style-type: none"> • Different messages in different countries conflict and confuse • Bad reputation in one country can spread quickly to network • Inconsistent use of brand can blunt credibility and advocacy 	<ul style="list-style-type: none"> • Funds not directed to where potential for impact greatest • Uncoordinated or conflicting approaches to major donors • Brand confusion

The Defining Practices of Integrators (and How to Adopt Them)

The same increasingly interconnected world that has heightened the challenges faced by expanding international networks has also made it possible to tighten networks in easier, faster, and more flexible ways than ever before. But technology alone is not enough. The experiences of the integrators we interviewed suggest that they embrace at least three defining practices. First, they work to *distribute their leadership expertise*. Second, they *focus on shared impact*. And third, they *define complementary roles and responsibilities among different parts of the networks, including field and the center*. (The below graphic summarizes the actions that support each practice.)



Distributing leadership expertise

The source of integrators’ power lies in the way they allocate and distribute leadership, which informs how managers work together, and makes a global team more than the sum of its parts.

Members of the leadership team are often distributed across the breadth of the network: The chair of Opportunity International, Terry Winters, lives in Australia, while his global chief executive officer (CEO), Adrian Merryman lives in the US. What’s more, all of the leaders we contacted travel widely. One commented, “As president, I travel about 50 percent of the time, because it’s important to help teams feel a part of what we’re doing and also for me to get a textural sense of what’s going on.” In fact, many of them travel so much, they are rarely in their “home” office. Dave Young, chief operating officer (COO) of World Vision commented, “I have an office in the U.S. but I rarely visit it. I spend most of my time on the road in the field, or working from home on the phone. Technologies such as Skype, WebEx, and desktop video allow for both better managing and living in a globally networked organization.”

Most also seek to bring people into the team who will round out team members' collective global experience, sometimes because they've worked in a particular country, and sometimes because they have lived there.

How are these high-performing teams developed? First, they appear to emphasize collaborative relationships. These teams really are teams; they're not made up of one heroic leader and his or her loyal supporters. Today, MSF is led by a team that includes the MSF CEOs of France, Spain, Belgium, and Switzerland. An expanding team of chief executives from 14 country offices leads Oxfam: The team grows as each new affiliate joins, and each member has a vote.

At first we wondered if shared leadership was just a function of the networks' age: The fact that they had outlived their original founders. But the contrast with global business is stark. Successful global corporations such as General Electric have gone through multiple phases of growth with a series of strong, central leaders; in GE's case Reginald Jones, followed by Jack Welch, followed by Jeffrey Immelt. A question for further research is whether an NGO's global team can actually provide better leadership of its network than any one individual ever can.

Second, team members understand and accept that the costs of making this sort of set-up work are steep in terms of time, money, and physical strain. Many of the managers we interviewed spoke about the importance of getting the team together face to face, despite the logistical complexity and cost. As Jean-Michel Grand, the UK CEO of Action Contre le Faim (Action Against Hunger or ACF, which has five national ACF partners that raise resources, commented, "We do a conference call every month and a meeting every quarter. The physical meeting is a key in building relationships. We could cut the cost of a trip, but at the end of the day there is so much more to gain by meeting in person."

Similarly, Paul Gilding, former global CEO of Greenpeace observed, "When I first arrived, I thought the organization was incredibly bloated – people flying around all the time, half of our meetings devoted to informal or social time. But then I realized that this was the glue that really held the organization together."

To further these collaborative relationships by bolstering mutual understanding, some networks transfer people proactively. Charlie MacCormack, the CEO of Save the Children USA commented, "We have 'job swaps' where, for instance, the CEOs of Save UK and Save USA switch places for a week." Gilding also shared that, "From a quarter to a third of our CEOs were on a rotation assignment at any given time. The purpose is not just about turning around members that might be struggling, but also internationalizing the organization."

Others create interlocking directorships of country boards. Winters, of Opportunity International, commented, "We try to encourage links across the boards within our network. Our global board members generally sit on up to three boards within the network, and our CEOs frequently take on a board role in another country. We also started a network of mobile CEOs, which allows us to place people in hotspots where their skills are needed. There are only

about eight people at our headquarters – the rest of our network leadership lives around the world in different cultures and time zones, so we are still very much a virtual organization.”

Grand of ACF added that although the chair of each ACF board is always from the host country, “Boards for one entity can include someone from another headquarters office in the network, and chairs from each HQ are welcome to attend the board meetings of any HQ.”

Focusing on shared impact

If the power of an integrating global network lies in the leadership team, the first task of that team is to help partners in the network identify and focus their efforts on a set of common goals. This clarity of purpose delineates the results that the organization as a whole will hold itself accountable for, helping individual organizations determine their optimal mix of programs and services, and also reducing the risk of conflicting advocacy.

Consider again the way in which many organizations grow. Programs replicated in new sites are generally adapted to suit local contexts. Sometimes these adaptations work very well, to the point where they are copied by the original program. But sometimes, as distinctions between individual programs become more pronounced, they inadvertently cause the members of an association to drift apart. Then, when leaders of these organizations gather together, they may struggle to reconcile local processes to a single global mission. Individual leaders give long explanations that start “In our country ...” but the sessions do not end with many managers picking up ideas that they can use at home.

But starting with shared goals, and then zeroing in on how to create the most significant impact in the field, can unleash the capabilities of all members of a global organization. It simply is easier for the leadership team to converge on desired outcomes, if everyone knows exactly where the goalposts are. And it’s easier for program leaders to learn from each other when they share measures of success, and for advocacy leaders to promote the right policies if everyone knows the specific change that the organization stands for. Finally, a sharp definition of desired impact can make requests to donors crystal clear, which is especially important if the donor is halfway around the world from needs in the field.

Habitat for Humanity International, an organization that seeks to eliminate homelessness and unfit housing, provides a good example. Founded in the US in 1976 by Millard and Linda Fuller, Habitat has built more than 300,000 houses, providing more than 1.5 million people in more than 3,000 communities around the world with safe, decent, and affordable shelter. Originally, Habitat’s leaders defined success in a distinctly US-centric way: The goal was to build single family homes that individual families could own. The organization used this definition of success—“houses built”—as it replicated. As time passed, however, Habitat’s leaders realized that this metric was frustrating to its international member organizations. In some locations, for example, it was difficult to prove land titles. In others, it was clear that renovating existing structures was a more effective approach. Habitat’s international membership was stymied by the way the organization measured success.

As Mark Andrews, senior vice president of operations, explained, “We came to realize that in places like Bombay, India, the idea of building 36 houses a year was foolish, and that the best approach was to partner with other NGOs and find solutions to housing other than the North American single family home. [The shift in thinking] came from our recognition that our real metric should be ‘families served.’”

This new metric has allowed Habitat's central organization to become less prescriptive, which has fostered an increase in innovation across country programs as each adapted the Habitat mission to its own regional realities. It encourages people in the field to focus on what will serve the most families. It has also made it easier for local Habitat organizations to collaborate with other NGOs that provide complementary benefits, such as clean water or microfinance.

Opportunity International provides another good example. Opportunity's original program involved giving small loans to individuals via loan officers. Over time, however, some program managers began to argue that that Opportunity should support group lending, where the loan is given to a group whose members act as each other's collateral, as this could be a more effective means to reach larger numbers of working poor. Eventually, this new approach won approval, and the ensuing shift has unleashed a wave of innovation across the Opportunity International network, including the establishment of micro-savings and even micro-insurance programs. Members of the network are now more focused on what will lift people out of poverty than on rote replication of a program that had worked well.

As Merryman explained, “The shift to group lending was originally a controversial move. Our theory of change for getting an individual out of poverty was based on a loan officer providing a one-on-one relationship with the borrower. Many believed group lending would destroy that meaningful relationship, not realizing the power of peer-to-peer interaction in changing borrower behavior. We now know that what's important is moving [more] people out of poverty, rather than the specific model that delivers the impact.”

A number of NGO leaders told us that an added benefit of establishing explicit goals and metrics that work well is employee motivation. Passion for the mission, after all, is what brings many people to a given organization in the first place. It's natural for staff to want to know if they are accomplishing that mission. The ability to measure results in a clear, transferable way not only helps the leaders of member organizations manage performance, but also gives their employees an “impact fix.” As Nicolas de Torrente, US ED of MSF affiliate Doctors Without Borders explained, “We can't compete on pay. We keep people because they like what we do, and because they're given responsibility and can shape what they do.” Charlie McCormack, US President and CEO of Save the Children, concurred, “The overwhelming performance incentive is to see your vision enacted, so rewarding people by giving them control over the impact is a critical motivator.”

To be clear, each one of the organizations we researched said that building support for a clear, broad goal -- e.g. lifting families out of poverty, or helping families become adequately housed -- was a critical first step. The next step,

10

breaking that goal into concrete field metrics took more time. But the need to build broad support around the right goals and metrics far outstrips any advantage to deciding them swiftly. One fear that field workers often express, for example, is that goals on the ground will be imposed from too far afield: Someone in London will decide what someone should aim for in Sierra Leone. This concern speaks to the need for a collaborative leadership team.

A similar concern is that someone in the field will be judged by someone from the "head office" who does not really understand what it takes to make things happen in a developing country. To address this concern, some NGO networks have instituted a peer review process, through which the work of one organization or program is reviewed by its peers in the network. These peer reviewers may not understand the exact context of the work in question, but they are also field practitioners and understand the sorts of issues that a leader in the field faces. And the feedback cycles virtuously: Peer reviewees get to be peer reviewers, too.

Peer reviewing can also help strengthen the network by building relationships. As Young of World Vision commented, "We have a system of peer review processes and assessments for all entities in the partnership. These have a range of functions from enhancing alignment to global priorities and strategy, to internal audit, to risk assessment, to program quality enhancement, to sharing best practices, and improving stewardship and accountability."

Likewise, peer reviews done right can build trust between parts of the network including field operations and headquarters. When peers both provide and receive feedback constructively, the process can transform power relationships throughout the organization.

Defining complementary roles and responsibilities for different members and HQ

Instead of building a powerful headquarters, integrating networks use the power of the *network* to create impact. The common principle we have observed in our research is "complementarity." Essentially, this means getting very clear on where the *role of the center* begins and ends, and about the *roles of the various field organizations*, understanding that each may have a special expertise to contribute, and that "equal" doesn't necessarily mean "the same." It also means being explicit about *decision-making processes*, for example determining where the authority for a given type of decision resides, and when a decision needs to be made at the center versus in a given locale. Finally, integrators are deliberate about encouraging *informal relationships* to flourish among network members, allowing innovation to bubble up from local members instead of originating solely from "headquarters."

The Distributed Center

To begin, as we've noted, it helps to think about the "center" as global but not necessarily in one place. People doing global work and filling global functions can be based in places around the world, rather than concentrated in a single "headquarters." Moreover, the "role of the center" is not really a list of functions performed in "headquarters," but more a set of decisions (made in any number of places) that affect the organization globally. Put another way, the "center" is a distributed, but coherent, service that supports field operations.

Among the organizations we studied, the productive roles for the center included: articulating a shared view of what matters most in terms of field impact; forging agreement around the use of the brand, particularly for fundraising and advocacy (and enforcing the consequences for network members that do not adhere to that agreement); and developing common systems for administrative functions and reporting.

Of the three, standardizing systems may seem the least compelling; however, in practice it is critical to success. A number of networks in our research found that their member organizations had, over time, customized administrative systems to the point where it was difficult to compare financials, program outcomes, personnel reviews, and a host of other items which, while mundane, are the arteries of communication through any network. At Save the Children, for example, Tomas Hatem, senior manager of the alliance secretariat of Save the Children organizations, observed that “Having competing and contrasting systems causes problems and takes time away from programs.”

Similarly, another NGO, Mercy Corps, created a set of solutions called ‘Office in a Box’ for member organizations setting up shop. The package includes all the systems and forms for procurement, HR, field finance, and other admin, and lives on Mercy Corps’ digital library.

Microfinance network ACCION, for its part, standardized its systems on the web and worked to change behavior through training programs and financial incentives (you don’t get paid unless you use the finance system).

A final word on determining the role of the center: The integrators we interviewed noted, across the board, that taking the time up front to iron out details is critical. As Young of World Vision summed up, “You have to get the balance right early – it’s difficult to pull power back once it’s gone.”

Roles of field organizations

Gaining clarity around the role of the center can also help senior managers recognize unique areas of strength among various field organizations. When formalized, this recognition allows field organizations the freedom to make the most of their own situations and strengths, and also makes it easy to recognize when they should be working together to gain synergy, and when a given organization should take the lead.

Action Contre le Faim, for example, deliberately distributes global roles among its members. As UK CEO Grand explained, “There is complementarity among our network members. France, Spain, and the US manage country operations, while Canada provides us with access to additional French-speaking expatriates and funding and the UK does program evaluation, leads on advocacy and partnerships with local NGOs and provides funding to the network’s programs.”

Opportunity International was built on the respective field and fundraising strengths of two microloan programs that merged. As Opportunity’s Winters noted, “Our founding reflected the desire to put together the best of what each

member had to offer. Our U.S. founder was funding enterprises in Latin America for improved employment, but it wasn't a successful field model. Our Australian founder was running a promising microfinance organization in Bali but was having trouble raising capital. By joining forces, we had a great [field] model and a way to fund it."

Not only does such specialization get things done, but some NGOs also report that it tightens their network. As MacCormack of Save the Children USA explained, "Different members of the network play different roles. Only eight are operational on the ground; the rest either fund those members or are more advocacy oriented. We are also concentrated sectorally: The US focuses on maternal and child health, and basic education; the UK on nutrition and emergency response; Scandinavia on juvenile justice; and Japan on shelter. This has strengthened the network and we are about to embark on a process of codifying this even more."

Oxfam's Offenheiser, told a similar story, "Oxfam UK has enormous history and experience in humanitarian response relative to the other members. But we wanted to spread that competency to other network members, so we asked if there were other affiliates that wanted to become part of a consortium response to humanitarian disasters. Seven members applied and were reviewed for level of interest, commitment, ability to fund and staff the work. We conducted an internal peer review to assess their readiness, competencies, and level of investment. We ultimately deemed that five were in a position to participate so they now form our humanitarian response team, with a lead agency identified for each region of the world."

Decision making

With the center clearly defined and strengths in the field clearly recognized, integrators need to clarify who makes which decisions where, and when. Doing so also helps them determine when a given decision needs to be escalated from the field to headquarters. Again, our research suggests that there is no single answer, but the most effective organizations define appropriate decision-making processes for each kind of decision.

For example, Nicolas de Torrente, the US ED of MSF, described two distinct processes for making decisions within the network. First, he commented, "We have a deliberative decision-making process for broader issues like strategy." The MSF leadership team uses an inclusive approach, making decisions about the organization's long-term strategy only after listening to a wide range of voices from around the network, thus ensuring that the rights of each of the legally separate founding-member organizations are respected. As de Torrente explained, "The process is designed to make sure that everyone is on board and 'owns' the organization's mission and objectives."

Second, the leadership team delegates *operational* decision-making responsibility to leaders at headquarters and in the field, who must, given the nature of the work and its environment, often make such decisions—including security decisions—on the spot. "We continue to operate in very dangerous circumstances; when it comes to the well-being of our people in the field, it's important to have one person for each field mission who is the decision-maker," de Torrente said. "And it does not matter if there are people from the different parts of MSF in that operation." As he

noted, being able to delegate such decisions is a direct result of the effort made upstream to ensure that the mission and objectives are clear and shared.

Each organization has a unique structure of boards and management in different places, carefully built over the years. We are not convinced that there is a 'right' or 'wrong' structure, but the common thread we heard was that it does make sense to be clear about how key decisions should get made, and to design the 'right' process for each.

In this aspect, integrators resemble many other effective organizations we have studied, in that they find great value in clarifying decision-making. A useful tool for getting the design right can be found in RAPID®, a decision-making tool created by Bain & Company and adapted by The Bridgespan Group. (For more information, please see the following publications on www.bridgespan.org: "Who Decides? Mapping Power and Decision Making in Nonprofits" by Jon Huggett and Caitrin Moran in the *Nonprofit Quarterly*, Fall 2008, and "Boys Town: Clarifying Decision-Making Roles Between Headquarters and Sites" Jon Huggett and Kirk Kramer, Bridgespan, 2008. See also: "Who Has the D," by Rogers & Blenko in *Harvard Business Review*, January 2006.)

Informal relationships and innovation

Deliberate attention paid to informal relationships may seem like a contradiction in terms, yet each of the NGO networks we looked at explicitly nurtured informal relationships across the organization, and each recognizes these relationships as being important to the organization's ability to stay relevant in changing times.

What are these relationships like? Young of World Vision compared the internal relationships at that organization to those he saw when he had worked at a global consulting firm. "We have 'communities of practice,' to build networks among people doing similar work in different countries and different parts of the organization," he said.

The World Wildlife Federation (WWF) provides a good example of how informal relationships can generate ideas that benefit the network overall. World Wildlife Federation employees, working on marine ecosystems in different parts of the Pacific, took the initiative in 2002 to form a Marine Advisory Group that met annually to share lessons learned pertaining to coral reefs. The team was global, consisting of staff from Indonesia, Malaysia, Fiji, Papua New Guinea, Europe, and Washington. One evening, while working together on various projects, the team hatched an idea for a strategy for conserving marine life in a fragile region of the Pacific known as the Coral Triangle.

After a series of iterations, progressively improving and elevating the plan, senior WWF leadership adopted this strategy as the Coral Triangle Initiative and approached donors. The strategy caught the eye of multilateral donors such as the World Bank and the Asian Development bank, the President of Indonesia, and a bilateral donor that awarded a multimillion dollar grant for the project.

It did not stop there. The governments of the region are now exploring the potential for a new multilateral partnership: a Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security. This followed from the endorsement of 21

world leaders at the 2007 Asia Pacific Economic Cooperation (APEC) Summit of a Coral Triangle Initiative, and is an example of creating impact by creating relationships across a network, in this case, WWF's.

Potential for Breakthrough Levels of Effectiveness and Impact

Early in this article, we mentioned that the integrators we interviewed had achieved and sustained considerable growth in the past decade. Such growth, in a period of general economic expansion, cannot be attributed merely to organizational design, but it's nonetheless worth noting as part of the mix. For example, World Vision, founded in 1951, has grown from worldwide revenues of less than \$900 million in 2000, to more than \$2 billion. Oxfam, since 1997, has almost tripled worldwide revenues from just over \$350 million to nearly \$1 billion. Save the Children has grown from \$350 million to \$1.2 billion over the course of a decade. Opportunity International has grown even faster, albeit from a lower revenue base. This growth is exciting, but more so is the potential for these organizations to achieve breakthrough levels of effectiveness and impact. We plan to continue to study integrators, and we hope that others will do the same, as businesses, government and nonprofits around the world search for the most effective ways and means to address continuing issues of poverty alleviation and vulnerability.

(Jon Huggett is an independent consultant in global development and former partner with the Bridgespan Group. Bridgespan partner Katie Smith Milway is a former NGO manager and author of two books on sustainable development. Kirk Kramer is a Bridgespan partner and head of the firm's consulting work on organization.)