

**Alliance Memo on how our organization is responding to the changing environment.
September 24, 2018**

As noted in our previous update (February 2018), our “Destination 2020” strategy articulated three strategic directions as detailed below.

**Strategic Direction #1: Deepen our well-being and protection programs for children.** We vowed to strengthen the results and quality of our programs and expand efforts into our outer circles of impact — in families, communities and governments – and building broad support for children’s rights. We are now collecting data and building our capacity to advocate for systemic and policy change in child protection systems. Additional updates since the previous memo:

1. **Impact Report:** Our 2018 Impact report, the third bi-annual report of its kind, will be released shortly. The report explores the intersection between child protection and child development, shares insights generated by Community-based child protection mapping and ethnographic studies and describes the role that young people play in advocacy. The focus is not on “impact measurement” but on how we are testing and affirming our theories of change. Drawing on baseline reports, case studies, evaluations and research studies from all regions, the report provides information about conditions for children, project successes and challenges, and how this is leading to program improvements. It uses our Life Stage approach to define the ways that children and youth of different ages are vulnerable to neglect, abuse, violence and exploitation.
2. **Global M&E System & Platform:** We continue to build and refine our Global Monitoring & Evaluation (M&E) system and are now developing the global platform. The purpose is to help ChildFund make better decisions in pursuit of our social impact using a common set of minimum M&E requirements. We focus on our overall program, using common, global indicators; our primary focus is on improving management practices to inform programmatic and strategic decision-making at Partner, Country and IO levels. The emphasis is on learning and reflection. The system codifies the types of accountability, core program/program quality and effectiveness data that must be tracked globally (“common system”), and how these contribute to our global evidence base. The system also serves as the basis for our external positioning and research initiatives.
3. **Thought Leadership & Research Agenda:** Last year we hired Dr. Darcy Strouse as a Research Manager to lead our efforts to build a coordinated, collaborative, and credible research program. Through the program, we aim to *define our niche* – and back up our programming with evidence of success (or of what doesn’t work); *bring something to the table* and be recognized for our contributions; and *increase our visibility* as a credible, reliable, legitimate and thoughtful partner. We are pleased that four of our research papers on child protection and well-being have already been accepted for presentation or publication.

**Strategic Direction #2: Deliver transformative giving experiences for donors**. As part of this effort we have several initiatives underway including: A brand revitalization effort to clarify our target audience and ensure our relevance to them; a reimagination of sponsorship that starts by designing a new ‘customer journey’ for both children and sponsors; strategic cross-functional effort to examine all the reasons sponsorships end, and subsequent efforts to maximize sponsor retention; a new digital system (including a new website) is being developed to contribute to both sponsor acquisition and retention. Additional updates since the previous memo:

1. **Salesforce go-live:** In June 2018, ChildFund transferred all data from our legacy sponsor data system, Enterprise and LINCs, into Salesforce. We are confident the new system will help us build better relationships among all key stakeholders across our networks, by providing a flexible, cloud-based solution that gives us a single source of truth to unify staff, partners, supporters and children globally. We appreciate everyone’s patience, particularly our Alliance colleagues, as we work through the expected post-go-live kinks and seek to optimize the system.

**Strategic Direction #3: Cultivate a culture of innovation for value and impact.** Our strategy noted that we cannot continue to work in the same way and expect to overcome the challenges we are facing in both our external environment and our own operations. We began with our employees and are taking several steps – including training and workshops around the world – to create an employee experience that increases employee engagement. This is because we believe engagement is a precursor to risk-taking, creativity and innovation. We are also weaving innovation through many aspects of our work and have underscored that we seek innovation in all areas: programs, products (e.g. our fundraising offerings), processes, even our business model. Additional updates since the previous memo:

1. Our first-ever **Global Innovation Fair** in November 2018 will be an opportunity for individuals, groups, teams and communities of practice across ChildFund, including the Alliance, to connect around innovation. We will identify innovations at all stages (concepts, prototypes, successful pilots and fully operational projects). We aim to capture learning, more rapidly transfer knowledge and together find ways to scale effective approaches. The Fair is more than “just an event” – it’s an experience and a key pillar in ChildFund’s journey to become a more innovative organization.
2. **Organizational Effectiveness Project:** In May 2018, we launched an Organizational Effectiveness project. It aims to Identify and implement changes to our organizational structure and operating model, to align costs with revenue projections; support Destination 2020 strategic priorities; and ensure ChildFund’s relevance long-term, by increasing our speed, agility and adaptability. The driver for this effort is that despite growth in US Sponsorship, our unrestricted revenue is not growing fast enough to cover our costs and fund investments to ensure ChildFund International remains relevant in the coming years and decades. We need to think differently. Structure should follow strategy, but while we have made changes in parts of the organization we have not yet looked at our global structure in a holistic way. We now ask ourselves: What changes will make us more efficient *and* increase our impact? We have a great example and many learnings from our “Alternative Presence” effort in the Americas (detailed in our previous update), which pursued similar goals in the region. We are building on learnings and experience from that project as we undertake this global effort.