

To CEO Forum
From Nigel Spence & Paul Brown
Subject **Opportunities to Share Costs across ChildFund Alliance**
Date 16 April 2018

Thank you to the 6 respondents to our questions about how we share costs. This exercise was a task from the CEO Forum in San Salvador, where we discussed ways in which we could improve the (financial) health for members of ChildFund Alliance. Efficiencies achieved by sharing or combining services or costs was identified as one way that the financial position of members could be improved.

We have summarized the responses according to key themes:

- Several members share the same external audit provider (KPMG) which could facilitate negotiating a global partnership
- There are examples of members sharing training and providing technical assistance (such as ChildFund International internally auditing ChildFund Vietnam):
 - Smaller members were keen to expand this, in areas such as sharing Child Protection specialists, Emergency Responders, Grant Seekers or Monitoring and Evaluation specialists
 - There may be unique roles (for example Security) that one member has that could be shared across the Alliance (that is not the mandate of the Secretariat)
 - Given our aggregated financial transactions, sharing FX management and Treasury will provide benefits
 - Non-English speaking members identified the opportunity to share translation services
- Some members believed that there are opportunities to improve procurement of travel – particularly from a preferred accommodation network
- Some members believed there were opportunities to review / aggregate benefits for international staff (such as medical insurance)
- Most agreed there would be significant benefits in sharing IT systems (for financial management and donor relationship management) – but also recognize we lack a centralized, common platform

- A few members saw savings in sharing the design and content of marketing / fundraising appeals – especially as digital fundraising increases (which means fundraising becomes borderless)
 - The issues-based campaigning (in progress) may be a starting point to pilot a shared campaign

The limited number of responses, and the lack of breadth of responses suggests that this is difficult to assess from within. Many of the responses in the survey would yield only small efficiency gains. This raises several questions:

- Does the limited range of ideas arising from the survey indicate a lack of potential for shared services, or a lack of imagination/ambition?
- Are there areas where quick wins could be made?
- Which areas or ideas would yield the biggest efficiency gains?
- Are we overly-reliant on our current ways of working procedures and relationships?
- How would we configure procurement or share services if we were to behave like a start-up?

Recommendation: That the CEOs discuss the issue of potential shared services/costs at the May 2018 CEO Forum and consider engaging a consultant to identify a) the potential for shared services or shared costs between some or all Alliance members, with specific, practical areas to be identified b) the potential for shared costs with other groups (whether these be INGOs, other non-profits or other businesses). Estimated cost of consultancy: USD30,000

Many thanks

Nigel & Paul