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World Vision International's AIDS Initiative: Challenging a Global Partnership

On January 19, 2002, Ken Casey, director of World Vision International's HIV/AIDS Hope Initiative, walked into a safari lodge in South Africa to present the final session of a conference attended by 40 senior staff from 17 countries with the highest prevalence of HIV and AIDS in Africa and nearly 20 senior executives from worldwide support offices. As he stretched his back, he felt a sharp pain from wounds he had received during a vicious attack by a baboon on the hotel's patio the day before the conference began. Badly cut and bruised, Casey had staggered to the conference center where he had been wrapped in towels and rushed to a hospital. It had required 135 stitches and 27 staples to close the wounds.

Determined to proceed with the conference, which he saw as a potential turning point in his year-long struggle to get the Hope Initiative off the ground, Casey had returned the next day. Largely driven by the senior leaders of World Vision International, the initiative was an ambitious attempt to implement common goals and strategies in fund-raising, programming, and advocacy across the 48 independent members of the World Vision Partnership. But its future was unclear. Not only did its focus on HIV/AIDS represent a major shift in World Vision's programming, but in many ways, the initiative's top-down implementation challenged the federated organization model the partnership had pursued throughout the 1990s. As he addressed the conference, Casey worried that if it did not go well, the Hope Initiative might well be dead in the water.

Birth of World Vision International

World Vision International was a $1 billion Christian relief and development partnership linking 48 national members in a global federation. In 2002, the partnership raised over $732 million in cash and nearly $300 million in commodities. (See **Exhibit 1** for representative World Vision Partnership financial data.) Almost 50% of World Vision's funding flowed from private sources, mostly through child sponsorship. Governments and multilateral agencies provided the other 50%.

A Visionary Founder: "Faith in Action"

Founded in the United States in August 1950 by Bob Pierce, a Christian evangelist who was moved by the suffering he witnessed in Korea, World Vision was funded by North American Christians whom Pierce connected to individual Korean orphans through photographs and personal

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correspondence. This innovative sponsorship program—later widely imitated—helped Pierce translate the massive needs he saw in Asia into personal terms in America. In 1952, the organization's first statement of purpose read: "World Vision is a missionary service organization meeting emergency needs in crisis areas of the world through existing evangelical agencies."

Although Pierce cultivated a small, dedicated staff, he called the shots in his young organization. He challenged his team by telling them, "Cut through the reasons why things can't be done. Don't fail to do something just because you can't do everything."[1] With this entrepreneurial attitude, Pierce soon extended World Vision's work into Hong Kong, Indonesia, Taiwan, India, and Japan.

By the 1960s, World Vision was opening offices in other countries. In 1961, an affiliate office opened in Canada as a separate national entity, and in 1966 a national entity was established in Australia. During this period, it also refined its "child sponsorship" model and, by the mid-1960s, was supporting 15,000 children in Southeast Asia. Responding to church film screenings, radio advertising, and direct-mail appeals, Christians in the United States, Canada, and Australia were promised a loving connection to a poor child in the developing world for a monthly contribution of around $10. Full-time staff and hundreds of volunteers coordinated the delivery of photos and letters between children and sponsors, while more than a dozen marketers created appeals to attract more donors. It was a successful process requiring a great deal of administrative support.

By 1969, World Vision managed $5.1 million in funding of which 80% was delivered to 32,600 children in 388 projects. The remaining 20% supported fund-raising and administrative costs. All funding and most support services flowed through the headquarters offices in Monrovia, California. As the war in Vietnam began absorbing the organization's energy, significant changes in approach occurred. Instead of working through existing orphanages and ministries, World Vision staff opened refugee schools, recruited and trained local teachers, and built houses for the displaced.

A New Leader, A New Approach: The Evolving Mission

Toward the end of the 1960s, however, World Vision began experiencing difficulties. A senior executive described the emerging problems: "Anyone looking at World Vision would see an organization that reflected Bob Pierce himself: action oriented, strongly evangelical, innovative, and progressive. But we had no long-range planning or adequate mechanisms for administration." But Pierce strongly resisted changes that many felt were needed. As money became short, tensions grew between him and his board. Finally, in 1967, Pierce resigned.

Pierce's successor, Stan Mooneyham, was another action-oriented risk taker. With the fall of South Vietnam and Laos and the rise of the Khmer Rouge in Cambodia, World Vision lost contact with much of its program staff in those countries. More importantly, nearly 30,000 sponsors lost contact with their sponsored children. But the four core fund-raising offices—in the United States, Canada, Australia, and New Zealand—found that most of their donors were willing to transfer their assistance to children elsewhere. The organization shifted its focus to Latin America, establishing offices and sponsorship programs in Brazil, Colombia, Ecuador, Guatemala, and Mexico.

[1] Graeme Irvine, *Best Things in the Worst Times: An Insider's View of World Vision* (Wilsonville, OR: World Vision International, 1996), p. 18.

At the same time, some in the organization began questioning the sustainability of World Vision's traditional model of selecting and supporting individual children. At a conference in 1971, Gene Daniels, WV director in Indonesia, proposed an alternative model of rural community development. Undeterred by the lukewarm reception his ideas received, for the next two years Daniels quietly experimented with this community development-based approach. As he began to succeed, others voiced an interest. Graeme Irvine, president of World Vision-Australia, supported a shift to longer-term commitments rather than "dump and run" emergency relief. He stated, "Development is not something you do for people. Those who wish to help may walk alongside, but not take over."[2]

Influenced by these voices, in 1972, Mooneyham promised that World Vision would build a Christian Children's Hospital in Phnom Penh. He presented a proposal to the international board but was disappointed to be turned down. Then the presidents of World Vision-Australia and World Vision-New Zealand offered to organize staff and fund the program themselves. Six months later, when World Vision opened the hospital in Phnom Penh, Mooneyham wrote, "The Cambodia medical program was an example of World Vision's emerging international partnership at work. It illustrated our principle of looking for alternative solutions to major problems."[3]

In 1973, following a series of consultations, the World Vision Board made a commitment to both relief and development in World Vision's mission. But the consensus over becoming a "transform" rather than a "transfer" organization meant significant changes to the structure and governance. "What you are doing in development is according people the dignity of voice and self-determination," stated Irvine. "But a big organization like World Vision has all kinds of baggage—bureaucracy, systems, reports, layers of authority, policies and many committees—that got in the way of development. How would we work as a partnership?"[4]

Moving Toward Partnership: Forming WVI

Until the early 1970s, World Vision's U.S. organization, as the founding country and by far the largest contributor, had made most of the significant programming decisions. Under its guidance, the overall organization had expanded beyond Asia and Latin America into Africa and the Middle East. Typically, each initiative had arisen from special circumstances or through initiatives led by interested groups, churches, or individuals.

Increasingly, however, the presidents of Canada, Australia, and New Zealand—the other key fund-raising (support) offices—wanted to move beyond just providing funds to program-delivery (field) offices. They wanted to participate in policy and strategy decisions. "This was not so much a desire for control as it was a need for accountability to donors," explained a World Vision-NZ executive. In 1973, Mooneyham responded by forming a study committee to recommend a basis for "a true partnership among all national entities: a partnership of both structure and spirit."

Over the next few years, the committee met to define the issues and consider the options. "At the core we saw it not as structure or even as process, but an attitude toward each other that did not view one partner as superior to any other," stated one committee member.[5] Finally, in April 1976, the international board unanimously decided to form a new distinct entity, World Vision International

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[2] Irvine, p. 71.

[3] Irvine, p. 45.

[4] Irvine, p. 72.

[5] Irvine, p. 136.

(WVI), as the common program-delivery arm of World Vision's four main fund-raising support offices—the United States, Canada, New Zealand, and Australia. The directors of each sat on the international board. (World Vision-U.S. maintained the World Vision name and trademark but gave its WVI partners the right to use them.) World Vision national entities in developing countries (the field offices delivering the programs) became members of WVI's council but did not have equal-partner status with the four board members. The council agreed to WVI's mission and, in May 1978, adopted a formal declaration of internationalization.

Building the World Vision Partnership: Defining a Federation

To provide coordinated management of the global field operations funded by the core support offices, WVI's council created a central international office, colocated with the World Vision-U.S. office in Los Angeles. However, rather than functioning as a servant to the four council member organizations, it soon became a separate power base. A WVI manager at the time recalled:

> Mooneyham brought all of the bright and creative folks with him to the international office, and this had two unintended consequences. First, as the program-delivery mechanism became the dominant force in the organization, the value and importance of the fund-raising team left in the WV-U.S. was eroded. Second, because this organization separated its "marketing" and "production" functions, each group developed its own culture.

The separation lasted for almost a decade during which time the national directors of the largest support offices, again feeling frustrated at just delivering the funds they raised to the international office, started to demand more of a say in strategy. Said one senior WVI manager, "Our core competitive advantage—what we did particularly well—was our child sponsorship mechanism. It was the most sustainable form of fund-raising, and we had become one of the best in the world at doing it. But, at that time, we did not recognize it. No wonder they were frustrated."

Challenging Central Control

When Tom Houston became the new president of WVI in 1984, his attention was drawn to the devastating drought in Ethiopia. The global response from donors was staggering. Under agreements with the U.S. government and UN agencies, WVI's Ethiopia response budget grew from $2.3 million in 1984 to $43.4 million in 1986. To manage the funding, World Vision's staff in Ethiopia grew from 100 to 3,650. In the following year, WVI launched 11 large development projects in six other African nations. Because of the need for coordination, all logistics and program functions were managed from the international office, giving even more power to this fast-growing group.

By 1987, World Vision had survived and grown through a decade of expansion. But there was discontent within the organization, and Houston discovered that the unhappy support-office directors were meeting together informally to share their frustrations. "Tom was abrupt and frank and did not like the notion of a dominant person pushing the little guys around," said one executive. "So he turned our culture upside down." To bring the support-office directors into the inner circle, he asked several of them to sit on the international planning committee, the president's primary consultative group on partnership decisions. In addition, he shook up the management of the international office by requiring that all regional vice presidents come from their regions.

But frustration reached a boiling point in August 1987 when national directors responsible for the work in over 60 countries gathered at a director's conference in Sierra Madre, California. When, as was the norm at these events, executives from the international office began to deliver presentations on strategy and operations, three new regional VPs from Brazil, Nigeria, and Egypt stood together. "If this is a director's conference, why are we working on your agenda?" they asked. The directors of the main support offices joined the "revolt." Recognizing the legitimacy of the challenge, Houston surrendered the agenda. Following the conference, 30 senior executives spent a year studying how to redefine the relationship between field and support offices and the international office.

Creating Area Development Programs

Meanwhile, the 11 large-scale development programs World Vision had launched in 1985 were struggling. Each had a budget of more than $1 million, a time span of more than three years, and a geographic scope greater than a single community. The causes of the problems were diagnosed as unrealistic initial expectations, lack of local management and technical expertise, and a top-down planning and control system.

A study commissioned to propose solutions to these problems recommended a new approach that sought to retain the benefits of scale while engaging more local involvement in community-level transformational development. Through the 1990s a new way to work, referred to as the Area Development Program (ADP), became the dominant means of program delivery for World Vision. In Africa, for example, over 300 ADPs were defined, each aiding 50,000 to 200,000 people. Wilfred Mlay, African regional vice president, explained their operation:

> Each ADP is managed by a coordinator from that country who understands the local language and customs. He or she negotiates an agreement with the community for a 10- to 15-year multisectoral engagement, then they sign a contract promising to work together. . . . Before, communities tended to consider the local projects—a bore hole, a school, a health center—as World Vision projects. If something went wrong, they said, "Come and fix your pump. Come and fix your vehicle." There was no ownership. . . . Now we don't just dig wells and provide clean water; we partner with each ADP area to identify root causes of their problems, then we work with them to provide a long-term program that will address the needs they identify. The strength of the approach is in finding local solutions to local problems.

Engaging Federalism

When Houston resigned as WVI's president in 1988, Irvine, former head of World Vision-Australia, took his place. Upon his appointment, Irvine made a commitment to make WVI "a professional, enlightened, efficient and humane organization [that] will nurture a climate of creativity in which people feel free to contribute."[6] He then launched a process to reexamine the organization's values, mission, and structure, all of which were to be open to challenge and change.

A working group developed a set of core values (see **Exhibit 2)** that was adopted by the board of World Vision International in 1990. Next, after 24 drafts, in 1992 the board adopted a new mission. Finally, Irvine led the creation of a Covenant of Partnership (see **Exhibit 3**) that was signed by all members of the newly defined World Vision Partnership. "We want to be held together by shared agreements, values, and commitments rather than legal contracts or a controlling center," said Irvine. "The covenant is a statement of accountability to each other, setting out the privileges and responsibilities of national member-entities of the World Vision family."

[6] Irvine, p. 134.

By 1995, with over a million sponsored children in its care—up from 70,000 children 15 years earlier—the World Vision Partnership decided to build its formal organizational architecture on a "federal" model. (See **Exhibit 4**.) Recognizing that that simple decentralization would mean losing economies of scale, the partnership made the goal of the new structure to try to make all partners as self-sufficient as possible but to maintain a strong core of common language, systems, and operations. Bryant Myers, senior vice president of operations, explained the philosophy:

> We wanted to combine the strength of the central organization with centers of expertise and action that existed around the partnership, balancing the contributions and needs of each. That should result in centralizing the things that can be done better and cheaper that way and decentralizing other things that can be managed more effectively on the front lines. . . . We learned that the biggest misreading of federalism is to call it decentralization. The key to federalism is to ensure the right of intervention held by the leader at the center.

Designing the Structure and Governance

Under the resulting federal structure, membership in the WVI Partnership required a commitment to its core documents (mission statement, statement of faith, core values, and Covenant of Partnership), to WVI ministry policies, and to the WVI trademark agreement. Organizationally, the partnership was governed through a set of linked structures (see **Exhibit 5**).

By 2002, there were 48 national partners, each with one vote on the **international council**, the partnership's highest authority. Held once every three years, council meetings were attended by the international board members, the chairs of the national boards or advisory councils, national office directors, and elected delegates from all partner offices. The council reviewed the objectives of World Vision International, assessed the accomplishment of previous goals, and made recommendations to the board in relation to global strategies and policies.

World Vision's **international board** was composed of the international president and 23 directors selected from the governing bodies of WVI's national offices. It oversaw the partnership, meeting twice a year to appoint WVI's senior officers, approve strategic plans and budgets, and set international policy.

Seven **regional forums** were composed of representatives from the national boards or advisory councils of each national office in each region. They shared experiences on regional programs and strategies and nominated representatives to the WVI Board.

The **partnership office** (previously the international office), located in Monrovia, California, was WVI's executive group. Headed by an international president and four regional and six functional vice presidents, its staff of around 160 supported the day-to-day operations of the partnership. Several other partnership support offices in cities such as Geneva, Los Angeles, and Vienna represented WVI in the international arena through lobbying and advocacy work.

Each of the four **regional offices—**in Costa Rica, Cyprus, Nairobi, and Bangkok—oversaw the program operations of the national offices in its region. These regional offices reported directly to the partnership office.

Most of WVI's 48 **national offices** were either primarily support (fund-raising) offices or field (program-delivery) offices, but a few did both. Each national office had equal direct representation on the international council and also took part in the election of regional representatives to the international board through its regional forum. Local governance and independence from the international office was determined by the national office's stage of development category:

- WVI's 22 **branch** offices were governed by national advisory committees, but WVI maintained legal responsibility and strong management control over their budgetary and personnel decisions through its regional offices.
- The 12 **intermediate-stage** offices were governed by local boards composed of business, church, and social service leaders. They voluntarily agreed to seek approval from WVI for critical management decisions such as appointment or termination of a national director or national board member, budget development, and off-budget expenditures.
- The 14 **fully interdependent** offices were nationally registered nonprofit organizations with their own local boards of directors. Except for certain items specified in the Covenant of Partnership, they did not need WVI approval for decisions. Nonetheless, they were expected voluntarily to coordinate with the partnership office. (Branch and intermediate offices were considered to be in transition toward full interdependence. The process involved peer reviews, WVI consultation, and interaction with the international board.)

By 1996, when Dean Hirsch became the sixth president of WVI, the partnership-based governance model was in place. Hirsch had risen to the top job in WVI following two decades in which he had helped establish World Vision national programs in Rwanda, Zaire, Tanzania, Mali, Ghana, and Malawi then managed major donor marketing for WV-U.S. He described his role in the emerging federated partnership:

> My job is to cast a vision, to make sure that we have alignment between our mission and operations, and to ensure we stay strategic. Because of our dispersed governance, we must operate with trust. The best thing I can do is help to build relationships. So I am the biggest cheerleader in the world . . . but as president of WVI, I also hold a seat on every World Vision board in the world. Either one of my representatives or I attend all meetings. It provides an immediate means of keeping alignment. And I can intervene at any time if one of the partners drifts from our mission or core values.

Fund-raising in the Partnership: World Vision-U.S.

Within the evolving World Vision global partnership, most national entities were adjusting to the more complex structure within which they had to operate. In the United States, for example, the WV-U.S. Board began to look for a new president to strengthen its fund-raising activity. In June 1998, it offered the job to Richard Stearns, an experienced manager who had spent 23 years in strategic and marketing roles in Gillette Company and Parker Brothers Games and as CEO of Lenox, the well-known tableware and gift company. As WV-U.S. president, Stearns was responsible for all WV-U.S. operations, which included fund-raising, advocacy, and international program development, each run by one of the five senior VPs reporting to him.

Revitalizing WV-U.S.: Marketing, Metrics, and Money

Over the years, WV-U.S. had remained the largest financial contributor to the partnership, providing almost 50% of global revenues by 1998. "But the organization was missing opportunities and faltering in its operations," said Stearns. "In particular, our appeals had become costly, and we were inefficient. I was given two key goals: increase revenues and lower overhead ratios." (This ratio was the cash income raised divided by the cost of fund-raising. In 1998, it stood at around 3 to 1.)

In 2000, Stearns hired Atul Tandon as senior VP of marketing. Like Stearns, he had come from the corporate sector, serving for over 20 years with Citibank in marketing. In WV-U.S., Tandon saw his primary objectives to be to build the brand and improve customer satisfaction. "I soon realized that I was in a fundamentally different world," he said. "When I asked, 'What is our bottom line? To whom are we accountable?' no one could answer." Furthermore, staff members were unable to describe their outputs and measures. "There were no profit and loss statements, and people were unaware of our spending and the returns we were getting."

Tandon and Stearns reorganized the WV-U.S. office, laying off a number of staff and elevating innovators to senior positions. They replaced the traditional Direct Response Marketing Department with integrated product and channel marketing teams that worked with new communications and creative teams to focus on the key drivers of marketing effectiveness: cost of donor acquisition, costs and methods of donor retention, and long-term donor value. These new teams focused on growth through partnering, brand building, and new channels of recruiting and retaining donors. While the message to donors had to be altered to incorporate the more community development-based model that the ADP concept supported, they were able to do so under the umbrella of a modified $26 monthly child sponsorship program that was still the most effective means of raising funds for WV-U.S. The marketing team also found that while donors were difficult to recruit, if properly cultivated, they were relatively easy to keep.

Tandon expected marketing teams to be research driven in defining what appealed to donors. They were then required to work with three new channel-specific sales teams to design products specifically for church groups, major donors, and Internet sales. Believing strongly in "learning to listen to the customer," Tandon allocated nearly 75% of the $50 million marketing budget to donor recruitment, retention, and communications. With no increases in marketing and communications allocations over a four-year period, Tandon and his team devoted themselves to increasing revenues while holding expenses flat. "We call it widening the jaws," said Tandon.

The results came quickly: double-digit growth every year for four years with an unchanged marketing budget. "Over those four years, we increased our cash income to fund-raising cost ratio from 3 to 1, first, to 3.4 to 1, then to 4.1 to 1, and finally to 5.5 to 1," Tandon reported. Additionally, donor satisfaction increased, as did name awareness in the core target markets—from 49% to 76% over three years. To evaluate WV-U.S.'s efforts more effectively, Stearns introduced a balanced scorecard measurement system. (See **Exhibit 6** for copy of scorecard.) Tandon volunteered to make his marketing group the guinea pig for the new system, explaining:

> We identified specific numbers-driven goals and a few subjective goals. Most revolved around measuring brand strength, brand awareness, and customer satisfaction. Of these, I believe the most important driver is the customer satisfaction number. Ours is measured twice a year by survey, and we have increased satisfaction levels from 84% to 92% over the last three years. We don't have a good benchmark in the nonprofit world, but in the corporate sector, Amazon's customer satisfaction is the highest at 88%. So we are in the right ballpark.

Managing in the Partnership: All in the Family

In addition to running the operations at WV-U.S., Stearns sat on the Strategy Working Group (SWG), the key executive decision-making body of the World Vision Partnership. Chaired by WVI's president, Hirsch, the SWG included 16 senior executives from throughout the partnership. Coming from the corporate world, Stearns at first found working at WVI difficult. "I was bewildered by the lack of any real authority structure in the partnership," he said. "I kept wondering who was in charge." He also reflected on the governance structure: "The international board is truly representative. The U.S. appoints two of its 24 members and has a founder's chair. The other 21 are from other nations. Representing 50% of overall revenues, we clearly have financial influence, yet we hold only 12% of the formal political control. This would be unthinkable in the corporate world."

Over time, Stearns recognized that the partnership traded control and efficiency for richness of perspective and strength in local programming and fund-raising: "We are able to make our own decisions and set our own priorities. President Hirsch has no line authority over me. He does not participate in my performance review, and he issues no directives to me or any other CEO. But, through the SWG, we make joint decisions that benefit the global organization and our mission better than if any one of us acted alone."

Program Delivery in the Partnership: The AIDS Hope Initiative

By the late 1990s, the World Vision Partnership was beginning to feel more stable. The ADP concept had made program delivery more effective, the child sponsorship fund-raising model had been refined, and the federal organization framework was helping to integrate the global network of World Vision entities. Yet while World Vision had been struggling to refine its internal operations, the impact of HIV/AIDS was changing the needs of those it served externally. The global pandemic had reached crisis levels in many parts of the world, but nowhere more than in sub-Saharan Africa.

Recognizing the Need: Lessons for a Latecomer

Two months after joining World Vision, Stearns went on a field trip to Uganda. Visiting a household of three boys, aged 11 to 13, who lived alone after being orphaned by AIDS, Stearns learned that an estimated 10 million African children were living in similar circumstances. When he asked what World Vision was doing about it, the answer was, "Very little." Although he was new to the agency, he felt he had to speak out:

> When I was at Parker Brothers, we failed to realize that games were moving from the parlor table to the video screen. When new competitors came out with fast and interesting computer games, they stole 90% of the market from under our noses. This was what was happening to us with HIV/AIDS. We had developed top-notch skills at rural community organization, water systems, health, childcare, and economic regeneration and responded well to hurricanes, disasters, wars, and other emergencies. But while all of this was exemplary, we were not prepared to face the unprecedented scale of devastation wrought by the AIDS pandemic.

With 58,000 people in Africa dying from AIDS each week—equal to the entire loss of American lives in Vietnam—Stearns felt there was a real chance that decades of progress by the development community would be rolled back. He began to speak more forcefully, telling his colleagues that they were building beautiful sand castles on the beach while an 80-foot-high tidal wave was just offshore. "I kept saying it for over two years, fully mindful that I did not know what specifically I was proposing to do about it," he recounted. He was supported by Bruce Wilkinson, senior vice president of his International Programs Group. But while other members of the partnership listened, Stearns felt that, on their overloaded agenda, it was "just another woe to add to the list."

Then, in July 2000, Wilfred Mlay, African regional vice president, gave a powerful presentation to the SWG. "AIDS is killing our people," he said. "It is devastating our work, our families, our staff. I really need your help." A few months later, when *Time* ran a cover story on the 10 million to 12 million children in Africa estimated to be orphaned by AIDS, Stearns circulated a memo to senior executives of the partnership asking, "Why, as a child-focused organization, are we not addressing the AIDS crisis?"

Mlay's appeal and Stearns's prodding prompted the SWG to appoint Myers, vice president for International Programs Strategy, to study WVI's commitment to the crisis. After speaking with a number of people throughout the partnership, he wrote a draft document suggesting that HIV/AIDS needed to be a priority for World Vision for five reasons: it cared about children, including the 40 million projected to lose one or both parents to HIV/AIDS by 2010; it had over 900,000 sponsored children in the 30 worst-hit countries and nearly 2 million sponsored children at risk worldwide; it was investing almost $200 million a year in the 30 worst-hit countries; its worldwide staff was at risk, and many were personally affected by HIV/AIDS in their own extended families; and as a Christian organization, it had an opportunity to bring its mission to those affected by HIV/AIDS.

Launching the AIDS Hope Initiative

On World AIDS Day in December 2000, Hirsch preempted any formal decision on an HIV/AIDS strategy by announcing that World Vision would launch a $30 million initiative to address the crisis. Believing that the moment was right and that some members were already moving forward, Hirsch pushed the partnership into action. Over the following months, Myers prepared a plan entitled "The HIV/AIDS Hope Initiative," outlining the need and identifying the scope of the problem. The plan also categorized a series of programming approaches for high-prevalence countries, medium-prevalence countries, and the rest of World Vision's country programs.

Just before presenting the plan to the SWG at a meeting in Costa Rica in February 2001, Hirsch approached Casey and asked him if he would lead the AIDS initiative. "I was surprised by the request," recalled Casey. "It was an entirely new and different task for me. I had spent six years as a senior line manager in operations for the U.S. organization. Now I would be taking on a key strategic role within WVI's partnership office." For most of his eight years with WV-U.S., Casey had served as senior vice president for fund-raising and programs. But, in 1999, Stearns's reorganization had left him a senior executive without a portfolio. "For about a year, I worked on special projects within the senior management team. They were rewarding, but I was considering moving on," Casey said.

As he thought about it, Casey decided that this new project represented an interesting and worthwhile challenge. In March 2001, he assumed his new role as director of the HIV/AIDS Hope Initiative. He would report directly to Hirsch but continue to work out of the WV-U.S. office in Seattle.

Assessing the Challenge

Casey returned to Seattle with an approved operating budget of approximately $750,000 but no staff. As he reviewed the existing document, he recognized the difficulty of his task:

> I began working off of the document that Bryant [Myers] had prepared. Although it was good work, it had been devised almost entirely at the headquarters office. Essentially, I was being asked to implement an unprecedented worldwide program effort on perhaps the most controversial issue imaginable that would require new levels of coordination that we had never previously achieved. Yet there was no ownership or buy-in from the regional VPs.

Casey understood that, within the partnership, the four regional VPs (for Africa, Asia, Pacific, and Middle East/Eastern Europe) held a great deal of power over programs and operations due to the fact that all the national directors reported to them. In recent years, however, the national offices had been pushed by the international board to become more independent in their strategies and programs. Casey stated: "In our efforts to devolve autonomy to the national offices, we had worked for 10 years to develop viable governing boards for each one. But we also wanted them to be responsive to WVI's global priorities through their link to the regional VPs. Because national directors were answerable to two masters, this could cause problems."

To build support for the Hope Initiative, Casey began a six-month process of travel and discussion with the regional VPs and national directors. He wanted to make sure that the initiative would remain true to its ideal while also ensuring that the ambitious fund-raising and programmatic objectives were realistic from the field's perspective.

Resistance from Donors

Casey knew that funding such a big initiative would be a challenge and hoped to implement a joint marketing effort across the partnership offices, hopefully reaching out to new donors in the process. He also wanted the marketing effort to be well connected to the programs in the field. But almost from the outset, he encountered resistance from the marketing departments in the major partnership support offices. Stearns remembered:

> Our WV-U.S. marketing people were very skeptical. They told us that any work with HIV/AIDS would never sell with our donors. Our top people in brand building told us that we have a very wholesome child-focused image. People equate us helping children and families in need. They said that if we start talking about AIDS, prostitutes, drug users, long-haul truckers, and sexuality, it would hurt our image.

WV-U.S. commissioned a market survey among evangelical Christians and loyal donors in the United States. "It was devastating news," stated Casey. "We asked them if they would be willing to give to a respectable Christian organization to help children who lost both parents to AIDS. Only 7% said that they would definitely help, while over 50% said probably not or definitely not. Surveys in Canada and Australia found the same thing. It was stark and clear that our donors felt that AIDS sufferers somehow deserved their fate."

Beyond donor reaction, Casey dug deeper to understand the marketing organization's challenge. "Their incentives and targets for the year were based on the efficiency of their appeals," he said. "But by its very nature, this was going to be a costly appeal." Instead of returning a usual 4 or 5:1 ratio of revenues to expenses, the marketers felt that, in the beginning at least, any AIDS appeal would return something closer to 1:1. So when Casey asked the heads of the partnership offices to adjust the targets for HIV/AIDS programs for their marketing teams, the response was mixed. While Stearns convinced his board to remove the HIV/AIDS appeals from the normal cost-ratio calculations for U.S. appeal, Canada, the United Kingdom, and several other key fund-raising countries were less willing to do so.

Resistance from the Field

As he focused on program implications, Casey had Mlay as a natural ally. As regional vice president for Africa, Mlay reported to Hirsch at WVI and was responsible for 25 national country offices with over 8,000 staff (mostly field and program officers, but also technical specialists in areas such as micro-enterprise, health, child protection, and Christian ministry) and a budget of $500 million. To manage his domain, Mlay had divided Africa into three subregions, each headed by a director (based in Johannesburg, Dakar, and Nairobi) responsible for eight or nine countries. "I have structured the African region differently from any of the other regions," he said. "For example, in

Asia, all the senior leaders share one office in Bangkok. But because it is difficult to travel and communicate, my senior leadership and technical teams are dispersed. And I want them to be where the action is happening."

Although he managed the African region as he saw fit, Mlay could also use services in the partnership: "I am in charge but have access to resources when needed. For example, we have some sophisticated protocols for emergency operations. If I put out the call for help, we will have a conference call within five hours. And I have access to a global rapid-response team that can allocate $1 million within 72 hours, so I can promise that WV will be present at a crisis within 24 hours."

Mlay worked with the boards and advisory councils in his 26 national offices to implement WVI priorities. But while he held regular meetings with national directors and hosted conferences and forums to determine how to allocate his technical resources, he had only limited ability to determine the strategy of national programs. "The advisory councils and boards help us to connect to the local community and society," he said. "But I have a reserved seat on every board in Africa, so World Vision management and local boards share the governance of our work." Managing the boards was a time-consuming task for Mlay, who sometimes had to act if a board went in a direction that WVI disapproved of: "For example, we discovered that the head of one of our boards had a set of values that conflicted with those of the organization. We intervened and asked him to step down. Most of the board was against us, but we prevailed. There is a fine line between granting autonomy and maintaining standards."

Despite his ability to intervene when necessary, Mlay had long encouraged his national directors to determine their own goals and strategies through the ADP system. Indeed, under the federated partnership structure, they could even have direct contact with any of the support offices to fund their ADP projects. But now that he wanted to push HIV/AIDS programs, he faced resistance. "There is a culture of silence around the issue," he said. "In Tanzania, entire families and villages are being wiped out by AIDS. We have grandmothers caring for 10 and 12 children. The ADPs are strong, but people are ashamed to speak about it. This is especially true of church leaders, who refuse to see this as their problem. Many even talk about AIDS as God's punishment of sinners."

Casey also reflected on the "phenomenon of denial" he encountered. On an early trip to Capetown, he spoke to a taxi driver who told him that his awareness of HIV/AIDS had not changed his lifestyle because it would not get him. "A few minutes later, he was describing how the trucking company for whom his sister worked had just adopted a new HR policy stating that employees could not attend more than three funerals per month," recalled Casey. "It was uncanny how he could hold both thoughts in his head and not make a connection. In the face of such clear evidence, even intelligent people did not want to recognize the crisis."

Casey described the response to his first six months in the field: "Program officers were working flat out on existing projects and we came in telling them that, while those are important, we want you to change your whole focus. In addition, most program officers were skilled in technical sectors such as water, education, and economic development. Few knew about HIV/AIDS work. Their practical response was, 'It's not our expertise. What can we really do about AIDS?'"

Casey hired two teams of HIV/AIDS specialists, one in Uganda and one in Zambia, to create a "Models of Learning" program. He also hired a research associate to work out of the international office (see **Exhibit 7**). Hoping to build an active learning tool for the rest of the field, they prepared models of programming that they hoped to make available to others. But early response from a number of national offices was muted. "In the face of the overwhelming need and workload, many felt that this was just the emphasis of the day. Wait it out and it would go away," Casey explained.

After all, it was not the first time that field offices had been asked to implement cross-organizational strategies, as Myers recalled:

> In the mid-1990s, we embarked on a long and expensive process of rebranding. Many national offices plunged time and resources into the effort but got little value out of it. And a subsequent initiative to move relief activities from the center out into the national offices ran into difficulty trying to mix the cowboy culture of the relief teams with the slower culture of the development teams on the front lines. Not surprisingly, some national offices are wary of any new top-down initiative—particularly now that they have so much independence.

The South African Conference

In December of 2001, Casey released a first draft of the Hope Initiative matrix (see **Exhibit 8** for a later version), which had been developed over months of dialogue and meetings with key personnel from across the partnership. It laid out the goals, beneficiaries, values, and key design principles for each of the three HIV/AIDS program areas: prevention, care, and advocacy. An accompanying document outlined actions that would seek to meet several goals. First, it would aim to prevent new cases of HIV/AIDS by contributing to the reduction of national incidence rates, especially among children, high-risk groups, and pregnant and lactating mothers. Second, it would aim to provide measurable improvements in the quality of care for children affected by HIV/AIDS, including those orphaned by AIDS, living with HIV-positive parents, and in households fostering AIDS orphans. Finally, it would advocate the adoption of public policy and programs that would minimize the spread of the disease and provide care for those living with or affected by HIV/AIDS.

On January 12, 2002, the real rollout for the Hope Initiative was about to begin at a weeklong high-prevalence country workshop held at a safari lodge in South Africa. Casey's goal was to bring together the national directors, senior program officers, and area development managers from the 17 African countries hardest hit by the crisis. He planned to ask them to tackle the HIV/AIDS problem with the same energy with which they worked to bring communities clean water, education, health care, food security, and economic development. "It was a make-or-break time for the initiative," said Casey. "Without their energy and buy-in, the initiative would only exist on paper."

Exhibit 1 World Vision International FY2002 Financial Data

PARTNERSHIP INCOME FY2002

(Offices receiving $200,000 or more in thousands of U.S. dollars)[a]

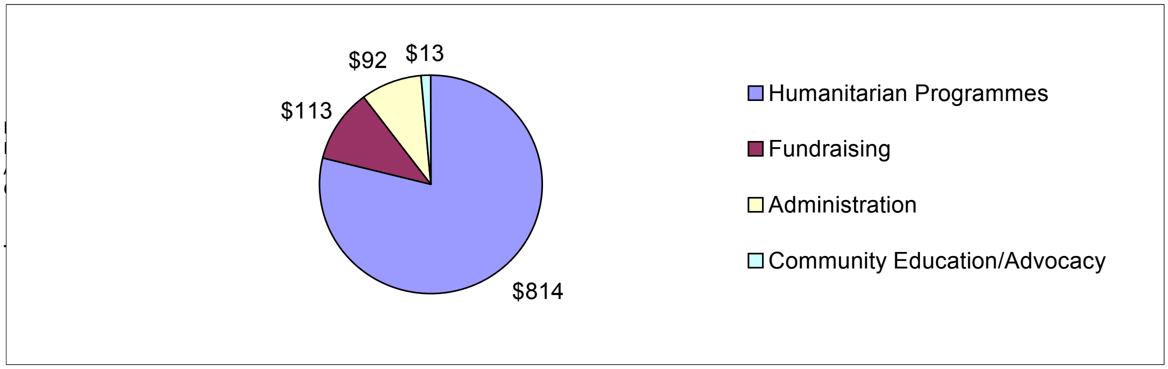
National Offices	Contributions	Gifts-in-Kind	Total
Armenia	$ 360		$ 360
Australia	78,543	$ 14,844	93,387
Austria	2,121	543	2,664
Brazil	2,786		2,786
Burundi	205		205
Canada	105,656	38,924	144,580
Chad	339		339
Chile	265		265
Colombia	1,041		1,041
Costa Rica	274		274
Finland	1,407	-	1,407
Germany	34,370	2,987	37,357
Haiti	331		331
Hong Kong	25,885	1,237	27,122
India	1,214		1,214
Indonesia	219		219
Ireland	4,538		4,538
Japan	12,055	2,294	14,349
Korea	20,802	1,282	22,084
Malaysia	918		918
Mexico	1,410		1,410
Myanmar	213		213
Netherlands	3,973	372	4,345
New Zealand	13,459	21	13,480
Philippines	505		505
Sierra Leone	1,287		1,287
Singapore	2,615	-	2,615
South Africa	507		507
Switzerland	12,599	704	13,303
Taiwan	31,221	75	31,296
Tanzania	722		722
Thailand	3,707		3,707
United Kingdom	46,529	1,199	47,728
United States	317,744	235,086	552,830
Zambia	1,030		1,030
Other Offices	1,185		1,185
Total Partnership Income	**$ 732,035**	**$ 299,568**	**$ 1,031,603**

[a]In approximate U.S. dollars. Exact amounts depend on time currency exchange is calculated.

Exhibit 1 (continued)

Use of Resources FY2002

(In cash and gifts-in-kind in millions of U.S. dollars)



What World Vision's resources accomplish:

Humanitarian Programmes provide for emergency relief in natural and man-made disasters and for development work in food, education, health care, sanitation, income generation and other community needs. Also included are the costs of supporting such programmes in the field.

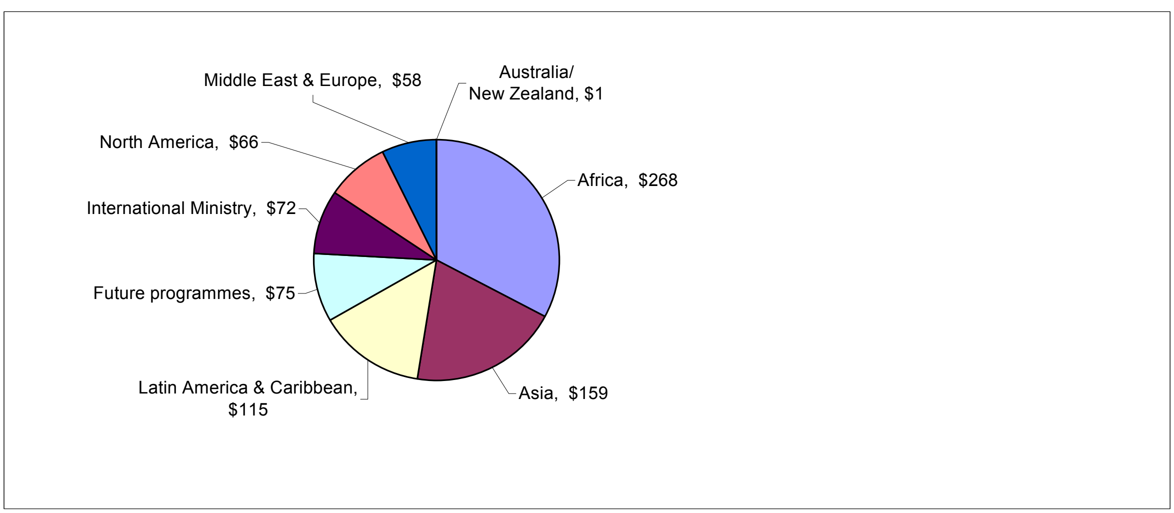
Fundraising supports humanitarian programmes by soliciting contributions through media and direct marketing appeals. Included are costs of marketing, creative services and publishing materials.

Administration includes donor relations, computer technology, finance, accounting, human resources and managerial oversight.

Community Education/Advocacy promotes awareness of poverty and justice issues through media campaigns, forums, speaking engagements, and public advocacy.

Ministry Support & Programmes by Region FY2002

(In cash and gifts-in-kind in millions of U.S. dollars)



Source: World Vision International 2002 Annual Report.

Exhibit 2 Extracts from World Vision International's Statement of Core Values

WE ARE CHRISTIAN. We acknowledge one God; Father, Son and Holy Spirit. In Jesus Christ the love, mercy and grace of God are made known to us and all people…We seek to follow him—in his identification with the poor, the powerless, the afflicted, the oppressed, the marginalized; in his special concern for children; in his respect for the dignity bestowed by God on women equally with men; in his challenge to unjust attitudes and systems; in his call to share resources with each other; in his love for all people without discrimination or conditions; in his offer of new life through faith in him…

WE ARE COMMITTED TO THE POOR. We are called to serve the neediest people of the earth; to relieve their suffering and to promote the transformation of their condition of life…We respect the poor as active participants, not passive recipients, in this relationship...

WE VALUE PEOPLE. We regard all people as created and loved by God. We give priority to people before money, structure, systems and other institutional machinery… We celebrate the richness of diversity in human personality, culture and contribution…We practice a participative, open, enabling style in working relationships. We encourage the professional, personal and spiritual development of our staff.

WE ARE STEWARDS. The resources at our disposal are not our own. They are a sacred trust from God through donors on behalf of the poor. We are faithful to the purpose for which those resources are given and manage them in a manner that brings maximum benefit to the poor…We demand of ourselves high standards of professional competence and accept the need to be accountable through appropriate structures for achieving these standards. We share our experience and knowledge with others where it can assist them.

WE ARE PARTNERS. We are members of an international World Vision Partnership that transcends legal, structural and cultural boundaries. We accept the obligations of joint participation, shared goals and mutual accountability that true partnership requires. We affirm our inter-dependence and our willingness to yield autonomy as necessary for the common good. We commit ourselves to know, understand and love each other… We maintain a co-operative stance and a spirit of openness towards other humanitarian organizations. We are willing to receive and consider honest opinions from others about our work.

WE ARE RESPONSIVE. We are responsive to life-threatening emergencies where our involvement is needed and appropriate. We are willing to take intelligent risks and act quickly. We do this from a foundation of experience and sensitivity to what the situation requires. We also recognize that even in the midst of crisis, the destitute have a contribution to make from their experience…We are responsive to new and unusual opportunities. We encourage innovation, creativity and flexibility. We maintain an attitude of learning, reflection and discovery in order to grow in understanding and skill.

OUR COMMITMENT. We recognize that values cannot be legislated; they must be lived. No document can substitute for the attitudes, decisions and actions that make up the fabric of our life and work. Therefore, we covenant with each other, before God, to do our utmost individually and as corporate entities within the World Vision Partnership to uphold these Core Values, to honor them in our decisions, to express them in our relationships and to act consistently with them wherever World Vision is at work.

Source: World Vision International internal documents.

Exhibit 3 Extracts from World Vision's Covenant of Partnership

THE COVENANT (EXTRACTS)

Regarding World Vision as a partnership of interdependent national entities, we, as a properly constituted national World Vision Board (or Advisory Council), do covenant with other World Vision Boards (or Advisory Councils) to:

A. UPHOLD THE FOLLOWING STATEMENTS OF WORLD VISION IDENTITY AND PURPOSE:

The Statement of Faith

The Mission Statement

The Core Values.

B. CONTRIBUTE TO THE ENRICHMENT OF PARTNERSHIP LIFE AND UNITY BY:

Sharing in strategic decision-making and policy formulation through consultation and mechanisms that offer all members an appropriate voice in Partnership affairs…

Accepting the leadership and organizational structures established by the WVI Council and Board for the operation of the Partnership...

Fostering an open spirit of exchange for ideas, proposals, vision and concern within the Partnership...

C. WORK WITHIN THE ACCOUNTABILITY STRUCTURES BY WHICH THE PARTNERSHIP FUNCTIONS, by:

Affirming the principle of mutual accountability and transparency among all entities…

Accepting Partnership policies and decisions established by WVI Board consultative processes.

Honoring commitments to adopted budgets to the utmost extent possible…

Executing an agreement with World Vision International to protect the trademark, name and symbols of World Vision worldwide…

D. OBSERVE AGREED FINANCIAL PRINCIPLES AND PROCEDURES, especially:

Using funds raised under the auspices of World Vision exclusively in World Vision approved ministries.

Keeping overhead and fund-raising expenses to a minimum to ensure a substantial majority of the funds raised are responsibly utilized in ministry among the poor.

Accepting Financial Planning and Budgeting Principles adopted by the WVI Board.

Ensuring that funds or commodities accepted from governments or multi-lateral agencies do not compromise World Vision's mission or core values, and that such resources do not become the major ongoing source of support.

Exhibit 3 (continued)

E. PRESENT CONSISTENT COMMUNICATIONS MESSAGES, that:

Reflect our Christian identity in appropriate ways.

Include words, images, and statistics that are consistent with ministry realities.

Avoid paternalism and cultural insensitivity.

Are free from demeaning and degrading images.

Build openness, confidence, knowledge and trust within the Partnership.

In signing the Covenant, we are mindful of the rich heritage of Christian service represented by World Vision and of the privilege which is ours to join with others of like mind in the work of the Kingdom of God throughout the world. We therefore recognize that consistent failure to honour this Covenant of Partnership may provide cause for review of our status as a member of the Partnership by the Board of World Vision International.

Signed in behalf of (NAME OF NATIONAL ENTITY)

by resolution carried at a meeting of the [Board] (or Advisory Council) on ______________

____

Chair of [Board] (or Advisory Council)

Source: World Vision International internal documents.

Exhibit 4 Key Elements of the WVI Partnership

The World Vision Partnership refers to the entire World Vision family throughout the world. Any expression of the World Vision ministry is in some way connected to the Partnership. The word "Partnership" is used in this document in a broad, informal sense, rather than a legal sense.

World Vision National Entities comprise the membership of the Partnership. The conditions and categories of membership are described in the By-Laws of World Vision International. All function with the guidance and advice of a National Board or Advisory Council.

World Vision International (WVI) is the registered legal entity which, through its Council and Board of Directors, provides the formal international structure for the Partnership.

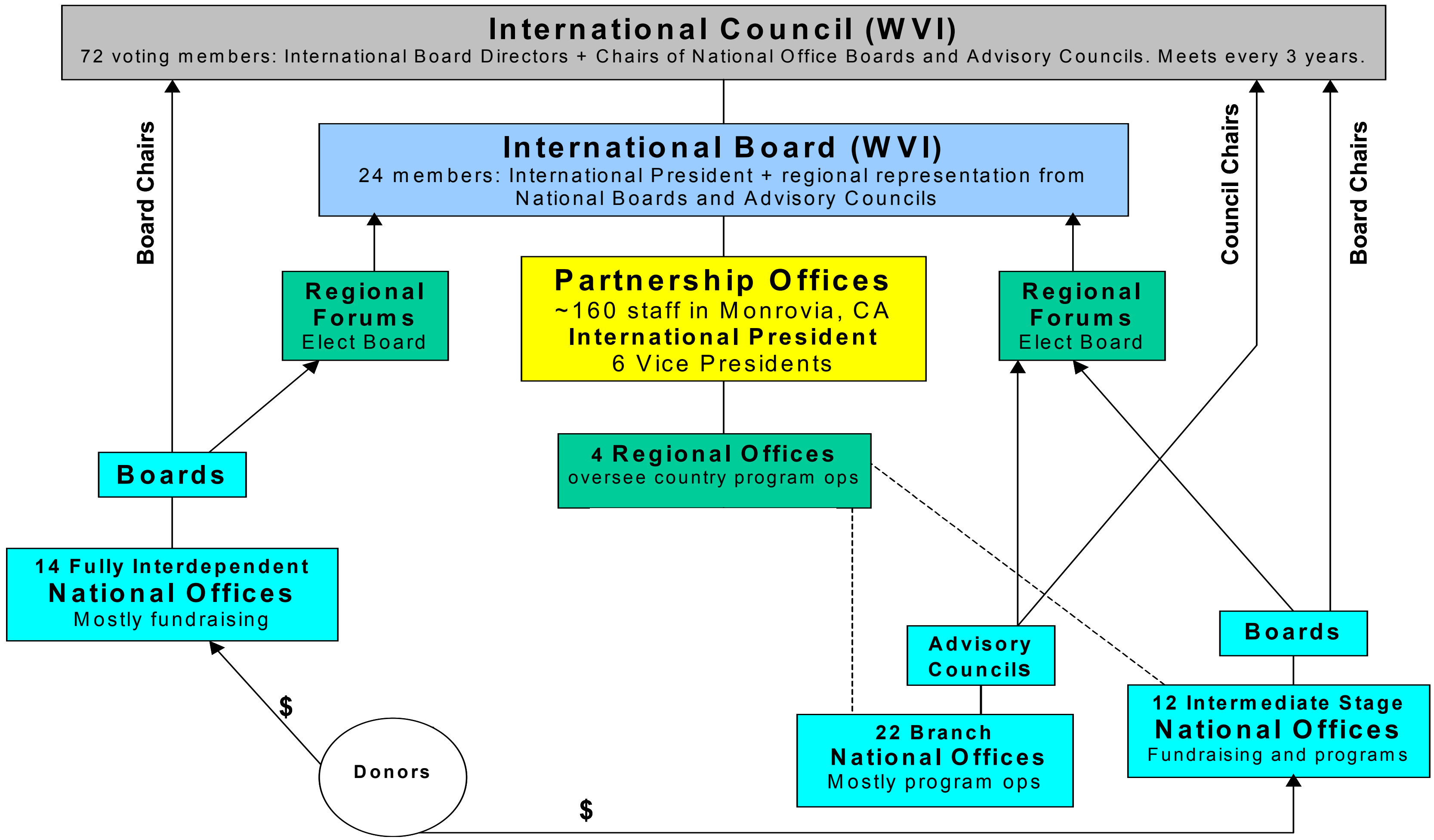
The WVI Council provides the membership structure for the Partnership. It meets every three years to review the purpose and objectives of World Vision, assess the extent to which they have been accomplished and make recommendations to the WVI Board in relation to policy. All member-entities are represented on the Council.

The WVI Board of Directors is the governing body of World Vision International as outlined in the By-Laws. The membership of the Board is broadly representative of the Partnership and is appointed by a process determined by the Partnership.

The International Office is the functional unit of World Vision International, housing most of the central elements of WVI. It operates under the authority of the WVI Board of Directors.

Source: World Vision International internal documents.

Exhibit 5 World Vision International Organizational Structure



Source: Casewriter representation.

Exhibit 6 Balanced Scorecard for WV-U.S. Marketing Department

Marketing & Communications

Level 1 Scorecard

Atul Tandon **Quarterly**

Reporting Period: Q4 of FY03 (Jul, Aug, Sep)

	Measure	Actual	Target	Variance (%)	Variance Flag	FY03--Q1 FY03 Actuals	FY03--Q1 FY02 Actuals	FY03--Q2 FY03 Actuals	FY03--Q2 FY02 Actuals	FY03--Q3 FY03 Actual	FY03--Q3 FY02 Actuals	FY03--Q4 FY03 Actual	FY03--Q4 FY02 Actuals
	CHANGE HEARTS												
1	Media Impressions (in millions)	4,515	2,280	98%	●	625	570	2,717	1,880	3,230	2,815	4,515	3,445
	INCREASE INVOLVEMENT												
2	Gross Sponsorship Assignments	144,613	182,941	-21%	■	43,139	44,751	82,473	89,921	116,700	129,514	144,613	169,028
3	Matrix Income ($1,000s)*	$8,797	$6,950	27%	●	$2,923	$3,514	$4,157	$4,507	$6,612	$6,070	$8,797	$6,795
4	Income ($1,000s)*	$229,007	$230,103	0%	◆	$60,054	$56,487	$114,404	$104,455	$171,997	$155,705	$229,161	$208,553
5	Sponsorship File Size	612,815	625,381	-2%	◆	594,216	555,325	601,842	564,575	610,636	574,131	612,815	581,874
6	Donor Involvement - Avg. Annual Giving	$296	$296	0%	●	$278	$271	$285	$276	$277	$276	$296	$280
	INCREASE EFFECTIVENESS												
7	Expenses ($1,000s)*	$52,304	$53,975	3%	●	$14,920	$13,460	$28,912	$25,801	$40,453	$37,477	$52,304	$49,431
8	Sponsor Attrition Rate	16.2%	16.5%	2%	●	17.4%	19.5%	17.0%	18.5%	16.4%	17.7%	16.2%	17.4%
9	Donor Satisfaction	90.8%		N/A		N/A	N/A	90.3%	88.7%	N/A	N/A	90.8%	89.4%

Variance Thresholds

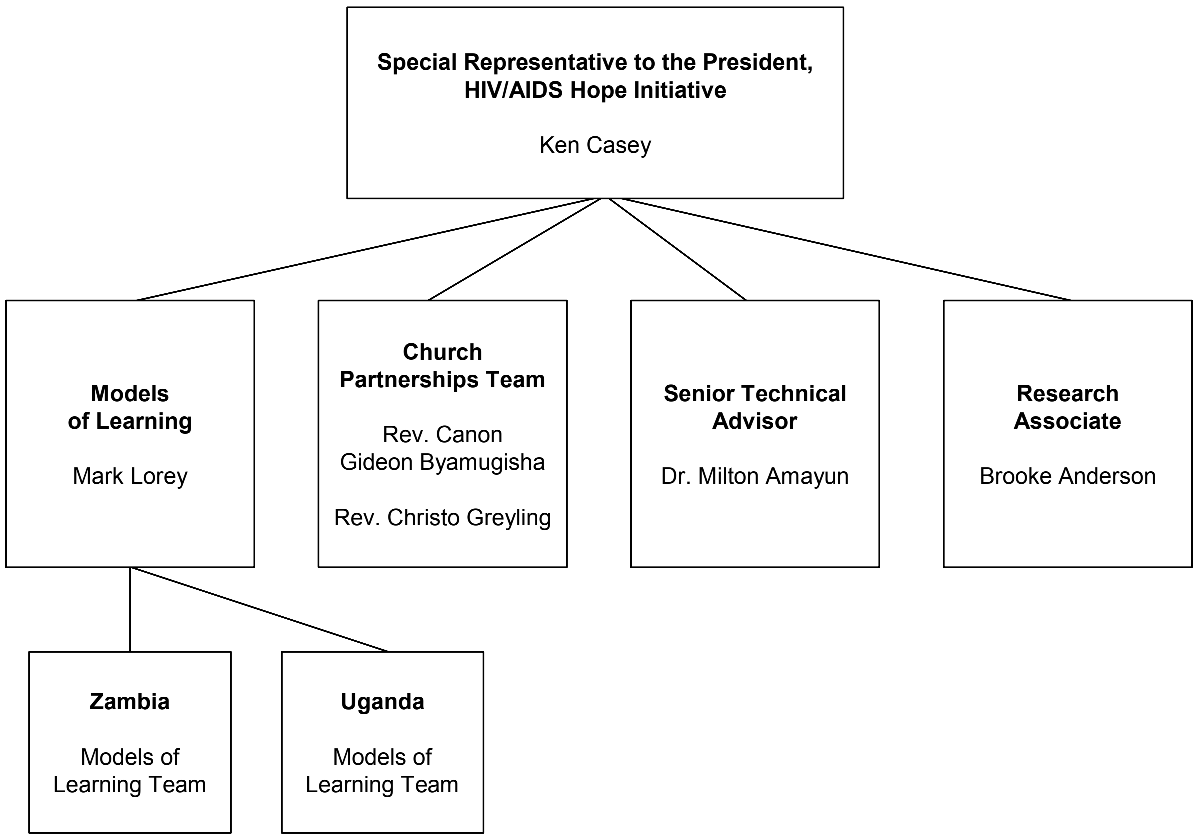
- ● Meets Goal
- ◆ <5% Adverse
- ■ >5% Adverse

*** MAC Yield to Ministry (Revenues less Expenses) was better than previous year by $19.5 million (11.7%) and better than budget by $2.4 million**

	Metric:	Definition:
	CHANGE HEARTS	
1	*Media Impressions (in millions)*	*Number of Christian & Secular Media impressions through publication or broadcast story*
	INCREASE INVOLVEMENT	
2	*Gross Sponsorship Assignments*	*Cum total gross sponsorship acquisitions (all channels except RM)*
3	*Matrix Income ($1,000s)*	*Income motivated by Marketing & Communications, but booked to other areas - Major Donor + Ethnic Mktg + Corp Partnership*
4	*Income ($1,000s)*	*Income generated by Marketing & Communications from all sources*
5	*Sponsorship File Size*	*# of Money Sponsorships Ending last period + Acquisitions - Cancels*
6a	*Donor Involvement - Avg. Annual Giving*	*Rolling 12 mos giving / # donors (cash only for now, GIK to be added later)*
	INCREASE EFFECTIVENESS	
7	*Expenses ($1,000s)*	*YTD Total Marketing & Communications Expenses*
8	*Sponsor Attrition Rate*	*# of money sponsorships that have not made a payment in the last 6 months/total money sponsorships 6 months prior*
9	*Donor Satisfaction*	*Donor Satisfaction Rating (Sponsorship Only)*

Source: World Vision International internal documents.

Exhibit 7 Hope Initiative 2001 Organizational Structure



Source: World Vision International internal document.

Exhibit 8 HIV/AIDS Hope Initiative Program Matrix

Overall Goal	**The overall goal of the HIV/AIDS Hope Initiative is to reduce the global impact of HIV/AIDS through the enhancement and expansion of the World Vision programs and collaborations focused on HIV/AIDS prevention, care and advocacy.**		
	Prevention	**Care**	**Advocacy**
Track Goals	Make a significant contribution to the reduction of national HIV/AIDS prevalence rates	Achieve measurable improvements in the quality of life of children affected by HIV/AIDS	Encourage the adoption of policy and programs that minimize the spread of HIV/AIDS and maximize care for those living with or affected by HIV/AIDS
Target Groups	• Children, aged 5-15 years old • High-risk population groups • Pregnant and lactating mothers	**Vulnerable Children** (living with, affected by and orphaned by HIV/AIDS, including parents and caregivers of vulnerable children)	Policymakers (local, national, and international)
Values	Bring a Christian response to HIV/AIDS, one that reflects God's unconditional, compassionate love for all people and affirms each individual's dignity and worth.		
Key Program Design Principles	• Clear and measurable impact indicators • Integrated with key agencies and organizations in the country • Multisectoral in approach • Scalable—the ability to impact a large number of people • Empower, engage, and equip the local church as a primary partner, as well as other faith-based organizations • Integrated with WV national office program strategies		

Source: World Vision International internal documents.