

CASE GUIDE

CASE STUDY – IMPACT FOUNDATION – NGO CRISIS IN SWITZERLAND (draft 13d)

CASE QUESTIONS:

1. What is the story of the case?

Impact Switzerland is a legal Geneva tax free NGO and a member of IFIO. It is a UN profile symbol for IFIO, which was founded with UN support about 1985 by the blind Sir John Wilson. IFIO has developed members in about 15 countries, with the key child health care objective: Take action today and prevent disability tomorrow.

IFIO is co-sponsored from the UK, but each member feels independent and has its own President and Executive Committee. IFIO is based on strong trust and continual interaction. Effective IFIO member communication is difficult but maintained by email, telephone, Skype, Facebook, on site visits and at an annual IFIO group meeting.

The IFIO members that raise funds annually are: Impact UK about \$2 million pounds, Norway about \$100,000, India about \$200,000, Switzerland about \$50,000. Project requests from the other 12 IFIO members are financed with confidence. Every project financed tries to be monitored with reports of progress and achievements, site visit verification etc. but not always possible and not always with financial audit. Trust is the key.

The IFIO has no Executive Committee but is highly motivated to ensure IFIO success and continuity. Since 1985 no report of any corruption or failure, except in 2018 in Bangladesh with a surgical failure and a pending claim for \$200,000 damages.

Impact Switzerland is challenged in 2019 with funding problems to resolve.

2. What are the key problems?

IFIO funding is faced with increasing competition from other NGOs. Impact Sweden and Denmark and others may have become inactive. Members may not be sharing possible project failures (like Bangladesh), and there no agreed requirement for an annual external financial audit report, or onsite external project evaluation of each project to verify achievements.

Impact Switzerland has a 2019 funding failure and possible old age management failure. The original Executive Committee was symbolic and not very active. There are almost no Swiss members or volunteers, and so ISW it is international rather than Swiss management.

3. What has caused the Impact Switzerland problems?

Change from being a IFIO publicly UN staffed symbol in Geneva, of cooperation and UN support, to becoming a Swiss fund raiser. The key changes were in 2005, with loss of the UNDP staff resources and in 2013, loss of the WHO offices.

Need from 2005 to be both a UN symbol and a fund raiser, with no paid staff and only volunteers in a small office. Almost no Swiss volunteers found. Swiss fund raising from 2005 not successful until 2011/2 and then appointment in 2013 and then of Kevin McGrath as volunteer President and dynamic new volunteer site coordinator.

Too small to hire a professional paid expert (\$80,000 p.a.) in NGO funding. NO qualified volunteer found. Hence frequent funding requests from major donors refused.

However in 2011 Impact Switzer and became a legal Geneva tax free NGO, and helped IUK to transfer \$180,000 from a donor and raised \$27458 of Swiss funds from one key Foundation. Repeated again in 2012 with about \$202,000 for the IUK and about \$45,516 from Key Foundation and from 2013-2018 it achieved \$50,000 a year from that Foundation (via a family friend, who worked for the Swiss donor). But alas no funding in 2019, so far.

Several volunteers and Executive Board members moved away from Geneva. Others resigned with the lack of success (some other Swiss NGOs raised millions) and the failure to have the resources of a professional NGO fund raiser.

In 2019 volunteers had so many different views of the crisis. After several years of great efforts, the site coordinator planned to resign by the end of 2019, to go to another activity. The management team was getting old. Perhaps the President and Treasurer needed to resign after the finding younger competent ex UN volunteers to take over control. Swiss rather than international.

However the Executive Committee was revised (with thanks) to include only active members.

4. What resources are available?

So many resources available to ISW except unlimited cash.

Support from IFIO members and especially the IUK, Swiss legal tax free NGO, with years of limited funding so many projects, new Executive Committee members, HBS research on NGO funding, email contacts, UN contacts, a small Swiss office at low cost, a bank account with about \$17,000, and some still enthusiastic volunteers..

And of course the support of the current President and Treasurer who developed this new case study which may help to attract Swiss business support and Swiss volunteers.

5. What evaluation of alternatives?

- a. Continue passively until the usual annual donor possibly responds with \$50,000 for 2019.

Simple, still active, minimal cost, keeps IFIO support as a UN symbol in Geneva, flexible for the future, good for morale of all volunteers, may attract new ones who are more powerful etc. May help to attract new younger Swiss management support. Or may lose them all. Limited cash enough for several years.

- b. Join together with another Swiss NGO with the same health care values.

Difficult to find and join another NGO when part of IFIO.

- c. Become just a legal Swiss tax- free resource for IUK.

But may provide a resources for IUK at minimal cost, but requires a Geneva address. Recognized as a failure after 34 years of activity, poor for morale of volunteers who have been active, possible loss of many future opportunities.

- d. Develop a new strategy for funding.

Would be an inspiration to all volunteers. New younger President, Treasurer and Executive Board. Motivate study into HBS NGO research, and IFIO extensive internet and other contact data. With determination, confidence, a new key donor could be found. Opportunity to find a volunteer professional fund raiser and get access to unlimited Swiss funding resources.

- e. Find and relate to the women partner of just one Swiss Multi-millionaire with a family, who firmly believes in the care and prevention for possibly handicapped children. Only one billionaire partner needed, to be able to resolve all of our problems.
- f. Liquidate.

Accept failure after over 30 years as the Geneva UN IFIO profile. Retire all the volunteers. Lose even the modest possible fund raising. No reason to fail while seven alternatives are available and the prevention of avoidable disability is still out key priority.

6. Decision of the President pending Executive Board Meeting

After many years of experience with Harvard, INSEAD and the UN, the President believes that in the future, nothing is impossible.

So much has been achieved by ISW over 30 years of support for IFIO and its mandate. So why let it fail now? Just keep it going gently and be open to all possible and impossible solutions.

Keep Impact Switzerland going and find a new younger President, Treasurer and Executive Board , who can decide on the future (and even if it seems impossible)
? Agreed?

AND NOW TO WHAT HAPPENED ...

NOTE: A NEW ALTERNATIVE WAS FOUND:

The Executive Board met on September 15th and with enthusiasm a new strategy was adopted. ISW would continue as a member of IFIO, but with it's own independent strategy and rigorous standards.

The Site Coordinator would continue. Every member would help with 2019 fund raising to replace the key \$50,000 donor.

The priority would be to concentrate on funding only for one highly desirable project -THC – The Lake Clinic in Cambodia.

ISW would continue to operate with the same office, at an even lower rent, an improved website and more attract Swiss volunteers, with very close personal and email cooperation, until another formal meeting in late 2019 .

THE TRUE RESULT OF WHAT HAPPENED:

The Board continued with this strategy, keeping the key donor well informed but concentrating on the idea of just one funding target, the TLC.

Result? In November 2019 the key donor suddenly agreed to the same \$50,000 annual donation, to be paid on December 6, 2019 mainly for TLC but with some help to Zanzibar.

KEY LEARNING POINTS:

Every donor has unlimited alternatives for NGO funding.

Funding of a specific NGO mainly depends, not on the reports and numbers, but on the personal relationships of confidence, trust and values.

The donor needs to be assured that the NGO, meets it's values, and achieves the specific care that is funded.

As in management, personal relationships are the key to success (HBS).

Need to improve funding management and control in the whole IFIO!

Perhaps research the TLC, which provides wonderful health care, for people who choose to stay on and on, in negative environment. The lake is polluted, fishing are dying, children are sick from drinking the lake water.

Perhaps some better long term alternatives can be encouraged, to prevent avoidable disability, in the environment of TLC?