

CRAIG KIELBURGER: CRISIS AT THE DOCKS

Mark Reno prepared this case under the supervision of Professor Mary Crossan solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

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The docks at Freetown Port in Sierra Leone were buzzing. Craig Kielburger and the Free The Children team were anxiously awaiting their next shipment of supplies to support their development projects in Sierra Leone, one of the poorest countries in Africa. This particular day, however, not only was the tension palpable, but it was clear that rather than the usual influx of supplies for the large number of non-governmental organizations (NGOs) working in the area, the vast majority were shipping *out* of the region. A sudden escalation of events in the recent war in Afghanistan had replaced the troubles in Sierra Leone as the headline of the day. These NGOs were responding quickly with typically reactive, short-term thinking by following the aid dollars out of Sierra Leone and into Afghanistan.

Uncertain what could be more important than completing the work the team had started in Sierra Leone, Craig approached a familiar face in the crowd and asked what in Afghanistan could possibly be causing an immediate exodus when the need was still so great in the region. The response he got did not come as a surprise, but it would long resonate as a chilling reminder of the fair-weather commitments of NGOs that were dictated by news stories with the biggest headlines: “They knew all too well that their donations followed the crises that received the greatest exposure. Sierra Leone was being usurped by a more pressing crisis. With limited resources, they needed to make tough decisions about where to employ them. If they did not have a significant presence in response to a crisis, they risked having a weakened appeal in the competitive space for donations. It was imperative for them to move quickly.”

Craig recalled: “It was hard to grasp the complexity of emotion I felt in that moment. A sense of urgency overwhelmed me about what we should do. We were about to unload container shipments just as every other organization was eagerly awaiting our empty containers to ship their supplies out. More importantly, a deep sadness and concern were overcoming me as I began to realize the impact on Sierra Leone of the departing support. This was a country ravaged by war, with living conditions amongst the poorest in the world according to the Human Development Index. Over 30,000 children had fought in the war, and human trafficking remained a serious problem. I felt as if our work had only just begun. What would happen to these people if we left?”

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CRAIG KIELBURGER: DEFINING SUCCESS

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For Free The Children, perhaps the most curious and ironic characteristic of certain charitable and international development agencies was how they measured their own success. As Craig observed:

These NGOs compete vigorously for donations, and how they deploy funds is central to that perceived success. These leading NGOs — some of which have been in existence and serving the same causes, communities and regions for decades or centuries — proudly measure their success in simple, objective metrics like the percentage of donated funds spent on direct services, the number of schools and clinics built and the number of people they had subsequently educated and treated. But we began to question this measurement. After all, how can this be considered success when the *need* still exists? Repetition of the same initiative without eliminating dependence is simply not success. It's the opposite.

Success is when someone says “thanks, but no thanks” to your next initiative because the projects you've created can now be sustained by the communities themselves.

The traditional NGO's definition of success has led to an unfortunate emphasis on building facilities in areas of need and then quickly exiting by handing the operations over to local communities so that the organization could move on to the next hotspot project. Often implemented in haste with little or no community consultation, these development projects are seldom what was wanted or truly needed by the people in these communities. Consequently, without their buy-in, recipients are neither equipped nor motivated to manage them on an ongoing basis. This serves only to fuel the cycle of dependency as the agencies need to remain in order to run operations for the long haul. In our dialogue with local communities, we learned that the most successful interventions are community-driven, utilize local know-how and resources, and develop the community's capacity not only to operate and maintain the facilities and programs, but also to continuously grow and improve them.

However, such a process did not lead to quick wins, and measures of success were not obvious.

Craig wondered how a relatively small organization such as Free The Children could commit time and resources to achieve sustainable solutions while meeting the needs of donors who were seeking more obvious, immediate measures of success:

How do we define and measure the success of our complex, integrated, long-term, sustainable solutions? How can we shift people's thinking to accept more meaningful and productive definitions and measures of success? How can we account for, and report upon, our performance relative to these new definitions and measures?

We contend that success occurs when a person, a family or a community never needs charity again. But how can this be communicated to donors properly and effectively so that they are inspired to donate? What is the true measure of success for an NGO?

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CRAIG KIELBURGER: “ME TO WE”

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Free The Children's focus on long-term sustainable development solutions posed several unique challenges. Where other charities would appeal to their donor base through large-scale advertising, such as newspaper ads, television commercials and infomercials, direct mail campaigns, third-party fundraisers, telemarketers and/or canvassers, Free The Children's relatively small size prevented such expensive methods. Other organizations also employed special fundraising events, such as telethons, charity auctions and lotteries. It was determined that in order to be successful, Free The Children would require the development of entirely new approaches to raising awareness, inspiring commitment and participation and securing donations.

Adopt a Village had become a comprehensive initiative that required considerable financial resources on a sustained basis. Craig Kielburger realized that in order for Free The Children to successfully pursue its innovative mandate, which included school construction, water projects, health and sanitation programs and alternative income, it would also have to develop an equally innovative approach to funding its operations. Ideally, it needed the freedom, agility and income-generating capacities of an entrepreneurial business to capitalize on a broader range of potential alternatives. However, as a registered charity Free The Children had limited options. For instance, in many countries, including Canada and the United States, registered charities were strictly limited in their scope and operations. It was a defining challenge for the organization. “How could we develop more effective and less costly ways to fund our operations? How could we harness the potential and the best practices of entrepreneurial businesses and still retain our registered charity status?” Craig wondered.

Craig wrote the book *Free The Children*, which was published in 1996, with 100 per cent of sales and proceeds going to the organization's coffers. Why not leverage that public hunger for knowledge and marry it to an emerging consumer awareness, one that generated revenue as well as awareness? Thus, “Me to We” was born to engage an informed, socially conscious lifestyle. How did it work? Let's assume that the average person can donate 5 to 10 per cent of their income and 5 to 10 per cent of their time; for many people this is a generous estimate. Me to We's focus would target the other 90 to 95 per cent of a person's income. Where typical donations compete with the need to clothe and entertain a family, Me to We could take an inverse approach, addressing consumer habits without a wholesale shift in focus. If

you're going to buy a t-shirt, why not buy one that is ethically made without pesticides or child labour? If you're going to buy jewelry, why not buy something made from women in Kenya where the proceeds from the sale of a particular item will send their children to school? If you're going to see a movie or buy a music album, why not experience something that reinforces a positive social message? Me to We would bridge the gap between charity and social enterprise as half of its profits after tax would be donated to Free The Children to provide a stable funding source to sustain its projects in times of donor fatigue. The remaining half would be reinvested to help the operations and growth of Me to We to ensure the model was sustainable.

Me to We has had several positive ventures, including a socially conscious clothing line, speaker's bureau and international tourism operation. There were two recent challenges. The first pertained to the marketing and distribution of a jewelry line handcrafted by women in Free The Children's communities overseas. Craig asked, "How can we sustainably grow this part of the business while maintaining a high-touch and hands-on manufacturing process that helps women help their communities?" The second concerned the We to Me music venture, which had met with seemingly insurmountable challenges inherent in today's ever-changing music industry. Was there a solution to resuscitate interest in this initiative as a sustained revenue stream, or should it be effectively shut down? And, if so, how?

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CRAIG KIELBURGER: RESCUE MISSION ACCOMPLISHED?

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Free The Children's initial mandate was to free children from child slavery. During Craig's first trip to South Asia, he witnessed first-hand the appalling conditions in which children worked and lived with little hope of escape. The group completed its mandate by supporting a rescue home for children who were freed from child slavery. The home was called *Bal Ashram* and was located in India. Local teams would rescue children, sometimes literally kicking down the doors behind which they were enslaved as servants in domestic homes, as child labourers in factories and as prostitutes in brothels. The freed children were then brought to *Bal Ashram*, where they were sheltered, clothed, fed, and given medical care and psychological counseling before returning to their families and communities.

After some initial success the staff at *Bal Ashram* soon discovered the same children were being freed over and over again. It was a vicious cycle fueled by the dire poverty in their communities where children could be "just another mouth to feed." If there were no schooling options available, children would spend their days working to provide much needed income for family survival.

It became apparent that in order to break this vicious cycle enormous systemic obstacles had to be cleared. Craig and the team decided to focus on education, which had long been considered the key to breaking the cycle of poverty. So Free The Children began fundraising to build schools in the communities in which the children worked; in order to provide an alternative to sending their children to work, community members could now send them to school.

Once the infrastructure was built, however, the team noticed that girls were still not attending school. Consensus among international development experts suggested that this was a cultural issue: since male children were considered more likely to succeed (as there were more opportunities for men), it was an obvious choice to keep girls working. The reality in these communities, it was discovered, was far from a cultural issue. It was a practical one: girls had very important roles to play in their families. They walked great distances, often several times a day, to fetch water to sustain the household. When girls weren't fetching water, they were often charged with the care of the family's younger children. The questions that arose for Free The Children were significant: How would the organization tackle these (and possibly other) systemic obstacles to development? Should Free The Children be doing more than rescuing children? If so, where should the scope of the projects start and stop? Just building the school? Continuing into other areas? Where to start, and when to stop?

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CRAIG KIELBURGER: WE DAY

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Non-profit organizations and volunteer organizations share a mandate of goodwill. Each joins the discussion with the intention of making the world that we live in a better place for everyone. As each organization strives to reach that goal, however, it seldom shares the path with others. Craig Kielburger felt that it begged the question: if a better world for everyone is the common goal, why are we so competitive at best and combative at worst?

Craig observed that this combative environment had increased the pressure on organizations to spend money to make money: they had to hire telemarketers and conduct street canvases, telethons, mass mailings and lotteries. Sunday morning TV appeals were products of this approach. All of these strategies cost money and could readily devour a solid percentage of donations.

As a growing nonprofit, Free The Children had to decide whether it wanted to compete in this way — that is, aggressively trying to pay through these means to grow its brand — for a chance at increasing revenue. This would require allocating scarce resources to marketing in the hope that it would eventually turn a large enough profit to increase services.

“We knew that we wanted to educate and inspire young people to action,” said Craig. “We thought about organizing an event that would galvanize youth, bringing them together under one roof. We could do an event called the ‘Free The Children Rally’ that focused solely on Free The Children issues and featured Free The Children’s guest speakers, etc. Or, we could spend our precious resources to do an event under a different brand that invited a variety of groups from a full range of charities. One board member, in considering this cause-agnostic approach, compared it to Microsoft organizing and funding an event for its top clients and then inviting Apple to present: it simply didn’t make sense in a competitive environment.”

But Craig and his team began to weigh the possible advantages of attracting even more people as well as additional support and growing the pie for everyone. Could this be better for Free The Children than the more inwardly focused approach favoured by board members and the prevailing business sense? Was the charitable landscape, which rarely sees cooperation between charities and the myriad of causes they represent, ready for such a change? If they pursued the cause-agnostic approach, “would we be able to get a critical mass of charities and development agencies to participate? How could we ensure that we all collaborated effectively? If we build it, will they come?” What should Free The Children do?

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