



Champions Trophy

Case Competition 2014



Case 1: ChildFund New Zealand

29 January 2014

Case prepared by Benjamin Reynolds under the supervision of Sunny Gu. This case has been prepared solely for the Champions Trophy Case Competition. All data in this case has been obtained from publically available sources and ChildFund New Zealand. This case is not intended to serve as an endorsement, a source of primary data, or an illustration of effective or ineffective management.

Portions Copyright © 2014 The University of Auckland Business School. All rights reserved.



ChildFund
New Zealand

Benjamin Banker

From: Benjamin Banker
Sent: Monday 4 October 2013, 8.30am
To: ChildFund New Zealand project team
CC: Denise Dollar, Peter Partner, Warren Wallstreet, Lucy Lawyer
Subject: ChildFund New Zealand Strategy Presentation

Good morning all,

Your case for today is ChildFund New Zealand, a registered charity that has the vision of a world without child poverty. Despite annual income growth of 12.5 percent in 2013, ChildFund New Zealand is approaching a crossroads and seeks your advice.

ChildFund New Zealand was formed in 1991 and became part of the ChildFund Alliance in 2002. The ChildFund Alliance is a network of organisations in 12 nations, all of which use child sponsorship to the benefit of children and communities in developing economies. The alliance works together at a strategic level, but operations within each country are left to national boards and management teams.

For the alliance, child sponsorship does not represent a simple money transfer from a sponsor to a child. Instead groups such as ChildFund will amalgamate all sponsorship dollars allocated to children in the same village and use those funds to complete community development projects. This model allows large-scale projects to be completed to the benefit of all children in a community. ChildFund New Zealand focuses its sponsorship to support children and their communities in five developing nations: Zambia, Timor Leste, Vietnam, Kenya and Sri Lanka.

Child sponsorship has been very successful in New Zealand and ChildFund has grown to reach an annual income of more than NZ\$13 million in 2013. However an issue has risen around the sustainability of this income, given the dominance of "baby boomers" as the primary demographic of sponsors (51 percent). There is also a further related question as to how ChildFund New Zealand should engage in the digital age.

Attached to this email are further details about the history of ChildFund New Zealand, child sponsorship and other information. Please prepare a ten-minute strategic presentation to the management of ChildFund New Zealand, followed by a ten-minute question and answer session.

Wishing you all the best.

Regards,

Benjamin Banker
ChildFund New Zealand Project Leader



Part 1: History and operations



Champions Trophy
Case Competition 2014



ChildFund International – humble beginnings

ChildFund International was founded by a former US soldier, Dr J Calvitt Clarke, in 1938 to provide for children orphaned by the Sino-Japanese war. Appalled by the living conditions he saw, Clarke returned to America with an orphan in tow and a burning desire to build meaningful connections between the developed and developing nations for the benefit of children.

Originally named China's Children's Fund, Clarke began by making a donation of \$2,000 followed a year later by a \$13,000 contribution to support a school and the construction of the KuKong orphanage in China. It was at this point that founder Clarke refined his vision of child sponsorship and opened donations up to the wider community. Thus, child sponsorship was born.

As annual donations grew to \$372,000 towards the end of World War II, China's Children's Fund expanded its theatre of operation into Malaysia, the Philippines, Korea and Japan. Following this growth, the name changed, and China's Children's Fund became the Christian Children's Fund (CCF).

Growth and internationalisation

By the late 1950s, CCF was nearing \$5 million in annual donations and feeding, clothing and sheltering nearly 36,000 children across 50 countries. CCF employed a community approach when distributing the sponsorship funds by delegating responsibility to local leaders with experience on the ground.

In the 1960s, CCF's first international affiliate was started in Canada and was followed quickly by other affiliate groups in Denmark, Australia, Great Britain and Germany. These groups were all founded by passionate donors who had developed an interest in child sponsorship. Over the next 30 years sponsorship commitments continually grew and the number of countries fundraising hit double digits.

An interesting show of economic development in the latter half of the 21st Century is Taiwan. Up until 1985, Taiwan was a heavy recipient of sponsor funds from the US and Europe. However the economy developed to the point that Taiwan formed its own programme (Taiwan Fund for Children and Families) in 1987 and began sponsoring children in other nations around the region.

Consolidating a global cause

In 2002, the 12 fundraising nations united under a single banner, the ChildFund Alliance. Today the ChildFund Alliance is a global partnership between a group of organisations that share similar values and aspire to create sustainable, child-centred community development programmes.

The members of the ChildFund Alliance are: ChildFund Australia; Christian Children's Fund of Canada; BORNEfonden (Denmark); Un Enfant Par La Main (France); ChildFund Deutschland (Germany); ChildFund Ireland; ChildFund Japan; ChildFund Korea; ChildFund New Zealand; Barnfonden (Sweden); Taiwan Fund for Children and Families; and ChildFund International (US).

Although affiliated to the same cause, each member group retains a great deal of autonomy within their region. A small secretariat is maintained in New York and London and the CEOs of each country meet annually to discuss strategies and address any developing issues.

By income, the ChildFund Alliance is the 7th largest international children's development agency behind World Vision, UNICEF, Save the Children, Compassion International, Plan International and SOS Children's Villages. To put this into context, the ChildFund Alliance had total income of US\$565 million in 2013 while World Vision had more than US\$2.5 billion.

The largest income source for the ChildFund Alliance and its subsidiaries is child sponsorship (approximately 60 percent) while other income sources include government grants, institutional grants, donations and gifts in kind.

ChildFund New Zealand background

ChildFund New Zealand, the New Zealand arm of ChildFund, was founded in 1991 and became part of the ChildFund Alliance in 2002.

ChildFund New Zealand has a clear set of guiding principles similar to that of the wider ChildFund Alliance. These are:

Our vision: A world free from child poverty.

Our purpose: We connect New Zealanders with children in need to bring change for the better.

Our values: We are a team of passionate professionals who put the needs of the children first. We are driven by trust, integrity, respect, accountability, effective communication and courage.

Source: ChildFund New Zealand Annual Report 2013

The cornerstone of everything ChildFund does is fostering a connection between child and sponsor.

Organisation

ChildFund New Zealand has around 30 full-time and part-time staff employed across the three main areas of the business:

- Allocating funding to programmes (including monitoring and evaluation, and impact analysis)
- Fundraising and marketing
- Finance and administration, including sponsor services

Refer to the organisational chart in the appendix for more detail about the roles of each team member.

ChildFund New Zealand CEO Paul Brown has been in his current position with ChildFund for nine years and has seen income grow 235 percent in his tenure. With a background in marketing, including industry experience and an MBA, Paul is well connected within the New Zealand charitable sector.

ChildFund New Zealand is registered with the charities commission as a charitable entity (charity number CC10081). This enables sponsors to claim a tax rebate on any donation over NZ\$5 they make to ChildFund New Zealand.

How does child sponsorship work?

ChildFund does not simply transfer money from a sponsor to a child. Instead ChildFund will amalgamate all sponsorship dollars allocated to children in the same village and use those funds to complete community projects. This enables larger projects to be completed for the benefit of all children within a community.

A sponsor can sign up online at www.childfund.org.nz, via a contact centre, or by emailing ChildFund New Zealand. A single month of sponsorship pledge is NZ\$43 (approx US\$40). These funds are then amalgamated and spent within the community the child lives in – with funds allocated towards activities prioritised through a community needs assessment. ChildFund New Zealand remits 80 percent of the \$43 overseas, while most sponsors make an additional voluntary monthly pledge of \$5 which is applied to a future fund for emergencies and other operational and administration costs.

ChildFund New Zealand focuses its sponsorship in five nations. In 2013 the number of children sponsored in each of these five selected countries were:

- Vietnam (1515)
- Zambia (2763)
- Kenya (5952)
- Sri Lanka (1966)
- Timor Leste (1773)

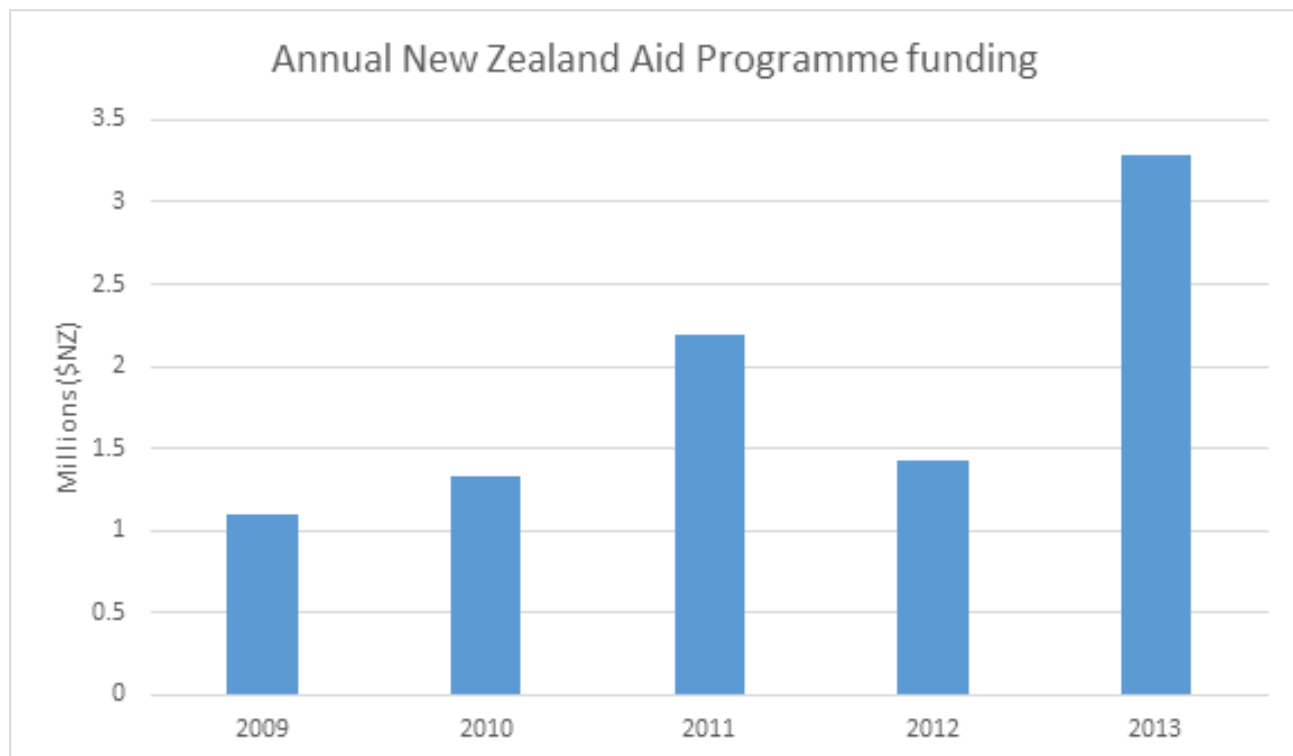
The nature of the sponsorship is that once a child has outgrown sponsorship or the community has received sufficient investment, sponsor and child will need to part ways. At this point, ChildFund will offer the sponsor a new child. Fortunately, 85 percent of sponsors continue to sponsor a child.

Other forms of income

ChildFund New Zealand supplements its income from child sponsors with funding from several other sources including government, institutions and cause-based appeals. These sources of funds comprised just over 36 percent of total income in 2013.

Government funding via the New Zealand Aid Programme

ChildFund New Zealand received NZ\$3.2 million from the New Zealand Aid Programme in 2013. There are risks that there can be heavy fluctuations in this form of funding as seen in the graph below. These funds are allocated towards significant medium term activities that have been prioritised through community needs assessments, with less than ten percent being retained in New Zealand for programme development, monitoring and evaluation expenses.



African Orphan Rescue

African Orphan Rescue is an alternative pledge that is not linked to a specific child. This fund is used for vulnerable children's medical, food, education and water and sanitation activities. Pledgers commit at least 70c a day which goes towards children who have lost one or both parents. African Orphan Rescue had income of NZ\$506,000 in 2013.

Gifts that Grow

Gifts that Grow is a part of the ChildFund New Zealand website where individuals can "buy" virtual gifts such as chickens, seeds or mosquito nets for communities in need. Making a market for these types of goods provides instant gratification for the donor.

Institutional donations and bequests

These comprise a small part of ChildFund New Zealand's income and fluctuate heavily year to year. Often institutional donations will be directed towards a single project or capital investment ChildFund requires such as implementing a new IT system or revamping the website. These funds may be designated to be spent specifically in New Zealand, or are unrestricted enabling the organisation to direct these to where they are needed most.

What types of aid does ChildFund New Zealand provide?

In 2013, ChildFund New Zealand remitted NZ\$12.5 million overseas. As outlined, sponsorship funds for all the children within a community are pooled and community wide projects are completed. The funding model delegates responsibility to local leaders and parents (facilitated by local ChildFund teams) to organise and deliver these community development programmes.

Below is an extract from the 2013 ChildFund New Zealand annual report about the aid performed by ChildFund New Zealand sponsorship funds in each of the five partner countries.

Kenya

- Constructed six early childhood development centres
- 1,400 children received nutritious food
- Three water tanks and toilets were installed
- Three sand dams were constructed so farmers could water crops and livestock
- 3km of water pipe bought water closer to families and farmers
- One borehole provided access to water for a community
- 1,300 children had health check-ups
- 30 health workers were trained on health and sanitation

Sri Lanka

- 2,100 students attended after school tuition
- Nine primary schools were renovated
- 2,860 primary school children received educational materials
- Ten children's clubs received sports gear and play equipment
- One early childhood development centre was build and one other was renovated
- Two playgrounds were built and three were renovated
- Four wells were built to access clean water
- 122 children received bicycles to help them travel to school

Timor-Leste

- 3,100 people benefitted from new water infrastructure
- 4,610 children were taught about hand washing and hygiene
- 130 youth were trained in basic veterinary care, carpentry or sewing
- 300 youth were taught about HIV prevention and reproductive health
- Two early childhood development centres were built
- 13 child centres received books, desks and learning materials
- 900 children received nutritious snacks
- 1,073 parents were taught how to prepare nutritious meals
- 31 household toilets were built in partnership with families
- 15 midwives received additional training
- 300 mothers were oriented on the health benefits of breast feeding
- 712 families received vegetable seeds

Vietnam

- One water supply system was built for 35 households and two schools
- Five irrigation systems were completed for farmers
- 500 households received a low interest loan to buy agricultural supplies
- 860 farmers attended training in maize cultivation
- 420 households helped improve their rice growing technique
- 350 households had training in pig rearing
- 391 malnourished children received milk and fortified food
- 103 pregnant women received folic acid and iron supplements
- 204 parents were taught how to prevent and treat childhood diarrhea
- 82 people learnt how to construct a household latrine
- 310 people received warm winter clothes

Zambia

- 55 teachers were trained on modern teaching methods
- 3,300 textbooks were delivered to five schools
- 25 early childhood development centres were supported
- 5,090 children were vaccinated against measles
- 1,850 children received health checks and vitamin A
- Six boreholes were installed to bring clean water to 436 households
- Two playgrounds were repaired

Building a relationship through letters

In the words of ChildFund New Zealand CEO, Paul Brown:

“The first thing both sponsor and child will talk about are the letters and friendships they have formed with somebody half the world away. ChildFund sponsorship is about so much more than simple transferal of wealth – it is about building connections and strong communities the world over.”

ChildFund is all about creating meaningful connections across borders. Historically the main way it has facilitated this is through letters written between children and their sponsors. This is a form of one-to-one communication, typical of the pre-internet era.

Letters are the emotional trigger that tie so many donors to the ChildFund cause. It creates an active involvement in the sponsorship process and many sponsors will follow up the letters by travelling to visit their child in their home town.

New Zealander Wendie MacDonald, a ChildFund New Zealand sponsor, said of the letters and subsequent visit to India to visit her sponsor child:

“My visit to Rajyasri and her family began as a commitment to a family in need, but as I left I realised that two families from two different countries had just become one. I was overwhelmed by the love and kindness the family showed me, by welcoming me into their home. They have so little, but are such a loving family who laugh a lot – and have the biggest smiles I have ever seen! We will keep in contact with letters until I can make it back to see them, hopefully in three years’ time.”

Despite pioneering child sponsorship, ChildFund New Zealand is far from being the only charity to offer child sponsorship. There are further details on the competition ChildFund faces in Part 2: Industry and trends.

The logistics of letters

The transfer of letters is a well-oiled but slow process. From the moment the letter is written and placed in the post it can take up to 16 weeks to receive a response. The process is typically as follows:

Weeks 1 - 4: The letter often takes a month to arrive in the local ChildFund office.

Weeks 4 - 6: ChildFund staff in the local office will translate the letter into the native dialect before sending the translation along with the original letter on.

Weeks 6 - 8: The letter will find its way on a network of regional postal networks to the sponsored child.

Weeks 8 - 16: The child will write a letter in response within a week and the entire process of translation and postal is reversed.

The content of the letters normally centres on family, pets, hobbies and favourite sports. Photos and postcards can also be included. As part of adhering to tight child protection policies, ChildFund staff will screen the letters when they translate them to ensure no inappropriate content is included. During this process, ChildFund staff will also screen out any letters that contain requests from sponsored children for more money or assistance. Letters are meant to be authentic and help to build a healthy relationship between sponsor and sponsored child.

While large parcels or gifts cannot be included given the logistical difficulties, sponsor families are allowed to provide an extra donation through ChildFund that local staff will use to purchase a gift on the sponsor's behalf (for items that the sponsored child or their family needs). This is often done around Christmas or birthdays. These additional donations constitute around 7.1 percent of total monthly sponsorship revenues in New Zealand (excluding income from grants or special appeals).

In the age of instant gratification and the internet, the cumbersome process can be inconvenient to sponsors who have come to expect instant replies to messages they may have sent to friends or family on Facebook or email.

Marketing and fundraising

Fundraising and programme development represents the largest cost to ChildFund New Zealand's operations at 61 percent of total annual expenditure in 2012. It is vital that ChildFund attracts sufficient new sponsors to offset natural churn and drop-off in their sponsor base. There are more details surrounding these trends in Part 2: Industry and trends.

ChildFund New Zealand was an early proponent of direct response television advertising marketing in the 1990s. Both short format commercials and infomercials would drive prospective supporters to call the toll-free number or later visit the ChildFund website.

Into the late 1990s, TV advertising became increasingly cost prohibitive and ChildFund New Zealand moved towards telemarketing to both existing supporters to upgrade their contributions, and to cold or warm leads.

In the past ten years, telemarketing too has become too expensive. Consequently ChildFund shifted its approach again, employing a direct sales method to approach people in the streets and retail environments. ChildFund New Zealand also has its own in-house team of face-to-face salespeople.

Paul Brown, CEO of ChildFund New Zealand, comments on the transitioning sales methods:

"The face-to-face approach relies on what is essentially a confrontational pitch to elicit an impulsive response, and the buying decision is quite different from watching a television commercial (or reading a print advertisement) and then making the choice to call. There is a role for direct selling, but it should be viewed with caution as it does not secure the same quality of supporter."

With the growth of social media, ChildFund New Zealand has been active in building a brand presence online. It operates a Facebook page (ChildFund New Zealand) with daily updates that has close to 2,000 likes. The ChildFund New Zealand Twitter account (@ChildFund_nz) also has close to 1,000 followers. Its blog generates content on stories and events from their sponsor community.

Its online presence is geared towards sharing interesting and relevant information and building the ChildFund brand as opposed to heavily selling to potential sponsors and promoting various ChildFund New Zealand appeals.



Part 2: Industry and trends



Keeping pace with technology

In 2002 when ChildFund New Zealand became part of the ChildFund Alliance, internet penetration in New Zealand was only at 37 percent of households (Source: Statistics NZ). TV and direct advertising dominated and ChildFund rode these trends.

Fast forward to 2013 – 73 percent of households now have internet access and 58 percent of the population is on Facebook. However, it isn't this shift in technology in New Zealand that is proving most troubling for ChildFund New Zealand.

It has recently been reported that the proportion of families in Africa with a cellphone is nearing 80 percent (Source: VentureBeat). The VentureBeat report goes on to state that 40 percent of mobile connections have access to data services. The price of phones has been driven down in recent years and data carrying charges have been heavily reduced. Mobile has become the mainstay of the African economy. In Kenya for example, there is a mobile currency the M-Pesa (M is for "mobile"; Pesa is Swahili for "money") which is used for simple goods and services payments and transactions. There are similar trends in Asia.

More and more families in developing economies are also gaining access to social media. There have been recent cases of children finding their sponsors on Facebook or other social media sites and getting in touch. While it is positive for the ChildFund cause that they are building a relationship, it poses several issues:

1. How can ChildFund protect the children when communication takes place outside their ecosystem? There are clear child protection risks.
2. Sponsors can also begin to wonder why they are sponsoring a child who has access to a smartphone – to many people in New Zealand a cell phone is considered a luxury item, and not typical of the developing world.

CEO Paul Brown notes that social media and the internet revolution certainly isn't going away. ChildFund needs to decide how to use it to its advantage and move swiftly to implement solutions that continue to build meaningful connections between children and their sponsors.

Competition among New Zealand charities

There are 26,934 registered charitable organisations in New Zealand competing for every dollar or hour donated annually. Below are the major charities in New Zealand that specifically operate an international child sponsorship (or similar programme) as part of their organisation:

World Vision New Zealand

World Vision's main programme is the 40-Hour Famine, a well-known appeal that more than 200,000 Kiwi school kids took part in in 2013. It leverages this established brand to promote child sponsorship. Their sponsorship package comes with similar perks to ChildFund along with an online portal where sponsors can stay up to date with events. World Vision New Zealand has annual income of NZ\$54 million and 79c in every dollar is remitted overseas.

Save the Children

Save the Children fights for children's rights as outlined in the United Nations Convention on the Rights of Children. Save the Children offers child sponsorship along similar lines to ChildFund New Zealand. Save the Children had 2012 income of NZ\$7.1 million and 59c in every dollar was remitted overseas. This income was far lower than that of 2011 largely due to a decrease in government funding of NZ\$4 million.

UNICEF

UNICEF is the United Nation's Children's Fund. It works to edge the world closer to the Millennium Development Goals. UNICEF is heavily cause-based and raises funds in response to global events such as the recent turmoil in Syria and Cyclone Evan in Fiji. UNICEF raised close to NZ\$9 million in 2012 along with an additional NZ\$8 million from the New Zealand Government.

TEAR Fund

Tear Fund claim to be "Christ centred, child focused and church based". Sponsorship funds are distributed throughout local churches directly to the sponsor child themselves. Funds will provide for education, food and medical care for the child in need.

The table below details the key statistics about each of the major child sponsorship competitors. Note: 2013 income is not representative of the amount solely through child sponsorship programmes, but rather of whole operations.

	2013 income	2013 government income via NZ Aid Programme	Amount remitted per \$
World Vision NZ	\$54m	\$8.4m	\$0.79
Save the Children NZ	\$7.1m	\$1.7m	\$0.59
UNICEF NZ	\$17m	\$8m	\$0.81
TEAR Fund NZ	\$11.2m	\$0.5m	\$0.79
ChildFund NZ	\$17.8m	\$3.2m	\$0.8

Sources: Individual charities 2013 annual reports

NB: The government income UNICEF NZ received was remitted directly to UNICEF International

Why do we donate?

The general consensus among academics and researchers is that people choose to donate to charitable causes for three main reasons:

- Primary motivator: We want to feel good about ourselves and having “done our bit”
- Secondary motivator: We want to be a part of a community
- Tertiary motivator: We want to make a difference

ChildFund New Zealand uses this insight as a part of its child sponsorship package by providing correspondence between child and sponsor, and regular ChildFund material showcasing how successful the child sponsorship model is to the village and communities it benefits.

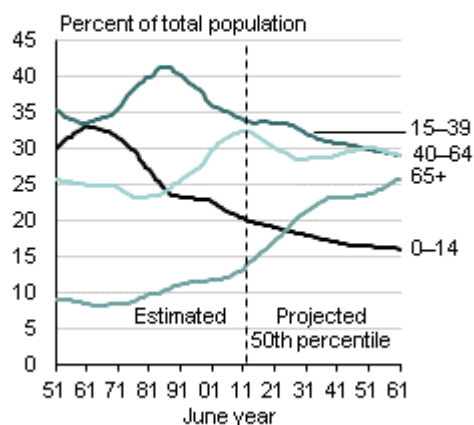
Other causes such as Breast Cancer New Zealand have a different approach in that they provide positive reinforcement to their donors in the form of pink ribbons, stickers or other breast cancer paraphernalia. This can band donors together as “the community of pink ribbon wearers”, as outlined by the secondary motivating factor.

New Zealand’s ageing population

Fifty-one percent of ChildFund New Zealand’s sponsors are classed as “baby boomers” – people born between 1946 and 1964. Baby boomers are the most educated of any age group to come before them with 28.5 percent holding a bachelors degree or higher. They are also the most affluent group in society, responsible for more than half of consumer spending and two-thirds of them still support an adult child.

With falling birth rates, New Zealand, like many other developed nations is beginning to see an ageing of the population. Estimates from Statistics New Zealand point towards median age rising from today’s 37 years to 44 years by the year 2061. The table below, from Statistics New Zealand, shows how this change translates into a drastic shift in age group proportions in New Zealand.

Age distribution of population
1951–2061



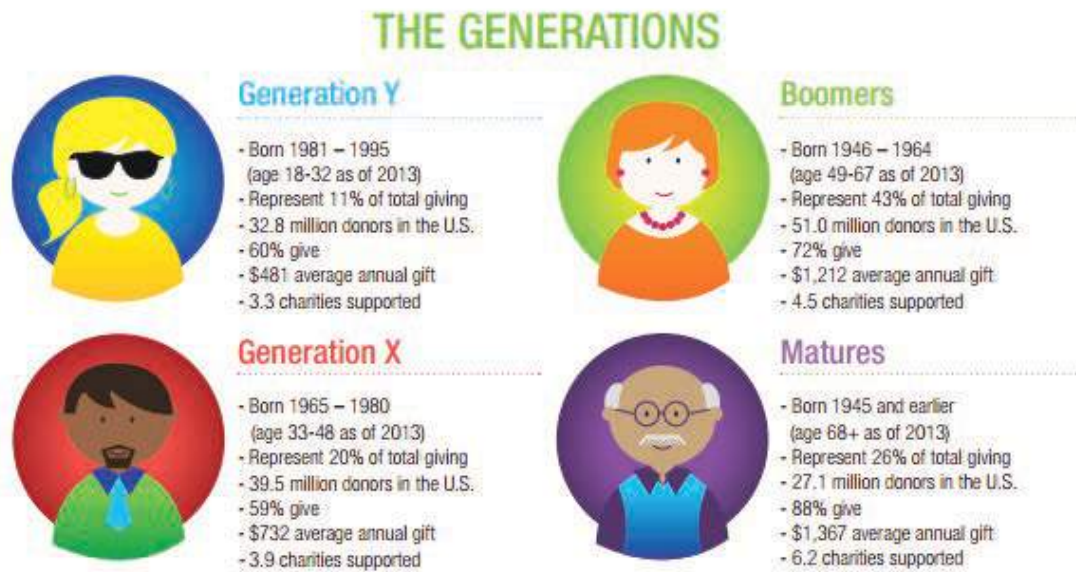
Source: Statistics New Zealand

There is further population information in the appendix.

A generational divide

With the New Zealand population ageing rapidly, it is important to consider the differences in charitable giving between younger and older generations. Blackbaud, a provider of non-profit software and accountancy services, sought to quantify these differences by tracking several data points on donors towards various charities in the United States.

The following infographic displays its findings:



Source: Blackbaud



Part 3: The future for ChildFund New Zealand



The ChildFund Alliance recently commissioned and received a major piece of consulting from Danish consulting house Workz. The aim of this was to specifically decipher what the ChildFund of the digital age could look like. The four proposals Workz responded with shared a common vision - to develop a strong ChildFund community that serves the needs of the children through collective effort.

Workz returned with four high level suggestions for facilitating ChildFund Alliance's entry into the digital age. These were:

1. A sponsorship stream

This proposal aims to combine the traditional sponsorship model with the powers of the social web. The basic idea is to build a communication platform between the sponsors and the local development office near the child's location. Regular blogs, photos and updates are shared by the local development office which the sponsor is able to view on social networks and share the "life stream" of the child they sponsor with their friends and followers.

It would require significantly increasing the skills of the local development ChildFund workers but has a drastic impact on the service the sponsor experiences. The benefit to the sponsor is the visibility of their philanthropic endeavours within their social network.

2. Satellite projects

To satisfy modern consumers' thirst for instant gratification, this proposal would allow sponsors to fund short-term projects. In a similar way to a crowd funding platform, ChildFund could operate a series of projects that sponsors are able to choose from to fund. They then get instant feedback when the project is funded and put into action. This model would need to be run in tandem with the traditional sponsorship approach to provide sustainable funding for ChildFund's efforts.

3. Sponsor team

This proposal would see individual users group together as a sponsorship entity. This could allow sponsors to feel a part of something that is larger than themselves. From ChildFund's standpoint it could allow multiple users to sponsor a single child, lowering the cost to introduce them to the concept of child sponsorship. There are a number of additional nuances to this proposal including an opportunity to "gamify" the sponsorship with a badge or points system for each donor. This could be run in parallel with a sponsorship stream or satellite project with the added benefit of being able to share the giving experience with others.

4. Active participation

As opposed to passive participation, active participation allows sponsors to become involved creators and participants. Active participation could build on satellite projects by allowing sponsors to pledge skills to the project that may not be available in the local region. When a project is listed by ChildFund both a funding and skill requirement would need to be met prior to the project beginning.

Building and managing any of the proposals would represent a significant shift in ChildFund New Zealand's business model and organisational culture. While certainly not impossible, it would require significant upfront capital investment and an organisational restructure. Facilitating any change also needs to be considered in light of the wider ChildFund Alliance goals.

Furthermore, there is a dilemma that younger audiences lack the discretionary income that older (notably baby boomer) generations do. As a rule, most charitable giving is by people in their late 60s - and this reduces by half for every decade under this age.

In driving towards ChildFund New Zealand's vision, a decision now needs to be made on whether building ChildFund New Zealand's online presence is the best move for ChildFund New Zealand, or whether there a better way of packaging the current sponsorship offering to expand the donor base among older, more traditional sponsors known to be receptive to child sponsorship.



Appendices



Appendix A: ChildFund's mission, beliefs, values and ethics

Source: ChildFund Alliance http://www.childfund.org/about_us/mission_and_history/ChildFund_Mission.aspx

ChildFund Mission

- To help deprived, excluded and vulnerable children living in poverty have the capacity to become young adults, parents and leaders who bring lasting and positive change to their communities.
- To promote societies whose individuals and institutions participate in valuing, protecting, and advancing the worth and the rights of children.

Our Beliefs

- That all children deserve an environment of hope, respect and understanding.
- That poverty is a personal experience for every child and we are guided in all of our actions by this insight and sensitivity.
- That it takes a global perspective and a collaborative effort to substantially impact the issues of poverty that face children today.
- That we must work together to create an environment of understanding towards all children and that this environment must embrace cultural and religious diversity.
- That all of our actions must be guided by the utmost integrity and transparency.
- That we are accountable for all funds we receive and that we will always be honest with our donors and stakeholders and that we will use their funds in the most efficient and productive manner.

Our Values

They guide us in our decision-making and bind us together throughout the world, across great distances and many languages.

- Promoting positive outcomes for children
- Demonstrating integrity, openness and honesty, including stewardship of all resources
- Upholding the respect and value of the individual
- Championing diversity of thought and experience
- Fostering innovation and challenge and;
- Proactively connecting and collaborating

Our Ethics

ChildFund pledges to deal fairly, equitably, openly and honestly...

With children:

- By giving the highest priority in all decisions to the well-being of each individual child in a constructive family and community context;
- By fostering his or her growth as a contributing member of society;
- By promoting his or her self-respect and human rights, and
- By internationally promoting social and economic development consistent with these goals.

With parents:

- By ensuring that they fully understand their parental rights and obligation to assume responsibility for their role in ChildFund activities so that they and their children can realize their full potential as the primary force in determining their own destiny.

With our donors:

- By standing fully behind the accuracy of information sent to donors from the field about the needs of each individual child and his or her family, and
- By responding to the sponsor's inquiries promptly, honestly, and as fully as possible, in keeping with the highest standards of respect for the rights and sensitivity of all parties concerned.

With our employees:

- By clearly explaining their duties and the organization's responsibilities and obligations to the child and the sponsor;
- By dealing with each employee on the merits of individual performance as it relates to the overall conduct of the organization's business, and
- By establishing a cooperative, safe and satisfying work environment.

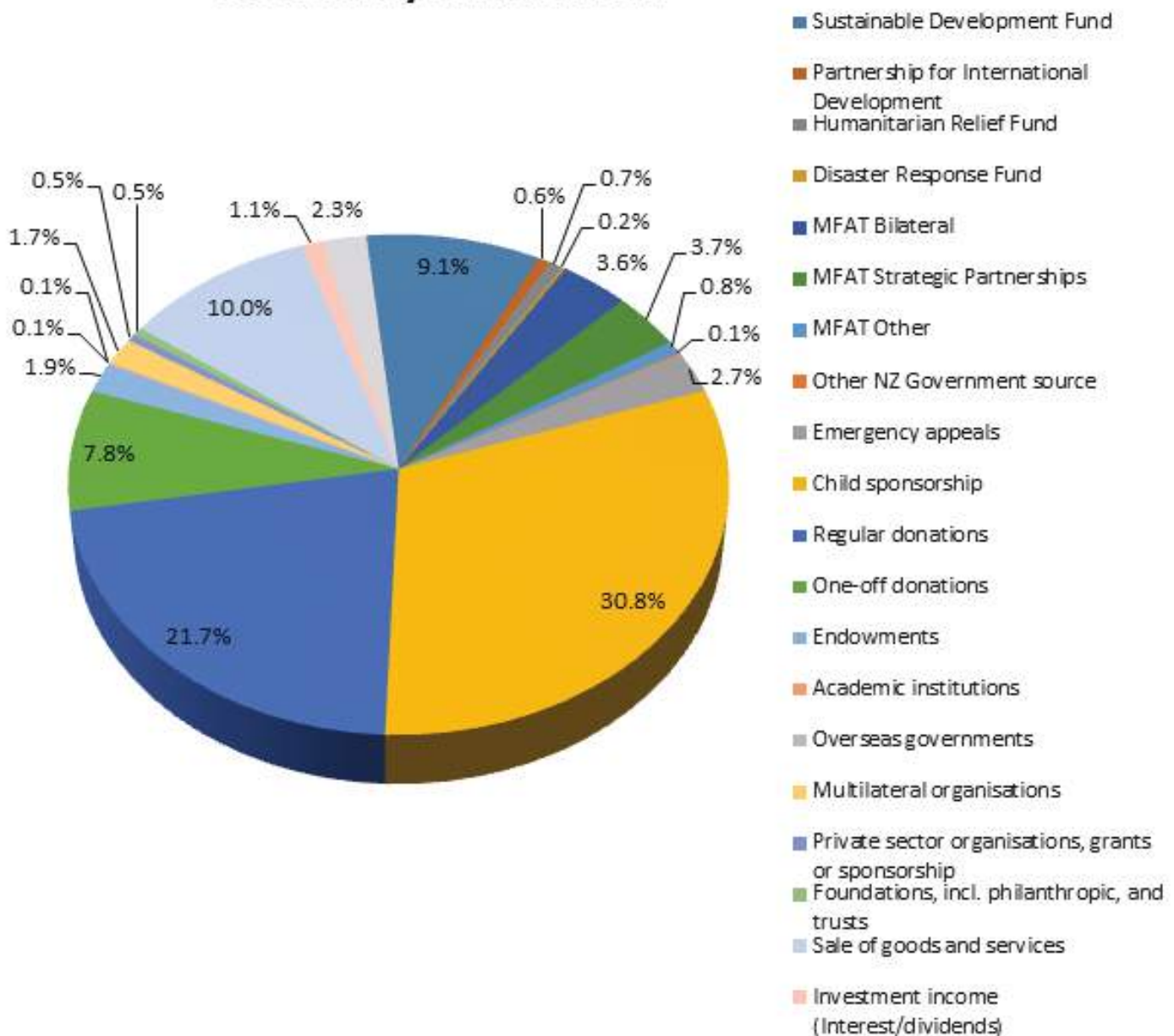
With governments:

- By complying with applicable legislation and regulations;
- By co-operatively advocating for the Rights of Children and
- By assisting in the implementation of the Convention on the Rights of the Child (adopted by the General Assembly of the United Nations on 20 November 1989).

Appendix B: NZ income of international focused charities operating in New Zealand and the sources of their income

Government	\$32,540,041
Public	\$112,739,839
Other	\$28,237,794
Total	\$173,517,674

Income by source 2013



Appendix C: The ChildFund Alliance and where they work

Source: ChildFund.org 'Where we work' <http://childfundalliance.org/where-we-work/>



Appendix D: African mobile penetration

Source: VentureBeat <http://venturebeat.com/2013/12/03/african-mobile-penetration-hits-80-and-is-growing-faster-than-anywhere-else/>

African mobile penetration hits 80 percent (and is growing faster than anywhere else)

We tend to have certain paradigms about the “developed world” and the “developing world.” Including, of course, media-fed images of Africa as a place of almost irredeemable poverty, deprivation, and pain.

Many of our paradigms are, of course, illusions.

A new report on the African telecommunications market highlights that mobile penetration in Africa hit 80 percent in the first quarter of this year and is still growing at 4.2 percent annually. That’s faster than anywhere else in the world, the report says, and Africa is, after Asia, the world’s second-largest market.

Which means that today, more than eight in 10 Africans have a mobile phone.

In part, that’s driven by a massive reduction in the costs of owning a mobile phone: The average revenue per user for telecom companies has dropped 80 percent between 2001 and 2011. Economies of scale have taken hold now as the basic infrastructure has been built out, and more competition by independent (not state-owned) telecoms has driven down prices.

That’s good for Africans, of course, and good for the market in the long term as well. And there’s still a lot of room to grow.

Most mobile connections — 62.7 percent, or almost two thirds — are basic 2G voice and SMS services, the report says. Of the remaining third, about 27 percent have access to 2.5G for low-speed data, and just 11 percent have 3G access — never mind LTE.

As more and more infrastructure is built, however, data services and connection speeds are increasing. Data revenue for telecoms has grown 67 percent in the key African countries of South Africa, Kenya, and Nigeria in the past few years. And while smartphones are cost-prohibitive for some, current penetration is at 20 percent and is projected to grow fast — by almost 600 percent in Nigeria alone by 2017.

Appendix E: Notes on the changing internet trends

Source: Huffington Post Blogger Greg Stevenson http://www.huffingtonpost.co.uk/greg-stevenson/gratification-generation_b_3019813.html

The immediate gratification generation

As technology continues to astound in its ability to bring an ever-shrinking globe straight to the computer screens of the world, and with no indication of this phenomenon slowing down, a growing trend among my generation continues to trouble me. A limitless source of knowledge and opinion has allowed for many of modern life's wonders, but this sensory overload is having an effect on our personalities in a way that is not always obvious.

The ability to take any thought or picture and immediately bring it to the attention of an expansive web of friends and acquaintances is the very essence of the social media experience, and for the generation born in the late 80s and through the 90s, an experience with which we have grown up. Many of our friendships have formed through these connections and shared experiences to the extent where it is hard to imagine life without a readily available source of reassurance. As the study outlined in this Wired piece describes, the human brain is programmed in such a way that when it experiences a form of pleasure, it will continue to seek out more of it. The validation we feel when a friend "likes" something you've shared is one of these experiences. Receiving a large amount of "likes" on a status or picture can actually make us feel self-assured to a detrimental degree, negating a healthy need for self-betterment. Trouble mounts when this search for validation alters our behaviour.

For me, the rise of the Kony 2012 movement in March of last year was the direct result of this reliance. The movement centred around a carefully constructed video that was vague on specifics but clear in its goal: "raising awareness". When coupled with considered, purposeful action, the act of "raising awareness" can be a key tool for any charity or movement, but in the absence of these other facets, it can be mistaken for charity work as a whole. The desire to be seen by an ever-watching peer group has conditioned us to share these videos in order to prove our sense of morality. As these self-congratulatory statuses and tweets appeared over the week that the video "went viral", I found myself asking the question, when did it become such a distinguishable feature to be appalled by these clearly abhorrent practices?

The video campaign was forgotten about just as quickly as it spread. The expressions of anger and sadness that day came from a willingness to be seen to be doing something, rather than achieving actual progress - another badge to be worn in an ever-growing collection of non-committal phrases.

When awareness alone is taken to be the equivalent of true charity work, it can even have a detrimental effect on those it purportedly supports. The 2011 documentary film *Pink Ribbons, Inc.* tells the story of the bastardisation of the pink ribbon and the colour pink as the symbol for breast cancer. Companies that sell carcinogenic products are also selling stylised pink "breast cancer awareness" items. It smacks of hypocrisy, but few are willing to challenge this practice for fear of appearing to be against the central issue behind the cause. It's a phenomenon that is sadly becoming commonplace.

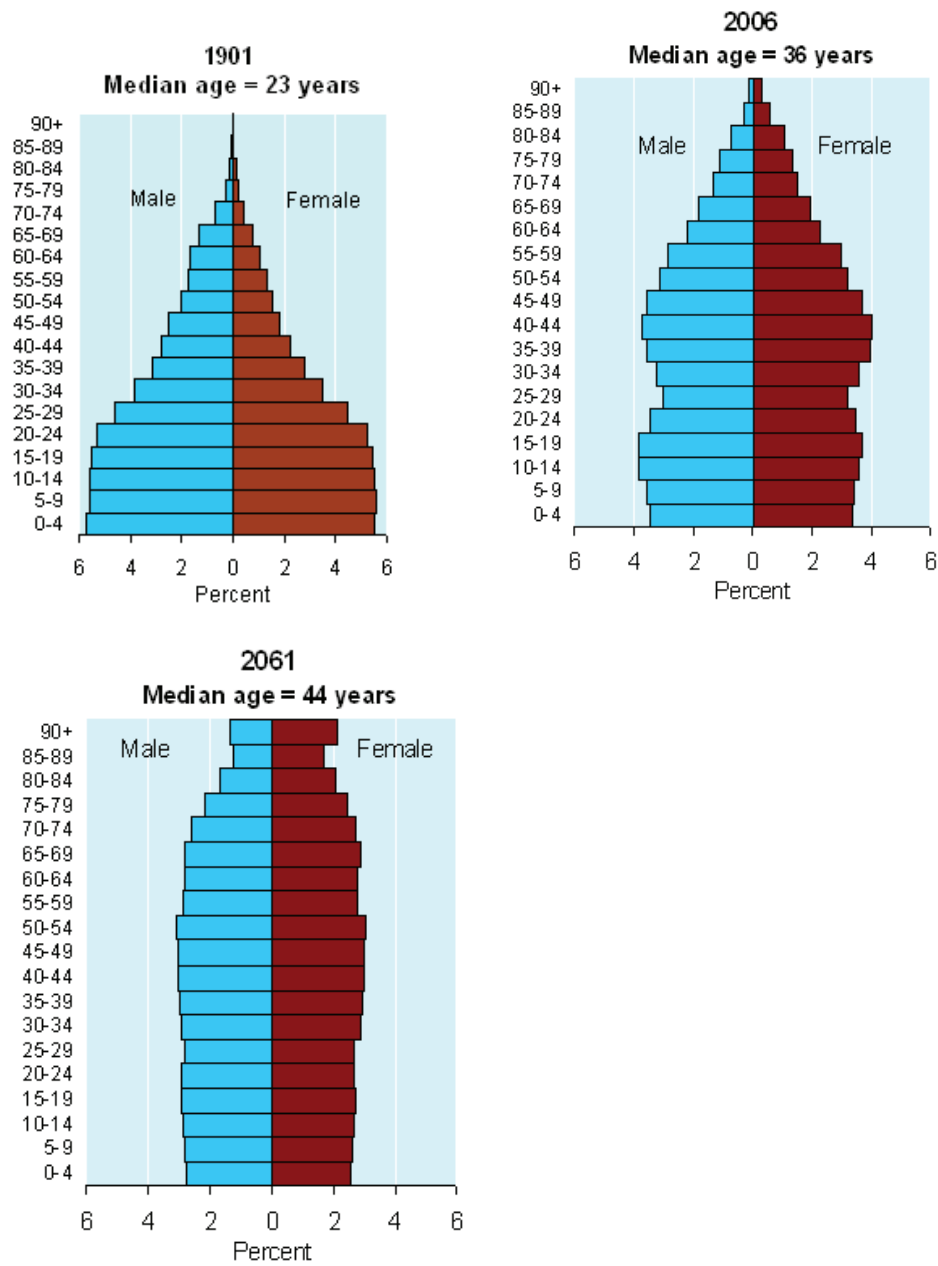
A further offshoot of this need for immediate gratification is the growing trend of so-called "catfishing", a term coined by the creators of the 2010 documentary *Catfish* to describe the experience of entering an online-only relationship with someone that does not turn out to be quite who they say they are. The subsequent TV series and the high-profile case of college American football player Manti Te'o have launched "catfishing" into the consciousness of the mainstream. To me, this is another example of the impact of social media on our personalities.

My generation has grown up with the message that your personality quirks and idiosyncrasies are to be embraced, and though that is a comforting thought, like anything it can be taken too far. Negative feedback is a large part of socialisation, fuelling the desire to change. Though no one wants to see a society of monotonous, robot-like people it is dangerous to coddle every oddity at the same time. An essential part of growing up is recognising the behaviours in yourself that need changing or scaling back in order to become a better functioning person. Resting on the laurel that is the idea of being "true to yourself" is breeding a certain, stubborn type of person that has trouble in the greater world outside of their internet presence. The ever-growing reliance on online relationships is a symptom of this, as people refuse to alter themselves in order to be better suited to dating someone in their immediate surroundings and instead find an online persona that will indulge them instead.

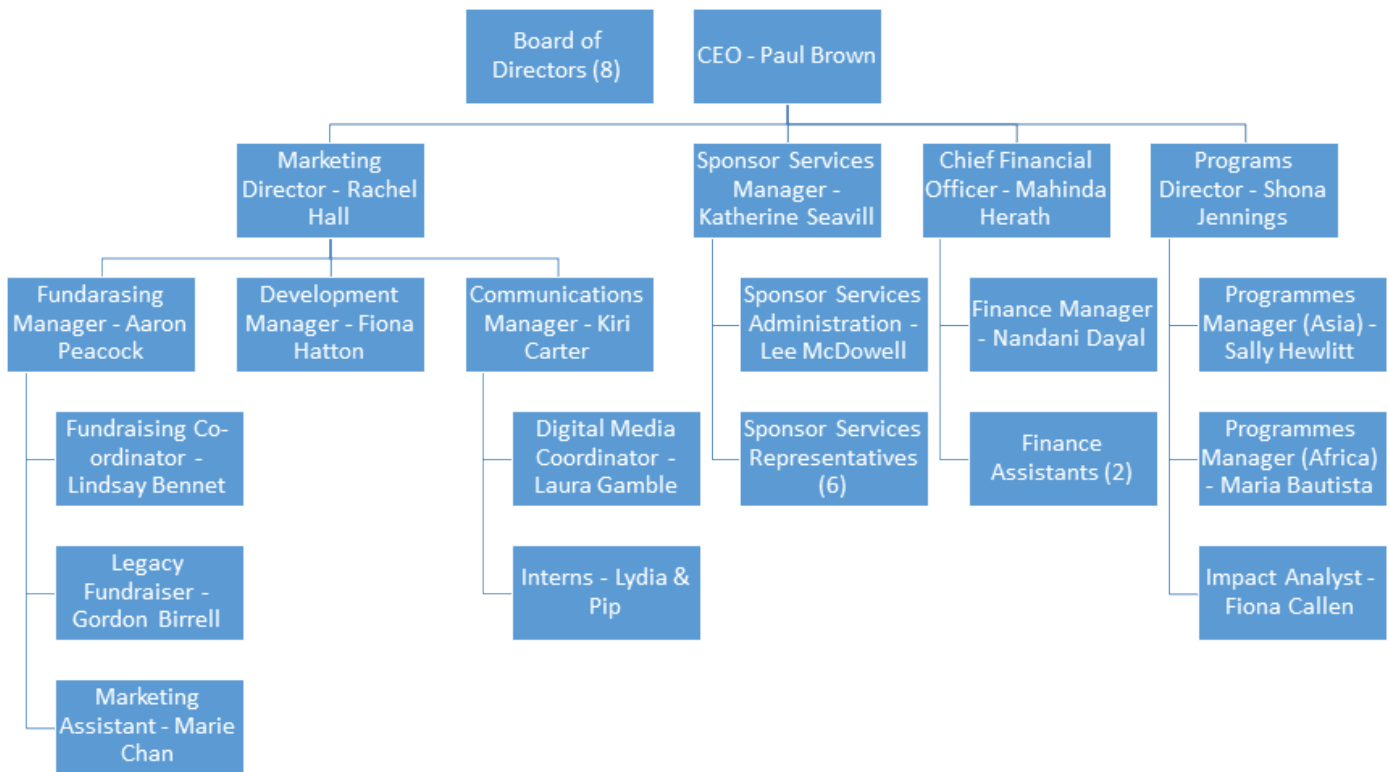
Ultimately, it is essential for the social media generation to remain cognisant of the difference between their online and in-person interactions, as becoming too lost in the former is beginning to have a worrying impact on the latter.

Appendix F: Population pyramid projections for New Zealand

Source: Statistics New Zealand



Appendix G: ChildFund New Zealand organisational chart



Appendix H: Statistics on giving in New Zealand

Source: giving.org.nz http://www.giving.org.nz/sites/all/files/2011%20PhilanthropyReport_final%20HRes.pdf

New Zealand ranks as one of the most charitable nations on earth. The World Giving Index ranks us joint equal with Australia as “the most charitable nation on earth” ranking just ahead of Ireland and Canada.

A 2011 Nielsen survey with sample size of 12,000 put charitable giving by individuals in New Zealand at NZ\$ 1.56 billion (giving.org.nz) – this represents roughly 0.8% of GDP. Bequests made up about NZ\$ 120 million of this amount. The same Nielsen survey found 3,450 of the New Zealanders surveyed made a donation in the past 12 months. 97% of these donations were less than \$500 a month, with an average of \$80. 3% made donations larger than \$500, but these appeared sporadic.

Total giving by the private sector is supplemented by NZ\$970 million in donations from Institutions and Trusts and NZ\$ 150.8 million from businesses. There was a skew towards larger corporations giving money as smaller businesses preferred to donate gifts in kind.

Finally, public sector giving (according to the latest OECD figures) state the New Zealand Government gives NZ\$0.46 billion annually to developmental causes – this represents roughly 0.3% of annual GDP of \$139.9 billion.

Appendix I: The size of the child poverty problem

Sources: All statistics have been sourced from the CIA World Factbook found at <https://www.cia.gov/library/publications/the-world-factbook/>

The following table provides key development statistics for each of the five nations ChildFund New Zealand has partnered with and compares these with the same statistics for New Zealand and the US.

	New Zealand	US	Kenya	Sri Lanka	Vietnam	Zambia	Timor-Leste
Population	4.3 million	316.6 million	44 million	21.6 million	92.4 million	14.2 million	1.1 million
GDP per capita (USD)	\$30,200	\$50,700	\$1,800	\$6,200	\$3,600	\$1,700	\$10,000
Human Development Index	0.919	0.937	0.519	0.715	0.617	0.448	0.576
Infant mortality (deaths per 1000 births)	4.65	5.9	42.2	9.24	19.6	68.6	40
Life expectancy	80.8 years	76.6 years	63.3 years	76.2 years	72.6 years	51.5 years	67.1 years
% of population under 25	34.2%	33.7%	61.2%	39.9%	43%	66.2%	62.4%
Population growth rate	0.9%	0.9%	2.3%	0.9%	1%	2.9%	2.5%
Urban population	86%	82%	24%	15.1%	31%	39.2%	28.3%
HIV/AIDS prevalence	0.1%	0.6%	6.3%	0.1%	0.4%	13.5%	?
Literacy	99%	99%	87.4%	91.1%	93.4%	61.4%	58.3%

The Human Development Index is a global index compiled by the United Nations to serve as a frame of reference for both social and economic development. The HDI numbers can range between 1 (Highly Developed) - 0 (No Development). These statistics were sourced from the United Nations Development Program at <http://hdr.undp.org/en/reports/>

Appendix J: Selected financial statements from the 2013 annual report and ChildFund New Zealand auditors report

Summarised Statement of Accounts* Year ending 30 June 2013

Income (\$'000)	This year	2012	2011	2010
Child Sponsorship				
Total received	10,467	10,166	10,178	10,392
Remitted overseas	8,374	8,133	8,142	8,314
Gifts specifically pledged for children 100% sent overseas	802	830	837	818
Donations and Other Income				
Special appeals	1,057	1,539	874	1,347
Project Liberty/Africa Orphan Rescue	506	480	420	372
Government/other grants	3,284	1,431	2,187	1,330
Total	4,847	3,450	3,481	3,049
Remitted overseas	4,174	2,566	3,022	2,330
Other funding designated to be spent in New Zealand				
Grants	268	113	261	0
Other donations	1,157	1,106	1,034	1,248
Investment and sundry	265	156	213	205
Total	1,690	1,375	1,508	1,453
Total Income	17,806	15,821	16,004	15,712
Net income available for expenditure in New Zealand	4,456	4,292	4,003	4,250
Expenditure				
Administration	942	1,032	986	990
Operating expenses	388	271	270	285
ChildFund International	160	166	168	159
Supporter communications	136	139	131	131
Fundraising/Programme development	2,569	2,732	2,383	2,332
Total	4,195	4,340	3,938	3,897

NB: The full financial statements are available in Microsoft Excel format on your team's USB drive.



Notes

Champions Trophy
Case Competition 2014





www.business.auckland.ac.nz