

RESHAPING MCC FOR THE 21ST CENTURY



**Mennonite
Central
Committee**

**New Wine/New Wineskins:
Reshaping MCC for the 21st Century**

**Review of Literature and Interviews with Selected Agencies Regarding
Three Conceptual Organizational Models for Agencies Working
Internationally**

February 5, 2009



NOTE: *The following is a study document to help the ITF compare and contrast several extant organizational models in order to discern what is an appropriate structure for the BIC/Mennonite churches to adopt for MCC as an inter-Mennonite service ministry.*

Background: How this Report Fits into the New Wineskins Process

In late fall 2007 the MCC Round Table (12 Board Chairs and 12 Executive Directors) approved a proposal for MCC to engage in an 18-month discernment process, then called “Appreciative Inquiry,” to look at questions of vision and structure for MCC. This proposal was renamed “New Wine/New Wineskins” and then approved in detail by the MCC Binational Executive Committee in January 2008. The goal of process is to produce a clearly stated set of recommendations for decisive action by the MCC Boards on or before June 30, 2009. Since January, much has been accomplished.

First, the Executive Committee established a 9-member Steering Committee to give overall leadership to the process. Second, the Steering Committee formed an Inquiry Task Force (ITF) of 34 people whose mandate is to listen to MCC’s various constituencies and, based on their input, make final recommendations on identity, vision, mission, values, priorities, and structure to the MCC boards by March 2009. Final approvals will be made by representatives of the MCC boards at a summit meeting June 3-5, 2009 at Tabor College in Hillsboro, Kansas.

Third, the Steering Committee and ITF members held a series of summits and regional meetings around the world to hear from the constituencies, including Canadian and US conferences and denominations, the global Anabaptist community, MCC Partners, and staff and board members of the 12 MCCs. A New Wineskins Web site (mcc.org/newwineskins) was also created to keep people informed and to invite additional dialogue.

Fourth, in October 2008, the ITF met to review the input from the summits, regional meetings, and Web site and began shaping MCC’s identity, vision, mission, values, priorities, and structure. Between October 2008 and March 2009, more regional meetings are being held, and additional input is being received via the Web site. The ITF will take these perspectives into account during their March meeting.

Fifth, based on initial research, at its October 2008 meeting the ITF asked the New Wineskins consulting team to do further research and provide more complete descriptive and comparative information on three of the conceptual models: the Weak Umbrella, Confederation, and Federation (Lindenberg and Bryant, 2001; Vargas and Curran, 2003). The consulting team did this by reviewing the literature (see Appendix A) and interviewing executives at global church-based and Non-Governmental Organizations (NGOs), including Baptist World Alliance, Lutheran World Federation, Medecins Sans Frontieres, CARE International, Save the Children, Oxfam, World Vision, the Nature Conservancy, Amnesty International, Heifer International, UMCOR, and Plan International (see Appendix B). The team combined this research with the input from the summits, regional meetings, Web site, ITF, and Steering Committee to formulate the structural options contained in this report.

These options are being discussed virtually by the ITF, being posted on the Web site for input from the entire MCC community, and being revised by the consulting team in three iterations between January 2009 and the March 2009 ITF meeting. During the March meeting, the ITF will formulate its final recommendations to be sent to the MCC boards for discussion and approval at the June summit.

Who is MCC and what is its Mission?

We begin with Sullivan's maxim that when it comes to organizational design, form follows function. Whatever new structure is developed for the future of MCC, it needs to support and enable MCC's core identity, mission, priorities, and approaches. While these things are being discussed and may be partially revised as part of the New Wineskins process, we use a summary of MCC's current articulation of them as found in the document "Principles that Guide Our Mission" as a starting point for this paper. There it says that MCC is an inter-Mennonite and Brethren in Christ service ministry founded by the churches in Canada and the United States, made up of people from diverse racial, cultural, ethnic, and Christian origins.

Its mission is to demonstrate God's love by working among people suffering from poverty, conflict, oppression, and natural disaster; to serve as a channel of interchange by building relationships that are mutually transformative; and strive for peace, justice, and dignity of all people by sharing its experiences, resources, and faith in Jesus Christ.

Its priorities are relief, community development, peace, and connecting, and its approaches include working among suffering people as an incarnation of God's love, working as nonviolent missionaries of peace and reconciliation, humbly "speaking truth to power," demonstrating and articulating the good news, where possible working in partnership and mutuality with local churches, doing work that is developmental in character whether short- or long-term, and carrying out its work with skilled and dedicated people.

For the purpose of this paper, then, we will assume that MCC's new structure needs to support and enable its identity as a church-based service ministry (a Christian NGO as defined from the outside) working in transformative partnership with others around the world in the areas of relief, community development, peace, and connecting.

Going Global: Everybody's Doing It

Virtually all NGOs and church-based organizations are experimenting with new structures across national boundaries. This trend, which began in the 1970s and has gained momentum ever since, has been stimulated primarily by the opportunities and challenges of economic, political, social, and ecclesiastical "globalization." Specific drivers for all NGOs include:

1. Donor demand for greater accountability among affiliates,
2. The opportunity to use new technology for global coordination,
3. The potential for economies of scale in recruiting, fundraising, and programming, and
4. The need to maintain legitimacy (brand consistency, program quality, responsiveness to constituencies) of the organization across multiple countries.

For church-based NGOs, three additional factors come into play. We mention them briefly here and discuss them in more detail in subsequent sections of this paper. They include:

1. A theological understanding of the Church as the unitary global Body of Christ,
2. The growth of the global church in number and influence, and
3. A commitment to the principle of shared governance.

Five Different Models

Lindenberg and Bryant (2001) and Vargas and Curran (2003) offer a useful classification for understanding global organizational structures of international NGOs based on the level of central control of the mission and performance of the organization (see summary grid below). These models can be seen as “pure types” that elucidate key design principles and serve as a starting point for discussion about MCC. The models include:

1. Separate independent organizations
2. Independent organizations with weak umbrella coordination
3. Confederations
4. Federations
5. Unitary, corporate organizations

Separate independent organizations surrender no decision-making authority to an international headquarters. Each organization is free to do whatever it wants, when and wherever it chooses. Independent organizations enjoy maximum autonomy with little or no interdependence.

In the weak umbrella model, independent organizations maintain virtual autonomy but move toward increased interdependence by establishing weak coordinating mechanisms to share information and facilitate cooperation.

In the confederation, strong affiliates delegate some coordination, standard setting, and resource allocation duties to the central office, but decisions from the center need virtual unanimity among affiliates and most powers remain with the affiliates.

In the federation, affiliates delegate strong powers to the center for standard setting, resource allocation, and program management, but most affiliates have separate boards (some advisory, some decision-making), which make resource acquisition decisions and, in some cases, domestic program decisions.

Finally, in the unitary corporate model, there is only one global organization with a single board and central headquarters, which makes all resource acquisition, allocation, and program decisions. There are branch offices around the world, which are staffed by the central body and implement centrally-made decisions.

Hybrids, Alliances, Networks, and Chaordic Organizations

While these five organizational forms provide a valuable starting point, alternative arrangements can be created that are positioned somewhere along the continuum (e.g. between an umbrella and a confederation, a confederation and a federation, or a federation and a unitary corporate structure) or that cluster together different aspects of the models based on specific needs.

Similarly, the internet, wireless technology, and other drivers of globalization are making broad horizontal collaboration and scalability possible in ways that were unmanageable only a few years ago. This creates additional design possibilities that need to be considered. Four specific models deserve mention because of their potential applicability to MCC: hybrids, alliances, networks, and chaordic organizations.

Brafman and Beckstrom (2006) suggest that smart organizations are continuously looking for their structural “sweet spot” – the point along the centralized-decentralized continuum that yields the best results given their organizational mission. They claim that some of the highest



performing organizations today are “hybrid organizations” that expertly combine the flexibility, creativity, and innovative potential of decentralization with the consistency, reliability, and performance potential of centralization. GE, BP, and IBM do this with a centralized corporate headquarters that decentralize internal parts of the business. Each business unit is a stand-alone business tasked with excelling in the marketplace and generating high returns on investments, sometimes in direct competition with other business units in their own organization.



Design Features	Separate Independent Organization	Weak Umbrella Coordinating Mechanisms	Confederations	Federations	Unitary Corporate
Locus of Decision making	Individual Affiliate	Individual Affiliate	Center has weak coordinating capacity w/ strong individual affiliate	Center has stronger authority over system-wide decision than affiliate	Central
Who sets global norms	No one	Individual affiliate	Affiliate w/ central coordination	Central HQ & board	Central HQ & board
Central enforcement mechanisms	None	Weak moral suasion	Moral suasion & limited sanctions like expulsions	Stronger sanctions like withholding	Strong central enforcement & incentive system
Resource acquisition methods	At affiliate level	At affiliate level	Primarily at affiliate level, some common acquisition	Primarily at affiliate level, some common acquisition	Centrally and globally acquired
Resource allocation methods	At affiliate level	At affiliate level	Largely affiliate level, some central allocation	Largely affiliate level, w/even more central allocation	Central allocation
Common systems	None	None	A few – primarily financial & programmatic quality	More common systems	Common systems
Common name	None	Yes	Yes	Yes	Yes
Common logo	No	Sometimes	Sometimes	Often	Often
Franchising	No	No	Sometimes	Sometimes	Yes
Common Advantages		Flexibility & speed benefit emergency response capabilities	Coordinated field presence reduces duplication & confusion	Access to global resources facilitates larger scale emergency response	Unified command structure facilitates speed in emergency response
		Rapid local decision-making	Some economy of scale & efficiency	Economies of scale & efficiency	Lower overhead and reduced risk of corruption
		Strong national identity facilitates local fundraising	Retain national identity & authority	Strong global quality control appeals to major donors	Strongest global quality control appeals to major donors
Common Disadvantages		Duplication of effort & costs	Weak enforcement mechanisms	Fewer local decision making rights	Can be overly rigid
		Multiple affiliate presence in field can result in confusion & competition	Requires complex coordinating structures that can be costly & time-consuming	Centrally defined message may not have appropriate appeal in all donor countries	Organizational identity usually tied to a single country or culture
		Program quality can be uneven & weakest affiliate sets public image	Potential for infighting over lead role in field & governing bodies	Can limit ability to design programs specific to local need	Limited local perspective and innovation
EXAMPLES		Lutheran World Federation; Baptist World Alliance; Medecins Sans Frontieres	OXFAM; Care Intl; Save the Children	World Vision; Nature Conservancy; Amnesty Intl	UMCOR; Heifer Intl; Plan Intl



Other organizations find their structural sweet spot by forming partnerships and alliances. These are typically relationships between separate organizations that involve joint collaborations and some level of shared ownership and control. They can fall anywhere on the centralization-decentralization continuum between full acquisition and an informal agreement. They include joint ventures, equity contracts, operating agreements, and non-equity alliances including co-branding, co-marketing, and strategic outsourcing. In some cases such as Dell and other computer manufacturers up to 90% of their operations are conducted through some form of partnership or alliance.

eBay, Amazon, Intuit, and Google have found their structural sweet spot with centralized corporate headquarters that decentralize the customer experience through the creation of virtual networks and Web-based communities. eBay allows anyone anywhere to buy and sell merchandise and to police the site with user ratings. Amazon provides millions of products at reasonable prices and gives the customer a role in rating the quality of the products. Intuit creates online communities around its products like Quicken and Turbo Tax. Google builds its entire Web-based architecture on user input by scanning billions of Web pages to determine what people find most useful.

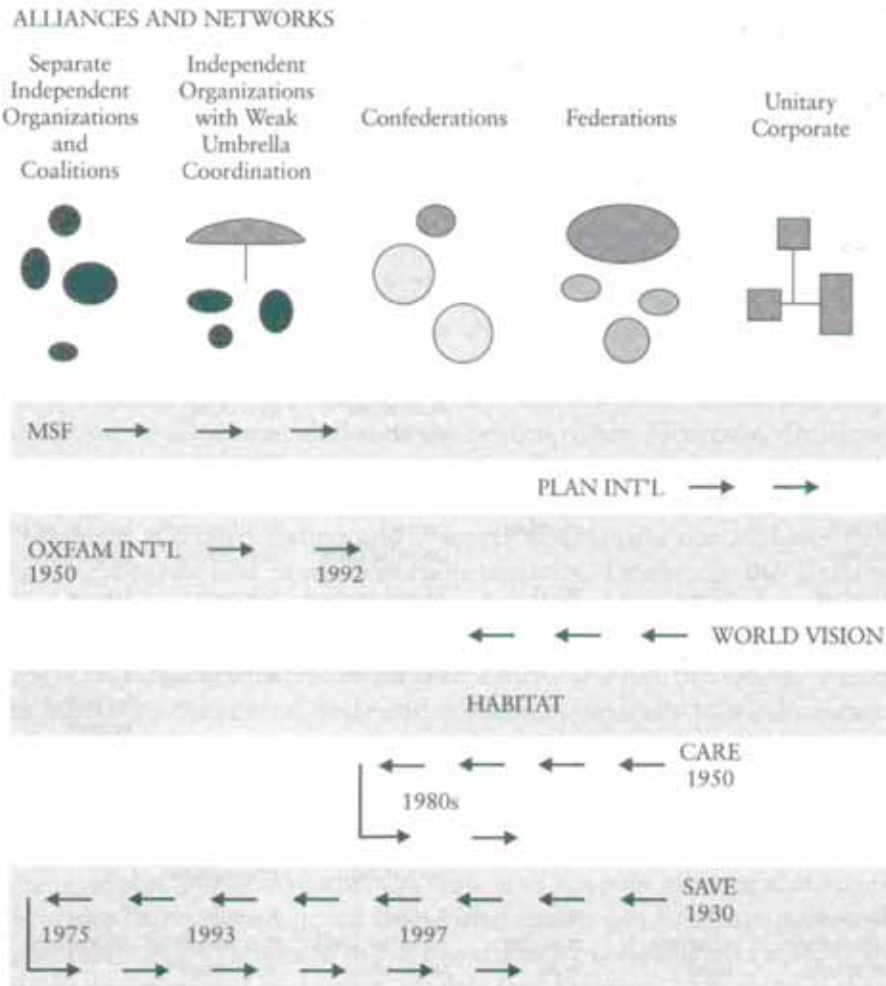
VISA and the United Religions Initiative have found their structural sweet spot by forming chaordic organizations that are radically decentralized, self-organizing, and self-governing. VISA does not issue cards, set cardholder fees or interest rates, or make loans to cardholders. These things are done by the network of 16,600 member banks that have signed on to the VISA constitution and brand agreement. Each member bank is free to govern itself, organize, cooperate, compete, and create any product or service it likes so long as it's in accordance with the VISA purpose, principles, and brand agreement. VISA Inc's Board of Directors is elected from among member banks, and VISA Inc maintains as small a staff as possible focused primarily on running VisaNet, a centralized and integrated online architecture that enables secure, reliable and scalable processing. Visa Inc derives revenue primarily from fees paid by member banks based on payments volume and transactions processed, and member banks relinquish only such autonomy and resources to VISA Inc as are essential to the pursuit of the purpose, principles, and necessary operations of the organization.

The “Best of Both Worlds” – Benefits Coordinated Structures

All of the organizations we studied, both in the written case studies and in the interviews we did with the organizations' senior executives about their current thinking and future directions, noted that their structures have evolved over time and continue to evolve (see e.g. Figure 5.1). Most have done a “u-turn” away from separate independent and weak umbrella organizations and are now using some form of coordinated structure (confederation or federation).

For example, Save the Children began in the UK as a single-member organization with a unitary corporate structure in 1919. Save the Children organizations developed in other countries in the 1970s, but without a central coordinating structure. By 1993, problems of maintaining standards and what some refer to as independent “rogue” Save the Children organizations led to a decision to develop a weak umbrella coordinating mechanism. By 1997, a new effort was launched to form an even stronger confederation and to project a common “brand name” and quality standards. Now, in 2009, Save the Children is moving toward a more federated model to further strengthen its brand, increase efficiencies, and reduce duplication of efforts by its affiliate organizations.

Figure 5.1. Models of Northern Relief and Development NGO Structures



Oxfam experienced a similar evolution. It began in the UK as a single-member organization in 1942. Between 1953 and 1998 it added Australia, the Netherlands, Canada, Belgium, the US, Quebec, Hong Kong, New Zealand, Germany, Spain, and Ireland. Before the mid-1990s, Oxfam affiliates pursued locally defined research and program agendas, carried a variety of logos, and had few collaborative projects. In 1996, the Oxfam affiliates created Oxfam International, a confederation designed to facilitate strategic collaboration in the areas of advocacy, fundraising, marketing and communications, research, and emergency response. The formation of the confederation has allowed Oxfam to define certain priorities for adoption by all Oxfams, but Oxfam continues to struggle with inefficiencies, variable enforcement of priorities and standards, and duplication of efforts in the field (e.g. seven of 12 affiliates working in Ethiopia in 2008).

World Vision was founded in the US as a single-member unitary corporate structure in 1950. During the next two decades it established fund-raising organizations in New Zealand, Australia, and Canada but continued to function as a unitary structure with all governance and field operations run out of the US until 1982, when it moved to a federated model by forming World Vision International (WVI). All four affiliates sat on the WVI Board, and WVI provided centralized management of World Vision's global field operations.



During the late-1980s and early-1990s, World Vision added additional fund raising affiliates and developing country field office affiliates to its global governance structure, forming an international partnership of about 70 affiliates by 1995. Its goal was to move from being a federation to a confederation of fully independent affiliates (financially, programmatically, and in terms of governance) connected only by a covenant of partnership and brand agreement. This goal has been only partially accomplished. Today, World Vision remains a federation, and some senior leaders are questioning the advisability of continuing to move toward the confederated model. Trying to manage fully independent affiliates is proving costly, cumbersome, and inefficient, and in some cases is negatively affecting program quality and the WV brand.

In summary, these organizations initially moved away from unitary corporate structures to allow for more local autonomy, shared governance, closeness to constituencies, culturally and contextually appropriate decision making, globally informed strategizing, and flexible programming. When they moved too far, however, they found it began to erode their reputation, efficiency, and effectiveness. To regain the advantages of tighter interdependence, they moved back in the direction of the confederation (e.g. Save the Children and Oxfam) and the federation (e.g. World Vision). These advantages include:

- stronger program and brand management;
- increased efficiencies;
- more rapid and responsive decision-making;
- better accountability;
- increased collective power for advocacy;
- lower risk of “rogue” affiliates;
- less program overlap, duplication of services, and constituency confusion; and
- fewer contentious long-term disagreements about mission, vision, values, and priorities.

These organizations suggest that coordinated structures offer the best of both worlds: the moral and strategic benefits of shared governance and decision making plus the operational benefits of high-quality, high-reliability programming and brand management.

In the remainder of this document, we explore what MCC would look like if it were structured as an umbrella coordinating mechanism, a confederation, or a federation. Even though the relief and development organizations we’ve discussed have moved away from the umbrella model, we include it here because of MCC’s identity as a church-based organization. The other church-based organizations we studied (Baptist World Alliance and Lutheran World Federation) are structured as umbrella coordinating mechanisms to allow for the relative freedom and independence of their member denominations around the world. There may be some people who would like to see a similar structure for MCC. The purpose of comparing these three models side-by-side is to encourage discussion about them throughout the MCC community and to assist the ITF in its task of creating and recommending to the MCC boards a new structure for MCC.

Structure Considerations Specific to MCC

While the themes from the research provide important context, there are a number of considerations specific to MCC that need to be taken into account when discussing possible structures. We pose the remaining considerations as paradoxes because they are forces that pull MCC in seemingly opposite directions and require structural solutions that effectively

accommodate and transcend the polarities. They require “both/and” rather than “either/or” thinking and designing.

1. Affirm MCC’s Identity as “Church” AND Enable Broad Collaboration Beyond Church

MCC is an integral part of the people-hood of God, the incarnate body of Christ, which is God's foundational strategy for the transformation of the world. The church sees MCC as its own presence via specialized and mandated ministries with a unique set of priorities in multiple contexts and with multiple partners. MCC is the presence of the church in its ministries and partnerships – all partnerships. MCC is committed to remain fully and fundamentally a ministry of the Church.

This means that the basic "structure" of MCC is already in place, namely the church exists everywhere. And the basic structure, the church, is the Body of Christ, with Jesus as its head (which in the terms of this paper is "unitary" overall). It is this foundational theological "structure" that informs how MCC wants to work. Every member of the body has at least two foci: what it does for the nourishment and health of the body itself; and what it does as an expression of the Body to and with those not within it in the same way. The challenge facing the church is to further define an organizational structure for MCC that will maximize its effectiveness in carrying out the specialized ministries of its mandate.

In practical terms, this means that MCC's new structure needs to be one in which MCC is "owned" by the Church. Having said this, it is important to note that the “church” as it is, is not yet what it was meant to be. The church and church structures as they presently exist are not the only or final models of “church.” The transformation of the church is an ongoing process, and there is much positive ferment within creative movements that are working at church renewal. Gifted members of the Body, like MCC, can help to make the whole Body healthier. The new MCC structures need to be open to and provide a creative response to these renewal efforts.

What is clear is that as a ministry of the Body of Christ, MCC can work with and through Christian congregations, agencies, and denominations but also partner with a wide variety of groups in the accomplishment of its mission, including governments, NGOs, community associations, and various faith groups.

2. Build on the Best of the Past and Present AND Forge a Bold New Future

MCC has a rich history and is respected and admired by its many constituencies, internal and external. This came through loud and clear in the summits and regional meetings, in recent MCC communications surveys, and in MCC’s Ministry Watch ratings. It is admired for (1) its excellence in the areas of relief and development, peace building, social justice, and building relationships; (2) its theological motivation and commitment to doing its work in the name of Christ; and (3) its reputation for integrity and financial transparency.

At the same time, the world and the church are changing in significant ways, and MCC, like many other church-based relief and development organizations, is being called to renew itself to lead even more effectively in this new environment. Among other things, MCC is being called to (1) get involved in new global challenges like inter-faith dialogue, creation care, and globalization itself; (2) more boldly affirm and articulate its Christian position; (3) find creative ways to engage the younger generations in the life of MCC; and (4) create new forms of governance that are both more inclusive and more streamlined.



With its new structure, MCC needs to preserve the best of the past and the present, while at the same time creating new possibilities for growth, effectiveness, and faithfulness that meet the challenges of our times.

3. **Become Simultaneously More Global AND More Local**

MCC is being called to become more global in governance and decision making to reflect the global nature of the Anabaptist community and to include the voices of the global south in shaping their own destiny and priorities.

At the same time, MCC needs to remain powerfully local. MCC is historically a ministry of the Mennonite and BIC churches in the US and Canada. The people in those churches have a strong connection to MCC and its ministries. People think of MCC as “my MCC” in a positive way, and for that reason they invest heavily in MCC with their time, talents, and treasure. MCC’s new structure needs to increase this closeness to constituents.

This consideration is given further texture by the fact that, during the Philippines summit and international regional meetings, distinct perspectives were shared about the idea of “global ownership” for MCC:

- National MCC Staff – Some national staff expressed a desire for minimal change. They like the stability of the status quo. Latin America was a notable exception, where there was a clear desire on the part of national staff for MCC to move toward more shared forms of governance and decision making.
- Partners – Similarly, some partners expressed a desire for minimal change. They see MCC as a good partner doing good work and providing valuable resources.
- Global Mennonite Church – Here there were multiple perspectives. Some church leaders want an immediate and increasing stake in owning MCC, while others want a more gradual and incremental approach to reduce potential for corruption by some local leaders. Still others want a close connection to MCC but do not believe this should be done through the current church structures that were set up by North American Mission organizations, which tend to be male-dominated and often lack transparency.

A final consideration is that the constituents of MCC contribute multiple types of resources including cash, relationships, knowledge, and time which need to be appropriately valued in the new structure.

4. **Ensure Coordination/Integration AND Flexibility/Autonomy**

MCC is well-recognized and well-respected by churches, governments and other relief and development organizations around the world. Its new structure needs to maintain and grow its brand and continue to enable high-quality programming on the ground. At the same time, it needs to be responsive and allow for flexibility in priorities, strategies, fundraising, and programming based on local context.

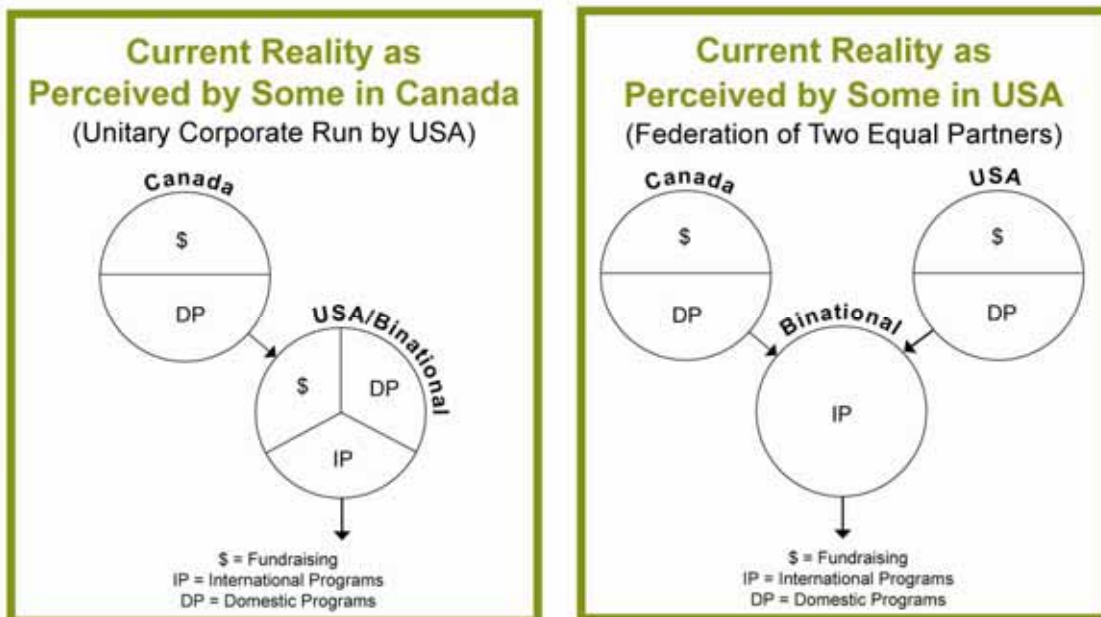
5. **Maximize Stewardship/Efficiency AND Impact**

MCC is widely respected for its integrity, transparency, and its historic commitment to low overhead. The new structure needs to continue to ensure these qualities while at the same time increase programmatic impact. This includes keeping administrative costs low to maximize the amount of resources that get to those most in need; promoting financial and programmatic accountability at all levels; protecting the MCC brand, ministries, and people from corruption and waste; and promoting creation care through more sustainable resource management.

It also includes increasing efficiency by simplifying governance and decision making processes. The current system of working through the twelve MCCs for a decision is cumbersome and costly and needs to be streamlined.

6. Resolve USA/Canada Tensions AND Organize to Engage Other Countries/Regions

There seems to be a fundamental difference in perception between some people in Canada and some people in the US about the current structure of MCC Binational. Drawing on Lindenberg and Bryant’s (2001) model, it appears that some in Canada see MCC Binational as essentially a US-based unitary corporate structure, in which MCC Canada plays a subservient role, and the International Programs Department (IPD) carries out programs on behalf of the US. In the US, on the other hand, the majority perspective seems to be that MCC Binational is a federation, in which MCC Canada and MCC US share equal power, and the International Program Department (IPD) carries out programs on behalf of the federation (see two models below).



This difference in perspective has deep historical roots, and, based on many comments during the New Wineskins summits and regional meetings, is the source of much pain and frustration throughout the MCC community.

MCC’s new structure needs to resolve this long-standing tension and at the same time pave the way for MCC to become truly global by including countries or regions outside North America in its governance and programming. The structure needs to enable a transition from “MCC Binational” to “MCC International” or “MCC Global.”

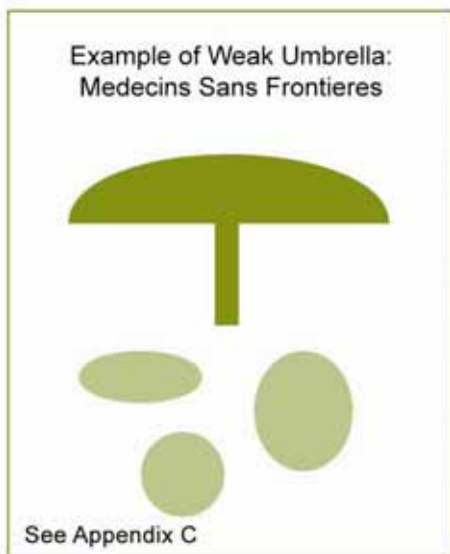
Specific considerations include all of Lindenberg and Bryant’s (2001) categories (board structure, locus of decision making, resource acquisition and allocation methods, etc) but also where to locate the international office, how to manage international programs, and how to accommodate the different histories and existing structures of national, provisional and regional organizations and fundraising agreements (e.g. Red River Accord).

Three Potential Models

With these considerations in mind, below we outline what MCC would look like if it were (1) a weak umbrella coordinating mechanism, (2) a confederation, and (3) a federation. We offer these models as “pure types,” but they can be used to create hybrids as mentioned earlier. We recommend that MCC first select its primary organizational form and then refine the specific design features based on its specific needs.

Umbrella

In the umbrella model, independent organizations (usually national affiliates) maintain autonomy but establish weak (non-binding) coordinating mechanisms to share information and facilitate cooperation. For example, the preamble to the constitution of the Baptist World Alliance reads “[we exist] to impart inspiration to the fellowship and to provide channels for sharing concerns and skills in witness and ministry. This Alliance recognizes the traditional autonomy and



interdependence of Baptist churches and member bodies.” The specific objectives of the Alliance are to promote cooperation among Baptists, assist member bodies in bringing all people to God through Jesus Christ, promote understanding and cooperation with other Christian groups, serve as a resource for evangelism, education, church growth, alleviating human need, and so on. It holds a World Congress every five years and other periodic gatherings, and it has a General Council and Executive Committee that conducts the on-going business of the Alliance, but as one former Executive Committee member said, “Nobody [meaning the member bodies] has to do anything they don’t want to do.”

Similarly, Medecins Sans Frontieres has an International Council made up of the presidents of the Boards of each of the 18 national affiliates, along with an Executive Committee and an International Office of about 15 people. The International Office works to ensure that strategy, policies, and practices are consistent across MSF country affiliates but has no decision-making power over the affiliates.

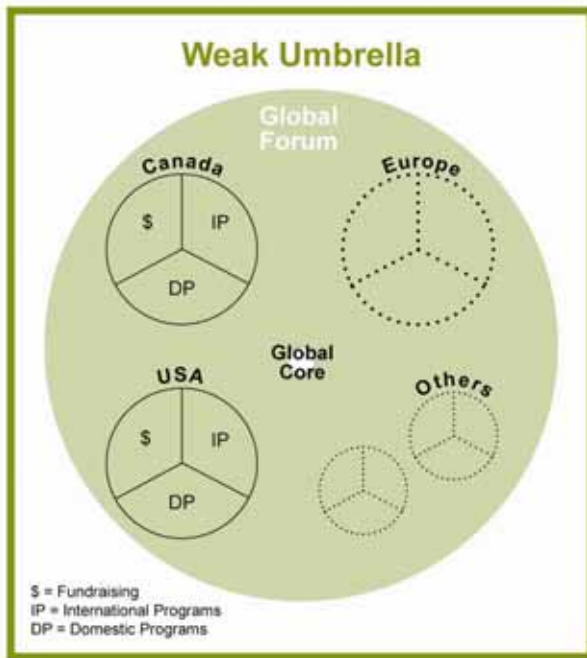
MCC as an Umbrella Organization

If MCC were an umbrella organization it could be structured with three levels: a Global Forum, an International Board, and several national (e.g. MCC Canada and MCC US) or regional (MCC Europe) affiliates. The Global Forum would be a representative body of the Anabaptist community and other key stakeholders around the world designed to meet every 3-5 years to provide counsel to all MCCs regarding mission, vision, values, and priorities.

MCC International would serve as an instrument of the largely independent affiliates and play a minimal coordination role. The International Board would consist of one or more representatives from each affiliate, and the International Office would be made up of a small staff (i.e. 5-10 persons) that reports through the Executive Director to the International Board. It would coordinate strategy, policies, and practices across countries but have no decision making power over individual affiliates.

Affiliates could be either operational or support. Operational affiliates (e.g. MCC Canada and MCC US) would raise funds, recruit volunteers, and implement programs (domestic and international). Support affiliates (e.g. MCC Europe) would raise funds and recruit volunteers and

channel these resources through the operational affiliates. For example, the five operational affiliates of MSF (Belgium, France, Holland, Spain and Switzerland) have direct control over field projects, deciding when, where and what medical relief to deploy and when to terminate aid. The 13 support affiliates (Australia, Austria, Canada, Denmark, Germany, Greece, Hong Kong, Italy, Japan, Norway, Sweden, the US, and the U.K.) recruit volunteers, perform public outreach and education projects, and raise funds for field projects, which are then channeled through the five operational affiliates.



The international office could work to pool resources to give MCC a louder voice in advocacy work, pre-position it for large emergency responses, fund research similar to MSF, or serve as a convening body like the Baptist World Alliance, but it would only

do these things at the request of the affiliates. It could also act on behalf of one or more affiliates on specific tasks if requested or request individual affiliates to assume tasks on behalf of the whole, but the key point is that the core does not have the authority to make decisions for any affiliate or for the whole.

Locus of decision making

Each MCC affiliate is directly responsible for its own fund raising, domestic programs, and international programs (whether managed directly or through another affiliate) and is responsible to fund a share of the expenses for the core. The role of the core is convening, coordinating and international representation where requested by the affiliates.

Who sets global norms?

Each MCC affiliate is directly responsible for setting its own norms. The core communicates and coordinates norms but does not set or enforce them.

Central enforcement mechanisms

There is none other than voluntary agreement among MCC affiliates.

Resource acquisition methods

All resources are acquired by each MCC affiliate.

Resource allocation methods

Each MCC affiliate allocates its own resources for programming.

Common systems – None.

Common name/logo

There may be variations on a common name (i.e. MCC Canada, MCC Europe, MCC US) and variations on a common logo.

Franchising – None.

Advantages & Disadvantages

Each MCC affiliate responds quickly and flexibly in emergency response and makes rapid decisions at the local level.

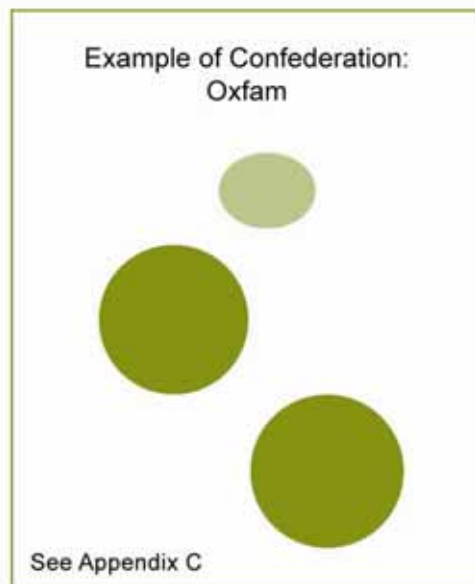
A strong national identity facilitates local fundraising but may reduce access to large funders as some foundations, UN organizations, and government grant makers are hesitant to fund multiple organizations with the same name.

Multiple MCC presence in field countries produces confusion, overlap and duplicate cost.

Program quality is inconsistent and uneven, and the image of MCC is reduced to its weakest affiliate.

Confederation

In the confederation, each national or regional affiliate is an autonomous institution governed by its own board of directors. Affiliates are financially and programmatically independent but agree to pool their resources in support of international initiatives. Affiliates agree to delegate some coordination, standard setting, and resource allocation duties to the central office, but decisions from the center need virtual unanimity among affiliates and most power remain with the affiliates.



In the case of OXFAM, the functions of the core include facilitating international advocacy, research and policy development; coordinating emergency response; developing and implementing a common communications and marketing policy; the harmonization and evaluation of affiliate field programs; representation with multi-lateral institutions and other international bodies; and facilitating global fundraising and public education where needed. With Care International, the core also provides capacity building to affiliates and oversees the organizational development and strategic evolution of its organization.

Affiliates participate in country programs in a couple of different ways. Most OXFAM affiliates are “support organizations” so they participate in programs by

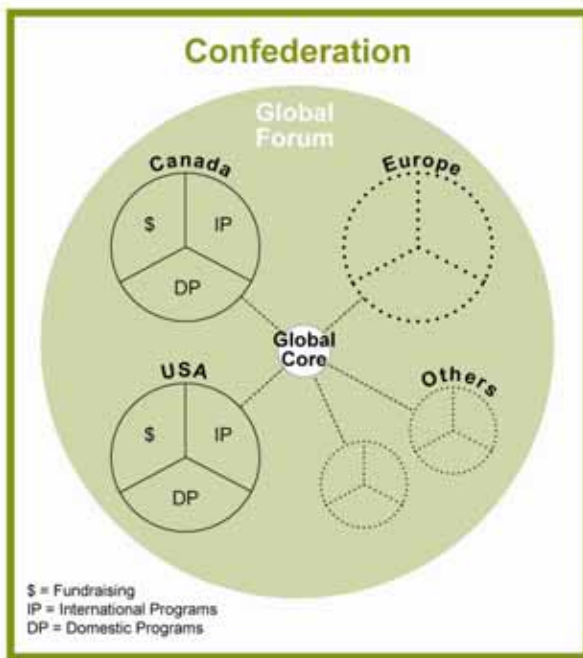
funding local NGOs who do the work on the ground. In the case of Care International, programs are intended to be implemented through a single, integrated presence called the country office, led by the Care country director. The international board assigns one of three Care affiliates – US, Canada, Australia – to be the lead affiliate for each country office. The lead affiliate is responsible for strategic planning, program development, financial and administrative management, and the hiring and firing of personnel. Program strategies and priorities are largely determined by the country offices based on local needs. In both cases however,

integration and coordination on the ground can be problematic. OXFAM and Care have both been criticized for contributing to “chaos in international aid” by allowing multiple affiliates to operate in a single country. In 2008, Ethiopia played host to seven affiliates from OXFAM and six affiliates from Care International.

MCC as a Confederation

If MCC were a confederation, it would be structured with three levels similar to the umbrella organization: a Global Forum, an International Board, and several national (e.g. MCC Canada and MCC US) or regional (MCC Europe) affiliates.

MCC International would serve as an instrument of the largely independent affiliates but would play a more significant role than in the umbrella organization by promoting a common culture among the affiliates and protect the integrity of the MCC brand. The International Board would consist of one or more representatives from each affiliate, and the International Office would be made up of a small staff (i.e. 5-10 persons) that reports through the Executive Director to the International Board.



For example, OXFAM’s International Board is composed of a chair, the executive director of each affiliate, and a representative from each affiliates’ board of directors (usually the chair). In the case of Care, five external public directors are also included. The international board formulates policies and a program of common activities. In all of the cases we reviewed for the confederation (Oxfam, Care, Save the Children), only countries engaged in fundraising were affiliates.

Locus of decision making

Each MCC affiliate is directly responsible for its own fund raising, domestic programs, and international programs and is responsible to fund a share of the expenses for the core. The role of the core is more than just coordination—as is the case in the umbrella—and includes carrying out

initiatives on behalf of the whole (e.g. research, advocacy, legal, etc.), and establishing common standards for brand management, program quality, and evaluation.

Who sets global norms?

Each MCC affiliate is directly responsible for setting its own norms but agrees (in principle) to abide by certain shared standards, particularly around brand and program quality.

Central enforcement mechanisms

Shared standards are enforced through moral suasion and limited sanctions like expulsion.

Resource acquisition methods

Most resources are acquired by each MCC affiliate with some coordinated efforts for larger grant-making opportunities.

Resource allocation methods

Each MCC affiliate allocates its own resources for programming with some central allocation efforts for shared priorities or large program.

Common systems

There are few common systems (perhaps financial, program quality, legal, and media relations).

Common name/logo

There may be variations on a common name (i.e. MCC Canada, MCC Europe, MCC US) and variations on a common logo.

Franchising – Possible.

Advantages & disadvantages

Each MCC affiliate responds quickly and flexibly in emergency response and makes rapid decisions at the local level but experiences infighting over lead role in the field.

The confederation benefits from some economies of scale and increased efficiency at the field level but also experiences increased complexity of coordinating structures that increase cost and time requirements.

A strong national identity and authority exists while allowing for some global fundraising with large foundations, UN organizations, and government grant makers.

There is more coordination of program quality and evaluation, yet program quality control remains inconsistent.

Success depends upon the affiliates' respect for a loose set of rules and a high level of self control and discipline. The potential for conflict and non-enforcement is high.

Federation

In the federation, affiliates delegate strong powers to the center for standard setting, resource allocation, and program management, but most affiliates have separate boards (some advisory, some decision-making), which make resource acquisition decisions and, in some cases, domestic program decisions.

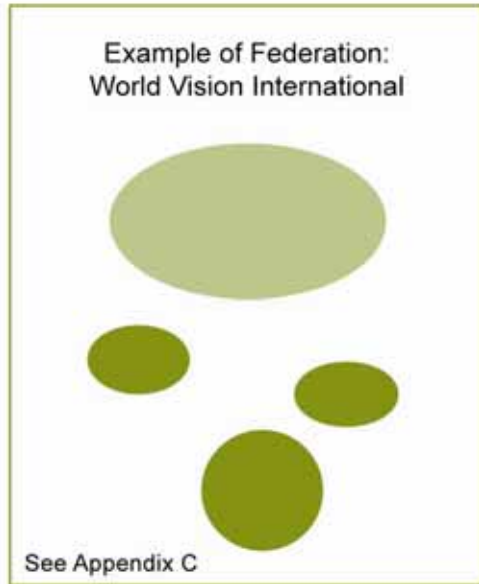
MCC as a Federation

If MCC were a federation, it would still be structured with three levels – a Global Forum, an International Board, and several national (e.g. MCC Canada and MCC US) or regional (MCC Europe) affiliates – but two key features that distinguish it from an umbrella organization or confederation: (1) the governance structure would allow for representation by both support and program affiliates and (2) international programs would be operated under a single management structure.

The core in an MCC federation is a shared, global IPD. Its purpose goes beyond the confederation (e.g. coordination among the affiliates) to running the day-to-day operations of all international programs. This includes establishing mission, vision, values and priorities; setting strategic directions; ensuring accountability; providing global stewardship; developing capabilities; and promoting the MCC brand.

The international board consists of representatives from support affiliates and program affiliates. For example, Amnesty International holds a bi-annual assembly of about 500 representatives

from affiliate countries in proportion to their organizations' size. A nine-member, international executive committee ensures implementation of strategic plans and other council decisions; ensures consistent implementation of financial and programmatic policies across the organization; appoints the secretary general; and may impose sanctions where needed.

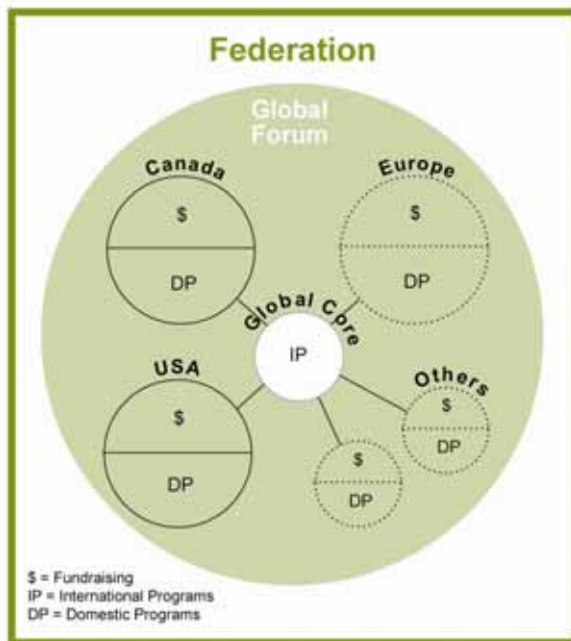


With World Vision, a 72-member international council is made up of its international board, the chairs of the national boards or advisory councils, national office directors, and elected delegates from all partner offices. This council meets every three years and each member has one vote. World Vision's international board of 24 directors, selected by regional forums (consisting of national boards and advisory councils from all national offices in the region) oversees the partnership. The board meets twice per year and

appoints WVI's senior officers, approves strategic plans and budget, and sets international policy.

Locus of decision making

The affiliates have governing authority by their position on the general assembly/international council and international board of directors. They also have operational decision making with regard to their fundraising and domestic programs. Managerial decision making for international programs is vested in the core.



Who sets global norms

The international council approves mission, vision, values and priorities, and international board approves strategic plans, budgets and policies. The international program department implements development philosophy and programmatic standards and ensures accountability.

Central enforcement mechanisms

International board has authority to limit use of the MCC brand for affiliates and the international program department can restrict resources and make hiring and firing decisions for program implementation.

Resource acquisition methods

Most resources are acquired by each MCC support-country affiliate with some coordinated efforts for larger grant-making

opportunities.

Resource allocation methods

Each MCC support-country affiliate allocates some of its resources for domestic programming (if desired) and some of its resources for international programming, which is channeled through the international program department who then distributes as directed by the international board.

Common systems

There are some common systems such as financial reporting, information management, human resources and programmatic quality.

Common name/logo – Yes.

Franchising – Sometimes.

Advantages & disadvantages

Unified command structure facilitates speed in emergency response.

The federation benefits from economies of scale and increased efficiency and quality at the field level.

Centrally defined messages and a strong global quality control appeals to major donors and large foundations, UN organizations, and government grant makers, but may have a reduced local appeal.

There is more coordination of program quality and evaluation but limited ability for affiliates to design programs specific to local need.

Each national MCC affiliate is directly responsible for its own national fund raising and domestic programs with some flexibility for high-fundraising countries to support low-fundraising countries as negotiated

How the Current 12 MCCs Fit into these Models

Throughout this paper the term “affiliate” assumed that the primary organizational units in the global structure are national organizations (i.e. MCC Canada and MCC US) or hypothetical cross-national regional organizations (e.g. MCC Europe) rather than provincial organizations within Canada and regional organizations within the US.

But currently MCC is comprised of 12 autonomous boards representing MCC Binational, MCC Canada, MCC US, MCC British Columbia, MCC Alberta, MCC Saskatchewan, MCC Ontario, MCC Manitoba, MCC East Coast, MCC Great Lakes, MCC Central States, and MCC West Coast. MCC Canada, MCC US, and MCC Binational each has its own mission statement, priorities and strategic plans (although they have agreed to align these by means of the New Wineskins process), and in order for MCC to move forward on significant decisions all twelve MCCs must grant their approval. Funds are primarily raised nationally or “top down” in the US and then allocated to the MCC Binational, MCC US, and the four US MCC regions while funds are primarily raised at the provincial level or “bottom up” in Canada with a percentage allocated to MCC Binational and MCC Canada along with revenue sharing from higher income provinces

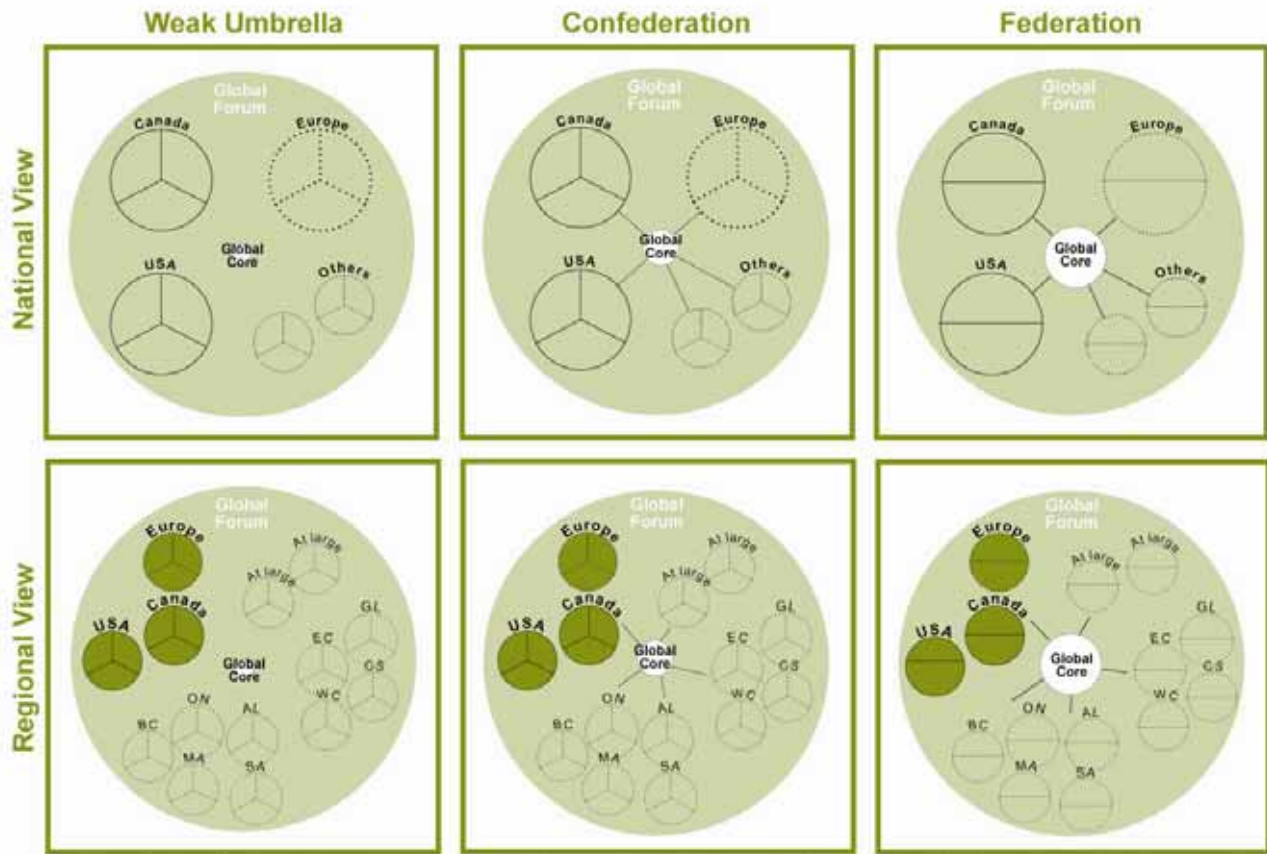
to lower income provinces.

As MCC leadership wrestles with its preferred global structure (i.e. umbrella, confederation, federation) it also needs to determine how it wants to represent itself at the global level. Is the "affiliate" the national organization or the provincial/regional organization? If the affiliate is the national organization, it then needs to decide on an organizational structure within each country.

For example, one option is to give all 11 MCCs (Canada, US, BC, Alberta, Saskatchewan, Ontario, Manitoba, East Coast, West Coast, Great Lakes, and Central States) a seat on the MCC International Board, along with other prospective MCCs (e.g. MCC Europe). In all the research we've done, the trend is to move to smaller (15-25 members) rather than larger boards to make decision making and communication more efficient. Under this scenario it's likely that each provincial and regional MCC would have one seat on the MCC International Board, along with MCC Canada, MCC US, other prospective MCCs, and at-large members selected for their specific expertise or representation.

Another option is to have the nine provincial and regional MCCs represented on their respective national boards (MCC Canada and MCC US) and then have the national boards represented on the international boards, along with other prospective MCCs (e.g. MCC Europe) and at-large members selected for their specific expertise or representation. Each national board (or in the case of MCC Europe, regional board) would set its own criteria for choosing representatives to sit on the MCC International Board.

A third option is to do away with MCC Canada and MCC US and empower the provincial and regional MCCs to carry out all the functions currently carried out by MCC Canada and MCC US. In this scenario, representation on the MCC International Board would be similar to option #1. The nine provincial and regional MCCs would have one or two seats on the International Board, along with other prospective MCCs and at-large members selected for their specific expertise or representation.



BC: British Columbia, ON: Ontario, AL: Alberta, MA: Manitoba, SA: Saskatchewan, EC: East Coast US, WC: West Coast US, CS: Central States US, GL: Great Lakes US

NOTE: The above is a study document to help the ITF compare and contrast several extant organizational models in order to discern what is an appropriate structure for the BIC/Mennonite churches to adopt for MCC as an inter-Mennonite service ministry.

Appendix A: Resources Used in Structure Research

In addition to the recommendations on structure generated at the New Wineskins summits, regional meetings, ITF meetings and Web site, the following resources were used to provide context and inform the recommendations in this report.

Published Books and Articles

- Lindenberg, M. & Bryant, C. (2001). *Going global: Transforming relief and development NGOs*. Bloomfield, CT: Kumarian Press.
- Vargas, I & Curran, D. (2003). International humanitarian organizations: Evolving global structures. *Harvard Business School Case N1-303-139*.
- Brafman, O. & Beckstrom, R. A. (2006). *The starfish and the spider: The unstoppable power of leaderless organizations*. New York: Penguin Group.
- Hock, D. (1999). Birth of the chaordic age. San Francisco: Berrett-Koehler. The Economist (September 4, 2008). A scramble in Africa: Donors and recipients try to get to grips with the chaos in international aid.
- Isaac, L. G. (2004). Asset building for social change: Pathways to large-scale impact. Asset Building and Community Development Program, *Ford Foundation* (www.fordfound.org).
- Grossman, A. & Ragan, V. K. (2001). Managing multisite nonprofits. *Nonprofit Management and Leadership*, 11, 3, 321-337.
- Hudson, B. A. & Bielefeld, W. (1997). Structures of multinational nonprofit organizations. *Nonprofit Management and Leadership*, 8, 1, 31-49.
- Young, D.R. (1989). Local autonomy in a franchise age: Structural change in national voluntary associations. *Nonprofit and Voluntary Sector Quarterly*, 18, 2, 101-117.

MCC-Related Documents

- “Principles that Guide our Mission.”
- “Memorandum of Understanding between Binational, National, Provincial, and Regional Entities of MCC,” November 2002.
- “MCC BN/IPD, in Canada, in the USA (2008): Identity, Vision, Mission Values, Goals/Priorities.”
- Mennonite Central Committee Communications Survey Report, Barefoot Creative, 2008.
- “Generalizations that May Make a Difference: Para-Church Organization vs. Church Organization,” Jack Suderman, October 2008.
- “MCCC’s interest in International Program Administration: A Chronology,” Don Peters, November 2007.
- Peace Committee Minutes, October 2006.
- Mennonite Central Committee: A Fork in the Road? Finding our way Forward on Vision and Governance, Bert Lobe, April 4, 2007
- MCC Communications and Marketing Report, Goosen, June 2007.



- An Ecclesial Vision: Relief, Development, Prophetic Ministry, Humanitarian Programs, Public Witness (advocacy), Interfaith Programming, and Social Transformation in Light of our Vocation to be the Church, Jack Suderman, October 13, 2006.
- MCC on the move to 2017, Don Peters, March 2007.
- MCC Organizational Structure: An Introduction for the Potentially Befuddled, Bruce McCrae, March 2007.
- Structural, Cultural and Leadership Challenges within MCC, David Brubaker, December 7, 2006.
- Themes from the Organizational History of MCC, Reg Toews, March, 2007.
- An MCC Anti-Racism Timeline – May 1996 to December 2006.
- Final Report and Critique of Draft Models for Structure of the Mission Agency of the Mennonite Church USA, George Lehman, Lee Schmucker & Ron Yoder, July 23, 2000.
- “Partnerships and Federation Continuum,” www.eduwight.iow.gov.uk.
- “Applying the Principles of Federalism to the MCCs in the US.” Prepared for Board discussion by Harriet Side Bicksler, MCC U.S. Board Chair, with input from Rolando Santiago, MCC U.S. Executive Director, June 5, 2007.
- “Global Structures: Insights from Several Organizations,” Compiled by Neil Janzen from research done by Herta Janzen, October 5, 2008.

Documents from Other Denominations and NGOs

Baptist World Alliance (BWA)

- BWA Mission Statement, Vision Statement, Organizational Structure, Member Statistics, and FAQs (www.bwnet.org, October 14, 2008).
- Constitution of the Baptist World Alliance (as amended by the General Council, Seoul, Korea, July 2004).

Lutheran World Federation (LWF)

- LWF Organizational Structure (including Annex 1: The Current Global Context; Annex 2: Current Challenges; Annex 3: Ecumenical Relations; and Annex 4: and LWF Organizational Profile, www.lutheranworld.org, October 10, 2008).
- Constitution of the Lutheran World Federation (as adopted by the LWF Eighth Assembly, Curitiba, Brazil, 1990, including amendments adopted by the LWF Ninth Assembly, Hong Kong, 1997).
- Bylaws of the Lutheran World Federation (as adopted by the LWF Council, Chicago, USA, 1991, including amendments adopted by the LWF Ninth Assembly, Hong Kong, 1997, the LWF Tenth Assembly Winnipeg, Canada, 2003, and by the LWF Council, Jerusalem-Bethlehem, 2005).

Oxfam International

- Oxfam International Constitution, November 2005.
- Oxfam International Board Accountability Policies, November 2006.
- Oxfam Rules of Procedure (Revision 6), April 2001.
- Oxfam International Code of Conduct, November 2003.

World Vision

- World Vision Covenant of Partnership, 1999.
- Statement of Core Values for the Partnership, 1999.



- World Vision International, Office of the WVI President, Senior Executive Staff Relationships, January 2006.
- World Vision U.S. Leadership Chart, June 2005.
- A Federated Network: Draft Executive Summary of the International Programming Implementation Project Final Recommendations, 2007.
- “Journeying Toward Interdependence: The Unfinished Story of World Vision,” Bryant L. Myers, 2000.
- Overview of World Vision Strategy Alignment Model, March 30, 2007.

Heifer International

- Partner Maturity Framework: Tool for Assessing Stages of Development, 2007.
- Summary of Findings from International NGO Survey, 2007.

ActionAid International

- ActionAid International Structure (www.actionaid.org, October 7, 2008).
- ActionAid Annual Report, 2007.

United Methodist Committee on Relief (UMCOR)

- UMCOR History (new.gbqm-umc.org, October 8, 2008).

Appendix B: Interviews on Structure

Conducted by Jim Ludema and Mike Mantel
September – December 2008

1. Elaine Teague, Director of Finance and Administration, Baptist World Alliance
2. John Sundquist, Executive Committee Member, Baptist World Alliance; former Executive Director, American Baptist International Ministries
3. Lisa Rothenberger, World Relief Officer and Stan Slade, Global Consultant, American Baptist International Ministries
4. Barbara Fiorito, CEO, Fair Trade Labeling Organization, former Chair Oxfam America and Deputy Chair, Oxfam International Federation
5. Ken Casey, Senior VP and Chris Pitt, VP Global Strategy, World Vision International
6. Bryant Meyers, Professor of Transformational Development, Fuller Seminary; former VP for Development of International Partnership, World Vision International
7. Sam Dixon, Deputy General Secretary, United Methodist Committee on Relief (UMCOR) and Board of Global Ministries, United Methodist Church
8. Rick Augsburger, Managing Director, KonTerra Group (NGO consulting firm); formerly Deputy Director, Church World Service
9. Tanya Wright, Executive Vice President of Global Learning and Action, Heifer international
10. Dave Knibbe Senior VP, Development and Mark Lutz, Senior VP, Development, Opportunity International
11. Kap Kirwok Jason, Senior Director, Strategy & Operational Change, Heifer International

Appendix C: Organizational Structures

