



# **Strategic Plan**

**2007 – 2012**

**Ede, August 2007**

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## Strategic Plan 2007 – 2012

### 1. Introduction

This document presents the strategic lines that will direct and orient the activities of MDF Training & Consultancy in the following five years. It reflects the ideals and dreams which together form and shape our organisation. MDF is a people-oriented organisation. People are the key factor for change; working in the development sector means working with, for, through and by people.

*“Our world is always about people, people wishing to contribute to socio-economic development and not about systems, structures, methods, or even strategies and profits”*

This strategic plan covers the period 2007-2012 and it builds on experiences gained with the previous strategic plan 2002-2007. This current plan describes how MDF intends to realise its mission and it introduces general directions and orientations for a sustainable MDF in the future.

MDF’s turnover increased from approximately €3.2 million in 2000 to €9.6 million in 2006. This probably indicates that our mission is increasingly recognised by existing and new clients and that our strategy has been rather successful. Consequently this Strategic Plan follows up on successful policies of the past as well as introducing new policies to anticipate on an ever changing context. This blend of policies should shape our future in accordance with our ideals and dreams.

This document is the outcome of a consultation process that lasted approximately eight months. It started with an inception paper produced for MDF’s Board of Advisors. The comments of the Board were incorporated and discussed with MDF staff. New ideas and suggestions that have been voiced along the way have been incorporated in this Strategic Plan 2007-2012.

We wish you an interesting and pleasant experience in reading this document and hope it provides you with a good insight in MDF’s vision, mission and our plans for the future. At the same time we would like to invite you to share your thoughts with us to assure a continuous enrichment of our strategies in the future.

### 2. Vision and Mission of MDF

MDF was established in 1984 to address an increasingly felt weakness in the development sector: insufficient attention was paid to organisational and management aspects of development interventions resulting in inefficiency, ineffectiveness and lack of sustainable results from these interventions. Organisation & Management (O&M) – and particularly capacity development to improve organisational performance and management - has been our core business ever since.

## Vision

*Development is a multi-dimensional, complex, societal change process which is dynamic by nature. It cuts across economic, social, environmental and political issues.*

*Development requires interaction and collaboration between many stakeholders: civil society organisations, private sector enterprises, parastatal bodies, government and government institutions at different levels.*

*MDF believes that through increased performance of individual stakeholders and through enabling and facilitating stakeholders to interact and collaborate, social change and development can be achieved, sustained by the local stakeholders themselves.*

*It is precisely at the intersections of different stakeholders, where MDF seeks to play a role as a broker in knowledge and a facilitator of change.*

Often interests of different stakeholders are diverging and sometimes this has led to social struggle as a way forward to development. Although the past has proven that social struggle is sometimes needed to enable development and change, MDF believes that through a sound, well-balanced and equitable division of power, income, knowledge and responsibilities between all actors, development will become more lasting from the social perspective and more sustainable from the environmental perspective. MDF wants to contribute to the empowerment and improvement of performance of organisations and to enable them to engage in more effective mutual dialogue and collaboration, as well as to arrive at a more equitable division of responsibilities.

MDF's believes that genuine, *people centred*, capacity development in Organisation & Management and proper guidance of multi-stakeholder processes lie at the heart of development.

MDF will continue to work along the lines of this vision and from it has derived the following mission..

## Mission

*MDF wants to contribute to increased capacities of staff and improved performance of organisations active in the sector of international co-operation and wants to facilitate dialogue and cooperation between organisations aiming at a more equitable society at international, regional, national and local levels.*

We contribute to better performing organisations by facilitating the improvement of their institutional embedding; their capacity to envision and we translate this into mission and strategy. Also into their planning and monitoring systems, their financial and administrative systems and procedures, and their human resources development plans. But above all by further professionalising the competences of their staff, as in the end it is people that make organisations change and enhance performance.

MDF regards itself as a facilitator of learning processes and an impartial and skilful broker in knowledge & experiences. It seeks to realise its mission by offering learning events, training courses, workshop facilitation, organisation development advice, other consultancy services, research, coaching and combinations of these services. To this individual "flavour" of training and consulting staff is added, bringing in specific sectoral, thematic and regional experience. At the same time our staff are very much result oriented

and skilful process managers with a listening attitude and, as such, can serve as effective, impartial, knowledgeable brokers between all actors and people concerned.

## Corporate responsibility

In the years to come MDF will give further shape to its Corporate Social Responsibility towards society. Corporate Social Responsibility (CSR) is not restricted to mitigating the negative effects of our actions on society and environment. It essentially has to do with finding a due balance between the interests of People, Partners, Planet and Profit. This leading principle will guide all MDF's policies and actions in the years to come.

This principle has consequences for the type and the way services are offered. The values that are underpinning our services are a belief in a more equitable society with sufficient countervailing power at different levels and between different stakeholders to guarantee a democratic society with respect to human rights, rule of law and individual freedom. With respect to the environmental effects of our business as international training and consulting firm, MDF will diminish the damage it causes to the environment by reducing paper consumption, creating e-learning/distance learning opportunities, by reducing energy consumption and by compensating for carbon-dioxide (CO<sub>2</sub>) pollution.

<p>People: the ultimate target groups, men, women, children, elderly etc. who should benefit from development</p> <p>Partners: our client-organisations providing support to target-groups and partners with whom we co-operate in service-delivery</p> <p>Planet: the natural environment that needs to be taken into account in all development interventions, including adverse effects of our business</p> <p>Profit: No short-term profit maximising but long-term sustainable fair profit</p>
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But this principle also is guiding MDF to operate in such a way that long-term sustainability of MDF itself can be guaranteed. MDF provides high quality services to our clientele for a fair price and in such a way that our interventions can make a difference and have a lasting impact. Our staff is the best guarantee for MDF's quality and we fully rely on their craft(wo)manship and motivation. Consequently MDF has a set of human resource management policies that do justice to the crucial role of our staff. On the other hand, there should be a proper balance between the interests of the company and those of the individual which can be discussed at several forums: all staff meetings, such as the internal days at the end of the year, employee council meetings, cluster meetings and individual performance meetings.

## Core services

MDF's current and future core services are facilitation of learning processes and serving as a broker in practical O&M knowledge. However, facilitation and brokering continuously take new shapes and make use of new methods, such as e-technologies, multi-actor distance meetings, brain based learning and knowledge portals. MDF is committed to remain a frontrunner in providing state of the art services to our clients. This requires easy access for our staff and (future) course participants to relevant information and sufficient time to remain familiar with the latest insights, methods and tools.

*MDF realises its mission by offering the following mix of services:*

- *open subscription and tailor made training courses;*
- *customised workshops and organisational learning & development trajectories;*
- *facilitation, coaching and advisory services in organisational change and in dialogue and cooperation between different organisations;*
- *research and evaluation.*

*This mix of services is needed to continuously be able to improve our training products through practical hands-on consulting experiences and to improve our consulting services through using and customising new insights, tools and techniques.*

Recently, new thematic areas of expertise have been introduced into MDF, particularly in the area of education and rural development. Also, new services have been developed, such as evaluation of complex development processes and facilitation of multi-actor processes. The introduction of these new areas and services challenge MDF to reflect on the desirability and sustainability of its historic monolithic focus on O&M. In the near future, new sectors and cross-cutting thematic areas such as Public-Private-Civil Dialogue and Partnerships, Macro Economics, Public Finance Management, Governance might be added to our core business. Such a choice will ultimately have consequences for the organisational structure of MDF, the composition of our staff and our partnerships. MDF has learned that change takes time and this is, of course, also the case within our own organisation. The changes mentioned above will therefore take place gradually.

### **Culture and values**

Change is the essence of life but one way or another our corporate culture has remained remarkable stable over the past 23 years. Culture is reflected in and reproduced through behaviour and attitudes of our staff, systems, management style and strategy.

MDF's culture is, and will remain, based on the following core values: passion, perseverance, idealism, solidarity, mutual respect, independence, delegated responsibility, open mindedness, craftsmanship and minimal bureaucracy. Respecting these core values MDF will foster its external image as it has been characterised by outsiders: entrepreneurial, daring, and practical: an opera-house.

### **3. Trends and developments in the context of MDF**

The context in which MDF is operating is constantly changing. Policies are adjusted, new policies are invented, responsibilities of stakeholders are re-defined, new actors appear on the stage and the role of recipient governments and recipient organisations (our ultimate clients) is becoming more pronounced. MDF has learned to live in this ever changing 'habitat' and looking at our future we need to take the most important changes into consideration to guarantee effective implementation of our strategic plan.

- ❖ Paradigms on development are becoming more comprehensive and more complex; Development increasingly requires multi-actor involvement. The development issues can range from very practical (e.g. access to water) to very abstract (highly political,

norms and values). In such increasing complexity MDF should remain focused on being a broker and translator between policy and implementation level. MDF supports a wide variety of organisations and individuals who contribute their part and collaborate in this complex chain of results.

- ❖ The role of the private sector and civil society in poverty reduction and sustainable social-economic development processes is increasingly recognised by governments and international development actors. And quite rightly so, because the private sector has been the engine for economic growth and development all over the world, particularly since 1989. Civil society increasingly participates in interactive policy-development processes. This is influencing the role of other actors: governments providing checks and balances and creating an enabling environment for social economic development, while guaranteeing the equitable distribution of benefits of economic growth. Civil society becomes more and more involved by establishing branch and interest groups such as trade unions and consumer-groups to defend civil society's interests in development. So far our responses to this trend have been to develop approaches and courses, such as, Public Private and Civil Partnership for Development, Value Chain Concept and Managing Multi-Stakeholder Processes. We will continue to explore adequate responses to cater for the increasing demand for services for proper design, management and monitoring and evaluation of multi-stakeholder processes.
- ❖ The ongoing trend to move away from projects towards (conditional) budget support programmes among public actors, will continue in the future. This calls for a new set of training products related to this new aid architecture and its focus on results at all levels. Not only for international development partners but also for recipient host government organisations in developing countries. Design and management of sector programmes and effective decentralisation processes, as well as harmonisation, alignment and co-ordination of development partners, will generate a new demand for products, particularly at the institutional level. In spite of these changes, project implementation modalities will remain important within the context of these broader institutional processes. Therefore our existing project management related approaches and products remain relevant but need to be adjusted to changing realities.
- ❖ In the public sector in general, and more in particular in the development cooperation sector, result based management models will gain popularity, particularly in the aftermath of the Paris Declaration of 2005, which called for more attention to "*management for development results*". Important areas of increased interest are: organisational change, results-orientation, linking planning and budgeting, monitoring and evaluation of achieved development results, learning from it and communicating lessons to the internal organisation, as well as the public. These are not new areas for MDF but the subjects present themselves more and more in an integrated way. This challenges MDF to further innovate and integrate different specific products in more comprehensive approaches that fit with the new aid architecture.
- ❖ The recent focus on capacity development forms the other side of the coin of increased attention to sector-wide and budget support and results-based management. Donors, as well as recipient organisations, all deal with individual, organisational and institutional capacity challenges to implement planned activities, to use funds properly, to report on results, to steer the processes effectively, etc.. New longer-term and more diversified capacity development approaches and mechanisms are needed that go beyond training and advisory services as stand-alone products. Ownership and

demand-orientation, production and exchange of knowledge, and organisational learning serve as points of departure for these approaches. Many new organisations involved in capacity development have appeared on the stage. Since the lack of capacities and capabilities is still a serious problem - and not only in the South - we welcome these new players and are always willing to collaborate with them. Especially with the most important ones such as SNV, Impact Alliance, PSO and INTRAC.

- ❖ Competition between training and consulting service providers is increasing because more (sometimes partly or wholly subsidised) institutions and universities are entering the scene and more players compete for assignments in the common EU market. The awarding of contracts to service providers will increasingly take place through public tendering procedures. These developments have motivated some players to engage in mergers or look for other methods to obtain their slice of the market. Consequently MDF needs to respond to these developments and it chooses to further shape a solid, pro-active internal MDF marketing & acquisition unit. Furthermore MDF will intensify its efforts to look for like-minded network partners and strategic alliances in order to enhance our economic critical mass and capacity to participate in tendering procedures. In these partnerships and alliances MDF will maintain its own values and corporate culture.
- ❖ In the Netherlands there is a growing attention and need for interactive policy development and planning in the public sector. This is an area in which MDF has been working over the past 23 years, but largely in international development contexts. MDF wants to enter this market in the Netherlands, bringing in its own international development experiences and collaborating with one or more organisations that already have experience and contacts on the Netherlands' market. Such cooperation will lead to cross-fertilization of products and staff.

## 4. MDF Strategy 2007 - 2012

### 4.1. Growth and expansion

Companies such as MDF, active in a sector like ours, can only survive when they remain vibrant and innovative. Mere consolidation and fear of losing what you already have will result in stagnation and ultimately might lead to the organisation 'short of oxygen and money to survive'. Striving for healthy, organic growth and expansion is a good recipe for preventing this scenario to materialise. Moreover, it fits very well with our corporate culture. MDF wishes to keep on changing: to perform better but also to offer our staff more comprehensive career perspectives.

#### **Increased global presence through branch offices and partnerships**

MDF has been experimenting with the establishment of regional offices since 1997. Currently MDF has five branch offices for regional markets: South- East Asia (MDF-SA, Colombo), Eastern and Southern Africa (MDF-ESA, Arusha), Indo-China (MDF-IC, Hanoi) and Central Africa (MDF-AC, Goma. MDF Brussels plays a pivotal role in assignments worldwide for the European Commission and caters for the French speaking development co-operation market in Europe. Through these branches we wish to bring our products closer to where our clients are. We will also be more effective in engaging with

international development partners who often have decentralised their decision making processes.

Hitherto MDF experimented with fully owned subsidiaries, joint ventures with national partners, wider partnerships, country representatives, representation offices and personalised networks; each having its own advantages and disadvantages. It is evident that own subsidiaries offer the best opportunity for quick results, but offer significantly less opportunities to create strong bonds with other mind-like organisations in the region. MDF will continue expanding its regional coverage but specific models might differ from region to region. It depends on the circumstances and the availability of qualified and interested partner organisations.

For the years to come we will, among others, investigate how to increase our presence and activities in Francophone and Anglophone Western Africa, Central America, the Western Balkans, the Caribbean, the Middle East, Central Asia and South Asia. Rhythm and pace of this further regionalisation will depend on market opportunities, our own financial possibilities, possibilities to acquire qualified local and regional trainer/consultants and the availability of MDF staff to start up new operations in the respective region.

### **Larger branches**

Apart from establishing branches, we have learnt that they have to grow organically to a size that allows for self-sustained growth. Branches can survive with 8-10 full staff members, by preference a core of regular staff supplemented with satellite trainers/consultants. In some regions, national sub-offices will be attached to a regional branch office to open-up and more directly cater to national markets. This will be tested in East Africa, where MDF-ESA will have sub-offices in Nairobi, Dar es Salaam, Kampala and Addis Ababa.

Branch offices can only survive in their 'habitats' when they are part/centre of their own regional networks and when they provide state of the art quality. Effective networking is their own responsibility but quality control - in terms of strategy, staff and products – remains a joint responsibility between the branch and the MDF head office. Mandates of branch office directors are laid down in contracts signed by both parties, respecting different contexts and life-cycles of specific offices.

To maintain and improve international quality for a reasonable price exchange,1 rotation of staff between Head and branch offices is needed. Hence it is foreseen that each branch will have a limited number of expatriate staff, familiar with the 'MDF culture and working philosophy, its products and its quality standards'. Similarly, investments in quality of local staff will be made through enabling them to work together with expatriate staff on international assignments and to act in training-courses at the Head Office..

### **More genuine partnerships**

Globalisation of our sector and markets pushes MDF into developing more genuine partnerships as a condition for future growth. Genuine partnerships require a) compatibility of cultures; b) complementarity of client networks and services; c) willingness of managements to invest time, money and energy in the partnership, and above all d) Interest amongst staff of both partners to collaborate with each other on joint assignments.

The head office in Ede needs to create a small but strong network in the Netherlands and North West Europe with viable links to Eastern and Southern Europe. Our branch offices need to create their own small national and regional networks while in other regions MDF must become a partner in other networks, possibly led by others.

## **MDF Head office**

In the future it is likely that the volume of development co-operation related activities will shrink and change in focus from direct implementation of projects by recipient organisations, towards more services for development partners in the areas of organisational and institutional development, impact monitoring and evaluation. This trend is different for intra EU and European Union (pre)accession countries development cooperation. The budget for development intervention in this area is still increasing. Our office in Brussels might play a crucial role in developing this European market further.

The size of our Ede office will be determined by our success to penetrate the Dutch consultancy and training market with relevant core products and services. We can only achieve this collaborating with a few strong and reliable partners with experience in this segment of the market. The years 2007 – 2009 will become crucial in this respect as a pilot-period,. MDF will set aside money, time and above all qualified staff, to make our efforts work. Should the pilot prove to be successful the establishment of a new entity '*MDF The Netherlands*' will be considered in 2008.

The position and internal organisation of MDF Ede will definitely change in this 'force-field' of branch offices and network partners in the sector of international co-operation, as well as in the Dutch market. Support units such as financial administration and external relations & acquisition will need further strengthening. A separate Knowledge Centre focusing on research, innovation and development will be needed. The current internal structure of MDF Ede in three clusters will need revision. In 2007, two or three change-scenarios with corresponding organisational structures will be developed. These will guide the decision-making on MDF's organisational structure in early 2008.<sup>1</sup>

## **4.2 Innovation and product development**

To remain a frontrunner in its business, MDF will pay permanent attention to innovation and development of new products but also to improvement of existing products. Innovation is also needed to keep our spirit and culture vibrant and challenging. High productivity targets, however, limit our staff, and especially senior staff, to spend sufficient time on reflection and innovation. MDF is challenged to develop new policies to increase individual and organisational efforts in innovation and product development. These policies will be based on the following points of departure:

MDF:

- ❖ seeks to translate new policies into practical approaches and instruments;
- ❖ serves as a broker between policy researchers and practitioners;
- ❖ courses are practical and offer tools that are directly applicable;

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<sup>1</sup> More detailed information about our future growth and expansion strategies can be found in a separate publication; *Spreading Our Wings*.

- ❖ uses own resources to leverage external resources to invest in innovation and renewal;
- ❖ deals with ways on how to produce, exchange and use knowledge;
- ❖ addresses a wide range of client groups with tailored products and services;
- ❖ demands for products, as well as life-cycles of products, are different in developing countries and among development organisations in the North (e.g. local clients in developing countries express a need for practical hands-on tool, while organisations in the North demand more conceptual models);
- ❖ Balances introduction of new products with continuous improvement of long-standing and proven good quality products.

## Innovation

Creative and sparkling minds are essential for genuine innovation, inquisitive exploration of our external environment and for the preparedness to make mistakes and learn from them. MDF intends establishing a Knowledge Centre to facilitate our staff to access new areas of knowledge. The Centre will become our window to the outside world and will be the virtual place where own experiences will be analysed in relation to existing theories and (inter)national policies. As a result the findings will be ploughed back into our (consultancy) approaches and training courses. The Centre will develop its own agenda regarding contents and (learning) methodology of its research. This small unit will be staffed by two young bright, creative, entrepreneurial and innovative (social) scientists with a strong ambition to keep MDF also at the forefront as training and consultancy organisation. We need to explore ways and means to create possibilities for regular staff to do their research, individually or as a joint learning exercise. This Centre should become our life-line to a process of permanent innovation and renewal. Moreover it can serve as 'the breeding place' for new and talented future trainers and consultants for MDF and its branches. Obviously, MDF needs to investigate the feasibility of such a Knowledge Centre, including possibilities for external funding of (some of) its activities.

MDF currently also innovates its products though a limited number of paid assignments and sometimes in partnerships with clients. This strategy will, of course, be continued in the future alongside the Knowledge Centre.

In the Netherlands subsidised development organisations have entered more pronouncedly the area of capacity development. These organisations are able to offer services similar to those of MDF for significantly lower prices, if not free of charge. To stay ahead of this competition and maintain its frontrunner's role, MDF has two options. It should pursue meaningful strategic alliances with these organisations, especially in the area of innovation of products and approaches or strive for the position of in-house trainer and coach for these organisations and their staff. These options will enable MDF to increase dissemination of our products and approaches and thus multiply their impact. This requires MDF to combine effective recruitment of excellent staff; knowledgeable, skilful and with a human-centred attitude with continuous innovation of practical applicable approaches. Both will have to be communicated to our consumers through a clear marketing strategy.

## Product development

Product development remains the responsibility of the clusters in MDF and will be fed by: ideas developed by the Knowledge Centre, trends in our sector, new approaches and priorities among

Some recent examples of partially funded product-development by MDF are:

- The development of the "Aid Delivery Modalities course for the EU.
- The development of an analytical framework for institutional, sector and organisational analysis for DGIS and tailored modules for DGIS and embassy staff.

development partners, as well as specific wishes from clients.

For product development trails that entail considerable investments we will either enter into alliances for assignments in which product-development can be (partially) funded or seek external funding from organisations who will directly benefit from new products. Obviously intellectual property rights should not be too restrictive in using these new or partly adjusted products in different contexts. MDF will set up an internal Product Development Fund equal to 5% of the total wage costs on an annual basis (or 10-15 days for professional staff) for development trails. The projects will also serve as a mechanism for further professional development of the staff members involved. The clusters propose the agendas for the internal project frameworks and MDF management is responsible for coherence and co-ordination. The Knowledge Centre serves as a reference for this product development.

Important themes for product-development and internal projects for the coming years are: new aid modalities, such as, budget support and management of sector wide approaches, management for development results and organisational capacity development; design and management of decentralisation processes and strengthening implementation capacities of regional and local government authorities; competency based learning; enhancing individual and organisational effectiveness of learning and training; value chain development and last, but not least, almost as a cross-cutting theme, multi stakeholder approaches such as public-private-civil dialogue and partnerships. In addition to these themes we also need to pay attention to new information and communication technologies, [e@learning](#) and other forms of adult learning like brain based and competency based learning.

Among (potential) course participants there is a clear demand for internationally recognised certificates, in addition to the traditional MDF certificate of attendance. We will investigate the possibilities together with other Dutch institutions. MDF is also interested to integrate some of its courses in programmes of academic institutions, with the intention to create a Masters (MA) degree in Development Management. MDF is considering collaboration with Bradford University (Head office), East Southern African Management Institute, or the USI University in Nairobi to realise this ambition of creating a Masters in Development Management.

## **Product improvement**

Product improvement is the responsibility of (teams of) trainer-consultants and will take place on a permanent basis before, during and after training and consultancy assignments. Proper and easily accessible storage of improved products (course modules, syllabi, PowerPoint presentations, methodological papers etc) in the institutional memory of MDF remains a challenge for the coming years. This important task comes under the responsibility of the cluster heads. An integral database system for easy storage and access to information will be acquired and made operational in 2008.

Special attention needs to be paid to enriching our courses and consultancy services with the latest ICT applications and software. This is needed in areas such as project and programme management, monitoring and evaluation, organisation diagnosis & development and facilitation techniques. The new Knowledge Centre will initiate and stimulate the adoption of new applications within MDF.

## Quality control

Annual audits will be conducted by nominated internal auditors to ensure constant quality of our products & services, including the internal processes for their production, according to MDF's ambitions and standards. If the need arises MDF is ready to go for ISO or INK certification but at the moment we are focusing on 'walking the talk' when it comes to adhering to quality rules and procedures as laid down in the MDF guidelines.

## 4.3. Marketing and acquisition

### Training

Over the past 23 years MDF has acquired a solid and very diversified clientele of course participants. They all have substantial networks of external relations around the world, together forming a tremendous pool of potential clients. Hence, it is core to provide good quality services at a fair price to ensure satisfied participants who want to come back and will inform their relations about their positive experiences.

Our marketing strategy with regard to training is simple and straightforward. It is about clients finding MDF and much less about MDF finding new potential clients. This implies that MDF needs to be easy to find on the Internet with a good quality and easily accessible website. This website contains information at the corporate MDF level, as well as at Branch level. Furthermore it presents staff, product-range and track records. The MDF-website transpires the spirit and culture of our company. This website will be complemented by a concise and prickling quarterly/biannual Newsletter and a limited number of high quality brochures and flyers. Occasionally MDF will publish papers on relevant developments and innovations in our business.

The marketing efforts are backed by a mailing Dbase that contains all our previous course participants, our partners and a representative sample of development organisations around the world.

Trainers and consultants are essential in the marketing-mix of MDF products and services. Not only by performing well in their assignments, but also by serving as marketeers, informing clients and participants about MDF in general and other possible services of MDF that might be of interest to these clients.

For a number of topics, MDF has acquired significant brand-value. The challenge for the years to come will be to further promote our brand name also for new fields of expertise and also to extend this through our branches, in regions where MDF is a relatively new player. This implies that in the years to come our External Relations & Acquisition (ERA) department will also need to render practical support to marketing efforts of branch offices in professionalising.

Based on successful experiences in the International Advisory Trail, MDF will try to get some courses, or selected clusters of courses, certified by a relevant accreditation agency. This will benefit the image of these courses in marketing and possibilities for scholarships can be added to the mix.

## Consultancy

Although facilitating learning processes will remain our core business, we wish to increase the share of genuine consultancies and long term project implementation in our total turnover. Not only for our head office in Ede but also for our branch offices. This will enable our staff to further enhance their qualities in a variety of practical and hands-on experiences. These experiences can be used to cross-fertilise our training courses and other services and at the same time are beneficial for a more constant productivity of staff and income through assignments.

Nowadays most long-term projects and larger consulting assignments are contracted out by tendering. This requires a lot of time and attention for screening of Web-sites, assessing forecasts and tender notices, forging consortia in the pre-bid phase, preparing expressions of interest, elaborating technical and financial proposals, as well as drafting consortium agreements and contracts. The ERA department at MDF Ede plays a crucial role in spotting tenders and preparing MDF proposals, more and more in a consortium with other firms.

MDF believes that its acquisition skills and experiences can be translated in marketable services to other organisations. MDF wants to explore the delivery of such services to a few other small and like-minded consulting firms in the Netherlands. This will contribute to more cost-effectiveness of our acquisition efforts, but at the same time it will contribute to stronger partnerships and synergy with these firms.

## The Netherlands

Although MDF is known as a brand among development organisations in the Netherlands, there is still scope to further enlarge our portfolio of activities within the Dutch home market. To this end MDF needs to intensify its relations with major players such as DGIS, IOB, SNV, Oxfam Novib, Cordaid, ICCO, PLAN and HIVOS. However, we can not forget the large group of smaller developmental organisations, deeply rooted in Dutch civil society. Senior trainers/consultants will serve as account managers for the relationship with a selected number of clients in the Netherlands. MDF is becoming a regular and recognised partner of Partos, the branch organisation of the development sector, and this will facilitate maintaining good relations with the relevant players in the Netherlands.

MDF also has other motives to penetrate the Netherlands' market, also outside our traditional market of development cooperation. Dutch organisations are increasingly interested in international relations and express the desire to create partnerships abroad. Twinning is such an example, where MDF can very well play the role of broker; understanding different cultures, facilitating to bridge the knowledge gap and support with training. The realisation of assignments in the Netherlands or Europe enables MDF to remain an effective broker of know-how in the field of management and organisation when working in developing countries and vice-versa. Also some of MDF's products and approaches, such as interactive policy formulation (DAP), developed in other contexts can be easily adapted to the Dutch context particularly municipalities. MDF will look for partnerships with consulting firms working in the Dutch context. In 2007, a business plan will be prepared and MDF will decide which services to offer for which market segments. Profiling ourselves on these segments, finding suitable partners and forging partnerships will draw on the resources of ERA.

The previous sections illustrate clearly that the marketing and acquisition department (ERA) plays a pivotal role in a three-pillared marketing strategy. To fulfil this role ERA will need further strengthening within the MDF structure.

#### 4.4 Staff and staff development

As in any knowledge-oriented organisation our staff is MDF's most valuable asset. Consequently selection, recruitment and guidance of staff are amongst the most crucial management tasks. Existing competency-profiles for various staff categories need to be further refined. In these profiles, MDF is focusing on skills and attitude because in our business success does not depend so much on knowledge but much more on respectful and good relations with our clients.

In the future our staff composition needs to become a better reflection of the societies we work in: more diversity in age, gender, nationality. Within this diversity, however, there will be one binding set of values for all staff; high intrinsic motivation, dedication, commitment to international cooperation, cross-cultural understanding and respect, result and process oriented pro-activeness., open-mindedness and analytical ability.

To remain a vibrant organisation MDF needs to create a better balance between junior, middle and senior staff offering a good mix in sectoral and thematic knowledge and experience. This professional staff needs to be supplemented by a few – carefully selected – junior assistants who have as their primordial task to feed the innovation processes in the organisation. To this end a regular and planned inflow of new staff, as well as more mobility of existing staff, is needed. Mobility of staff can be realised by rotating them between various functions in the head office and branch offices, by offering challenging career perspectives in international co-operation and by preparing them for management positions in the MDF organisation, as well as in other organisations.

Considering the fee structure in our current markets, MDF is not able to offer top primary labour conditions. Nevertheless MDF wants top quality staff and therefore needs to offer other incentives and opportunities. Apart from working in a challenging environment, MDF will facilitate career development and self-development. Each staff member can design an individual multi-year development plan, based on own ambitions and the core competencies of various function categories. In the acquisition of new assignments – particularly long-term assignments – these personal development plans will play an important role: MDF will actively try to procure those assignments that are important for the realisation of specific personal plans.

MDF further promotes internal mentoring, sparring and coaching by organising peer review meetings at different levels. MDF will also set aside sufficient funds (5% of the total annual wage costs) and time for sabbaticals and external coaching or learning to make realisation of these plans possible.

Personal development plans are - together with productivity and product development goals - discussed during annual performance meetings. These result in agreements that form the basis for staff coaching. In line with our culture, performance reviews will not solely focus on productivity and results but will also consider individual backgrounds and reasons for not achieving certain goals, should this be the case. Making mistakes is very important in anybody's personal development and should be permitted as long as lessons are learnt and translated into increased performance or further development goals. MDF

shall never degenerate into an organisation of target-biters and bone-pickers, a pitfall of too much result- and productivity/performance orientation, which is not uncommon in the consulting sector.<sup>2</sup>

## 4.5 Organisation development

As stated earlier, in our perception, change is the essence of life and therefore we believe in organisations that are permanently renewing and adjusting themselves. Not by major overhaul or re-organisation operations, led by interim change managers. Mechanisms of change are a fully integrated and endogenous part of the organisation. In this way organisations renew, adjust and thus change, due to an internal drive and taking into account and responding to external influences. In this perception, managing change is the same as managing the organisation. Consequently we consider it important to keep the organisation vibrant with permanent renewal and adjustment being another crucial management task, as well as selection, recruitment and coaching of staff.

Decision making concerning organisational development of the MDF group, as well as of its group members, is the responsibility of the management of MDF. However it goes without saying that major decisions will only be taken after thorough consultation of our staff. Be it through cluster meetings, staff meetings or deliberations with the Employees Council.

MDF is a people's organisation and therefore meaningful daily contacts with colleagues, support staff and superiors are important.. This should be reflected in the size of various units (clusters, branches), the relationships between units and the span of control of cluster heads, unit heads and branch directors. MDF should remain an organisation tailored to the needs of its clients and of its individual staff. For this meeting each other, exchanging experiences, rotating staff and celebrating social events together are important activities in the MDF calendar, which contribute to the unique working atmosphere that makes MDF "MDF" and distinguishes us from other firms. MDF has grown significantly over the past six years and consequently in 2007 it will be assessed to what extent we need to adapt our organisational processes, systems and structure to this new situation.

In 2006 a new set of procedures for internal systems and processes was designed. In 2007 MDF will increase its efforts for effective understanding and internalisation of these procedures by all staff. Next we will review our internal organisation and this should result in a modified structure by the end of 2007 or early 2008.

MDF has established its own International Learning Centre in De Bosrand in Ede (the same location as Head Office). This enables MDF to thoroughly influence the learning environment in which we deliver our courses, but also to invite other training institutes and partners in the Netherlands to organise their events in our premises. De Bosrand, being part of MDF, should be a cost recovering member of the MDF Group. De Bosrand therefore also welcomes other guests in order to maximise occupancy of the Hotel, without conflicting too much with MDF activities. Branch offices, so far, have opted for hiring facilities, but feasibility studies might be considered to investigate whether having

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<sup>2</sup> More information about our staff policies can be found in the separate document '*Labour Conditions 2007*'.

own facilities would be more cost effective and contributes better to long-term sustainability.

We will review relations between head office and the increasing number of branch offices in 2008 and will define more accurate mandates, tasks and responsibilities at different levels. Branches design their own strategic outlooks in close consultation with the Head Office. Based on these outlooks branch directors prepare annual work plans with budgets that, after endorsement by the Head Office, form the mandates of these directors. However, the scope of these annual plans will vary - depending on the phase of the lifecycle of a specific office- and therefore mandates for branch directors will be differentiated.

### **5. And further.....**

In a globalising world with ever increasing interdependencies between countries and individuals and international development cooperation, the discrepancies between rich and poor, North and South remain and unfortunately still don't show a declining trend. Meeting the Millennium Development Goals will probably still take considerable effort after 2015. Poverty, climate change, environment, migration and terrorism are closely inter-linked issues. All are, in one way or another, connected to the social struggle for more equity and social inclusion. Solving, or at least managing, this complex set of socio-political issues calls for increasing international (development) co-operation at a global scale. Consequently we are convinced that demand for MDF products and services will continue to exist in the coming decades. Specific demands will evidently change but their nature will likely remain the same; practical instruments and approaches to translate ever changing insights and policies into realities. Therefore the current management strongly wishes to preserve MDF for the sector. We want to hand over MDF to the next generation of development practitioners as a vibrant and dynamic organisation. The best guarantee for this is to equip our organisation with an in-built ability and an ever desire for change. Innovation, inflow of new staff, rotation of staff, building new partnerships, steady growth and expansion and the presence of organisational challenges are essential elements to achieve this. But believing in dreams and ideals is equally important.

In 1999, MDF chose to remain autonomous and independent, guarding its long-standing identity, working style and culture. We have proven to be able to grow and remain healthy. However, the times they are a changing...

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On the medium term the current management of MDF wishes to hand over the organisation as vibrant and viable as it has been over the past 23 years. It is our conviction that this – in an ever further globalising world – calls for more economies of scale, a much closer collaboration with like-minded organisations in the Netherlands, more effective partnerships in Europe, more branches, joint ventures and partners in the South and diversifying our market segments in the Netherlands and abroad. Without a vibrant head office, a network of branch offices and partnerships can not survive. The Head office will remain the spider in the web and therefore we need to investigate how we can further strengthen ourselves. This may require far reaching forms of collaboration with other like-minded organisations in our sector or significant external financial inputs.

We believe in the possibility of creating one multi-faceted organisation that can offer our clientele, our branch offices and our partners a much broader range of expertise, products and services. Such an organisation could be hosted in our renewed premises at the Forest Edge. This definitively is another true challenge for the period 2010 – 2012 but we can not wait to start with preparatory, investigating activities until 2010. Also this future starts today.

August 2007