



Dezvoltarea Durabilă a Parteneriatelor Transfrontaliere



CHAPTER 1

INTRODUCTION TO ORGANIZATIONAL MANAGEMENT

The term “management” is very often used in Romania, but it is not well enough defined.

Some authors use this term as a noun, referring to the people who hold the authority of establishing the policy, the organizational standards and purposes. Others use the term to define the process through which things can be accomplished. The term can also be used to refer to a core of specific knowledge.

Synthesizing more contemporary theories which define management, we can establish the following features:

1. management is a process or a series of continuous activities which are related to one another;
2. it involves and concentrates on accomplishing the organizational purposes;
3. it fulfills these purposes working with the people and through those people and through other organizational resources. (Certo, 1989)

During this course we will try to lead the way recommended to be followed when we want to discuss about or define the organizational management.

First of all, let's define **THE ORGANIZATION**

THE ORGANIZATION – is a community of people who are working together in a process based on work division in order to reach a joint purpose.

What are **THE MAIN CHARACTERISTICS OF AN ORGANIZATION**?

1. The organization is **a social system**. An organization involves and uses first of all people, and the performance of the organization depends on their efforts.

2. The organization is **an open system**. An organization is in a continuous relationship with the environment in which it unfolds its activities. The organization takes from the environment the human and physical resources and it uses them to restore to the environment the products and services which it consumes.
3. The organization has **a joint purpose for all its members**. This aspect will be detailed later during this course. But we can mention from the start that it is crucial to have a joint purpose for the identity and performance of the organization.
4. **Work division**. Each organization's essence is the human effort. The process of dividing the work into small pieces, to be accomplished by persons or groups, is called work division. Hereby, a work which exceeds as amount and diversity one man's capacities is divided into parts accessible to each of them. Through this, the organization mobilizes the work of all the people involved in reaching the joint purpose.
5. **The hierarchy of authority**. When the organizations divide the work into smaller components, something needs to be done in order to ensure the coordination of individual efforts and to combine them properly so as to fulfill the organization's purpose. Therefore, some formal and informal authority lines are created (as you can also see below). No matter how democratic or autocratic an organization wants to be, this aspect must not be neglected.
6. **Synergy**- the organizing of individual and team efforts in a way that directs them to achieving the organization's purpose.

WHAT DIFFERENTIATES THE NONGOVERNMENTAL NON-PROFIT ORGANIZATIONS FROM OTHER ORGANIZATIONAL INSTITUTIONS?

The major distinctions can be noticed from the term itself:

- ***They are nongovernmental*** – so they are not subordinated to the governmental institutions, are fully independent, but they have the obligation to respect the laws in force;
- ***They are non-profit*** – so their interest is not the financial one (patrimonial).

Besides these, the characteristics of NGOs also include other elements, which will be presented in the following chapters.

What are **THE MAIN FUNCTIONS** of a non-profit NGO?

1. **Accomplishing its purpose and objectives**. This aspect will be detailed below.
2. **Auto-maintenance**- ensuring its own "survival". This includes the efficient management of the NGO, ensuring the accomplishment of all the legal requests, satisfying the members' needs, attracting new members, internal communication etc.
3. **Adapting to the environment**. An NGO is not like a car driving no matter what happens around it. As mentioned above, the NGO is in tight relation with the background in which it unfolds its activities and it must adapt to the changes that keep appearing.

NONGOVERNMENTAL NON-PROFIT ORGANIZATIONS– WHO ARE THEY?

According to GO no. 26/January 2000 (which replaces Law 21/1924), an NGO can have two juridical frames: **associations** and **foundations**. What does each of them represent?

THE ASSOCIATION is the institution established by convention through which some people jointly bring, **permanently and without any restoration**, their own financial contributions, knowledge and activity, in order to

accomplish a purpose **which is not meant to bring them any pecuniary or patrimonial benefits.**

The purpose of the association is a **purely ideal** one and corresponds to the community's general interests, only the ones of a social category to which the associations belong or to the general patrimonial interests of associations.

THE FOUNDATION is the institution established on the basis of a juridical document through which an authorized person or a common person sets a distinct and autonomous patrimony or own patrimony and destines it permanently and irreversibly to accomplishing a general or communitarian purpose.

The associations and foundations are not of course the only possible associative institutions, but they represent an important component of civil society.

Here are some distinctions between an association and a foundation

Characteristics	Foundation	Association
Number of founders	Minimum 1	Minimum 3
The Leading Board	The Board of Directors	The General Assembly
Members	No	Yes
Selecting the members of the Administration Council	Nomination and / or cooptation	Chosen by the General Assembly
Unfolding economical activities	Yes	Yes
Collecting subscriptions	No	Yes

We have to mention the fact that, despite the fact that its structure depends on the category to which it belongs, any NGO, either association or foundation, must have a mission, a purpose, some objectives, a set of values shared by all the members, leaders or employees, in other words, to have a series of identity elements which define the entire respective organization.

THE NGO'S IDENTITY ELEMENTS

THE MISSION OF THE ORGANIZATION

The mission is the **reason to be** of the organization and functions like a flashlight, like an anchor and like a consciousness of the organization. For the mission to be formulated correctly, it must be:

- **short** – a short and simple mission is easier to understand and to be remembered. The simplicity and synthesizing are proofs of a clear and coherent thinking.

One such example can be considered to be the mission of the Scouts Girls: “To help any girl to reach her highest potential”,

- **flexible** – to resist in time

The mission “to ensure the inhabitants of the village X with the necessary water supply” is valid only until the water supply system is furnished up, moment in which the organization with such a mission would no longer have a purpose and would disappear. The Macintosh mission, for example, is “to improve the creativity and productivity of people”. It will never give up.

- **unique** – in order to differentiate your organization from the other organizations.

The Green Peace mission is “to have a clean world”.

What **must not** the mission have to contain?

Under no circumstances should it contain the methods through which we act. This mistake is usually preceded by the word “though” or is formulated through the participle time. If the mission of the Scouts Girls would be “to help any girl to reach its highest potential through the organizing of mountain camps”, this would practically restrict the activity of the organization and it would obviously delay the reaching of the goal.

The mission must also not contain the conjunction “and” to link two or more ideas. The mission of the Sapiens organization cannot be “to grow the level of understanding of Romania’s citizens towards the problems related to the country’s environment’s and natural reservations’ protection” because it would be obvious that these are 2 mission which lead to two different purposes.

Even if, ideally, the mission, once established at the organization’s set up, it remains valid during the entire existence of the organization, there are situations in which the mission can be revised (either when the members of the organization realize that they haven’t quite found the best sentence, or the “world” in which the organization exists and functions changes continuously). If necessary, the members or founders of the organization must not hesitate to revise its mission.

THE PURPOSE OF THE ORGANIZATION

If the mission is the way, the purpose of the organization equals to what we find at the end of the way, in other words, the resulted potential of accomplishing the mission. The purpose if it is to show the result of the organization’s entire activity, to focus that activity on a single referential.

Generally, the purpose is easy to define once we know the mission of the organization.

It can be emphasized the fact that, once the purpose is reached, the organization has *two alternatives*:

- To be abolished considering that there no longer exist reasons strong enough to continue its existence
- To analyze the mission in order to figure it out if the problem proposed to be resolved has reached the level desired.

THE PURPOSE MUST DIRECTLY ANSWER THE MISSION!

We can’t have the mission “to raise the informational level of the community” and the purpose “to have a Romanian society without unemployed workers”.

THE VALUES OF THE ORGANIZATION

Most of the theorists have serious disputes regarding the phase in which we talk about the organization’s values: we formulate them before or after the mission and the purpose.

The values are the concepts laying at the basis of the organization’s entire activity. On the strength of these values, we will act within the organization. They are the binding between the members and the structures of the organization, representing us outside the organization.

Each person has its own values, what we usually call “the scale of own values”. The values of the organization are not equal to the values of its members, but with the “intersection” of all these values. Only these values, from the “intersection”, help the organization in accomplishing the mission and purpose.

The frequent tendency within this stage is to gather as many values as possible which we declare joint and important for the organization. The number of values mustn’t be bigger than 5. If they are more, we will have to select the ones truly important for the organization or to see to what extent they don’t contain one another.

In many organizations’ case we can meet values like “freedom”, “solidarity”, “honesty”, and “altruism”.

THE ORGANIZATION’S ACTIVITY FIELDS

After we've been through all the stages so far, we will have to establish what exactly knows the organization and what can it do.

One of the classifications accepted at international level, classifies the organizations according to the following fields:

- culture, art, recreation;
- teaching, education, research;
- health;
- social services;
- environment protection;
- economic and social development;
- democracy, human rights protection and promoting the citizens' interests;
- philanthropy and volunteering, international cooperation;
- representing the business and professional interests.

What we must do within this process is to identify the organization's resources– what are the skills of our organization's members (professions, hobby, capacities etc.). For this, we can fill in an intern questionnaire. After gathering all these information, it is necessary to see what is viable to the organization's activity.

The final result of this stage is a set of actions which the organization can unfold. It is possible that a part of these might need resources not yet available, but if the essential ones exist, they can be taken into consideration. Within this stage we must also think about the results we want to get and about the benefits we want to produce.

The results are what we effectively get at the end of an action (for example, at the end of a lobby activity we get the approval or modification of a legal act, at the end of a course we get 15 trained participants etc.). The benefits or impact represent the effects of the obtained results – in other words, how will be the beneficiaries affected by the approved legal act, what will the participants do with the information from that training.

At the end of this stage we must have the answer to the following questions:

- What benefits do we want to produce?
- What indicators do we have for each benefit and how will we get to produce it?
- What are the activities needed in order to produce the benefits?

The structure and function of the organization

Any organization, regardless of the background in which it functions, is an open system in which there can be met exchanges (of goods, services, information, money etc.) with the outer environment. Because of this, the outer environment influences the organization permanently and determines it to change, becoming a “modus vivendi” for it.

The architecture of the organization is defined by its **structure** and **function**, as they are designed by the manager.

The organizational structures are created with the purpose of assigning the work and authority, on the one side, and coordinating and controlling the activities, on the other side. In establishing the structure, one must take into account certain variable features, the most important ones being the following:

1. The purpose and objectives
2. The people
3. The tasks/ activities
4. The technology / aspects of the inner background
5. The outer background (economic, social, political conditions etc.)

Within the organizations, two types of structures can be distinguished:

- The management structure – includes the groups/ people involved at a certain moment in the management process;
- The processing structure – includes the groups / people involved at a certain moment in the execution process.

The management structure is the one at the level of which the organization's decisions are taken, and the processing structure is the one that assures the accomplishment of goods and/ or services, according to the activity domain.

The function of the organization is determined by the organizational dynamics and culture.

The organizational dynamics represents the sum of processes unfolding within an organization, both on short term (tactic dynamics) and on long term (strategic dynamics). We can also talk about a perceivable dynamics outside the organization (the schedule, activities, the rhythm in which new products or market services are launched etc) and about an inner dynamics determined by the tide of materials and information, the rhythm of employing and firing the staff.

The strategic dynamics is conditioned by the organization's capacity to align to the environment's requests. This implies, first of all, a correct perception on the evolution of the environment in which the organization unfolds its activities, and, second of all, a good system of measuring the organization's performances, system which gives all the data needed for conceiving the strategy and the changes imposed during the implementation process.

For accomplishing this **change**, we recommend the establishment of a program having 5 processes:

- reorganization, understood as a change of the structure and reducing the level of the hierarchic levels;
- reducing the bureaucracy – eliminating all the unnecessary reports, approvals, meetings and procedures;
- responsible employees – must be based on trust regarding the capacity of making decisions and on their professional competency;
- continuous improvement, starting with preventing and detecting the errors and ending with changing the organization's management methods;
- cultural change – changing the people's mentalities.

The organizational culture defines the organization's identity and ensures the frame within which the organizational dynamics unfolds. The organizational culture is the result of organizational learning, process unfolding in the organization's entire existence.

It includes the visible results of the organization's activities (goods, services, documents, buildings, rituals etc.), but also the values, beliefs and mentalities accepted and promoted by it.

The stages of building the organizational culture:

- *recruiting people* like founders, these being attracted by founders instinctively and accepting the vision of the former ones regarding what needs to be done, creating in this way an important agreement in the organization's first years of existence;
- *establishing the group norms* (ex: team work); they will be strongly influenced by the founders, especially in the beginning;
- *declaring the organization's values* (mottos like "the client in on the first place"); at the beginning, the founders will have the highest influence on these values; afterwards, the organization's management must prove that what was declared is respected and works consequently;
- *declaring the mission* ("what is the social need that the organization satisfies"); it visibly carries the print of the organization's values and norms and represents the development platform of the relationships with the different interested parts - clients, employees, suppliers, beneficiaries, collaborators);

These stages are usually followed by activities of building some customs and traditions which transpose culture in daily activities, with the help of some procedure measures and rituals, such as:

- *introducing an adequate system of communication and decision making*;
- *installing some procedures and rules* (how will the things be done in this organization) which will help in the integration, by establishing some standards to be followed by the members of the organization;
- *promoting the symbols of the organization* (logo, sigle, emblem);
- *developing some key rituals* (recruitment rituals, ceremonies of giving rewards, parties etc.)
- *declaring the policy area* on some key aspects (the relationship with the employees, with the public etc.).

In the end, these will be followed by activities which have as main purpose *encouraging learning* within the organization through weekly/ monthly meetings between the members of the team, trainings, counseling. The organizational learning is the process through which the organization changes its architecture so as to improve the answer towards the outer background and to keep, at the same time, its structural and cultural coherence.

CHAPTER 2

PLANNING IN THE EXISTENCE OF AN ORGANIZATION

Sooner or later, in any organization, we come to the conclusion that, no matter how much enthusiasm it might be, no matter how much the organization is based on the work of volunteers or how much we wish to avoid its transformation into a bureaucratic structure, in order to get some important results, we need a certain ***planning***.

We spend all our time reacting to what life offers us and we don't have time to think about the variants which can be implemented.

Sometimes, the managers don't want to face the fundamental questions related to their organization because they are afraid of the answers and consequences. This becomes another motivation to face reality. The irony is that the organization is consolidated/ gains power when its managers debate on the basic questions and realize that any unexpected problem can be solved through a strategy.

Here are a few reasons for which the organizations need a planning:

The rate of change- The change is accelerated in the competitive environment, which assumes many changes on the services and financiers' market.

Complexity – The legislation, norms and directives have become a major industry. More than that, most of the products and services are harder and harder to produce/ offer and confront with difficult marketing and distribution problems.

Doubt – The change and complexity determine doubt, uncertainty. Do you plan your way to face the uncertain situations or do you allow them to determine your actions? Do you anticipate or prepare the field for such situations that you identify or do you first wait for them to appear and then you react?

According to Sir John Harvey – Jones:

“Management deals with avoiding surprises. Management means to think before about what might happen to you so that your plans are prepared, not to be taken by surprise; it means that you thought about what may happen, of three or four actions that you may implement and that you are prepared. It means looking around you searching what might happen to you, planning and thinking about the way you would react facing these situations”.

Efficiency – The strategic planning is efficient because you can first determine where you want to get and then you focus all your resources to get there. Then, every action is one step closer to the final point eliminating the unnecessary and not productive actions.

Allotting the resources – Once a plan is agreed upon, some resources are allotted in order to sustain the plan and to reach the objectives set. This assures the allotment of resources where needed and not their waste in an inappropriate manner.

Better Management – The management teams consider that strategic planning simplifies and improves the process of resources allotment. A plan creates a frame in which the important decisions can be made with a clearer understanding on the impact regarding the objectives agreed upon. Before taking any decision, the managers must ask themselves: Does this really help at reaching our goals? Will it take us closer to where we want to get?

The risk – There is an implicit risk when we start planning because we will be the prey of the changes’ waves. As Harvey – Jones said: *“The passivity is no doubt the most comfortable strategy that can be applied on short term, in time proving to be the most dangerous of all”*. The same author also outlined the existence of another risk related to the lack of planning: *“that people, most of the times, act before getting ready and deciding what needs to be done”*.

WHAT IS STRATEGIC PLANNING?

The strategic planning is a management instrument. Like any other instrument of management, it is used for a single purpose– to help the organization accomplish a better work, to focus the energy ensuring that all the members of the organization work together in order to reach the same goal, to evaluate and correct the action direction of the organization by producing the proposed change.

Strategic planning is the organized effort of making fundamental decisions and planning the activities that represent the organization, what it does and why it does so, with the view to reach the ideal proposed goal. (Bryson’s, “Strategic Planning in Public and Nonprofit Organizations”)

An analysis of the terms that compile this definition will bring to light the basic characteristics of strategic planning:

1. The process is **strategic** because it involves the approach of the best action line which responds to outer stimuli. The organization must be able to actively respond to the dynamics and changes produced in the environment in which it functions. A strategic approach assumes the formulation of some clear objectives, a harsh management of the organization’s resources and a flexible allotment depending on the outer stimuli.

2. The process is **planned** because it implies a deliberate formulation of a purpose and the development of an approach which allows its reach.
3. The process is **organized** because it implies a certain order and a harsh program in order to maintain it on the desired track and to reach the goal. The process must undergo a series of questions whose answers may help the planners to identify the organization's experience, to test the assumptions they make, to gather and implement in the process some information about the past and present of the organization, as well as to anticipate the future evolution of the environment in which the organization unfolds its activity.
4. The process is one of **making the fundamental decisions and planning the actions** because the decisions must be made so as to answer to all the problems presented so far. The final plan is a set of decisions about what we will do and how will we do. As it is impossible to do everything that needs to be done in this world, strategic planning involves putting on the first place the decisions and actions that we will implement, in the end, there will remain in force mostly those decisions that will ensure the organization's success.

Strategic planning **MUST NOT** be mistaken with the strategic plan. Strategic planning is a process, and the result of this process is the strategic plan, document which will serve at the organization's "orientation" in a certain period of time.

WHEN IS STRATEGIC PLANNING NECESSARY?

- When the changes of the background in which the organization functions are obvious and the strategies are no longer representative for the actual conditions.
- When the application of the strategic decisions according to the previous plan don't bring the organization closer to the initially proposed goal.
- When we realize that we have never done before a strategic planning.
- When our "clients" are visibly not satisfied with the way in which things are happening in our organization.
- At the end of the previous strategic plan period.

THE CHARACTERISTICS OF THE STRATEGIC PLANNING PROCESS

The strategic planning process:

- Leads to action;
- Builds a joint mission based on the organization's values;
- Is a participative process, in which the members of the Directorate Committee have the same role with the one of the hired staff;
- Is transparent for the community;
- Is oriented towards the outer environment and is sensible to any change of the organization's environment;
- Is based on good information(credible, actual, manageable);
- It needs an opening towards objective questions which emphasize a certain fact;
- Is an essential component of management.

The best way to understand strategic planning is by analyzing the characteristics of this process. These are:

Dynamism – strategic planning must deal with the outer environment; it will lead you where you want to go, that "somewhere" being outside the organization. Due to the fact that the market is continuously changing, strategic planning must

be a dynamic process so as to reflect these changes. It is not a theoretical exercise. A strategic planning which fails to respond to the changes, will soon transform “from a giraffe into a white elephant”.

Continuity - Strategic planning is a continuous process because it deals with the dynamics of the market. Because it is a management tool, it requests discipline under the shape of some evaluations and periodical updates. The revisions are essential to the testing of the assumptions towards the answers on the market. The more experience you get regarding planning, the more efficient it becomes in time. Neither the world, nor the plan of your organization is a static image.

Flexibility – If the conditions on which your plan is based upon change, you should also change your plan. No strategic plan is sprigged, it must be flexible. If the events demand a change and if your plan requests a change, then you should be flexible enough to allow the metamorphosis of the plan. The only good strategy is the one that really works! The only way to see if a strategy works is to analyze the results on the market. So, don't get too much attached on strategies, but only in the case in which they really work and will continue to work on the market.

Receptivity – Your ability to answer is the key to receptivity. In order to answer, you must be informed regarding the changes on the market. The answer is quite different from the reaction. The answer means adapting an existent strategy to a specific objective.

Analysis – Strategic planning is analytical, but is not stuck into details. As Kenechi Ohmae observed “*no appropriate business strategy can be built on knowledge or half analyses*”. This involves commitment and will to offer time and resources with the view to collect and evaluate information about your world. The planning can't be placed in void ness. You can look at these data as at some indirect experiences which fulfill the direct experience that follows to be obtained through the testing of the new strategies on the market.

Creativity - Strategic planning is a creative process because it depends on intuition and on the way of thinking of the management team. After everything is analyzed and all the information is gathered, you must think how you feel. An important rule is to look at the data gathered and then analyze your feelings towards these. Don't feel reticent or embarrassed if you consider or feel that the plan is not good. Intuition is as important as collecting the information. You should wonder (within the team) if the direction and plans are appropriate. Are they good for you? Can they be ACCOMPLISHED? They must be good and look good at the same time.

Orientation towards action- Strategic planning means acting, and not only planning. The main purpose of planning is to decide on what you want to do and then to apply it. In fact, the process itself is oriented towards action, involving the “thinking” followed by implementation. If your planning is not put into practice, then the exercise was in vain/ lost. Think, then act, then revision, then think, and then act again.

Direction - Strategic planning has to do with the entire firm through the decision regarding the point where they will get in future and on the way in which they will get to that point. So, the management team will change its direction and the organization will divert from the chosen track. The most important decisions need to be taken in accordance with the plan established. This means to focus, to have a direction to follow. Discipline is essential for it to be accomplished and to hold the focus on the target. The managers must ask themselves: Will this decision help at reaching the goal? Will it take us closer to where we want to get?

Allotment of resources - Strategic planning is efficient because it allots to the organization the resources needed for reaching the targets. The process facilitates the allotment of resources so as to obtain the results that will lead to getting the impact wanted. In this way, the uninspired allotments of resources are reduced, and sometimes even eliminated. As long as you continue to measure the results, the resources will be reallocated for you to get the maximum impact.

Change – The ability to plan in order to face the change. The planning ensures the management “a background in which the decisions can be made in continuous movement”. The process of planning can be a very efficient vehicle regarding the change both from outside and from inside the organization. It offers an excellent opportunity to bring to surface the problems in a constructive frame and to reach an agreement which the people must respect. *In the process of planning, the key question is* the next one: *What is best for the organization?* Will its objectives fulfill? More than that, if you confront with the change inside the organization, you will have a better position outside it to confront it.

Finality – Strategic planning has a well established finality because it is not a theoretical exercise. Finality means getting a competitive level through the strategic positioning of your organization on the market, in the right way, at the right place, ensuring the rapid and profitable development “when the weather is fine” and the survival in crisis moments until you can “catch the next train”.

If we divide the final point we want to reach in its constituent parts, we can easily notice what the results are:

- The strategic positioning of the organization;
- The correct presence on the market, at the right time (with the right product / service);
- Assuring the rapid and profitable growth;
- Surviving until the next success;
- Winning a competitive level among the competitors.

At a superior level, strategic planning only refers to maximizing the results. Of course, there are legitimate arguments related to what the obtained results should be like and how must the resources be spent.

The firms must make profits because if not, they disappear- there is no other method of accumulating and attracting social capital. The organizations must offer quality services.

At the base level, strategic planning can make the difference between the survival and death of the organization because it forces the management to think both in difficult moments and in favorable moments. The strategies in crisis moments are different from the ones used regarding development, but each of these are very necessary. Almost all the initiatives can wait for the right time to be applied when the conditions are favorable. Planning is useful both for development and for survival.

THE ANALYSIS OF STRATEGY AND OF STRATEGIC MANAGEMENT

Strategic planning is useful only if it is based on a strategic analysis and if it leads to a applying a strategic management. The strategic analysis functions as an answer to the question: “Are we doing what we should/ must do?” Strategic analysis must take into consideration the following three elements:

1. a clearly defined purpose;
2. a clear understanding of the environment, especially of the forces that might affect the organization one way or another;
3. creativity and ingenuity in identifying the best ways to answer to the forces from the outer environment.

As a consequence, strategic management means putting into practice the strategic thinking through the leading and management board of the organization. A good manager can apply strategic management by continuously answering the question: “Are we doing what we should/ must do?”

Strategic management is based on the development of a competitive strategy for accomplishing the mission and on creating an organizational structure which rationally uses the resources in the strategy’s implementation effort.

WHAT IS NOT STRATEGIC PLANNING?

If we were to think about the given definition, it is essential to understand that through strategic planning we are not taking future decisions, but we anticipate the environment's evolution, the decisions following to be made at present time. So the result of this process is not a rigid plan, which needs to be applied anyway, but a sort of provisional thinking on whose basis we will take the best decisions at the right time.

Strategic planning has been presented as a managerial tool, but that doesn't mean that it is a substitute for strategic thinking.

In other words, it is not enough to plan strategically if we don't implement. The manager must answer as often as possible the following questions: "What is the most important problem we have to solve now?" and "How will we solve that problem?"

And last, but not least, strategic planning is described as an organized, but not rigid, process. It takes creativity and flexibility to correctly accomplish such a process. Many times, the decision we had taken the day before does no longer suit the situation from today. We shouldn't feel any remorse in taking a new decision, suitable with the dynamic of the events.

WHAT ARE THE KEY CONCEPTS IN A STRATEGIC PLANNING?

Strategy - In dictionaries, the term appeared attached to the military actions which followed the precognition and answer to the enemy's actions. In our case, the strategy can be defined as an answer to the environment's changes (hostile changes in most of the cases) in which the organization unfolds its activity in order to reach its goals. Strategic thinking implies informing and giving feed-back to any environmental change in which we unfold our activity.

Planning – Strategic planning is a planning process because it is based on the deliberate identification of a set of strategic purposes which allow the reaching of the final purpose and on the development of an approach which allows the reaching of these strategic purposes.

Prioritization – Because, generally, everything we do is important, strategic planning implies the ranking of emergencies and actions according to some set criteria. The most important decisions are obviously the ones related to what the organization is, to what it wants to accomplish and to the way in which it does these things. We can mention that strategic planning has in view the most important decisions of the organization.

Organizing – Organizing focuses on the succession of different types of strategic planning. Strategic planning is an organized process because there are some series of typical questions we address ourselves in order to realize the experience we have as organization, to check our assumptions, to gather them and put in an accessible shape the information related to the present and to anticipate the evolution of the environment in which the organization unfolds its activity.

Making decisions - Strategic planning is based on decision making with the purpose of answering the identified problems. Au fond, strategic planning is nothing else but a set of decisions about why, what and how we have to do.

Long term planning– The period for which we must make plans differs from one organization to another. The organizations that work in a hostile environment can think about plans up to 10 years, while other organizations a 2 year plan is too much.

The operational plan – is a detailed action plan which has information on how we will reach our proposed strategic goals. An organization must have operational plans for each operational unity, which should have the length approximately equal to the fiscal year. There are obviously operational plans longer than the fiscal year, which cover different cycles of activity.

Strategic management – The concept of strategic planning assumes daily and/ or periodically management, focused on the most important decisions and activities. On the other side, we mustn't ignore the fact that the environment in which we unfold our activity is in continuous change and this change attracts opportunities or obstacles we must take into consideration, permanently restructuring the strategic plan.

Participative process – A participative process is the process in which all the people involved in the organization's activity take part. This means that all the clients, volunteers, financiers and hired staff must reach an agreement regarding the strategy. In this way, the people interested in saying their opinion will be heard by the ones making the decisions.

THE MODEL OF STRATEGIC PLANNING

The first intercession in planning begins with a frame of 4 fundamental questions. First of all, you must analyze the way in which your organization evolved in time, to identify what brought you success and what would need more attention.

Second of all, you must be concerned with what you wish to accomplish, what is the target of the organization– for this we start from the present, elaborate a vision, list objectives, and make an inner evaluation of the weak and strong points.

Thirdly, you must establish the way in which you want to get where you want, taking into consideration the strategies and examining the outer opportunities and threats.

In the end, you must choose the way in which you want to elaborate the operational plan, revising the structure of the organization and determining the implementation on the basis of the action plans. This model can be structured as follows:

How did we get here?

Success factors

Where do we want to get?

Vision

Objectives

Internal evaluation. Strong points and weak points

Targets

How do we get there?

Strategies

Internal evaluation. Strong points and weak points.

External evaluation. Opportunities and threats

How do we make it work?

Structure

Implementation

Action programs

Strategic planning is a concept which regards the entire organization. Strategic planning creates a frame in which we can address fundamental questions regarding the organization. At the same time it represents a process through which we answer these questions.

Strategic planning deals with 4 fundamental planning:

How did we get here?

Where do we want to get?

How do we get there?

How do we make the plan work?

The process involves finding the right answers for these questions specific to your organization. No strategy can be suitable for two organizations even if both of them operate on the same beneficiaries. The process of planning is dynamic and oriented towards action, requesting flexibility and responsibility. The planning must be a continuous process, with periodical revisions for it to become efficient. The plans evolve in time and become better through more specificity / focalization.

WHO TAKES PART IN THE PROCESS OF PLANNING?

On the basis of the skills identified as being necessary for producing the strategic planning, you will be able to establish then the competencies of the persons involved in the organization. This resembles a manning table, the difference being that you don't hire people, you simply invite people to participate. If you don't have people to cover some certain abilities, you can appeal to some experts from outside your organization.

It is very important that when you are involved for the first time in a process of strategic planning you should succeed at least partly. A failure would determine you not to ever appeal to such a process.

What you get in the end of this section is a **list** of the people who will be included in the **Planning Committee**. If the number of people is too big, you probably didn't establish correctly their competencies or you were probably too generous with the competencies you attributed to some persons. In general, it is better that this Committee includes representatives of all the hierarchy structures and departments and from all members categories, as well as a representative from each direct beneficiaries, financers or other interested organizations.

It is necessary to include in the Committee the interested factors which have a major influence on the organization's activity. These are the members of the Directorate Council, the president and the opinion leaders from the organization. This fact contributes to ensuring continuity in applying the **strategic plan**.

It is desirable that a new and enthusiastic member is included in the Planning Committee. This member's major role will be to put questions like: "Why?" when the others don't do this because they think it is a matter of course.

The consultant from outside the organization is not a part of the Planning Committee. He doesn't make decisions, but offers the technical and methodological support necessary to the unfolding of the process.

A successful strategic planning depends of the abilities of the people involved in the process. Generally, we shouldn't think about including all the abilities we can list, but only the ones that are truly necessary in the planning process.

There are *four categories of abilities* that are necessary within the strategic process:

1. **Personal** – facilitation, negotiation, identifying the conflicts, solving the conflicts, persuasion, team work, training;
2. **Presentation** – synthesizing, graphic presentation, group interaction;

3. **Analytical** – research, collecting of data, synthesizing the information;
4. **Technical** – using special, budgetary information, using the computer.

THE IMPORTANCE OF THE “INTERESTED FACTORS” FOR THE PLANNING PROCESS

The interested factors are the people or groups of people who, in a way or another, will be influenced or affected by the activity or existence of the organization (the term is “stakeholders”). That is why, in the planning process we must take them into account, and for that, first off al, they have to be identified with as much accuracy as possible.

The organization’s activity can regard, for example, the financing members, clients from the past, present or future, members of the organization, possible beneficiaries, possible service suppliers, and, in general, any other juridical person or individual who invests, receives, gets or expects something from the organization.

Therefore, the list of the people affected is huge, but we will have to group and synthesize the information from these people so as to be able to handle and use the planning process.

COLLECTING THE INFORMATION NECESSARY FOR THE BEGINNING OF THE PLANNING PROCESS

The image we shaped so far, the reputation of the organization, any informational material produced or received can be all considered information.

The existent information

We will present it first because it is the cheapest and the easiest to obtain. We can find it in:

- the organization’s documents (the correspondence file, the project journals, the materials produced etc.);
- magazines, journals, newspapers;
- governmental publications and statistic;
- the databases of other NGOs;
- on the internet.

The problem appearing in these data is that in many cases they are not presented in their unfinished shape, but as some conclusions and this type of information can’t be verified. In Romania, the problem of bureaucracy (the huge effort made to get all the approvals necessary for acquisition) and suspicion (what do we do with these data, what do we need them for) also appear.

The primary information

Is what we get by ourselves. This type of information can be obtained:

- through consulting some specialists;
- through direct observation ;
- through applying some tools, such as: questionnaires, phone, interview

EVALUATING THE PRESENT SITUATION OF THE ORGANIZATION, AT THE BEGINNING OF THE PLANNING PROCESS

The key problems regarding strategic planning are the following ones:

What are the recent changes or the ones expected to happen in the future?

What happens to the tastes, attitudes and requests of the clients?

What tendencies appear?

Where will you compete?

What will be the best chance to get the results?

What will your clients want in the future?

How will you offer better products/ services in the future?

Do you know the factors that determine success?

How will you generate the necessary results?

For example, the Shell Oil Company handed in the following set of questions to its managers during the sessions of strategic planning:

What are the critical problems (emergencies and important)?

If everything goes well, how would you develop the organization?

If everything went wrong, where would we get?

What changes are necessary in the present culture in order to reach the goals?

What are the lessons we must learn from the previous successes and failures?

What are the important decisions that need to be made in the next 5 years?

What would you decide if this was your organization?

There are three types of information we need in order to make such analysis:

1 Information regarding the evolution of the external factors:

- what is the situation of the organization in the context of the market which provides services;
- the new methods of approaching problems;
- the newly identified needs and beneficiaries;
- the similar organisms developed by the governmental and nongovernmental institutions;
- new problems that appeared and that expect an answer;
- the needs and expectancies of the present beneficiaries;
- the factors and tendencies we identified in the past and that are still waiting for an answer.

2 Information regarding the evolution of the internal factors:

- identifying the strong points and weak points of the organization;
- identifying the strong points and weak points of the services offered by the organization;
- the specter of the organization's needs;
- the quality of the services;
- estimating the possibilities of extending or developing the services provided.

3 Financial problems:

- what are the costs we work with?
- how are our costs compared to the ones of other organizations?
- the tendency of the organization's incomes' evolution;
- the budgetary limitations;
- the efficiency of the costs compared to the results and benefits.

THE SWOT ANALYSIS IN STRATEGIC PLANNING

One of the most important tools for evaluating the present development phase of the organization and for identifying the direction towards which the change will occur (if necessary) or of the approach strategy of a project is called the SWOT analysis:

Strengths – strong points: that belong to the organization and that are usually translated through resources or available abilities.

Weaknesses – weak points: which belong to the organization and are usually translated through not available resources or abilities.

Opportunities – those events or external processes (that don't belong to the organization and can't be modified by it) and that can influence in a good manner the activity of the organization.

Threats – those events or external processes (that don't belong to the organization and can't be modified by it) and that can influence in a bad manner the activity of the organization.

The idea lying on the basis of this analysis is that your strategy of adaptation must:

- to profit from the favorable situations;
- to prevent or avoid the threats through:
 - the complete use of the organization's strong points;
 - taking into consideration the organization's weaknesses, especially when they are associated with external threats;
 - transforming the weak points into strong points.

The SWOT Analysis:

Strong points: I N T E R N A L	Weak points:
Opportunities:	Threats:

E X T E R N A L	
----------------------------------------------------	--

INFORMATION REGARDING THE EVOLUTION OF THE INTERNAL FACTORS

Identifying the dynamics of the intern factors is a difficult process because, in most of the cases, the members of the organization are closer to the problem and more involved in the organization's activity and can't be objective.

The identification process of the evolution of these intern factors can be divided into 2 stages:

1. The revision of the organization's "program"– the organization's activities, services and projects.

What we need to find out in this stage is:

- if we satisfy the needs;
- if we reach our goals;
- how efficient we are.

2. The revision of the organization's "process"– the way in which the organizations works. Within this stage we need to find out:

- if the organization's structure is the best for the unfolding of the activity;
- if the ranking leading and participating system of the organization's activity is good for the unfolding of the activity;
- if the way in which the organization works is good for the unfolding of the activity.

To be able to unfold this activity we need to clearly and correctly define the mission, purpose, vision, values and fields of activity of our organization.

In what way do the various aspects of the organization work together in order to reach the goal?

The McKinley & Comp firm of consultancy in management invented a set of questions grouped in 7 sections. The goal should mean getting/ reaching the synergy of these sections.

1. Strategy

Does the organization have a clear goal?

Is it future oriented?

Do the people involved understand the strategy?

2. Structure

The organizational way is logic?

Is the structure flexible enough?

Do you reach a satisfying level regarding the communication between people?

3. The hired staff

Can you apply the proverb "the right man at the right time"?

What kind of employees do you have?

4. Skills

Do we develop all our skills in the wanted direction?

How do we develop and use the skills of our staff?

5. System

Do we practice a correct managerial control on the resources?

Do we know what the costs of different products are?

How do we make decisions?

6. Style

What is our relationship with the beneficiaries?

Did we get the image we expected to get?

7. Joint values

Are they clearly enough identified and formulated?

Did we get to an agreement regarding the order of importance?

Did we get to an agreement regarding the working methods?

INFORMATION REGARDING THE EVOLUTION OF THE EXTERNAL FACTORS

It is obviously related to the environment's evolution tendencies and to the organization. In order to identify these tendencies, we will have to take into consideration the following tendencies:

1. The changes regarding the resources we have access to

What will happen to the types of resources?

In what way will these changes affect us?

2. Changes in the working methods

In what way will the working methods and techniques change?

What is the newness regarding these methods and working techniques?

Will we be able to adapt to the new methods and techniques?

3. Requested changes and needs

What happens to our beneficiaries?

How can the profile of the beneficiaries change?

Is our offer request increasing or decreasing?

4. Political and economical changes

What will be the impact of the legal, political and economical changes on our organization?

5. Changes of the environment and market

What happens to the organizations and similar institutions from the same market as ours?

Will we collaborate with them or will we compete against them?

This last point is interesting from two points of view:

- we can foresee the possible conflicts, solve the problems and build alliances;
- we can use the others' experience.

The information sources for this stage are:

- governmental statistics;
- the local authorities;
- community development plans;
- the researches made by the organization;
- contacting the financers;
- formal and informal information from the clients.

THE RESOURCES OF THE ORGANIZATION

For any organization to be able to unfold its activity and to reach its mission, it needs resources.

Even though most of the organizations focus on the material and financial resources, we mustn't forget that the others are also valuable.

Resources of the organization:

- material;
- financial;
- human;
- informational;
- time.

THE CLASSIFICATION OF RESOURCES ON INCOMES

The income sources are classified after different criteria. We will remember here only the ones important for NGOs:

- Public or private sources;
- Internal or external sources;
- Sources from activities that bring profit (economic) or from non-profit activities.

This classification was made in order to promote especially those financing sources that increase or ensure the financing independence of the organization on long term.

The internal sources of getting funds are a special advantage. Once obtained, these funds can be used according to the foundation's needs without limits from the outside. In this way, we will be able to cover the expenses that are hard to get money for (daily allowances, office expenses, furniture).

The external sources – most of the times they end up being the only financial resource of many organizations. The disadvantage comes from the fact that these types of financers want to have a very strict evidence of the expenses, limiting in this way the organization's freedom of decision.

1. Internal income sources

- dues;
- contributions from the members, volunteers;

- events of fundraising (which in fact represent the joining of more sources);
- economic activities;
- rates, dividends.

2. External income sources

- donations / helps;
- sponsorships;
- businesses;
- finances;
- subventions.

CHAPTER 3 FUNDRAISING

The financing sources of the NGOs from Romania

The Law in force (in present, the associations and foundations unfold their activity according to the GO no. 26/2000 and 37/2003) allows the Romanian NGOs to use the following financing sources (art. 46)

A

- The dues of the members;
- The direct or indirect economical activities (through setting up some corporations);
- The rates and dividends resulted from the placement of the available sums, under legal conditions;
- The dividends of the corporations set up by the associations and federations.

B

- Donations (financings are also a part of this category);
- Businesses;
- Sponsorships;
- The subventions received from the state budget and/or the local budgets.

The only difference between the associations and foundations, as regards the financing sources that can be used, consists in the dues that are paid within the association. We did not place these two sources on two columns accidentally. In column A are mentioned what we call “intern methods” of fundraising, while in column B are included the “external” sources of financing. We can add in list B the financings which the Romanian legislation assimilates to donations, but which have some different procedures compared to donations.

THE PRINCIPLES USED IN FUNDRAISING

1. People give money because they want to

This concept is elementary. When you ask for money, don't force anyone's hand – if he/she wants to, then it is ok, if not, what can you do? What you ask is collaboration for a good, joint cause. Think about yourself: does it bother you when someone asks you to give money? Au fond, you only give if you want to give. Of course, the way in

which you ask for money is also very important. It would be best if you could ask someone to think if he/she can offer you something. This doesn't offend anyone.

2. People don't give money unless they are asked to do so

They will not offer big sums unless they are asked to do so. You can't sit in your armchair and wait for money to fall out of nowhere. You must ask for money!

3. People don't give money to people

Don't underestimate the importance of the personal contract in offering or receiving money. Nobody wants to give money for a vague concept such as an institution or an organization. They would rather give it to a representative of the organization who inspires confidence and respect. Here, the members of the Administration Council, as volunteers, have an important role, especially if they are famous within the community.

4. People give money especially in order to make a change for the better

The ones that give money or objects do so for many reasons: to become famous, because they feel responsible or out of unselfishness. But, regardless of the sum they give, they do it to improve something. It would be better if you ask money for a certain, concrete activity that has an impact on community. You will rarely receive money for things like paying the phone bill.

5. People give money to the ones that are successful

Everyone likes the ones that succeed. An important role in fundraising consists in the image the organization has and in the way in which they convince the others that the activity for which they ask for money is going to be a successful one.

RESPONSABILITIES IN FUNDRAISING

Who takes care of fundraising for the programs and projects of the organization?

Ensuring the existence of the resources necessary to the programs and projects of the organization is one of the major responsibilities of the Directorate Committee (DC). For the newly founded organizations, without any hired staff or who predominantly pay the members of the DC (they are the most active ones), this responsibility of the DC is accomplished by one or more of them.

Sometimes, this action is assigned to an executive director who supervises some project managers chosen from the members of the DC— in these cases, fundraising is accomplished by the executive director together with the respective project manager.

As the organizations develop and evolve towards a structure based on hired staff (supervised by the executive director) and a DC of volunteers, the ones who get the money are often: a responsible or a team trained in fundraising (or a department of fundraising lead by a coordinator), with help or consultancy from behalf the executive director. Even in these cases, the role of the DC is very important and it is necessary that the people from the DC collaborate with the fundraising team.

We presented these cases because the organizing of the fundraising activity is directly influenced by the structure of the organization and by the relationships between different categories of interested factors.

Two aspects will be presented here:

- the role of the DC members in raising funds for the organization;
- suggestions for organizing the activity of fundraising at the level of the staff/ volunteers.

The role of the DC members in fundraising

As we presented at the beginning, assuring the existence of the resources necessary to the programs and projects of the organization is one of the major responsibilities of the DC members. The DC is responsible with assuring the stable and safe incomes for the organization. Even if it can authorize a part of the activities from the routine of the employees, fundraising still remains the basis attribution of the DC.

On the other side, the DC members are volunteers and they rarely can work altogether with the employees in order to set all the details related to fundraising– that is why, the collaboration with the latter ones is essential.

What a DC is expected to do is:

1. To decide the principles of fundraising, assuring the orientation necessary to the employees who will implement: what needs to be tracked, what are the priorities, what are the procedures, what principles must be respected, towards what kind of funds they should look for.
2. To contribute to preparing the argumentation for fundraising from possible donors or financers and to be capable of explaining them in a convincing way. This aspect, especially the part regarding the plead of reasons in order to get money for a certain project is often mistaken for the responsibility of the employees (“*we supervise, they work*”). Don’t forget that a DC member who is a volunteer in the organization is more credible when he asks for funds for one of the organization’s programs than an employee who is suspected that he asks for money for his wage.
3. The ones who give money must be treated with respect and in this way they would rather talk to someone from the leading board of the organization, and not with an employee. They want to discuss with someone who can hire the organization for a contract, and not with someone who has no power of decision making regarding the organization and who doesn’t directly answer for carrying out the tasks from his/her job contract. This means that the president or his substitute is often requested to play this part, but it can also be carried out by any other DC member. One of the main tasks of the president or of any other person from the leading board is that of assuring the credibility of the organization.
4. The DC members are expected to use their own relationships, knowledge and name in order to get funds for the organization.
5. The DC members can contribute to maintaining the relationship with the donors, by sending them, annually or on special occasions, gratitude cards from behalf the organization.
6. To contribute to ensuring the funds necessary for the unfolding of the organization’s activity.

The fundraising team

It would be best if there was a trained person to take care of this activity, a person supervised by the executive manager. This person “responsible for fundraisings” may then select a team to work with. Even though this may look like having to pay an extra wage (“*why wouldn’t the program or project managers do that if they want to be extra paid*”), the allotment of this attribution/ task to another department may have some important advantages:

- Ensuring the correct implementation of the plan and principles of getting the funds set by the DC;
- Allows an easier evaluation of the performance within the implementation of the fundraising plan;
- Avoids incoherence in presenting to the financiers or donors and/ or the “internal struggles” regarding the projects;
- The drawing up of the fund requests by another person than the initiator/ project manager assures an internal audit of the proposal, the one writing the proposal asking the necessary questions so that the project is well justified in front of someone outside the organization.

Not any project manager is skilled in fundraising.

Sometimes, the public relations and fundraising activity is accomplished by the same person. In the case of smaller organizations the executive manager or different project/ programs managers are the ones who have these responsibilities.

In the end, in the organizations which don’t afford to hire staff unless in the case of some approved/ financed projects (temporary wages), the DC members distribute not only the tasks mentioned above, but also the implementation tasks (which normally belong to the staff) – for example: writing the call for proposals.

The key elements for these organizations are represented through the establishment of a correct procedure and an objective control of these activities, due to de fact that very often the ones who implement are also the ones who control/ supervise. For example, it is good if a DC member employed in a certain project doesn’t have the right to take part in the meeting in which the project and the sending of some calls for proposals are approved.

SOLUTIONS FOR FUNDRAISINGS

The fundraising activities represent an aspect that is usually considered to be unpleasant, but very necessary for the unfolding of an organization’s activity. Fundraising is an organized process of creating relationships and requesting resources.

Some successful elements of fundraising are:

- To have a good written plan for fundraising
- To ask for the funds
- To exist different sources of funds
- To make time to obtain funds
- To have money distributed especially for obtaining the funds
- To have persons hired for fundraising
- To have a marketing strategy applied to the fundraising activity
- To train for fundraising

If you don’t plan, you don’t get funds. If you don’t ask for funds, you won’t get them.

A possible success formula is 80% planning and 20% requesting.

TEN STEPS FOR A SUCCESSFUL FUNDRAISING:

- 1. Familiarize with the basic marketing principles**

A professional approach of fundraising begins by realizing that the donor- beneficiary relationship is reciprocal. The financier must receive something in exchange of his donation; he expects gratitude, besides other intangible rewards, such as the feeling of appurtenance.

2. Take into consideration the background and climate in which the process of fundraising unfolds.

If the legislation, economic factors, demographic indexes and other factors are not taken into consideration, it will be very hard for an organization to reach its fundraising goals. The availability of the organization to raise funds can influence its success or failure. Is the staff necessary? Is there an adequate financial management? Did the organization go through a strategic planning process?

3. Create and examine the case

The case must present the reasons for which the donation will be made. You have to describe the organization's mission, purposes, needs and opportunities, the description of the programs and evaluation methods, the financial report, management structure and the staff which implements the projects. We must make sure that the organization is presented in the best light possible.

4. Involve the management structure and the staff

The members of the management structure are equally responsible of the organization's activity, of the way in which the funds are managed. They must get involved from the beginning in the planning and fundraising process. The members of the leading board and the volunteers are the ones able to ask for donations, because they symbolize the involvement for the organization's cause. Moreover, the Leading Board has the responsibility of supervising the fundraising process.

5. Study and develop the market

Among the potential financiers we can mention: foundations, corporations, governments, churches and juridical persons. What are the ways of getting funds from each of them?

6. Choose the projects and strategies

How will you approach each potential financier and for what project? Will you ask money for the basic budget, investments or equipments? Among the approach strategies we can mention: the direct requests, the calls of proposals, the special events, the sponsorships requests.

7. Study the potential financiers

We have to identify the target groups of the organization, and from these one, we must select the possible financiers. It takes a minimal study to do this.

8. Elaborate, use and communicate a plan

A part of the plan must approach the elements of the fundraising program, another- to prove an efficient management and control of the organization. The target groups must be informed about the organization's activity, about its problems and successes.

9. Ask for funds

Ask for funds. A proper training, which can vary according to its intensity, time and detail degree, can improve the chances of success.

10. Come back again and ask for funds

You have more chances to get money again from the ones who already donated in the past. The chance of donating again must be offered to all the previous donors.

THE NECESSARY FUNDS

Classifying the types of funds according to the needs:

- General functioning funds
- Funds for the unfolding of projects
- Capital funds
- Funds for endowments

SOURCES FOR FUNDRAISING

- Individuals
- Foundations
- Corporations
- Governmental agencies
- International structures

Marketing concepts in fundraising

- The exchange of values
- The segmentation of the market
- Prospecting the market
- Target markets

The exchange of values- Conditions:

- To have two partners
- Each of them must possess something available for the other
- Each of them must be able to communicate and deliver
- Each of them is free to accept or reject the offer

The segmentation of the market- Dividing the market into sub-markets who have similar characteristics

- Interest in your domain, in your area
- Financial capacity to give the necessary funds
- Relationship with the mission and purposes of your organization.

Prospecting the market

- The study of the potential donor (as much information as possible about the donor)
- Direct contact, articles from newspapers, previous donations

Target markets

- Donors with the highest probability to appreciate your services
- Maintain the relationships with the potential donors

The financier's priorities

- Accomplishing the mission of the organization
- Credibility and trust
- The feeling that he/she does “what needs to be done”
- An indirect economic advantage

Send an explicit message

- Who you are
- Who is the organization and what does it do
- What do you expect from the financier

Send an implicit message

- Are you a reliable person
- Are you a person easy to work with
- Do you know and accept the rules of the game
- Do you want to create a relationship more than getting the money

Listen to what the financier has to say – if you listen carefully, you will be able to deduce some very important information about the financier’s priorities and preferences. Get something concrete (a meeting, a promise).

Elements which motivate a donation

- Problem
- Credibility
- Recommendations
- Enthusiasm
- The organization’s history
- Realist purposes
- The uniqueness of the organization and/or of the project
- Financing sources
- The self financing capacity
- The organization’s management
- Beneficiaries
- Collaboration
- The institutional and program development

The solicitation script

- Appeals to the subconscious process of decision making
- Optimal formula
 - 40% problem
 - 30% results

- 20% methods
- 10% opportunity

Using the metaphors

- A stylistic device in which a word or phrase referring to an object or idea are used in order to suggest the analogy or resemblance between them. A metaphor invites us to look at two dissimilar in a new way
- Sources
 - Own experience:
 - Fixing a car
 - Credit request
 - Organizing a home
 - Trips
 - Sports
 - Army
 - Agriculture

The process of creating a metaphor

- Identify 2 partners
- Identify the relationship between the two partners
- Choose a metaphorical source which suits the potential donor
- Look for a corresponding experience in the metaphor source which resembles the relationship between the two partners
- Write the metaphor

CHAPTER 4

What is Financial Management?

Financial management is an important part in the management of any organization, and it must not be treated as a separate activity and left aside as a concern of the “financials team”. All managers of any organization must be sure that the financial resources are used efficiently and according to the goals set. As lastly, the management members are legally responsible for the way how financial resources of an organization are being spent.

In non – governmental organizations, the financial criteria is important only as means of reaching a specific target, because in such organizations the social aims are important. In such situations, the financial aspects offer important criteria only to estimate the efficiency of using these resources in order to reach the given goal.

- *The financial management is for an organization just like the oil is for a car*

If one doesn't fill a car's engine with the proper oil and petrol, the car will not work at its full capacity. If one neglects this aspect, in time, the car will break down and one will never reach the destination they were aiming.

- *The financial management means efficient administration of resources*

An organization has different resources at its disposal which help it reach its target. One must make sure that these resources are used with maximum efficiency according to the proposed objectives in order to reach the mission of the organization.

- *The financial management is part of the general management of an organization*

The financial management should not be viewed as a separate activity which is the responsibility and obligation of the Financial Management department. All the managers of an organization must make sure that the financial resources are properly used and according to the proposed objectives. As in a last phase, the members of the supervisory board of an organization are legally responsible for the way in which these financial resources are being used.

- *The financial management means also risk management*

All organizations must face both external and internal risks which threaten to affect the activities of an organization, and sometimes even its survival. Internal risk can be diminished by establishing policies and financial procedures of control.

Financial management means planning, organizing, controlling and reporting the way how financial resources available are used, according to the objectives set to be accomplished in order to reach a goal and the mission of the organization.

THE IMPORTANCE OF FINANCIAL MANAGEMENT

In many organizations, financial management is placed secondly, and the financial planning and monitoring system is many times inadequate.

It must not be forgotten that NGOs operate in a very competitive and permanently changing environment. In order to survive and develop in such an environment, managers must understand the necessity of developing a financial management of high quality. A financial management of good quality offers to the management team all the required information needed in order to make safe, good decisions.

Financial management is important because:

- It helps the managers to administrate **efficiently** the financial resources of an organization, according to established objectives
- It makes an NGO look more **responsible** in front of the financiers
- It helps to gain the **respect** and trust of the beneficiaries, community, partners and financiers
- It offers an **advantage** in the race for obtaining funds
- It offers the NGO the possibility to create a long-term plan for **self-financing**

THE PRINCIPLES OF FINANCIAL MANAGEMENT

Responsibility

Each organization is responsible for someone. An NGO is responsible in front of the financiers for the way how money is spent, in front of the beneficiaries is responsible for the quality of the services offered, in front of those who created the organization is responsible to respect the objectives and in front of the community is responsible for the obligations they took. All those who invest something in an organization (time, money, work, trust) want to see that the resources were not wasted.

Transparency

The financial system must be in such a way created so that all the information is clearly and correctly registered and presented, so that anyone who has the right to check it is able to do so very easily.

Continuity

The financial system must be organized in such a way that it ensures continuity and allows a comparison of the information for the whole period during which an organization exists.

Integrity

Integrity must be the basis feature of the financial management in an organization. There must be no doubts on how financial resources are being used. The managers must protect themselves against any suspicion, by establishing transparent rules.

Standard documents

The entire financial management of any organization must have at its basis a set of procedures and standard documents, known to all the members and employees of the organization.

ELEMENTS OF FINANCIALMANAGEMENT

Each organization is unique in its own way, but it can be said that from the point of view of the financial management they are alike. All from Romania must face two main challenges: to obey all the specific fiscal-accountancy legislation and to report to the financiers. It is important for any organization to create a financial system that is capable to fulfill both challenges.

The elements of a financial system are:

- **To register all transactions – accountancy**

Each organization must create a system of recording all the transactions which take place according and required by law. This is very important since on the one hand an organization must correspond to the legal requirements, and on the other hand it must correspond to the requirements of each individual financier.

- **To plan financially – the budget and the financial planning**

Under the circumstances of a more competing environment and of more limited material and human resources, all organizations feel are obliged to foresee their financial needs in order to fulfill their objectives. The contemporary, modern management team of an organization focuses more and more on **the financial forecasting**. The basis of any financial plan is the budget for each specific activity. The sum of all these “budgets” is the amount needed by the organization in order to reach its objectives. A well-planned budget makes the “road” of the organization towards reaching its goals “smoother”.

- **Financial monitoring**

The financial system must be able to provide both the financiers and the managers the organization with clear and timely reports. These reports represent for the financiers a way of verifying the way in which the assigned resources had been used, while for the managers of the organization, these reports are the basis for strategic decisions which are made.

- **Internal control**

The internal control of the financial system has two roles:

1. to identify as soon as possible the probable errors that may occur in the system (registration errors for the transactions, budget mistakes, non-compliance with the legislation)
2. to identify the possible frauds and thefts at an initial stage (the intention phase)

The success of an efficient internal control is provided by the existence of **internal procedures**. These procedures must answer the questions: Who does? When it does? Who authorizes it? Who is responsible for it? These questions must be familiar to all the members of an organization. **The procedures manual** is the best proof for an organization to show to anybody interested that things are properly done in that organization.

PLANNING IN THE EXISTANCE OF AN ORGANIZATION

“THE PIRAMID OF PLANNING”



In a planning document there is always a number of parameters which varies; this is why important changes may occur. It is better to consider the whole process as a cycle which repeats itself, as always the plans and the budgets must be revised.

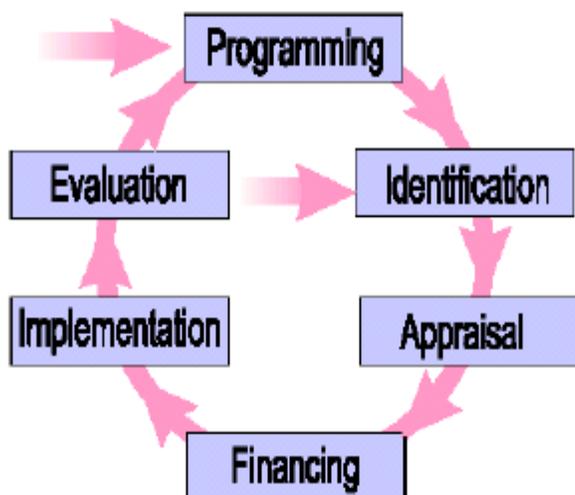
Once the plans are established, the organization may create its budgets and its monetary forecasting. During the year, financial reports will be made, which will compare the budget to the real situation. This revising stage is very important in the process of financial planning, since it identifies the areas where the plans were not applied as they should have been. This process will help to identify where the strategy needs revisions.

The strategic plan is also important for the financial planning process, because it encourages the organization to take into consideration how it will be financed on the short, medium or long term. The next logical step is represented by the realization of a financial strategy (or a long term plan which shows how the organization will be financed), as well as a series of budgets for different levels and for different periods of time.

CHAPTER 5

THE MANAGEMENT OF A PROJECT

WHAT IS PROJECT MANAGEMENT?



A development project is usually defined as “a group of inter-related activities, put together in a logical order, in a given period of time and using limited resources in order to reach clearly set targets, fulfilling clear objectives.”

A program can be defined as a series of inter-related projects, whose objectives contribute to reaching a common general goal, which is usually relevant at the level of a district, country or even international. (In certain situations, the term “program” is understood as an institutional frame which allows several projects to be implemented in order to reach a specific objective or global task).

It is obvious that the purpose and the impact of a program are much wider than those individual projects. Projects and programs differ due to the extent of the resources used, due to the extent of the time-span, but also due to the objectives, managerial structures and the roles of the team members and the focus on different types of evaluations. Despite all these, the principles and the approach of the project management is applicable in both cases. The individual projects are part of a cyclical process, and each of them contributes on a long term, to accomplish the country’s priorities.

The cycle of a project management is an integrated approach of planning, projecting and managing development projects. This approach insures that the major principles and the policy of each financier of the project or any other member interested in the project is systematically taken into account, during the whole project.

The cycle of a project consists of the six stages represented in the table above.

Below these stages are briefly described. Detailed explanations are given in this manual.

1. Programming

At this stage, the principles and the steps needed in order to reach the collaboration between EU and the benefiting country are established in strong relation with the government.

A detailed analysis of the problems and of the opportunities of the country, the national priorities and those of the EU for the pre-adhesion, the current and future actions of the financier, as well as the available abilities on a local plan and in the EU represent the basic elements, based on which the decisions regarding the focus of the EU support in a certain domain, on a specific topic and in a certain field are offered. The main programs and projects are also schematically described at this point. At this first stage the main document which is conceived is a country strategy or a document for the support of the national strategy.

2. Identification

In the identification stage, the ideas referring to programs and projects established in the document for the support of the national strategy are being identified and mentioned. From this perspective, the problems, needs and the interests of the potentially interested factors are being analyzed.

In order to help the process of elaborating the project, studies on the subject, sector and the potential of being achieved, are made. Based on these studies and analysis, decisions are been made concerning the options that must be analyzed in the future in order to finalize a proposed project.

3. Appraisal

Once the decision regarding what idea is to be put into practice, that particular idea becomes a project proposal during the design/ formulation phase. At this stage takes place also beforehand evaluation. The key aspects of the project are analyzed in detail (as it will be explained in the next chapters).

The key, valuable elements are taken into account and the main factors interested in the project are directly involved in the elaboration and analysis of the project.

The logical frame of the project is created, including the main, strategic elements, the objectives, the results, the variables, the risks and the hypothesis, together with the essential planning instruments, as well as the implementation and resources graphics. These are used to evaluate the key elements which help to predict the impact of the project: its relevance, its accomplishing potential and its validity.

The result is a final decision whether the project is being sent or not to be financed by the EU.

4. Financing

The financing proposal is completed and then analyzed by the adequate commission, either internal or external. A decision is made regarding the financing or not of the project.

5. Implementation

The implementation refers to accomplishing successfully the activities according to the plan, using the available, planned resources, delivering the expected results in order to fulfill the immediate objectives of the project.

At this stage the permanent monitoring activities are taking place in order to establish the progress made in accomplishing the planned activities and to update the activities according to the changing conditions, in case they occur.

There will also be intermediary evaluations to establish chances of reaching the predicted impact. Based on all these, further decisions are made on whether the project ends or continues.

6. Evaluation

As it will be further explained in many details in this manual, the role of all these evaluations is to determine the relevance and the potential of reaching the objectives set, the efficiency and the rated capacity of the project as well as its impact and validity.

The evaluation can take place:

- During the implementation stage – immediate evaluation – when it can be decided whether the project continues, or it changes or it is cancelled
- At the end of the implementation stage – the final evaluation – when the obtained results are analyzed
- At the end of the project – the afterwards evaluation – when the consequences are being analyzed and could be used for future projects

THE PRINCIPLES OF THE PROJECT MANAGEMENT CYCLE (PMC)

The most important principles applied during the PMC stages are:

- To systematically respect the major principles and the EU policy, as well as of those of the beneficiary country and of other donators
- To design and implement the projects based on clear and realistic objectives
- To have relevant, efficient and valid projects
- To permanently deliberate and involve the main factors interested in the project during its whole duration
- To use LFA (The Logical Framework Approach) to design, manage, monitor and evaluate the project
- To establish key, high quality factors at the beginning of the project

The high quality factors that insure both the validity of the project as well as its positive impact are:

- To bring and involve the beneficiaries in the elaboration and in the whole process of the project
- To insure the political support of the representatives of the local and central authorities
- To use adequate and proper technology in order to fulfill the necessities of each particular activity
- To adapt the strategy of the project to the socio-cultural aspects specific to the target area
- To apply systematically the principles and the practices which insure equal chances for both men and women
- To protect the environment
- To insure management and institutional development
- The financial and economic validity of the support that the project brings to the target group

THE LOGICAL FRAMEWORK APPROACH (LFA)

WHAT IS THE LOGICAL FRAME APPROACH – GENERAL PRESENTATION AND TERMINOLOGY

The Logical framework approach – LFA is a set of instruments for the projects' design and management. This approach involves a repetitive process of analysis and a specific format for presenting the results of this process. It also establishes in a systematic and logic way the objectives of the program, as well as the causative relation between them, because the purpose is to verify the way in which these objectives were met and also to establish the external factors that may influence the success of the program or of the project.

LFA can be a framework which facilitates the logical activity, but it cannot replace the logical approach needed to create and develop the project.

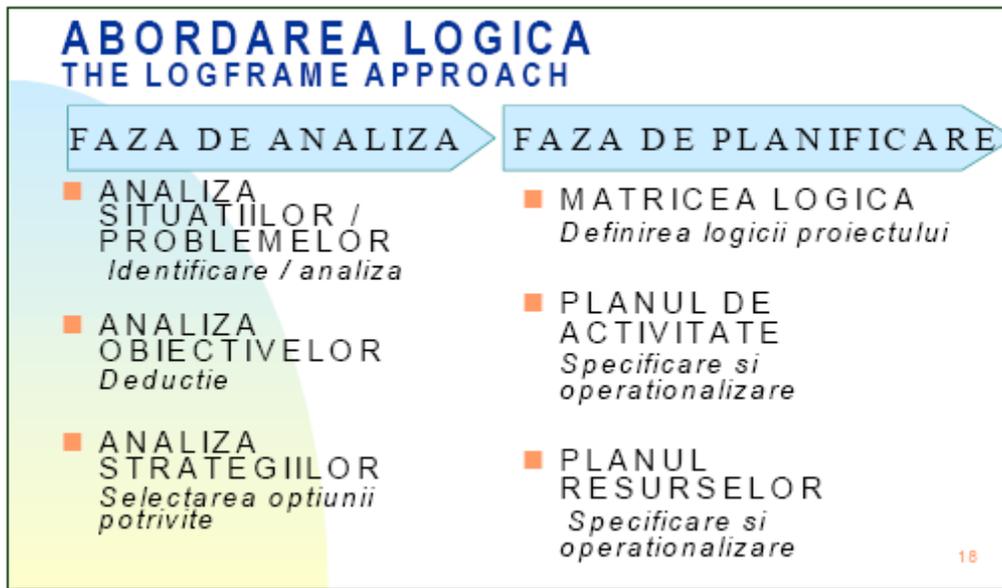
The framework from the below table consolidates the main elements included by the LFA.

CADRUL LOGIC AL PROIECTULUI Matricea logica			
Logica interventiei	Indicatori de performanta	Surse de verificare	Riscuri si ipoteze
Obiectiv extins (SCOP)			
Obiectiv imediat			
Rezultate			
Activitati	Mijloace		
			Preconditii

THE LFA STAGES:

LFA has two stages:

- **The analysis phase**
- **The planning phase**



LFA starts with the in depth analysis of **an unpleasant and unwanted situation** as a basis for the later planning. The analysis of the unpleasant situation must be done together with the **interested factors** involved.

(The factors involved include: the individuals, the groups or the organizations which may have interests in the project, which may influence or be influenced by the project).

During the analysis stage all the representatives of the different factors interested in the project must meet and be consulted in order to define the **problems** (the first step in the analysis phase), to later on be able to define the **objectives** based on the problems that occurred (the second step in the analysis phase) and to finally decide what other **alternative** strategies are available for continuing the project (the third step in the analysis phase).

The interested factors and the projects easily influence each other, either positively or negatively. It is of great importance to identify and analyze the relevant interested factors, as well as the interests, the problems and their potential at an early stage, in order to be able to integrate them accordingly in the project's design and management.

The procedure for analyzing the interested factors is rather open and undetermined. Their analysis is not integrated from a methodological point of view in the LFA sequence. The results of this analysis are rather used to accompany the LFA process and can be viewed as a "transparent" form that develops itself along the LFA process. At the same time this should be seen as an instrument used for later elaborations and evaluations along the whole LFA stages.

The main result of LFA is the logical matrix. This can be considered as the "final product" of the LFA process. The matrix is being created based on the LFA instruments applied later on, during the analysis phase.

From **the strategy analysis** (based on analyzing problems, the interested factors and objectives), the objectives of different levels are being placed in the first column of the matrix (the project strategy).

During the LFA planning phase, it is established what are the external factors crucial for the success of the project (**hypothesis**), where can be found the necessary information needed for the success of the project (**indicators and the validation sources**), what methods are necessary to reach the **objectives** of project, as well as the **costs** of the project. Based on all these indicators, **the activity graphics** as well as **the graphics for the usage of the resources** are established.

It is true that the logical matrix comprises 16 "boxes", but it is not true that creating the logical matrix, one must "fill in the boxes". Behind every box there is a logical, analyzed reason which must be followed before filling in the boxes. This is only the final activity, the summary of a longer process. LFA is not a matrix, but it is an approach. The quality of a project

summary (presented under the format of a matrix) depends always on the quality of the analysis made before preparing the actual summary.

A logical framework offers the key elements of a project, only the most important aspects, without elaborating the operational details required for creating and implementing the plan. **The graphics for the resources and for the activities** are means by which the required, operational details are provided. Following the LFA sequence, these means are established based on the logical matrix. After following a table for the specific activities comprising the operational details and the established responsibilities required during a project, a detailed **budget** to establish the costs of all the necessary means is created. There are also established the other instruments used during the implementation and evaluation phase, taking into account the major decisions included in the logical framework: detailed working plans, monitoring and evaluation plans.

LFA is a set of instruments needed for the project design and project management. It is of high importance to adapt the LFA every time when required, to complete it with other instruments which respond to different requirements and circumstances (eg. facilitation, visualization, work shops, meetings, conferences, etc.). By applying the LFA in a creative and logical way, this framework becomes a “frame for logical working”. It guides the analysis process and the planning and it helps to structure the design the project. It also ensures, for example, that the project is logically consistent.

LFA – AN INSTRUMENT FOR PROJECT MANAGEMENT

The above general presentation focused on the role of the Logical Framework Approach (LFA) in the project design. But its practical feature is not limited to identifying and formulating the steps of a project cycle, but it also includes the implementation (monitoring) and evaluation of the project.

One of the major tasks of project management during the implementation stage is to make sure that the project reaches the objectives set. An important means by accomplishing this task is **monitoring**. Monitoring is a continuous, systematic process of collecting and analyzing the data, in order to measure the progress made in a project, with regard to reaching the targets. By monitoring, a regular feedback is provided to the project managers, to compare the progress with the plan. Generally, the feedback is insured by giving reports which contain essential information, provided timely and systematically. **The indicators** and the milestones form the monitoring basis, because they show up to what point the targeted objectives are reached. The logical sequence provided in the LFA between the activities (which if performed lead to) – results (which if obtained lead to) – immediate objectives (which contribute to reaching) – the general goals represents the basis for selecting the best monitoring indicators. The milestones defined in the activities’ graph (based on the logical framework) form the basis for monitoring.

Monitoring contributes to establishing the accomplishing level for the objectives set or to notice the potential **deviations** from the initial plan. If it is the case, there can be also analyzed why such deviations exist, what are the problems that prevent the implementation of the project and if necessary, what other alternatives from the original plan may be available. The transparency and the structure provided by the use of LFA during the elaboration of the project, keeping an open basis for the planned activity and the logics behind the project’s design (logical sequences between the different interference levels and the role of the external factors) can greatly contribute to the monitoring of the project.

If monitoring is a continuous process during the implementation, **evaluations are periodical controls of the performance and the impacts of the project**, which mainly provide the actual accomplishments, compared to the planned ones, and also point out the lessons to be learned for future improvements. Monitoring is mainly performed by the project managers, while evaluations are done by external people, independent from the project.

LFA helps to structure and create an objective evaluation of the project. The steps of an evaluation exercise follow closely the hierarchical structure of the project's objectives. By this systematical approach, the different aspects of the accomplishment of the project's objectives are being evaluated. The financial resources used at a certain point are compared to the ones planned; the current activity plan is compared to the initial plan of activities, the indicators are revised to see how activities have turned out in results, or if the immediate objectives were reached and also to evaluate whether the project had contributed to reaching a wider development plan. Just as the logical matrix clearly shows what a project wants to accomplish and the means by which this can be achieved, in a similar way the role of evaluation is to clearly mark what objectives had been and what targets had not been achieved, and also the lessons which must be learned from these.

By applying the LFA as a set of instruments, the efficiency of the projects can be improved, since a transparent, involving and flexible structure is provided for the project.

LIMITS AND RISKS

If the LFA is improperly applied, then there are certain risks that occur, and just like for any other instrument, the LFA has its limitations that must be correctly understood.

1. Confusing the logical framework approach with the logical matrix

Very often instead of using the LFA as a guide in the process of elaborating a project in order to create a consistent project, from a logical point of view, the matrix is being built after the project has already been established. This may occur due to a misunderstanding of this approach or just because the financing agencies require this matrix in the file. LFA requires a high level of involvement from all those interested in the analysis phase, a fact which may become time consuming and complicated. In order to reach an agreement for the problems, priorities and the proper strategies, a lot of concentration is required. If this agreement stage is not achieved, the final document may lack the logics. Actually the project may be just as good or just as bad as the analysis and planning process were.

2. The matrix is not wide enough

One of the LFA limitations is that in the case of complex projects, this matrix may be too simple to describe the design of a project, and in such a way important aspects are omitted. In such a case, the matrix is no more a complete summary of the key aspects of the project. It is felt the need to add other additional, important information.

3. "Frozen" analysis and the results of the planning

If the matrix created during the design stage is not updated according to the circumstantial changes, then in the implementation phase, this matrix may lead to the lack of flexibility. In practice, any matrix must be periodically controlled and adapted accordingly so that it remains relevant in an environment continuously changing and developing.

4. Focus on the problems

Focusing on the problems during the analysis of the initial situation is very often criticized – as in particular cultures, open criticism and discussing about problems is very often unacceptable, as focusing on the problems may limit the approach on potential objectives.

THE ANALYSIS STAGE

The main idea is that projects are created to deal with the problems of particular target groups and beneficiaries, to their particular needs and interests.

Any individual, group of people, institutions or organizations may be interested in the project, may influence/ affect or are influenced/ affected by the project and these categories are called interested factors or shareholders.

These different shareholders may be classified in the following groups:

- The group of interests
- The competence group
- The support group
- The decision making group
- The group for information delivery and communication

It is important that all these shareholding groups to be identified and analyzed at an early stage of the project. This can be done either during interviews, meetings and/or studies based on social questionnaires, which simply involve companies' representatives, customers, public authorities, political leaders, etc. There can also be used data bases, statistics and the media information in order to identify the important supporters and the potential opponents of the project.

The analysis of the factors interested in the project (or the shareholders) involves the following aspects:

- Identifying the most important factors and gathering information regarding their characteristics, concerning: their economic and social situation, gender differences (man/ woman), the structure, organization and social status, the attitude and general behavior.
- Analyzing their objectives, their interests and expectations regarding this project, as well as their potential positive or negative influence on the project.
- Determining the strong and weak points of the factors involved in order to establish their realistic involvement along the different stages of the project, the possible actions required in such a case and a strategy for the approach of each particular group.

The below table revises the main conclusions of the analysis:

Stakeholder	Characteristics	Interests, objectives, expectations	The influence degree and type	Potential and deficient	Implications within this project

The parties interested in the project have a role during the elaboration of the project, starting with the identification and analysis of the problems, these parties can contribute to finding the potential solutions and to choosing the most convenient

one. These groups should also be involved in establishing the objectives of the project. During the implementation of the project it is important that the project managers have a good communication with the interested parties, to inform them about the progress done and they must also take into account their opinions in the final and intermediary evaluations.

ANALYSING THE PROBLEM

A problem may be defined as an unwanted, negative, damaging situation which generates the initiative of launching a project. In order to identify and analyze correctly a problem, one must start with a detailed analysis of the existing situation in the field of interest. A SITUATION (a fact, a social or economic situation) becomes A PROBLEM when somebody considers it to be negative, harmful.

In the next stage, it is necessary to “view” the problem in the NEEDS of the target group, because the existence of the project stems from the MUST to satisfy the needs of the target group.

The social needs can be classified according to the way they are manifested:

- Normative needs – when they are compared to a standard, or criterion
- Perceivable needs – when the people believe or feel that they need
- Expressed needs – people ask for help to fulfill these needs
- Relative needs – who “needs more than”

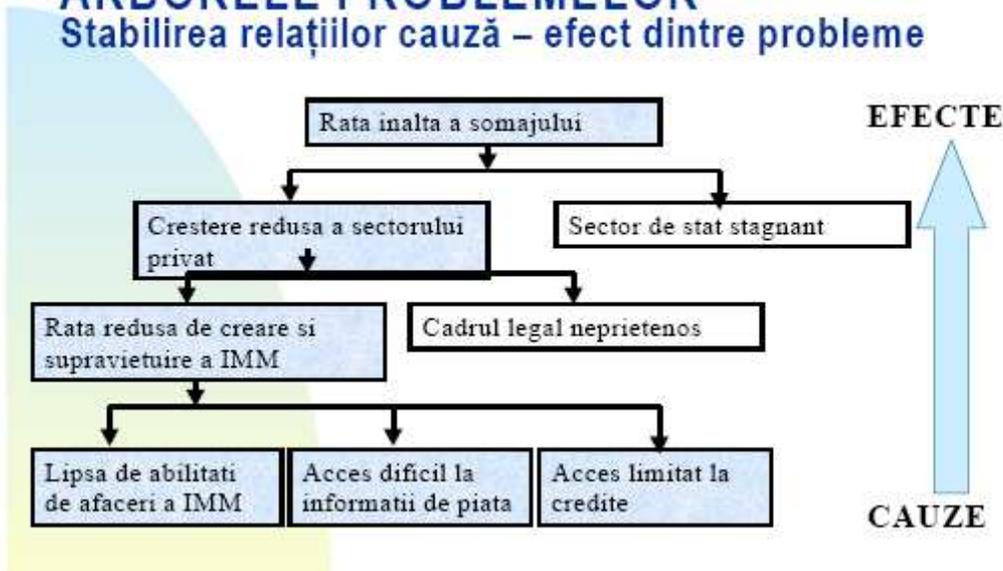
A very well defined problem expresses the needs of a target group; it is realistic, clear, serious and urgent. Identifying correctly and convincingly a problem, implies giving answers to the following questions:

- WHAT is the real problem which needs to be solved?
- WHY is it a problem? In other words, what are the causes which created the existing, negative situation?
- WHERE and WHEN does it manifest? (conditions, frequency, the sources for the manifestation of the problem)
- WHOSE problem is it? Who are those affected by this problem: target groups/ other groups?
- WHAT are the consequences/ the impact of not solving the problem?

Another useful method of analyzing the problems and finding the real problem for which the project is designed to act, is represented by the “problems’ tree”. This “problems’ tree” consists of a hierarchy of the different aspects connected to these problems from a certain field and establishing a CAUSE – EFFECT relation between different problems. The “problems’ tree” is a diagram which represents graphically the cause – effect relation.

ARBORELE PROBLEMELOR

Stabilirea relațiilor cauză – efect dintre probleme



In order to create a “problems’ tree” the following steps must be followed:

- Define the initial unwanted situation
- Identify and list the potential / interconnected problems
- Chose a “start problem”
- Set all problems hierarchically
- If the analyzed problem is the CAUSE for the “start problem”, this will be placed at the LOWER level of the “problems’ tree”
- If the analyzed problem is the EFFECT for the “start problem”, this will be placed at the SUPERIOR level of the “tree”
- If the analyzed problem is neither the cause, nor the effect then both problems (the one analyzed and the start problem) will be placed at the same level in the “problems’ tree”

Difficulties in creating the “problems’ tree”

- One or more steps are missing from the logical sequence (the cause – effect relation is not a direct one)
- The same problem is mentioned twice
- More problems are mentioned as a single one

In the above situations the inconsistent logics must be eliminated by an adequate wording, and the analysis must continue in a great detail. Without clearly understanding the type of problem, the causes of the problem cannot be identified either.

- The problems are not described with enough details (eg. weak management – this could mean: bad financial control, late deliveries, weak abilities to plan, etc). It is necessary to analyze in depth in order clearly establish the kind of problem and the real causes for its existence, so that later on the most appropriate solutions are decided.
- The absence of solutions is expressed as a problem. The absence of solutions is not actually a description of the negative, current situation, but a description of the non-existence of a desired situation in the future. For example, “lack of trained personnel” is not a real problem (represented by the fact that the personnel do not have sufficient or appropriate skills). The risk is that such wording may lead the project towards the lack of a solution, and that is “education/ training”, when in fact the problem can be solved by employing personnel or by a better human resources management.

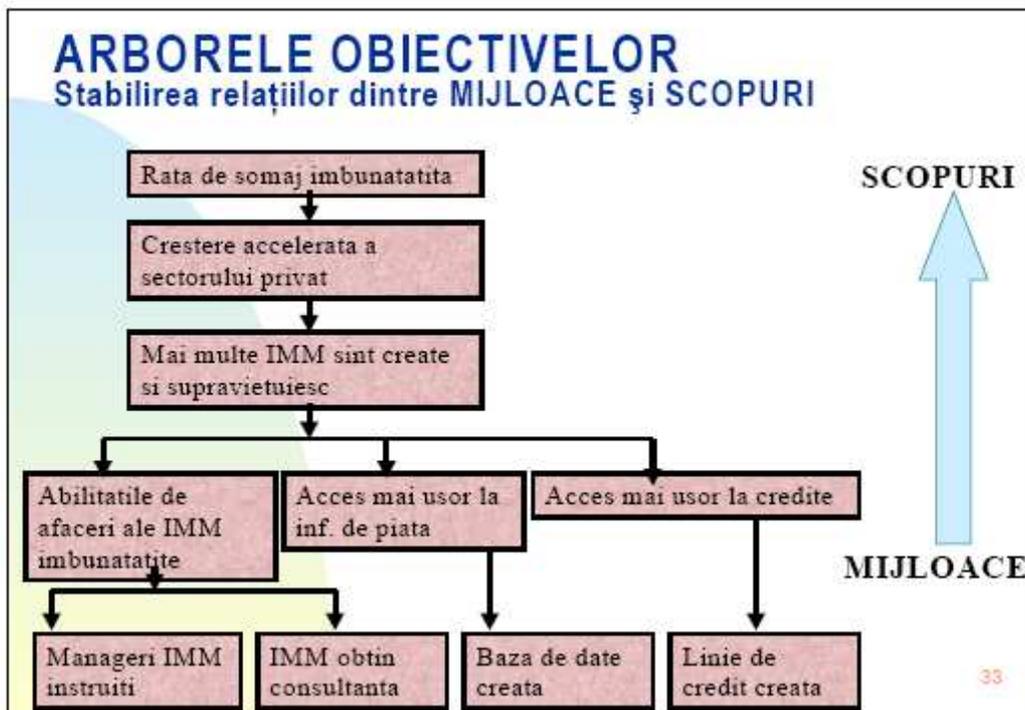
ANALYSING THE OBJECTIVES

Analyzing the objectives is the methodological approach used to:

- Describe the desired future situation, after the problems will be solved
- Check the hierarchy of objectives
- Show in a graph the relation between means – and – targets

By converting the “negative situations” (the problems) in solutions in order to obtain “positive results” we define the desired and realistic situations. For instance, “a low agricultural production” is converted in “a high agricultural productivity”.

Actually these positive results are shown in the graph, called the objectives’ tree, in which the relations between means and targets are described. The objectives’ tree offers a clear image of the future situation which we wish to achieve, including the activities and the necessary means needed to reach them.



In order to create the objectives’ tree one must take the following steps:

Convert the negative situations, the problems from the “problems’ tree” into positive achievements which are desirable and possible to be reached. In this way the relation cause – effect is transformed into a means – objectives relation.

Check the means – target relation between the tree’s elements to ensure that the established hierarchy is valid and complete. If necessary, revise and paraphrase the obtained objectives, add new ones if they are required in order to achieve the targets set at the superior level, eliminate those objectives which you find not to be adequate, realistic or necessary.

THE STRATEGIES’ ANALYSIS

The analysis phase of the logical approach finishes with the strategies’ analysis. This analysis has a purpose to select the strategy/ strategies which will be selected to reach the objectives of the proposed project. It is necessary to decide which objectives will belong to the project and which will be left aside, out of the interest zone of the project.



In the objectives’ tree, the different groups of similar objectives form a strategy. One must choose one or more of these for the planned project.

The most suitable and accomplishable strategies will be chosen based on clear criteria such as:

the priorities of the members interested, the relevance and the chances to succeed of the strategies proposed to approach the real needs of the target group, the available budget, the time frame required and the one available, the contribution to reducing inequalities, including the gender related ones, etc.

Depending on the extent and amount of work involved, the strategy selected will represent the frame of a program which will consist of several interconnected projects or will represent the involvement of the size of a project.

At this stage it is necessary to clearly state the objectives of the project at all the four levels of involvement, mentioned in the logical framework approach of the projects, according to:

- The wide objective – often called also “the general objective”, “the development objective” or “the target”
- The immediate objective – called also “the project’s objective” or “the target”

- The expected results – called also “the output”
- The activities

THE PLANNING PHASE – THE LOGICAL MATRIX

The first step in the planning phase of the projects is represented by the elaboration of the logical framework matrix. This represents the main document which is at the basis of the logical approach of projects. The matrix is the result of the process of logical analysis and it includes the summary presentation of the key elements included in the project. The logical matrix shows how the project will be monitored, it describes the risks and the way they can be handled.

The matrix has four lines and four columns, according to the scheme below. Further on we will describe in detail its content.

The first column of the matrix: the logics of interference

The first column defines the objectives at the four logical levels and presents in a concise way the strategy chosen to implement the project:

- By performing the activities (using the available means mentioned in column 2, row 4) the expected results are obtained
- By obtaining all the expected results we achieve the immediate objective, the project’s target
- Achieving the project’s target it contributes to achieving the wider objective.

The wider objective it describes the wider aims, on a long term, local or national. Reaching this objective of the project equals to bringing a CONTRIBUTION.

The wider objective, also called the developing objective or the general objective, describes the targeted situation, the stage at which we desire to bring the problem after implementing the project.

The immediate objective also called the project’s target, describes the BENEFICIARIES that the target group will obtain after using the services provided by the project. The immediate objective represents a set of expected results which must be achieved by implementing the project, as well as the positive impact of the program upon the beneficiaries. It does NOT describe the services offered during the project and it does NOT include the way in which the resources were used.

For each immediate objective, **the expected results** (or the output) describe the SERVICES which the project offers to the target group. The project managers are directly responsible for achieving the results directly measurable of the project activities.

The relation result – purpose is the key of the project’s logics.

The fourth level of interference is represented by defining the activities.

The activities are means of reaching the objectives of the project. It shows what YOU WILL DO during the implementation phase, to reach the expected results. The activities have specific responsible people, they also have well defined resources (people, equipment, time) and are placed in time (they have a clear stated duration and are related to the other activities).

Logică intervenției	Indicatori de performanță	Surse obiective de verificare	Riscuri și ipoteze
Obiectiv extins			
Obiectiv imediat			
Rezultate			
Activități	Mijloace		
			Precondiții

The second column of the matrix: The objectively verified indexes

The objectively verified indexes represent a set of criteria which indicate in real, concrete terms the fact that at each level of the interference the expected results were achieved. Their content adds precision to the intention affirmation mentioned in the narrative summary.

The evaluating indexes, both qualitative and/ or quantitative ones, are representative for describing in detail what the expected results of each logical level are.

In order to be valid and useful in monitoring and evaluating the project, these indexes must fulfill the following criteria:

- Clarity in defining the measurement criteria of the success of the project
- The importance or the relevance for the project’s objectives
- The credibility – there must be a connection between what is intended to be measured and the way it is illustrated
- Independence – one single indicator / index cannot signal the accomplishment of the objectives from two levels from the objectives’ hierarchy, and one indicator must not be just another way of expressing the content of another indicator.
- A medium level of particularization – there must be a number of sufficient indicators / indexes. The ones which are aggregated ones must be separated and the specific characteristics must be mentioned, for instance:
 - quantity
 - quality
 - the target group
 - the place of measurement
 - the time and the time gap of measurement

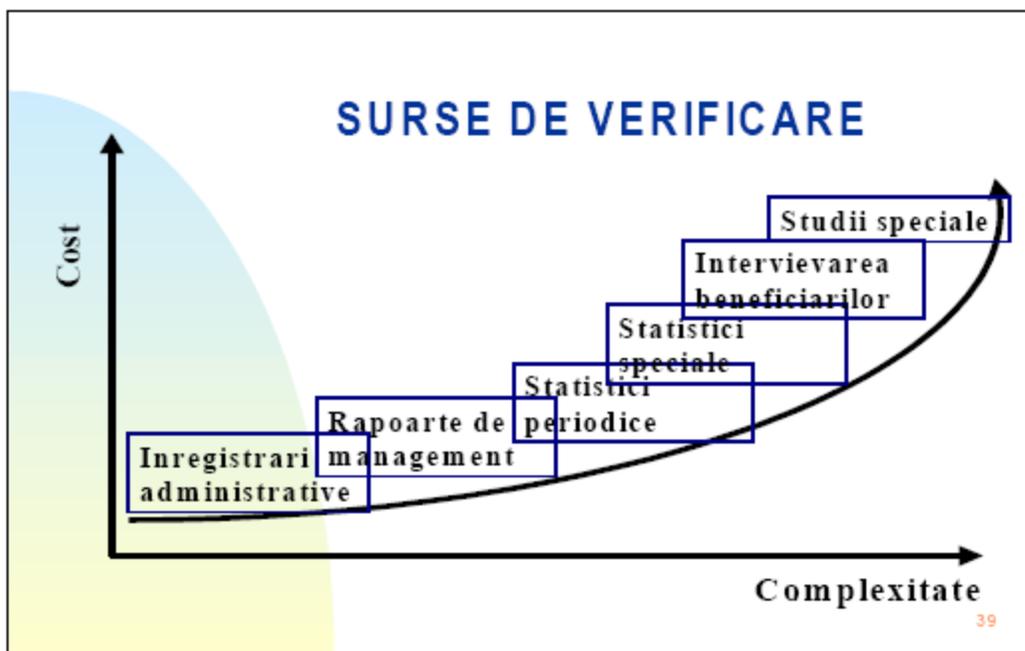
The possibility of an objective control – two independent observers may reach the same conclusion after using the described logics and the mentioned indicators / indexes.

The third column of the matrix: the means and the sources of the control indicators

The means of control insure that the indicators are realistic, can be objectively measured and verified and they facilitate the monitoring and evaluation process, establishing clearly how the criteria for the success of the project are controlled.

To each indicator there should be associated a verification source.

It is necessary to establish the kind of data that must be collected, the sources of information consulted and the techniques for collecting the data. Depending on these, the complexity and the costs for the monitoring are different.



The table below exemplifies what the indicators must reflect, as well as the possible sources of information plus the means of verifying for different hierarchical levels.

The level of intervention	Indicators that can be objectively verified	Verifying methods	
		Information sources	Methods used
General objective	The accomplishment degree of the project's influence	Reports, official statistics, the project's beneficiaries	The file analysis, observations, studies
Immediate objective	The magnitude of the proposed effects	The project's beneficiaries	Observations, studies
Results	The quantity and quality of the reached results	The project's documents and beneficiaries	The file analysis, observations, studies
Activities	<i>NECESSARY METHODS</i>	Mentioned in the evaluation and planning reports and in the agreements with the donor	

Please note that for the activities it is not necessary to have measurement indicators. But it must briefly be mentioned the necessary means for performing the activities, the type, quantity and the costs of the material and human resources.

The fourth column of the matrix: risks and assumptions

The last column includes a brief description of those **situations, events and relations** that may help / harm reaching the objectives and define the environment in which the project is implemented. It includes those factors which the project cannot or intends not to control. The project does not aim to address these factors, but it must monitor them.

There are two possibilities of defining such an environment: the aspects that may influence the project in a positive way are called **assumptions**. If one wishes to present the other side of the coin, in other words if one wishes to describe the negative effects of not achieving certain necessary premises required to implement the project, then these are called **risks**.

At every logical level of the approach there is a set of assumptions; estimations whose external conditions may interfere in achieving the causative connections established between the means and the goals defined in the logical matrix.

The possibility and the significance of the external conditions must be estimated in order to establish the level of risk of the project. Certain external conditions of the project are crucial for the success of the project, others have a negligible influence. It is important to choose those assumptions referring to the most significant and most probable conditions.

THE CONTROL OF THE LOGICAL MATRIX

The vertical logics

The vertical logics identifies what the project intends to achieve, clarifies the causative connections between the interference levels and specifies the risks and assumptions which are out of project managers' control. See the below graph.

The vertical logics in the matrix, that is, the connection between the first and the last column, works like this:

- if the pre-conditions for launching the project are fulfilled, then the activities can be accomplished
- if the activities were performed (and supposing that the assumptions regarding the results have been confirmed) then the expected results will be obtained
- if the results were obtained (and assuming that the assumptions referring to the next level have become true), then the immediate objective of the project will be achieved
- if the immediate objective has been achieved (and assuming that the relevant assumptions for the development level have been fulfilled), then the project has contributed to reaching the wider objective.

Legături cauzale		Logică
	SCOP	
IF obiective THEN scop	↑	Necesar dar nu suficient
	OBIECTIVE	
IF rezultate THEN obiective	↑	Necesar dar poate nu suficient
	REZULTATE	
IF activități THEN rezultate	↑	Necesar și suficient
Precondiții necesare pt. implementarea activităților	ACTIVITĂȚI	

It must be mentioned the way of interpreting the assumptions, which affect the above logics: the logical relation IF – THEN works ONLY WHEN the important assumptions are correctly identified and administrated. In other words the relation becomes:

IF and *supposing that* ... (the assumption) THEN

The horizontal logics of the matrix

The horizontal logics refers to measuring the effects which the project will have, by establishing the performance indicators and the objective sources of verifying them and also indicates the necessary means to achieve the expected results.

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