



Research Article

A Governing Board Responds to the Perils of Growth and Death: A Play-Like Narrative in Four Acts

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Abstract

In this case, the reader must decide how the governing board of a non-profit organization should grow its operations and respond to crisis. The case illustrates the unique traits that boards of directors often possess, the inherent tension in upholding the values and integrity of the organization, the need for formalizing the board structure and systematizing the selection process, the need for transformational leadership during a crisis and the factors that may influence a board to employ a chief executive officer. The case is presented through a play-like narrative of four acts¹. **Play Notes:** In a narrative in four acts the relationship between the founding director, board members and management of a non-profit organization – New Horizons - is revealed. New Horizons was founded by Salma Dajani in 2004 as a European charity registered in Brussels. Its objective is: to protect the environment in the Arab world through learning and education and through the promotion of innovative, homegrown solutions and inventions. To serve as members of New Horizons' governing board, Dajani recruited Clemence Vuidard, a long time friend, Chief Executive of Greenpeace-Belgium and participant on other Belgian-based non-profit boards. She also recruited another friend and successful business executive, Saad Khalifah, who is the Chief Executive of an Arab multinational and sits on more than 25 boards around the world. Finally, she identified and recruited Dr. Fadiya Ibraheem, an Egyptian environmental and developmental specialist. The case captures three years of the organization's life. It begins in April 2004 in the New Horizons boardroom in Brussels, as members are gathering for a meeting to discuss the annual report. Act II takes place 18 months later, in October 2005 as members are gathering for a celebratory lunch meeting. Act III takes place in January 2006, in the residence of a board member. The final Act takes place in New Horizons's board meeting room in October 2007.

Keywords: Board meeting, business organization, Management

Introduction

Salma Dajani was born in Iraq in 1953. Her father, of Yemeni descent, was a successful

entrepreneur at odds with the government and as a result, Dajani and her family frequently relocated from one country to the other. These frequent moves did not

stop Salma from earning her MBA at INSEAD and embarking on a successful career in finance. She became the managing director of a multinational financial institution at an early age and eventually settled in Brussels, where she met her husband, Jean-Pierre Depaul. In 2000, Dajani volunteered to be part of a team of volunteers to advise the Egyptian government on how to establish a freer market system. Her experience with the Egyptian people and bloated governmental institutions ignited her passion to serve the Arab region in a more innovative and constructive way. From that day on, Dajani embarked on a mission to couple two of her passions – protecting the environment and bringing about change in the Arab world.

To execute her mission, Dajani tapped into her global social network in search of a unique and dynamic Arab individual with a strong background in the field of environmental protection and community development. In March 2001, she met Afif Bakir while he was completing his MSc in Environment and Development at the Brussels School of International Studies. With more than seven years of experience working in environmental protection in Egypt, Bakir understood the environmental and developmental aspects of various communities in Egypt and believed strongly in the need to shift attitudes to the environment as well as personal responsibility in order to bring about social change to the Arab region. Remarkably, Bakir and Dajani share similar stories. Bakir's father was a diplomat and he spent his childhood years moving to several different countries, frequently changing schools. Bakir and Dajani's shared cosmopolitan backgrounds and motivations to apply their skills to serve the Arab region enabled a fluid and seamless communication channel built on trust, openness and understanding. They "hit it off" right from the start.

The first question facing Bakir and Dajani was where this organization should begin its operations. They settled on Egypt, building on Bakir's years of experience in the country. Bakir rapidly dug into his social network and introduced Dajani to prominent figures in the environmental

sector since the founder strongly believed that poor education and lack of innovation were the primary reasons behind the region's environmental degradation. But as they were exposed more and more to the environmental sector needs, they could see that it required nothing less than a multi-million dollar fund to tackle them. The founder was not equipped to make such an investment. Nonetheless, she wished for her organization to impact a large number of lives.

Bakir asked specialists for advice on what should be done with Dajani's certain but small personal financial commitment. After several field visits with small, large, old and young NGOs, Dajani and Bakir noticed that grassroots enterprises tended to have a disproportionately large and positive impact in their communities without requiring large financial contributions. Thus, they agreed to support grassroots environmental organisations and enterprises forwarding innovative approaches to protecting the environment.

Bakir's first task in September 2001 was to register the organization in Egypt. However, this task was easier said than done due to governmental bureaucracy and red tape. To accelerate the process, the founder registered the organization for charitable purposes in July 2002 in Europe -- her country of residence. In this way, New Horizons could begin its operations and provide funds for partners through the Brussels branch. It took two years of paperwork and follow-up for the organization to be officially registered in Egypt as a branch of the European charity in 2004.

With the confidence of their shared motivations and intentions, Bakir embarked on a mission in search of potential partners. He contacted friends, previous co-workers and acquaintances who provided him with many recommendations. He assessed potential partners and reported to Dajani frequently via email and phone calls. Once Bakir identified a suitable partner organization, Dajani flew to Egypt to meet its team in person.

As an investment banker, Dajani knew well that throwing money at a problem was not

a solution. She supported organizations that were both innovating new environmental solutions and shifting attitudes through education and community engagement as well as ingredients needed to protect the environment in lasting ways. She strived to provide money *and* commitment in addition to, belief *and* expertise to partner organizations. She developed trust-based relationships by treating partners on an equal basis. Or as Bakir once put it: “we treated each organization’s innovations as our own, became as committed to seeing them succeed as our partners were and so they trusted us”. Open channels of communication allowed partners to openly acknowledge failed projects. Moreover, partners were able to communicate frequently with Bakir and Dajani, thereby forming long lasting relationships built on trust and mutual respect.

ACT I

Wednesday Afternoon, April 15, 2004

Setting: Annual meeting of the governing board of New Horizons

Attending: Salma Dajani, Founder and Chair; Clemence Vuidard, Board member since July 2003; Fadiya Ibraheem Board member since July 2003; Saad Khalifah, Board member since April 2004; and Afif Bakir, Director of Operations since 2003.

Saad Khalifah looked around the glass oval shaped boardroom table. Everyone was present except Afif Bakir, who had just arrived to Brussels airport from Cairo. Khalifah has always been a very busy man and he peered at his watch to look at the time. He had to fly back to Hong Kong later that evening. When Dajani first asked him to join New Horizons’s board, Khalifah declined. Not only is he the Chief Executive Officer of a private multinational enterprise in Qatar but he also sits on more than twenty boards of private and nonprofit organizations, educational and global institutions worldwide. However, given their many years of friendship, he eventually gave into Dajani’s persistence. He agreed to join New Horizons’s board for no more than two years. Dajani was confident that his expertise and global

network would add significant value to New Horizons’s growth.

Dajani also looked at her watch. It was almost noon. She chatted quietly with Khalifah, Vuidard and Ibraheem as they waited patiently for the meeting to begin. A few minutes later Afif Bakir, Director of New Horizons in Egypt, walked through the big glass doors with his small travel suitcase. “Good afternoon everyone!” he greeted them.

“Great, you’re here just in time! I was worried about traffic. But now that you’re here we can all begin” announced Dajani. “As you all already know, the year 2004 was our second full year of operation. We have made excellent progress that Afif will tell you about shortly. But before he does, let me share with you some exciting news. We have at last become a registered NGO in Egypt. It has taken us two long years, but thanks to Afif’s persistence we are finally there! I am also delighted to announce that we have hired staff to support Afif with administration”. Dajani completed her last words with an approving smile. She turned to Bakir and asked “Afif, why don’t you give us a quick progress report of what’s been happening in Egypt?”

Khalifah opened his black folder and began turning a thick pile of papers. He preferred short reports with plenty of exhibits and bullet points. He scanned the faces of the other members and sensed that they too shared his uneasiness. Only Dajani seemed at ease, who, without having read it, seemed to know where each ‘t’ was crossed and ‘i’ dotted. Afif faced the Board members and began reporting: “Despite having to operate ‘without registration’ for the past two years, we have made excellent progress in Egypt. We have sourced and funded a total of 6 innovative environmental projects, three of which have received funding for a second stage of implementation.” He was visibly cool and confident.

As Board members flipped through papers, Dajani rose to her feet “Thank you Afif”. This is indeed very exciting. Three years ago, I would have never imagined that New Horizons could be where it is today. I am very proud of the successful track record

that we are setting. With that said, I think it's about time that we look outside of Egypt. Which Arab country should we go into next?"

Khalifah sat back in his chair, closed the booklet of papers, and listened attentively to Dajani. He looked slightly puzzled. When Dajani finished, Khalifah removed his glasses and placed them on the table. "I don't think expansion is a wise move at this time, Salma" replied Khalifah. "According to the annual report, 60% of incoming resources come from you and Jean-Pierre's charitable trust. You contributed €37,000 and he contributed €27,000. When are we going to start fundraising? Or is this not an issue?"

Dajani nodded her head gently and replied, "We've begun fundraising and have already achieved some notable success. For example we received a significant unrestricted donation (€25,000) from Crown, which will reverse the cash flow imbalance that crept up last December. But, I must be honest that we have experienced many disappointments on the fundraising front." Dajani paused as she remembered her unpleasant encounter with a potential donor on her most recent flight to New York and another one at Heathrow airport. She had always loathed talking to people about money. She knew she had the money and preferred to invest it in the organization rather than chase after donors. She continued, "So we deliberately decided to put off fundraising for the first few years to focus on developing our approach and relationships with program partners. A good example of this is our cooperation with Pharos Capital, a private equity firm in Egypt, which has contributed significant time to work with The Egyptian Association for Water Protection to help develop the second phase of the project that we have funded. Our partnerships with institutions and individuals help our partner NGOs develop their environmental innovations and community outreach while building their organizational capacity to become financially sustainable."

Khalifah, the newest board member, wondered whether the rest of the Board agreed with the decision to put off fundraising to a later point in time. He

scanned the faces of other Board members who seemed indifferent.

"Salma," Vuidard began, "New Horizons is doing something that no other foundation in the Arab region has done before. Naturally, Arab donors don't fully understand what we are doing. We ourselves are still learning how to best apply the model in Egypt [to support grassroots social enterprises offering innovative solutions to environmental problems and help them grow in financially sustainable ways]. So, perhaps we should be looking for donations from other sources. Have you approached any of the big banks?"

"I don't think big private institutions would be interested in supporting our work with grassroots enterprises that operate in unheard of areas in Egypt," remarked Ibraheem.

Khalifah lifted his glasses and placed them on his eyes. He flipped through the reports, scanning over New Horizons's NGO partners and the annual report. He leaned forward in his chair and looked straight at Dajani and asked "Well, if our aim is to expand then we will need some funds. Where do you expect to get such funds? Surely, you don't expect me to start paying out of my own pocket like you are?" Khalifah's voice was soft but a frown marked the space between his eyebrows.

Dajani smiled, acknowledging his concern. "I am confident that when donors really understand what we are doing, they will be lining up to give us their money. We are the only organization that spends time building partnerships with our project partners. If we continue to do this, in five-to-ten years time we might be able to successfully alter attitudes to waste and water recycling, to energy consumption. The bottom line here is that we are in it for the long term. Our best bet is to talk about our work with our friends, family and acquaintances, to build awareness. Soon enough, our track record will speak for itself and will attract like-minded donors, don't you agree?"

"How can we talk about what we do when we don't necessarily know how we do it?" questioned Khalifah. "I really feel as though

I don't know what goes on at New Horizons in Egypt. How can we oversee programmatic work in Egypt when we are all scattered around the world? How can we understand how projects are selected, without traveling to Egypt to build partnerships, like you do Salma? Afif describes our projects-partner as creative, innovative and daring. I've heard you talk about the 'calculated risks' that New Horizons is willing to take in selecting projects. But, as a board member, I have very little understanding on how these partners were selected and this weakens my ability to represent our cause publicly. Board members are accountable to donors. Without knowing more information about the 'return on investment', I cannot fundraise effectively."

Dajani felt as if her leadership was being questioned. She knew she had a tendency to act as the bridge between the Egypt and Brussels branches, which some of the newer board members perhaps did not understand or appreciate. From the beginning, Dajani had run New Horizons with very little oversight from the board. She visited Egypt every time Afif had identified a potential project partner and had been involved in building rapport from the very start of each partnership. But as the organization grew, relations between New Horizons's operations and its governing board were bound to change.

ACT II

Date: Wednesday 15, October 2005

Setting: A popular Brussels restaurant for business diners

Attendees: Salma Al Dajani, founder and chair; Clemence Vuidard; Saad Khalifah; members of the board; Maha Banroud, CEO; and Afif Bakir, Director of Egypt

As soon as lunch was ordered, Dajani began the meeting by congratulating Afif on raising €25,000 from Mohammed Al-Zakari Foundation in Qatar to support New Horizons's work. Dajani had introduced Afif to the Mohammed Al-Zakari Foundation's representatives in Egypt and he seized the opportunity to build rapport with the potential donor and formally

applied for their funding. Impressed with New Horizons's project portfolio, Mohammed Al-Zakari foundation provided a significant unrestricted donation. In addition, the board congratulated Afif on managing to raise more than €8,500 from the Rose Luxemburg Foundation who had been impressed with New Horizons's Right to Access Information Center project which sought to use technology to support civil society with accessing information from a pool of diverse sources representing multiple perspectives including opposition.

Despite the remarkable success of fundraising activities, Dajani seemed peculiarly quiet, as if disheartened by something. This was hard to imagine because last year had been New Horizons's best year in operation. It received more than €200,000 in donations, which meant that Dajani and her family's personal contributions declined to less than 40% of total incoming resources.

Moreover, the board had finally agreed that New Horizons was ready for growth and in February 2005, Maha Banroud was hired as Chief Executive Officer to lead the development of the organization and formalize fundraising efforts. This was a huge step forward. Maha, an ACA qualified accountant, had extensive consulting and senior management experience. She had been working with NGOs and national charities in Belgium, in senior financial management positions since the early 1990s. In the last six months, Dajani worked closely with Maha and Afif in Cairo and Brussels to develop New Horizons's future plans. They spent several weekend-workshops developing New Horizons's expansion criteria, furthering its methodology for delivering non-funding support to partners and developing a business plan. In addition, Dajani travelled with the CEO and the Egypt Director to Morocco to scope its potential as an expansion location. Dajani was particularly impressed with the new hire's systematic guidance and ability to establish structure and procedure in the organization. She was fully confident in her ability to expand New Horizons's operations to a new country.

Following the congratulatory clinking of glasses and exchanging of smiles, Maha

placed a thin pile of paper on the table before lunch was served. She indicated to everyone to take a sheet. "This one-page exhibit is based on the work that Salma, Afif and I accomplished. It summarises our partner selection criteria and expansion strategy. You will also find the Board meetings schedule for upcoming year. Finally, there are some decision forms that I would like to invite board members to use at board meetings." Maha spent the next 10 minutes explaining how decision forms should be used and discussed the financial health of the organization. She began "In 2004, New Horizons ran a budget in deficit of €28,000 but this year with incoming resources totaling €203,000 and expenses reaching €155,000, we have managed to balance our budget. However, we continue to rely heavily on Salma's grants for operating expenses. So I would like to begin creating a donor database. Afif has already started drawing up on his contacts in preparation for New Horizons's first fundraising dinner ever which is set to take place in Egypt in two weeks and I would like to take this a step further by drawing on your contacts for the next fundraising dinner in March. How does this sound?"

"This is a good start," replied Khalifah. "November's fundraising dinner in Egypt will demonstrate how important this step is for the financial sustainability of the organization".

"This is certainly true," agreed Afif, "But I would like to add that this would not have been possible without your help Khalifah. My guests are very excited to meet you in person and I'm very glad that you will be attending the dinner in Cairo next month."

Maha nodded her head and turned to look at Dajani, wondering why she hadn't said a single word. "Salma, is there anything you want to add?"

Several minutes passed in silence. "Salma?" called Maha.

The founder looked up with a surprised look on her face. She looked pale. Drained Tired. They knew she was recently going through a hard time. "I think we all deserve a toast to everything that we have accomplished until this day!" cheering

gently as she raised her glass to meet the rest.

ACT III

Date: Sunday January 4, 2006

Setting: Clemence Vuidard's home in Brussels, emergency gathering

Attending: Clemence Vuidard, Saad Khalifah, Fadiya Ibraheem, members of the board and Afif Bakir Egypt Director

As Clemence waited patiently for New Horizons' team to arrive from the hospital, she remembered the modest founder's passion for New Horizons. She used to say, "We have one home, and it is this earth. New Horizons is a project that needs to be successful for the sake of providing our children with a place where they can live in peace." Clemence was willing to put everything on the line for the sake of New Horizons's survival but she needed the support of the board and management. How did the others feel? Were they equally committed to achieving the vision that Dajani had set out for New Horizons?

Once everyone had arrived and taken a seat, the room fell silent for several minutes. Last week's fatal accident had suddenly left Dajani in a state of coma. No one had ever expected something so tragic to happen to such a good woman. Clemence recognized that this was their first meeting together in the absence of Dajani. Several more minutes passed until she broke the silence, "Well don't just sit there. Say something!" demanded Vuidard. "Are we just going to give up? Are we going to let New Horizons die with her?" persisted Vuidard.

Clemence could see that everyone in the room avoided her eyes. She felt a deep sense of loss. The passion and humor that had once filled meetings with inspirational energy had disappeared. Vuidard understood that she had to produce the energy and dynamism herself. "Someone needs to take leadership" said Vuidard, turning to face Khalifah and Ibraheem. "Don't look back at me, I can't do it. New Horizons was created by Arabs for Arabs

and my blond hair just won't cut it!" she exclaimed.

"Can we take a step back and ask ourselves why we joined New Horizons in the first place?" questioned Ibraheem.

"In all honesty, I only joined the board to support my friendship with Salma. I'm on boards of another 20 organizations and I just do not have time to dedicate to managing the transition. In fact, I had originally intended to be on this board for two years only, but in light of Salma's condition, I will reconsider," responded Khalifah.

"I'm very grateful to have been on New Horizons's board since its inception. When Afif asked me to join, I was attracted to the opportunity to help build New Horizons's project portfolio. My experience with Egyptian grassroots organizations allowed me to recommend several potential partners. But since I decided to start my own consultancy firm, I haven't had much time for New Horizons. Flying over to Brussels for board meetings has been no easy task and you know as well as I do how many meetings I've missed," reminded Ibraheem.

"If no one assumes responsibility for the role of the chairman, I will offer to be Interim Chair for the next few months, but I can tell you that it's going to take a lot more than band-aids to keep this organization standing. Is every single one of us committed to achieving the vision that Salma has set out for New Horizons?" challenged Clemence.

"Salma and I started this organization together because we genuinely wanted to reduce NGOs reliance on donor funding. Salma believed that we could do this by forming partnerships with grass-root environmental enterprises that offered an innovative approach to tackling environmental problems. Before its inceptions, we spent several months visiting one NGO after the other and I remember asking myself how can NGOs maintain the independence of their own agenda if they are constantly scavenging for funds? Salma never acted as a bank, she treated New Horizons's projects and

partners with great respect and equality... She treated our partners on an equal footing rather than acting as the grand donor and this is why we have developed such strong long-lasting partnerships. We are committed to provide our partners with not only financing but also management guidance and technical assistance. In fact more than 75% of my work in Egypt has been to support our partners in overcoming management challenges. We have a duty to honor our project partners until they have reached the final phase of their project!" demanded Bakir, visibly struggling to keep his frustration in check.

"But, it seems as though our project partners do not appeal to many donors. We only have two Egyptian donors this year. Other donors have spilled over through Salma's social network. Our inability to retain long-term donors signals that something needs to change," said Khalifah.

"Yes, I agree," said Clemence. "In fact, if we truly want this organization to survive we will need to change our selection strategy. We ought to institute a call for proposals. Perhaps we should also consider selecting only those projects that can cover at least 50% of their costs within their first year of implementation," suggested Clemence.

"But this has never been our approach!" stammered Bakir. "Our job is to respond to environmental and community needs. We seek potential partners to build their capacity. If we begin asking for rigid criteria, we set our partners and ourselves up for failure. The term 'financial sustainability' is completely alien to the Arab region. In our application guidelines, when we ask for evidence of financial sustainability the answers we get have nothing to do with financial sustainability. We must be sensitive to the context in which we are operating" Bakir defended, "Think of Salma, you know as well as I do that she would have never agreed to this if she were here!"

"Salma set out to protect the environment in the Arab region. Our donors entrust us with seed money for change. By tightening our selection criteria, we will be able to measure the impact of our investments

more rigorously. In turn, donors will be pleased to invest recurring funds with New Horizons. In the coming months, we can expect that Salma's contributions will lessen and this is our best chance at managing to stay afloat. Our priority right now is to support the organization as it comes to a stand-still. We need to focus on our core activities." Vuidard paused before she continued, "Unfortunately, this means that we will need to let Maha Banroud go".

ACT IV

Date: Evening, Tuesday October 12, 2007

Setting: New Horizons board room in Brussels

Attendees: Board Members (Khadiga Petrovich, June 2004; Jean-Pierre Depaul May 2006, Fadiya Ibraheem, Saad Khalifah, Clemence Vuidard (Chair), Afif Bakir Director in Egypt, Noor Hussein Director in Belgium

Bakir looked warily around the room. He gazed at the empty seat by his side where Dajani used to sit. She passed away seven months ago, on February 5, 2007. He strongly felt her absence. In the months that followed the founder's collapse in coma, Clemence Vuidard, the Interim Chair for the first time ever, journeyed to Cairo to ask Bakir to begin fundraising. If Bakir could change history, he would have never agreed to take on the responsibility of fundraising for New Horizons's operations in Egypt. He had never fundraised before, with the exception of a dinner that he organized back in November 2006. The fundraising experience in Egypt quickly turned into a nightmare. Bakir felt fortunate that Khalifah had pledged to cover the organization's operating costs for two years, and did his best to raise money to cover the remaining project costs.

Bakir scanned the faces of new and returning board members as they chatted among themselves, waiting for the interim Chair to arrive to begin the meeting. New Horizons's struggles during the past year had taken their toll and Bakir looked rather drained. His meetings with potential donors had been especially trying over the last 18 months. Moreover, he spent what

seemed like hundreds of hours overseeing compliance issues and solving legal and programmatic problems rather than building partnerships and sourcing skills to grass-root project partners.

At six thirty, the meeting came into session, Clemence Vuidard began, "I am delighted that you could all make it to today's meeting. I would like to extend a warm welcome to our new board members, Christa Anderson and Lady Khadiga Petrovich".

Bakir recognized Jean-Pierre Depaul, the founder's widower and loyal supporter. Depaul had financially contributed to New Horizons's growth since its inception, but joined the board only five months ago. Bakir also recognized Lady Khadiga Petrovich, a Palestinian sculptor who had graduated from The University of Jordan. Her marriage to a French Corvette Captain, positioned in Beirut and then Cairo enabled her to promote understanding between Europe and the Arab region in support of the voluntary sector. Khalifah had met Lady Petrovich while she was living in Beirut and asked her to join New Horizons's board.

The chairman continued, "The past year and a half have been especially difficult from a financial and operational perspective but our ongoing efforts to raise funds while focusing on our core activities have paid off remarkably. The Salma Al Dajani Memorial Committee has managed to raise more than €200,000 through sponsorship events, some of which were organized by volunteers like Salma's sister and friends. As a result, we now have enough funds to bring our expansion plans back on the table and as agreed in our last meeting, I have recruited Noor Hussein to develop, manage and implement our expansion. Please join me in welcoming our new director."

Hands came together in a soft, audible applause. Vuidard had kept the board abreast about the new addition to New Horizons's team months earlier. She had also introduced Hussein to Bakir in the summer. Both managing directors worked together to develop New Horizons's expansion criteria, which encompassed five

categories- environmental need, human awareness of environmental problems, availability of local partners, fundraising case and internal knowledge.

"It is with real delight that I take up this new role at New Horizons. I have worked with civil society organizations in Lebanon, Syria, Morocco, Yemen, Jordan and Egypt for the past eight years. What attracted me to New Horizons is its emphasis on supporting community needs through long-term engagement while taking the time to build relationships that last through rigorously and astutely measuring impact. Clemence has been incredibly supportive over the last few months. Her ongoing mentorship has got me up to speed with New Horizons's work and I am thrilled to lead New Horizons in its next stage of development. In the coming months, I will be conducting a weighed analysis of all the Arab league states against New Horizons's expansion criteria, beginning in Lebanon" announced Hussein.

Khalifah, the only board member with an extensive business background, spoke up. "We've seen this before," he said. "When Salma was with us, she pushed New Horizons into exploring expansion plans and we hired Maha when instead we should have been raising money to cover our costs. As a result, Afif was pushed into a position where she needed to seek out donors to honor our financial commitments. I am thrilled and impressed by her determination and ability to secure funds to cover three of our projects for the next few years, but I also recognize that I wasn't able to go to Cairo to support her fundraising efforts. As a result, I stepped in to cover the costs and this situation reminded me of what used to happen in the past. How much longer will New Horizons turn to its board members for bail out? Do we have any fundraising plan in place?" asked Khalifah.

"Well, we all know that fundraising is very tight right now even for the most attractive projects. We are coming out of a global recession," responded Clemence. "So in addition to hiring Noor to develop our global fundraising strategies, we have also increased our publicity through media channels. Tessa Al Dajani has filmed and

produced a short film describing the vision of Salma. We have also launched a new creative initiative in response to the tough environment in which we are in. It's a pilot youth outreach initiative through which we hope New Horizons will grow a pool of motivated volunteers and supporters who can amplify the message about New Horizons's work, raise our profile in new circles and help grow our funding support. Next month, we will hire Tessa Al Dajani on a full time basis as the Brussels-based Programme Assistant to design, execute, monitor and report on our pilot raising awareness scheme".

Bakir felt betrayed by the board who must have known for some time that they would be directing funding to support expansion of New Horizons's activities in Brussels. It infuriated him that they had been talking to each other about hiring without giving any hint to the Cairo office that extra funds were available. He wondered about the validity of the raising awareness scheme. He couldn't understand how it related to New Horizons's core activities. Their objective had always been to develop the capacity and skills of the environment organisations in countries of the Arab region. Why didn't other board members voice their concerns?

"On that note," continued Clemence, "I would like to announce that I am stepping down from my role as Chairman of the board. Seeing that New Horizons is safely out of crisis stage and back on track for growth, I feel that it is time for someone of Arab descent to lead its next stage of growth. Khalifah has graciously agreed to assume responsibility of New Horizons and I am confident that under his leadership, New Horizons will expand to many new Arab countries, in fulfillment of Salma Al Dajani's vision".

Note:

1- This case is based on actual facts that have been embellished to create scenes in board meetings. The names of the organization, its board members and its management have been changed. For instructional purposes, scenes have been exaggerated to produce a dramatic effect.

Table 1: Voluntary Income

Year	2002	2003	2004	2005	2006	2007	2008
	€	€	€	€	€	€	€
Salma Al Dajani - Gifts in kind	19,600	52,027	-	24130	9,855	-	-
Salma Al Dajani	10,000	-	37,000	52963	118,615	-	-
Depaul Al Dajani Family-Charitable Trust	-	40,000	26,847	-	-	-	-
Mr and Mrs Mustafa Al Dajani	-	-	-	-	-	26,500	-
Mrs Melanie H. Depaul	-	-	-	-	-	641	-
Seiftan Petrol Co.	-	24,988	-	-	-	-	-
Rose Luxemburg Foundation	-	-	12,689	8759	-	-	-
Dr Pierre Michels	-	-	12,743	-	-	-	-
Crown EP International	-	-	-	25394	-	-	-
The Jordan Foundation	-	-	-	64527	-	-	-
Ireland Fund of Great Britain	-	-	-	15300	-	-	-
Deutsche Bank	-	-	-	-	2,885	-	-
Al Dajani Inc USA	-	-	-	-	19,165	75,335	54,382
Mohamed and Hania Khalaf	-	-	-	-	10,700	-	11,400
Maryday Trust	-	-	-	1000	-	-	-
Hassan Zeitoun	-	-	-	-	26,750	-	-
MADJ Memorial Fund donations	-	-	-	-	-	17,603	215,225
The Al Dajani Family - Gifts in kind	-	-	-	-	-	10,899	-
Mr Luke Sebastien	-	-	-	-	-	2,910	-
National Bank of Egypt	-	-	-	-	-	24,887	52,147
Fund for a Green World	-	-	-	-	-	4,488	6,150
Wanoon National	-	-	-	-	-	-	64,740
Mrs Lisa Fete	-	-	-	-	-	3,206	-
Gift aid receivable	-	-	522	-	-	-	-
Gift in Kind	-	-	-	-	-	-	7,200
Other donations	-	566	5,110	10641	58,102	25,000	10,422
Total (€)	29,600	117,581	94,911	202,714	246,072	191,469	421,666

Table 2: Project Donation

Project	2002	2003	2004	2005	2006	2007	2008
	€	€	€	€	€	€	€
The Dove Center for Peace	-	9,641	7,171	-	-	-	-
El Nadera Foundation for Environmental Development	-	11,104	19,740	13,481	16,762	-	-
The Eagle Association for Protection of Wild Life	-	10,017	7,580	15,656	27,370	-	-
Information for all Support	-	-	15,847	31,463	34,860	27,481	-
Education for Anywhere	-	-	5,536	8,954	-	-	-
Egypt Environmental Society	-	-	-	22,045	20,399	25,236	45,660
Green Society for Environmental Protection	-	-	-	-	29,126	12,804	13,009
Egyptian Foundation for a Healthy Environment	-	-	-	-	25,722	-	-
The Water Treatment Society	-	-	-	-	-	-	15,327
Al-Shams Al-Karima	-	-	-	-	-	-	15,309
Nahar El-Nir Foundation	-	-	-	-	-	-	14,020
Total		30,762	55,874	91,599	154,239	65,521	103,325

Table 3: Statement of Financial Activity

YEAR	2002	2003	2004	2005	2006	2007	2008
	€	€	€	€	€	€	€
TOTAL INCOMING RESOURCES	29,600	117,688	95,102	203,156	246,303	191,644	421,770
TOTAL RESOURCES EXPENDED	20,702	90,907	123,976	155,896	278,389	148,921	230,915
NET MOVEMENT IN FUNDS	8,898	26,781	-28,874	47,260	-32,086	42,723	190,855
TOTAL FUNDS AT 1 JANUARY	0	8,898	35,679	6,805	54,065	21,979	64,702
TOTAL FUNDS AT DECEMBER 31		35,679	6,805	54,065	21,979	64,702	255,557

Table 4: Board Members & Staff

Board Member	Occupation	Joined
Saad Khalifah (Chair 2007)	Chief Executive Officer of the Multinational Company	April 2004
Fadiya Ibraheem	Environmental Community development consultant and trainer Founder of Consultancy Firm	June 2003
Clemence Vuidard	Founder and Chief Executive of a UK based Non Profit Organization	June 2003
Khadiga Petrovich	Author and Writer	June 2004
Jeah-Pierre Depaul	Unknown	May 2006
Management		
Afif Bakir	Managing Director Egypt Office	January 2003-June 2008
Maha Banroud	CEO	February 2006-February 2007
Habiba Khamis	Program Assistant Egypt Office	March 2005
Noor Hussein	Managing Director Brussels	October 2007
Tessa Al Dajani	Outreach Officer Brussels	November 2008