

JUNE 2024

# BUSINESS MEMBERSHIP ORGANISATION STRATEGY GUIDELINES



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**JUNE 2024**

# **BUSINESS MEMBERSHIP ORGANISATION STRATEGY GUIDELINES**

**with reference to Federation of Nepalese  
Chambers of Commerce and Industry (FNCCI)**

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## Acronyms

BMO	Business Membership Organisation
CSF	Critical Success Factor
CCI	Chamber of Commerce of Industries
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GRAPE	Green Resilient Agricultural Productive Ecosystems
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
FNCCI-LP	Federation of Nepalese Chambers of Commerce and Industry-Lumbini Province
LPED	Local and Provincial Economic Development Project
NET 2030	Nepal Economic Transformation 2030
PPT	PowerPoint Presentation





# 1. Background and Introduction

The following guideline for designing a participatory approach to organisational strategy development of Business Membership Organisations (BMO) was first used to support the provincial chapters of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) in their restructuring process. In the wake of Nepal's federalization process, FNCCI decentralized its operations. FNCCI Lumbini was the first provincial chamber unit in Nepal to develop an organisational strategy with the help of GIZ's Local and Provincial Economic Development Project (LPED) in 2021/2022.

Since 2017, FNCCI has created seven provincial chamber units for improved outreach to the private sector and for better representation of their interests at the provincial and federal levels. The FNCCI provincial chambers are in all provinces namely Koshi Madhesh, Bagmati, Gandaki, Lumbini, Karnali, and Sudurpashchim. The decentralized structures are still evolving and thus developing strategies for apex bodies to function effectively at the provincial level and become effective in supporting the local member chambers in promoting local and provincial economic development is also a continuous process.

Many BMOs across Nepal that act as centralized organisations, often have only a national body with no representative linkages at provincial level,, They need to change their organisational structures to function effectively in a decentralized system. In that sense, BMOs face a challenge of adjusting and adopting a more service-oriented approach to support their members.

The guidebook provides a step-by-step process to support FNCCI provincial chapters and other BMOs in Nepal in designing organisational development strategies at provincial level.. This guide provides a consolidated overview of the key steps for designing an organisational strategy for BMOs to decentralise their organisational structures and improve communication with their member organisations.

The guidebook is structured in the following manner: After introducing the background, relevance, and purpose of this guide, the second chapter provides the specific decentralisation conditions that Nepal, BMOs and the FNCCI is experiencing. It also emphasizes the importance of designing new organisational strategies for national and decentralised bodies

like the FNCCI to move towards modern and service-oriented BMOs in Nepal's federalisation and decentralisation context. The third chapter provides an overview of the strategy design process. The fourth chapter is structured into the six steps of developing an organisational strategy. Finally, the fifth chapter provides recommendations based on the experience of the strategy design process with the FNCCI Lumbini.

## **2. BMO strategy development in the context of federalization in Nepal**

### **2.1 The federalisation process in Nepal and its requirements for BMOs**

The 2015 constitution established Nepal as a Federal Democratic Republic with three levels of governance: the local, provincial, and federal level. For the country, this meant a historic move from a unitary form of government to a federal system with 753 local, seven provincial, and one federal government unit. This process aims to decentralise development and administrative efforts, increase direct dialogue, create feedback loops, improve service orientation, and hand over responsibilities to the provincial and local levels, following the subsidiary principle. The subsidiarity principle assures a certain degree of independence of lower-level authorities, the local or provincial governments., This also means central authorities lose control over certain aspects of governance and also requires additional government staff and capabilities at the decentralized levels (e.g., technical staff, administrators, government officers) to learn new skills and competencies, and to take on additional tasks and responsibilities.

BMOs like FNCCI, face challenges of synchronising their activities and operations with the changing government structures and the decentralisation process. In the past, these organisations were often organized in a centralized way. They had national bodies (often termed executive committee) with almost all decision-making authority and almost no presence at subnational levels. They did not have the structures to cater decentralized decision-making processes. With the constitutional change in the state structure which provides distinct power to different levels of governance, the BMOs also need to change the way they function. They need to facilitate the creation of units at provincial and local levels that cater to the specific needs of their members at those levels and cooperate with provincial and local governments and other stakeholders. By participating in the restructuring process, the national BMO body needs not only to show willingness for limiting its own authority and power but also support their new units to become more effective. On the one hand,

the federal FNCCI must acknowledge that the provincial FNCCIs are not only decentralised chapters but bottom-up service providers with their own set of goals, objectives and prioritised activities in cooperation with the federal level. On the other hand, the provincial FNCCIs must develop their skills, self-conception, and confidence as independent entities, driven by their local context and member demands. Thus, the relationship between the local, provincial, and federal chambers is changing.

The BMOs must depoliticize and reposition themselves in yet volatile and ambiguous power structures. Highly centralized BMOs organize their decentralization process while building relationships with decentralized government units. This requires strong communication, continuous role clarification, learning-by-doing, developing new competencies, practising new tasks, comprehensive management skills, strategic manoeuvring and trust building through leading by example.

The strategy implementation and the necessary bottom-up orientation of these new entities ultimately depend on the extent to which the local and national chambers accept their new roles as part of this transition.

In this respect, supporting the organizational restructuring, reorientation and remodelling of FNCCIs and other BMOs with similar structures is focused on supporting the institutionalization of a successful federalization process in Nepal.

## **2.2 The FNCCI and its specific organisational aspects**

The BMOs in Nepal are organised as voluntary association of members. Unlike in continental Europe, the membership in these associations are entirely voluntary. The laws and legal framework for registration of BMOs are rather archaic and not well formulated. Most BMOs are registered under the Associations Registration Act 2034 (1977) which was enacted before the country transitioned to multi-party democracy. The main objective at that time was not to allow any dissent or opposition to the prevailing political system (monarchy) and to indulge in some sort of activism. This law allows the district administration (Chief District Administrator) virtual control of the organisation. The same law is being used to register and regulate all non-government organisations (from street level clubs and housing associations to national level professional bodies ) till date. The same law is used to register and regulate the apex organisations as well as their local member bodies barring the case of FNCCI.

The FNCCI itself was registered under National Guidance Act 2018 (1961). This law was enacted “to enable class and professional organizations to use their strength in their class

*and professional interests and development as well as in the building and development of the nation, so as to maintain cordial relations between the people of various classes, professions or sectors and maintain the decency, convenience, economic interest, courtesy and morality of the general public".* This law is not commonly used to register organisations nowadays. This law is very short (a few pages) and is not clear on the provisions of regulation of such organisations except indicating that the government can provide directions to such organisations registered under this act and they have to compulsorily follow the directions of the government.

The FNCCI membership is comprised of four types of members: the district and municipality chambers organised on the spatial/territorial basis, commodity association organised on sectorial basis, bi-national chambers dealing in trade and business relationship with foreign countries and large companies (also called associate members) which are directly involved in Business. So the members are comprised of legal persons (associations/organisations and companies) but the FNCCI decision making structure is comprised entirely of individuals. The election is entirely of individuals. The organisations sending those individuals do not have the authority and mechanism to control the actions and behaviour of their representatives once elected. The members of FNCCI directly elect the FNCCI leadership. The provincial chambers are comprised of the district/municipality chambers located in the province. They (at least most of them) are not separate legal units and have little role in forming the FNCCI executive committee (most powerful decision making body) although the head of the provincial chamber is automatically member of the executive committee.

### **3. Overview of the Strategy design process**

In an innovative organisational strategy, the BMO should always correspond with the expectations of its members. The following process aims at identifying concrete tasks while considering the strategic position of the member organisations.

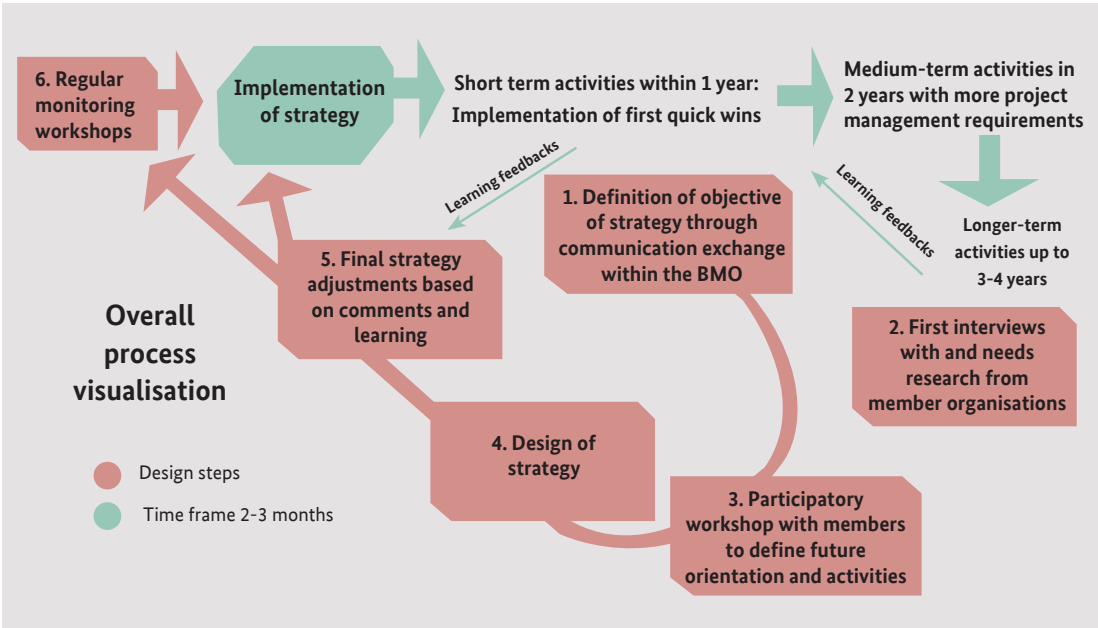
In countries like Nepal, where the decentralisation of roles and handing over of responsibilities has just started, communication on two levels becomes critical. Firstly, it is necessary to ensure ownership of sub-national units of the BMO by helping them to define a strategy based on the respective support requirements in their specific location. Secondly, the parent organisation at the federal level must actively share its vision with the provincial or decentralized chapters. Shifting from hierarchical top-down communication to trusting the provincial and local levels to self-organize and fulfil their roles is a process that often requires external support and moderation capacities.

In the organisational strategy design process, it is therefore important to consider the following roles and functions of BMOs and chambers:

- BMOs or provincial chambers are membership organisations. They must in their operation reflect their members’ interests and needs.
- BMOs and provincial chambers are service organisations. They must consider the demand of their members and the service mandate given to them by higher-level umbrella organisations to design their support tasks.
- BMOs should specifically support the sustainable economic development of businesses in Nepal. They must consider the business sector as their primary target group when designing and structuring a well-functioning BMO.

The design process of an organisational strategy for a BMO, e.g. for a provincial FNCCI chapter, involves five steps and a follow-up process to realise the implementation of activities. Figure 1 provides an overview of an organisational strategy development process.

Figure 1: Design process of a provincial FNCCI strategy in Nepal



- The strategy design starts with an internal review process with all BMO members, who jointly reflect on the organisation's primary role and define its strategic objectives. In a country like Nepal, where the decentralisation process has just begun, it is, for example, necessary to reflect with the national BMO umbrella organisation about the role it envisions the provincial and local branches to take on. In the case of FNCCI, the provincial chapter and the federal FNCCI hadve to coordinate and match their various tasks to empower the provincial chambers.

- After clarifying the objectives, interviews and meetings with member organisations are conducted to understand better their expectations, the challenges they face, and the function they envision for the provincial BMO. Preliminary findings are summarized and discussed between the federal BMO and the provincial chapters to manage the expectations of the provincial chapters. Afterwards, an organisational strategy development workshop is organized with all member organisations.
- The organisational strategy development workshop is conducted with lower-level member BMOs. It focuses on the future orientation of the organisation and on identifying concrete areas of work, collaborative networks and communication requirements, services, and advocacy support.
- Based on the workshop results, a draft strategy is designed by external consultants or service providers. The strategy includes the organisation's primary vision, mission, and main areas of work, with key activities and milestones defined in a timeframe. To encourage an actual implementation dynamics, actions are defined for a short-term (up to 1 year), medium-term (up to 2 years) and long-term (3-4 years) period. A two-year action plan, derived from a four-year strategy, seems realistic, as is it challenging to plan any activities beyond a two-year timeframe. Implementing concrete activities is part of a long-term learning process that includes feedback loops and helps to adjust the strategy continuously during its implementation process.
- In the first step, the draft strategy (designed by external consultants) is presented to, and discussed with, the internal management of the provincial chapter and, in the second step, with its members. Only then the strategy is finalised. Following both steps ensures that expectations by key stakeholders are met and that future cooperation is based on a jointly defined direction.

Implementing the final strategy is expected to yield concrete results in the first year (focus on low-hanging fruits and quick wins). This means that the agreed upon results for the first year should be formulated realistically and achievable to inspire confidence in the process and to increase the motivation of BMO members to implement more aspects of the strategy. The next chapter outlines how to realize each step in the organisational development process.

## **4. Six steps for realizing the organisational strategy**

The following sections list and explain the five steps for realizing an organisational strategy. The sections provide a step-by-step guide to facilitate the strategy design process for BMOs in Nepal.

## 4.1 Step 1: Internal definition of strategic objectives with participation of BMO members

The first two steps in this organisational strategy design process are: 1) knowing the expectations of the BMO members, and 2) ensuring a common understanding of roles and responsibilities of BMOs at local, provincial and federal levels. In this step, it is necessary to define the subsidiary role of the decentralized (e.g., provincial) body in relation to the national one. There are specific steps to take in defining roles and future perspective of the organisation.

### **Visioning exercise: Identification of a symbol to express the future role of the BMO**

It is often said that a symbol or a visualisation can express more than 1,000 words. Reflecting with the core team of the BMO about a symbol that defines the role of the BMO can be an excellent start to reflect on the organisation's key objectives.

The following questions support the reflection process on the future role of the BMO or the provincial chapter:

- When you think about your organisation's role, which symbol or metaphor comes to mind?
- Which symbol or metaphor comes to mind when your organisation's responsibility towards its member organisations?
- How could you symbolize key working areas or services for your members?

The reflection on a metaphor provides an opportunity to brainstorm about the organisation's vision and mission statement jointly.

In the first organisational strategy process of FNCCI Lumbini, the compass symbol was used as a metaphor for its strategic intent and directing role. The FNCCI Lumbini vision, in that respect, stated the following: *“Strengthening the resilience of the private sector and promoting a sustainable and competitive path to economic development in Lumbini Province.”* The mission for FNCCI Lumbini was to *“enable, promote, and create synergies through knowledge creation, internal alignment, and collaboration among imperative stakeholders to foster sustainable private sector development in Lumbini Province.”*

## **Role definition: Alignment with the national umbrella organization**

An organisational strategy from a provincial or local BMO must be aligned to the strategy of the same BMO at a higher territorial level (regional/national). In the case of the provincial FNCCI, the national FNCCI strategy called “Net Economic Transformation (NET 2030)” became the reference point for formulating the vision and mission statement for the provincial chapter. A meeting was held with the provincial-level representatives to discuss the role of the provincial chamber in making the national vision a reality, while continuing to serve BMO members in the province. At the same time, the federal representatives and decision-makers were asked to express their understanding of the provincial chambers' role in relation to their own. The different expectations from the provincial and federal chambers were discussed in various meetings and aligned accordingly.

## **Time coordination throughout the strategy design process**

It is essential to outline the steps involved in the strategy process in cooperation with the management of the BMOs that are to be decentralized. The first task is to design a timetable that tackles the five steps of the design process (see Figure 1). The facilitator of the process, or the head of the BMO, is preparing the timeline. Besides, it would be necessary that the BMO assigns responsible management staff that guide and accompany the further design process. An agenda of the first BMO meeting on the design process can be found in Annex 1.

Figure 1 can be used as a process map to develop the timeline. It outlines the main steps of the strategy design process and adds timelines to each step.

### **4.2 Step 2: Interview and needs assessment of BMO members**

Organizing interviews and meetings with relevant actors involves three steps:

1. Design interview guides with core questions to identify members' expectations,
2. Schedule interviews and meetings with several members, and
3. Conduct interviews and meetings.

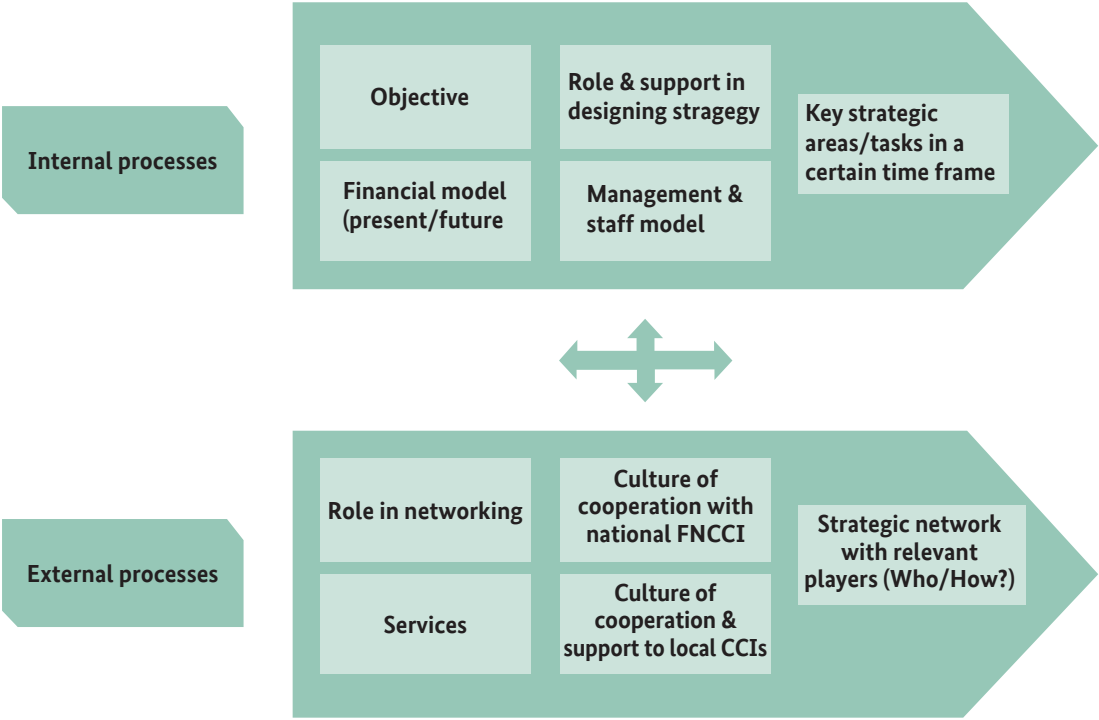
Interviews and meetings are planned with staff members of the respective BMO, member organisations, and federal BMO organisations.

The interview guidelines are developed with the BMO representative staff and should relate to the core tasks of the BMO. Figure 2 provides the framework that can be adjusted to the



respective context. The questionnaire outline on internal and external process aspects guides the interview. It helps to gain an overview of the BMO and how its staff and members envision the organizational strategy design process. The first round of interviews is mainly done with individual representatives. The objective is to get members' first impressions and collect important stakeholders' opinions and perspectives.

Figure 2: The interview guideline model for interviews



The detailed questionnaire with guiding questions addressing the internal and external processes of the BMO can be found in Annex 3.

Interviews and meetings should be organized with key stakeholder groups to offer an orientation to the BMO. The list below provides an overview of key stakeholder groups (see the interview questionnaire in Annex 2):

- The federal BMO representatives,
- A selection of local member organisations (district or local chambers or BMO members),
- Staff members of the provincial BMO will play an important role in the organisation's development,
- Possibly also different businesspeople, who are members of the member organisations.

## Conducting interviews and meetings

- Interviews with federal BMO representatives focus on the role and tasks of the decentralized bodies and aspects such as finance, services, and lobbying at the local, provincial, and national levels.
- Interviews with member organisations aim at understanding their expectations regarding potential areas of work, services, envisioned roles and responsibilities and support demands. It is recommended to conduct about four interviews with the most active member organisations of different sizes.
- Interviews with staff members are important to understand their expectations, perceived role and that the organisational strategy reflects their internal processes, incorporates the human resources and profiles required to implement the role and tasks, staff plans, a financial sustainability strategy and relevant areas of work for the organisation.
- Interviews with business people will provide insights into the expectations of the private sector towards the provincial BMO.

Interviews can be conducted online or in-person. The findings resulting from these interviews (around 7 to 10 interviews overall) are then summarised and presented to the BMO management. The interview outcome helps to design the strategy workshop with member organisations and encourages deep reflection with the BMO.

### 4.3 Step 3: Participatory workshop with BMO members

The planning workshop is at the core of the strategy design process. Most member organisations are involved in designing the future strategy and its concrete priority areas of work and related activities.

The organization of workshop activities is divided into four subsequent stages, which are:

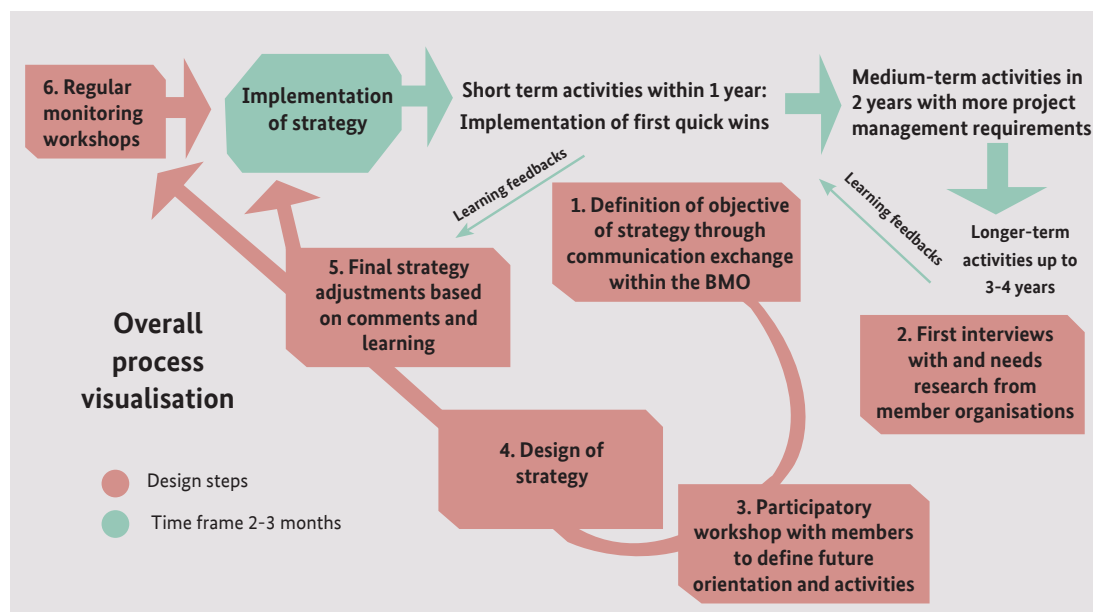
1. Invitation to and commitment of participation in the workshop,
- 2 Design of participatory workshop methods,
3. Identification and documentation of concrete areas of work and activities, and
4. Definition of a two-year action plan for implementation (see exemplary workshop agenda in Annex 2).

## Invitation and commitment of participation in the workshop

In the workshop, the provincial BMO co-creates its future strategy with its members to promote commitment, ownership, and service-orientation. To facilitate a participatory strategy development process, the following logistics are required:

- A workshop venue with sufficient space for 30 to 40 participants/representatives from different member organisations. It is essential to ensure the participation of member organisations from the beginning of the strategy design process. Through their involvement, the strategy will be ensured of future backing.
- Sufficient space for physical movement and group work. The participants should be able to stand in a circle and still have enough space to move forward and backwards.
- A 1.5-day agenda to ensure the active involvement of participants in the design of the future strategy (see Annex 3).

## Design and use of participatory workshop methods



The workshop design incorporates participatory and group work-based tools such as World Café and the Compass of Local Competitiveness. By using these tools, members are involved in identifying priorities for the organisational strategy process. The latter framework (Compass of Local Competitiveness) was developed by Mesopartner and is based on the Balanced Scorecard<sup>1</sup> as a strategy and monitoring instrument. The Compass of Local Competitiveness can be used to design organisational strategies and develop strategies for a specific location.

<sup>1</sup> The Balanced Scorecard became an instrument in the late 1990s for the implementation of company strategies emphasizing a more holistic perspective. See Kaplan, Robert S., and David P. Norton: Balanced scorecard. Gabler, 2007.

The following link can be used to access the moderation tools and flow: <https://www.mesopartner.com/knowledge-resources/methodologies/the-compass>

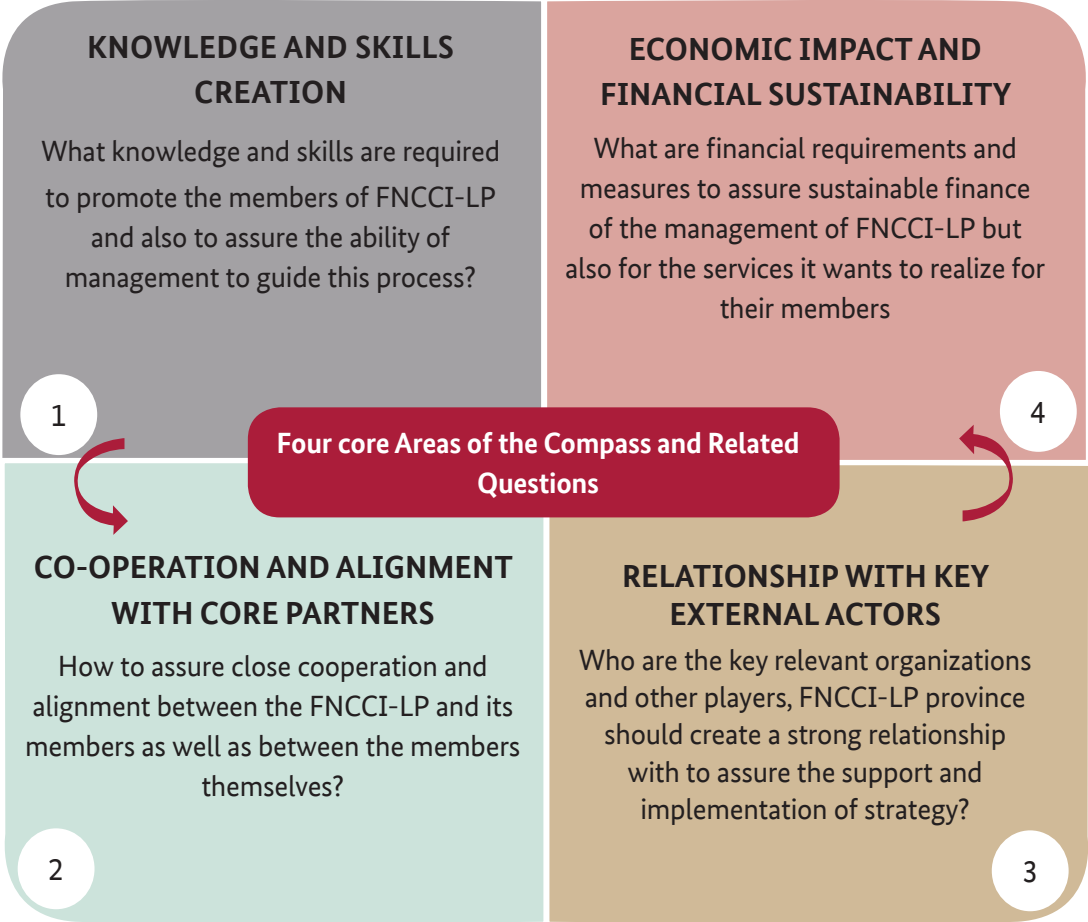
The Compass of Local Competitiveness is based on the experience of actors in a location or an organisation, and uses four key considerations to reflect on successful competitiveness:

1. The organisation must ensure a continuous internal learning process to improve its management and product/service capabilities in response to the market needs (in the case of businesses) or the member's needs (as in the case, e.g., of the FNCCI in Lumbini). Continuous efforts for upgrading the knowledge and skills of the BMO itself as well as the skills for their members, and the institutionalisation of structures that assure continuous organisational learning, are prerequisites for long-lasting success.
2. The strategic direction must be aligned. This alignment should be promoted through intensive communication and coordination between the staff, management, and organisational members. In the case of any other decentralized BMO, this means close coordination and alignment with the local and district chambers as members in the province and trying to understand their concrete demands, problems, and the search for joint solutions. Internal alignment and cooperation with organisational members are necessary to achieve sustainable success.
3. There are other actors outside of the decentralized BMO and its members that are relevant strategic partners. They include governmental entities, businesses, non-government organisations, or relevant individuals. It is necessary to align it with their expectation to ensure an impact on a larger scale. For a decentralized BMO, e.g. a provincial chamber, it might be important to cooperate with other agencies and lobby with (provincial) governments, collaborate with possible service providers relevant to the members, and/or find support from donors, businesses or governmental entities. These are only some examples of cooperation requirements. Thus, a mutually beneficial relationship with external actors further supports the implementation of the strategy and ensures its relevancy.
4. Successful performance in the above-described fields of action will assure economic impact and financial sustainability. Nevertheless, setting achievable financial targets will be required to realize the chamber's supportive role. While a business should be able to monitor its work according to the income it generates, a chamber must consider the impact and reputation of its work for its members. In addition, it must save part of its revenue for future investment, for example, to capacitate staff, expand its operations, and continuously improve its services.

A successful organisation is structured into four fields of action, as presented in the compass quadrants below. During the workshop, each quadrant's critical success factors (CSF) are jointly identified, and work areas are defined and concretized into activities (and if required, indicators are identified for process monitoring).

Figure 3 provides an example of a compass developed during the strategy workshop of the FNCCI Lumbini. It provides an overview of the four quadrants, the sequence, areas of work, and core questions to reflect on with the partners. It is a tool that every BMO can use.

Figure 3: The compass' quadrants with core areas and leading questions



**Identification and documentation of concrete areas of work and activities**

The compass guides the participants through different workshop stages. At first, a reflection on the BMOs' critical success factors for each quadrant is conducted. Based on the identification of critical success factors, participants then start to reflect on relevant working areas in which the organization can: 1) strengthen the knowledge and skills, 2) cooperate and align with

core partners at the local and district level (as well as with the federal FNCCI), 3) develop strategic alliances/partnerships, and 4) reach financial sustainability. Once the core areas of work are identified, the participants brainstorm on concrete activities to be implemented for each quadrant.

During the compass method, it is recommended to change the working groups so members can discuss their expectations in various constellations, share their different perspectives, and thus align their expectations.

#### **4.4 Step 4: Strategy Design**

The detailed strategy design requires the involvement of management staff and/or external support. It involves a) the design of an action plan with short-, medium-, and long-term activities, b) the development of a strategy document, and c) a review of the draft version with the organizational management of the BMO.

##### **a) Design of an action plan with short-, medium-, and long-term activities**

The final task in this process is the identification of concrete activities. The following questions could guide the discussion with the BMO management and the members:

- Which activities that can be realized with the existing financial and human resources in the upcoming year (short-term)?
- Which activities require more time and project management efforts, including additional funding and human resources (medium-term)?
- What are long-term activities that require patience and may not yield immediate results but secure financial resource capabilities?

Table 3 provides a basic action plan template. Please note that any long-term activities should be reviewed and finetuned during the first year of strategy implementation. It provides an example from the FNCCI Lumbini strategy.

Table 1: Basic template for an action plan with a workflow based on the FNCCI-LP Strategy with milestones, short-, medium- and longer-term activities

S.N.	Strategic Milestones and Key Activities	Year 1		Year 2				Year 3				Year 4			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Set-up of internal management and office structure														
1.1	Recruitment of manager and staff														
1.2	Setting-up secretariat														
1.3	Role definition chairman/manager /staff														
1.4	First internal skills training														
1.5	Periodic and need based internal skills trainings														
2	Skills services for CCI members														
2.1	Needs assessment of support services for members														
2.2	First training course for CCIs														
2.3	Sequential training offers														
2.4	Orientation sessions for executive committee members														
2.5	Peer-to-peer learning events														
2.6	Mentoring and partner models														
2.7	Documentation of key policy and sector bottlenecks														
3	Strengthening cooperation and alignment between FNCCI and district and municipality CCIs														
3.1	Establishment of working groups and standard procedures														
3.2	Regular monthly meetings														
3.3	Bi-monthly Status Update Meeting (incl. role clarifications)														
3.4	Quarterly Status Update Meeting with Federal FNCCI (incl. role clarifications)														
3.5	Newsletter publication														
3.6	Joint Project initiation														

4	Promote advocacy and strategic partnerships																		
4.1	Quarterly Policy Dialogue Forum																		
4.2	Media campaigns and social media info																		
4.3	Design of advocacy statements and papers																		
4.4	Strategic alliances with technology-, knowledge- and skill-based organizations																		
5	Financial sustainability model of the FNCCI-LP																		
5.1	Increase of membership base																		
5.2	Revenue increase through offering first services																		
5.3	Design of a financial sustainability strategy																		
5.4	Private Sector Development Projects																		

## b) Design of a strategy document

Writing a strategy requires experience in structuring a document and providing coherent lines of argumentation. The strategy includes the vision and mission statements of the BMO, which were formulated based on the interview and workshop results, the documentation of main areas of work and activities, and an action plan.

## c) Review of the draft version with the organizational management of the BMO

The draft strategy document should first be reviewed by the BMO representative responsible for designing the organisational strategy. It should then be aligned with the expectations of the whole management structure of the BMO.

## 4.5 Step 5: Review and Finalization of the Strategy

The final step of the strategy design process is presenting it to the members and collecting their final comments. This can be done in an online exchange or in a face-to-face meeting with the members. In the case of the FNCCI Lumbini, the strategy was presented in a PowerPoint presentation (PPT) reviewed by the members. After incorporating their feedback and suggestions, the final draft version was sent for a final round of comments, after which it was finalized and then published.



## 4.6 Step 6: Ensuring a continuous monitoring process

Agile BMOs operate in complex environments. The defined organisational strategies of BMOs are shaped by their internal performance (inward-out performance), their partners' response and agility in supporting change processes (outward-in performance) and by the changing environmental circumstances that can hardly be influenced but need to be considered by the BMO. These three factors should be monitored regularly to ensure continuous adjustment, learning and redirection. It ensures internal agile management processes, alignment with other members and partners, and consideration of changing market and environmental dynamics. In Annex 4 a 1-day monitoring workshop is outlined. It should be carried out every 6 months.

## 5. Recommendations based on lessons learnt

The following list summarises the lessons learned and provides important recommendations for the organisational strategy development process.

**Having a management structure in place:** It is important to define a person responsible for the strategy development process besides the chairman/president of the BMO. In general, the Chair is a businessperson himself or herself, who takes responsibility for the overall process. The manager is responsible for the operational work and for realizing the objectives of the BMO. Generally, it would be advantageous to have a management structure with at least a BMO manager, even better with a management team (including staff members) in charge of the strategy development process. The process requires strong backing by the president.

**Promote understanding of the new and additional role of the provincial BMO as an entity and its responsibilities:** The strategy is designed to strengthen the decentralised structure of the BMO. This involves close coordination with the federal BMO because some decisions and tasks previously made and conducted on the federal level are now entrusted to the provincial structure to increase efficiencies and service orientation. Strengthening the communication and cooperation between the national and provincial BMO is essential for a successful transition.

**Involvement of relevant local chambers as reference points:** It is important to connect and communicate with dynamic and interested local and district BMOs. Establishing a relationship with them early on is crucial in understanding their expectations, aligning their roles and creating synergies.

**Ensuring good facilitation and interaction in the strategy workshops:** While adhering to the same general agenda, workshops can look very different. They often mirror the efforts that the organizers are willing to put into building relationships with their members and in preparing the sessions. Therefore, promoting interactive and outcome-oriented workshops is relevant in which content is taken seriously and becomes part of the further development process. Thus, professional moderation of such workshops is highly recommended.

**Assuring feedback from members on the first draft of the strategy:** It is relevant to invite BMO members to the presentation of the draft strategy to obtain their comments and approval of the strategy document to ensure ownership and future backing.

**The real implementation of initiatives and getting buy-in:** The strategy document is a living document with a list of activities to be implemented. While the BMO must meet its responsibilities by implementing these activities in a specific timeframe, the execution also requires the support of its members. Thus, reliability in implementing the planned activities is essential while ensuring the members' buy-in.

**Following the strategy designing process:** The five-step approach presented in this guideline should be followed. It was developed based on many experiences working with different BMOs and their structures in various countries.

**The differentiation between the activities:** The strategy differentiates between short-, medium-, and long-term activities. Each type of activity follows a different logic. Ensuring the realisation of short-term activities implemented with existing resources helps to demonstrate commitment and willingness to take on responsibility. Medium-term activities are built on project management competence and require a long(er)-term institutional commitment, including additional financing and institutionalisation. All are highly relevant in starting an organisation and earning their members' respect.

**Continuous strategy adjustment and monitoring:** Short- and medium-term activities indicate an organisation's vibrancy; thus, it is essential to interpret the strategy as a compass and orientation framework that guides the management through everyday decision-making. Continuous adjustments to the strategy and integration of new learning are essential to keep it vibrant and agile. Regular monitoring procedures and joint workshops to review the achievements and challenges is relevant.

## 6. Annex

### Annex 1: Example for an agenda for the first BMO meeting

Time	What?	How?
9:00 – 09:10	Welcome by the Director of the BMO	
09:10–09:20	Short introduction round: Who is who?	Oral presentation round
09:20–09:40	Joint reflection: “What are our expectations from the strategy?”	Mural virtual board for documentation
09:40–09:50	What is an organisational strategy all about? Short input	PPT (first slides)
09:50–10:10	Suggestion for the upcoming process including Q&A	PPT
10:10–10:20	Reflection on BMO tasks, core team members and roles	Cards about roles in Mural, documentation in Mural
10:20–10:30	Reflection on dates for interview process, first workshop and work distribution with BMO core team	Exercise
10:30	Closing	Exercise

### Annex 2: Example of a Strategy Workshop Agenda for facilitators (from the provincial FNCCI Lumbini workshop)

Start: xxx  
 Time: xx  
 End: xx  
 Time: xx  
 Venue: xx  
 Moderators: xx

## Meeting objectives:

Envisioning the future orientation of the provincial FNCCI Chamber/ or BMO

Identifying areas of work and activities to realize their newly defined role.

[Date] (13:00 - 17:30)

Time	Session	Responsibility	Session Objective	Logistics
13:00	Welcome and introduction into the program	President, Lumbini Province -FNCCI	Objectives of the workshop	
14:00	Introduction of participants and their expectations	Participants and facilitator		
14:00-14:05	Logic of the workshop	Participants and facilitator	Inform about the entire process (pre-workshop and post workshop)	Pin boards Meta cards Markers
14:05-14:20	Introduction into the strategy café instrument	Facilitators and participants	Giving the participants an idea of why this is used: Collective intelligence, every voice and opinion counts, real participation of everybody (see ppt)	
14:20-15:20	Strategy Café (Reflection on vision, mission and areas of work)	Facilitators and participants	Harvest the opinion/ ideas from participants on three key questions	The questions are tackling three aspects: What are vision aspects? What are mission aspects? What are core areas of work?

15:20-15:35	Tea break			
15:35-16:05	Reflection on main findings	Facilitators and participants	Summarizing and documenting main findings	Pin board Cluster of vision, critical success factors and areas of work
16:05-16:50	Concretization of areas of work	Facilitators and participants	Prioritization of main relevant areas of work	
16:50-17:10	Introduction into the Compass instrument	Facilitators and participants	Introducing the logic of the Compass and its 4 main interdependent fields for organizational development	PPT ready or pin board ready
17:10-17:30	Evaluation of day 1	Facilitators and participants		
17:30	Closing			

[Date] (09:30 - 15:30)

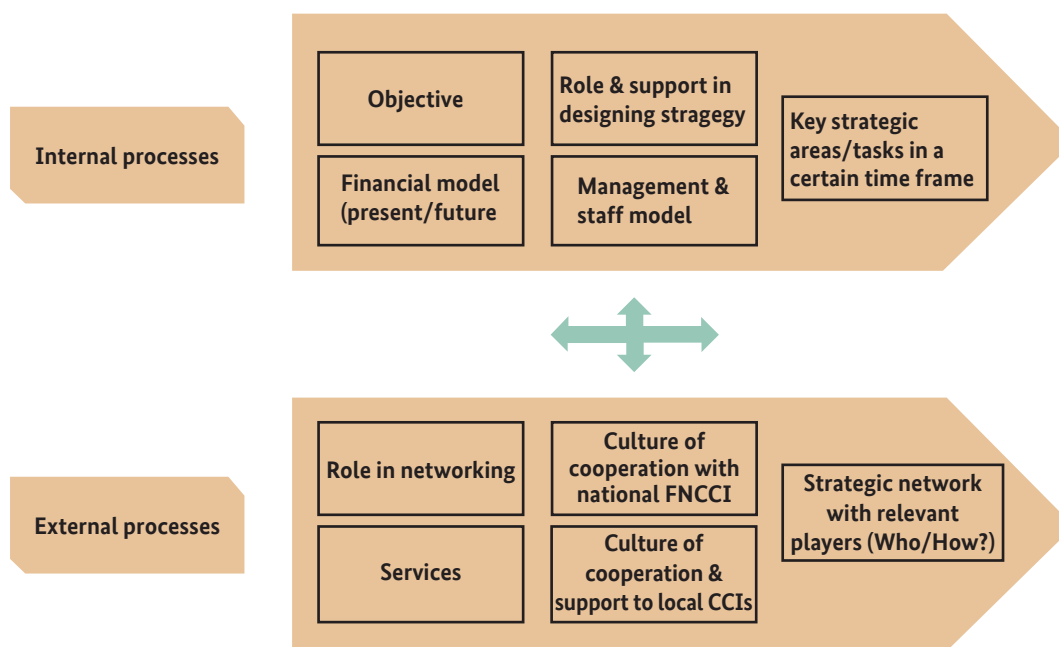
Time	Topic	Responsibility	Objective	Logistics
09:30-10:00	Review of previous day			
10:00-11:30	Compass exercise in different groups of work	Facilitators and participants	Identify main answers and activities on each area of work Identify 4 dimension of compass tool on the identified areas of work.	Meta cards Papers Markers

11:30-12:00	Reflections on findings	Facilitators and participants		Pin boards
12:00-13:00	Lunch Break			
13:00-14:00	Goal and milestone setting	Facilitators and participants	Develop milestone and realistic timeline.	Prepare a pin board with the area of work on a vertical axis and the time steps on a horizontal level.
14:00-14:45	Feedback of findings	Facilitators and participants	Summary of main milestone suggestions	Pin boards Meta cards Markers
14:45-15:00	Evaluation of workshop		What do I take with me from this workshop?	
15:00-15:15	Tea Break			
15:15-15:45	Closing ceremony and explanation of further process	Vice President, Federal-level FNCCI		

## Annex 3: Interview questionnaire in the FNCCI Lumbini project

The questionnaire provides a list of questions to guide the interviewer through the conversation.

Figure 4: The interview guideline model for the interviews



### Internal process questions

- From your perspective, what is the philosophy, objective, or goal of the provincial FNCCI? What should it stand for in five years?
- What do you expect from the provincial FNCCI? What should become its key role in achieving its objective?
- How is the FNCCI currently managed (number of staff, structure, decision power, director, chairperson, members)?
- What is required to ensure effective management?
- How is the FNCCI currently financed (membership fees, service payments, national funding etc.)? How should it be financed in the future
- What are critical strategic areas of work on which the FNCCI should focus (e.g., political lobbying, capacity building, event management, and other services)?
- What are the overlapping areas / jurisdictions or conflicts of interest regarding the scope of work between the provincial FNCCI and local chambers?

## External process questions

- What role do you envision for the provincial FNCCI in supporting its member chambers?
- What role do you envision for the FNCCI in supporting the FNCCI at the national level?
- What political role does the FNCCI have to play at the provincial level?
- What are critical actors outside the chamber system with whom the FNCCI should be in contact and network closely? What is the objective of these network relations?
- What culture of cooperation must be created (hierarchical, horizontal, network governance or FNCCI governance etc.)? How can such a culture be established and strengthened?
- What essential services are required for the members a) in the short-term and b) in the medium-term?
- What skills already exist, and what other skills are required to provide essential services?

## Organizational questions to design the strategy

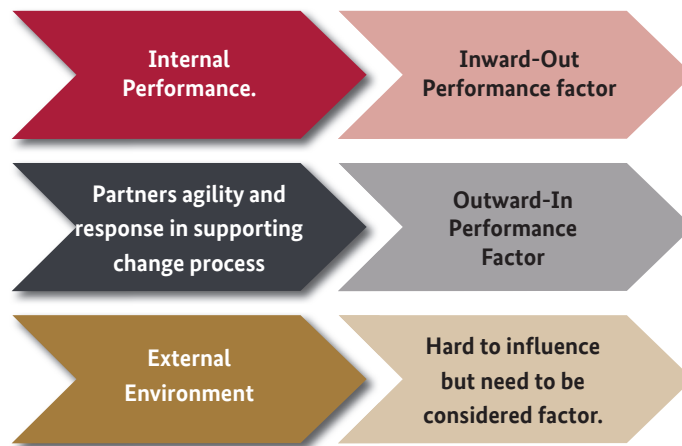
- What is the role of the FNCCI in co-shaping the strategy (who should be involved in this process, which staff members, who is main responsible contact point)?
- Who else must participate in the strategy definition process to ensure a participatory and supportive approach?
- Which procedures must we consider (invitation via FNCCI, documentation of key strategic areas by the FNCCI staff, further detailed information collection by the staff etc.)?
- Timeline setting of the upcoming activities.
- Joint reflection about the tools and approaches used in the workshops.

## **Annex 4: Structure of a monitoring workshop for the reflection of the strategy progress**

This guideline outlines the framework for conducting a one-day monitoring workshop to make the organisational development strategy in BMOs a vivid compass for continuous improvement (see figure 1)



Figure 5: Three Aspects of BMOs Monitoring Workshop



### Objective, participants and duration

The primary objective of this one-day BMO strategic planning review workshop is to evaluate the progress made in implementing the organisation's strategic plan. It aims to:

**Map Implementation Progress:** Assess the status of the BMO's multi-year strategy and identify achievements and challenges according to the three perspectives (see graphic).

**Evaluate Critical Success Factors:** Review milestones and activities targeting critical success factors (CSFs).

**Recommend Future Adjustments:** Provide recommendations with timelines and adjustments for the strategy and activities to remain effective in a changing environment.

### Expected Participants

The workshop should involve key stakeholders, including elected office bearers and working committee members of the BMO. This inclusive approach ensures diverse perspectives and expertise in the strategic review process.

### Duration of Workshop

A one-day monitoring workshop can be designed and scheduled to facilitate detailed discussions and the implementation of necessary adjustments to the action plan. Depending on resource availability, organising the workshop outside of the regular working area creates an environment that fosters focused and productive discussions. Please find below the agenda for the workshop:

## Template for a workshop

Date:

Venue:

Moderation:

### Objective:

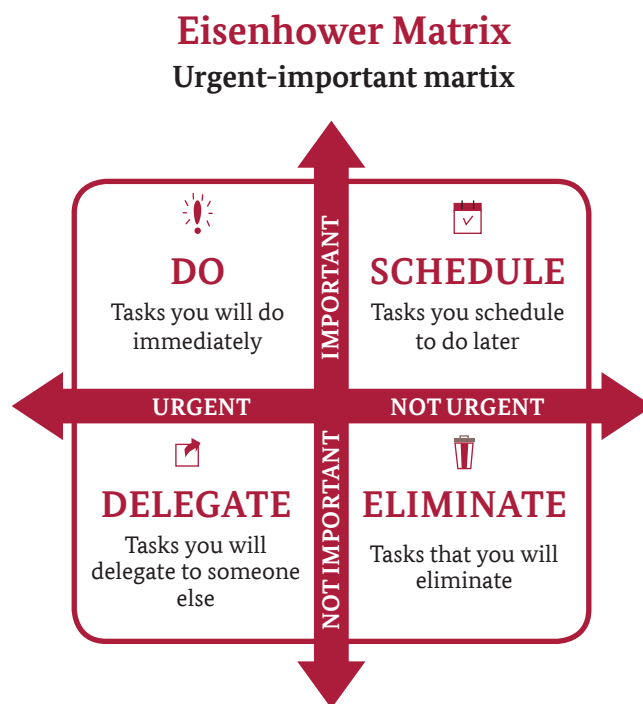
- Mapping the implementation progress of the 3-year strategy of BMO
- Evaluation of milestones and activities targeting critical success factors (CSF)
- Identification and prioritisation of next activities and actions
- Redefinition of timelines and adjustment of the strategy/activities

## Monitoring workshop

Time	Agenda	Responsibility	Methodology
10 min	Welcome and Objective highlights		
10 min	Introduction		
10 min	Ice breaker	Facilitator	
45 min	Update on strategy implementation progress	Presentation by the secretariat	PowerPoint
10 min	Question and Answer		
15 min	Coffee break		
75 min	<p>Group Division based on CSF/milestones identified</p> <p>What has been achieved overall and what has not been achieved?</p> <p>Why not? What were the constraints (Differentiation between three factors like in figure 1)?</p> <p>What still remains to be achieved? How will we do it?</p> <p>What are the actions we have to take to realize the next steps? Use of the Eisenhower matrix to differentiate between urgent and not urgent tasks like shown in figure 2)</p> <p>Future recommendations for successful accomplishment</p>	Facilitator, FNCCI	<p>Four groups led by leadership/secretariat</p> <p>Facilitated by GIZ LPED/GRAPE</p>
60 min	Lunch		
45 min	Continuation of group work	Facilitator, FNCCI	Facilitated by GIZ LPED/GRAPE

60 min	Presentation by the groups		
45 min	Way Forward: What are the next steps we want to take?  GIZ LPED/GRAPE Secretariat Leadership	Facilitator, FNCCI, GIZ	
15 min	Concluding Remarks		

Figure 6: Eisenhower matrix





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