

**PONTIFICA UNIVERSIDAD CATÓLICA DEL PERÚ**

**ESCUELA DE POSGRADO**



**Strategic Plan for Creamás**

**THESIS TO OBTAIN THE DEGREE OF MASTER IN BUSINESS**

**ADMINISTRATION**

**GIVEN BY**

**PONTIFICIA UNIVERSIDAD CATÓLICA DEL PERÚ**

**PREPARED BY:**

**Oliveros Lijap, Luis Alfredo**

**Ponce de León Jara, Gonzalo Marcelo**

**Tutor: Sandro Sánchez Paredes**

**Surco, August 2015**

## Acknowledgments

This thesis would not have been possible without the generous support of our dearest friends Hytham Abdulhameed and Jessica Okumagba. We would also like to thank Creamás, especially Daniel Paredes, for their willingness to help us accomplish this project. Special thanks to University of Victoria, Maastricht University and Centrum Graduate Business School for all the knowledge acquired.

In addition, we want to express our gratitude to Bryan Cárdenas for being a student role model and a good friend. Lastly, we would like to thank Professor Sandro Sánchez and Jorge Zavala for their unconditional assistance and availability to solve our doubts.



To my parents, for all your love and remarkable patience.

Oliveros, Luis

To my parents and sisters, for your unconditional love and support.

Ponce de León, Gonzalo

## Abstract

The purpose of this research is to develop a 2015-2020 Strategic plan for Creamás, a Peruvian NGO that fosters the dreams and ambition of children through education and diverse workshops. The company began operating in the country in 2009 and throughout the years has managed to become a referent in the NGO national industry. In order to do that the model proposed by Fernando D'Alessio was followed throughout the nine chapters of the document.

After thorough research, meetings with the directorates and volunteers, and on-site visitation, data was analyzed in an attempt to decipher the current holistic situation of the organization; its strengths, weaknesses and which opportunities and threats the external situation posed the organization. By complementing such information with a newly proposed vision and mission, and the identified organization's interests; six long term objectives were defined with their correspondent short-term objectives. Besides that, five strategies were chosen in order for the Creamás to achieve its objectives and as a consequence, its desired vision. Furthermore, in order for Creamás to assess the implementation of this Plan, the document includes the proposed Balanced Scorecard; with the short-term objectives and their correspondent indicators.

The fallouts of this work indicate that currently Creamás lacks operational efficiency due to the poor training of its volunteers, is still unable to measure its actual impact on the students, and does not possess a solid funding structure; all of them a must if the firm is to remain relevant in the industry.

## Resumen Ejecutivo

El objetivo de este trabajo es desarrollar un Plan Estratégico de Creamás para el periodo 2015-2012. Creamás es una ONG peruana que promueve que más niños tengan sueños y ambiciones por medio de clases de matemática y talleres complementarios. La empresa empezó a operar en el país en 2009 y a través de los años ha logrado convertirse en una reconocida organización. Para el desarrollo del trabajo se siguieron los nueve pasos del planeamiento estratégico definidos por Fernando D'Alessio (D'Alessio, 2013).

Luego de una detallada investigación, reuniones con Directores y voluntarios, y visitas en campo, se analizó la data recogida a fin de descifrar la situación actual de la organización; sus fortalezas, debilidades y las oportunidades y amenazas que el entorno le presenta. Al complementar esta información con una nueva propuesta de visión y misión, además de los intereses de la empresa; se definieron seis objetivos a largo plazo. Asimismo, se eligieron cinco estrategias para alcanzarlos y que Creamás consiga lograr su situación futura deseada. Para la implementación del presente Plan, el documento incluye un Tablero de Control Balanceado con objetivos a corto plazo y sus indicadores de medición correspondientes.

Los resultados de la investigación indican que Creamás presenta problemas en cuanto a eficiencia operacional debido al pobre entrenamiento que reciben sus voluntarios, no es capaz de medir el impacto que causa en los estudiantes y no cuenta aún con una sólida estructura de donaciones; situaciones que deben ser resueltas para mantenerse relevante en la industria.

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## The Strategic Process: An Overview

The strategic plan developed in this document was prepared according to the sequential model of the strategic process. The strategic process consists of a set of sequentially developed activities that allow an organization to project into the future and to reach its vision. Figure 0 shows the three main phases of such process: (a) formulation, which is the planning stage itself whereby strategies—that will take the organization from its current situation to the desired future state—will be identified; (b) implementation, in which the strategies obtained during the first stage are implemented; it is the most difficult stage due to its strictness; and (c) evaluation and control, in which the activities are carried out permanently throughout the entire process in order to monitor the sequential steps and, finally, the Long-Term Objectives (LTO) and Short-Term Objectives (STO). Apart from these three phases, there is a final stage that represents the conclusions and final recommendations. Notably, the strategic process is characterized by its interactivity—since many people are involved in it—and by its iteration because it generates a repetitive feedback.

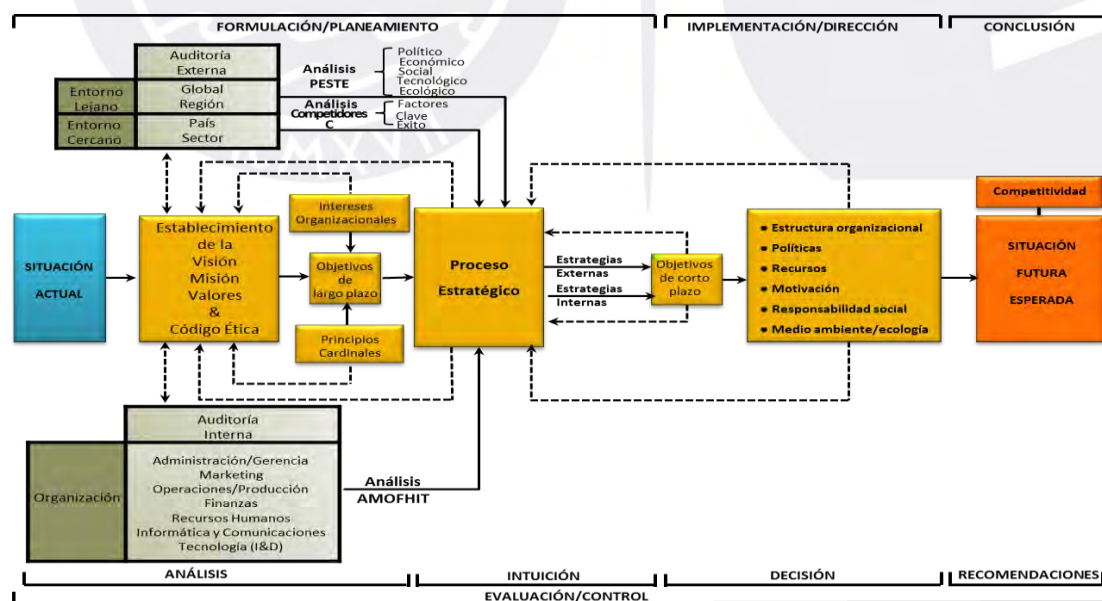


Figure 0. Sequential model of the strategic process.

Note. D'Alessio, F. A. (2013). *El proceso estratégico: un enfoque de gerencia* (pp. 10). Mexico, D. F.: Pearson.

The model starts with an analysis of the current situation, followed by the establishment of the vision, mission, values, and code of ethics; these four components guide and regulate the activities of the organization. Then, the National Interests Matrix (NIM) and the external evaluation are developed to determine the influence of the environment in the studied organization. In this way, the global industry is analyzed through PESTE analysis (Political, Economic, Social, Technological, and Ecological factors). PESTE analysis originates the External Factors Evaluation Matrix (EFEM), which provides the knowledge of the impact of the environment through the opportunities that could benefit the organization, the threats that shall be avoided, and how the organization is acting on these factors. PESTE analysis and the competitors originate the organization's evaluation in relation to these, from which the Competitive Profile Matrix (CPM) and the Referential Profile Matrix (RPM) are obtained.

Thus, the external evaluation identifies the key opportunities and threats, the situation of the competitors, and the Critical Success Factors (CSF) in the industrial sector. This makes it easier for planners to start the process that will lead to the formulation of the strategies which allow taking advantage of the opportunities, preventing and/or reducing the impact of hazards, knowing the key factors to succeed in the industry, and surpassing the competition.

The internal evaluation is subsequently developed, which is aimed at the definition of strategies that capitalize on the strengths and neutralize the weaknesses, in a way that competitive advantages are built from identifying distinctive competencies. AMOFHIT internal analysis (Administration & Management, Marketing & sales, productive Operations & infrastructure services, Finance & accounting, Human resources & culture, Information, communication, & Technology) is carried out for this purpose and the Internal Factors Evaluation Matrix (IFEM) is obtained from it. This matrix allows evaluating the main strengths and weaknesses of the functional areas of an organization, as well as identifying

and assessing the relationships between such areas. A thorough internal and external analysis is required and crucial to continue with the process that is most likely to succeed.

In the next stage of the process, the interests of the organization are determined, i.e. the most important goals to be reached in order to globally succeed in the markets where the organization competes. From this, the Organizational Interests Matrix (OIM) is derived and it allows establishing the LTO based on its vision. These are the results that the organization expects to obtain. Note that the "sum" of the LTO would lead to achieve the vision and the "sum" of the STO would be the achievement of each LTO.

The matrices presented in stage 1 of the first phase (NIM, EFEM, IFEM, CPM, RPM, and OIM) are key inputs that will enhance the quality of the strategic process. In stage 2, the strategies are developed matching up and combining the strengths, weaknesses, opportunities, and threats along with the previously analyzed results. For this, the following tools are used: (a) the Strengths, Weaknesses, Opportunities and Threats (SWOT) matrix; (b) Strategic Position and Action Evaluation (SPACE) matrix; (c) Boston Consulting Group (BCG) matrix; (d) Internal-External (IE) matrix; and (e) the Grand Strategy Matrix (GSM).

At the end of the strategic formulation, stage 3 is given by the choice of strategies, which represents the strategic process itself. A set of integration, intensive, diversification, and defensive strategies result from the abovementioned matrices. The Strategic Decision Matrix (SDM) selects these strategies, which are specific and not alternative, and whose attractiveness is determined in the Strategic Planning Quantitative Matrix (SPQM). Finally, the Rumelt Matrix (RM) and the Ethics Matrix (EM) are developed to finalize the retained and contingency strategies. After this, the second phase of the strategic planning begins: the implementation. Based on this selection, the Strategies Matrix is developed against the long-term objectives (LTO). This matrix verifies if the LTO can be accomplished by implementing the retained strategies. Likewise, the Strategies Matrix is developed against the Competitors'

and Substitutes' Possibilities Matrix (CSPM) that helps to determine how many of these competitors will be able to cope with the strategies retained by the organization. The integration of the intuition with the analysis is essential, since it favors the selection of strategies.

After formulating a strategic plan that allows accomplishing the future projection of the organization, the identified strategic guidelines are implemented. The strategic implementation basically consists on translating the strategic plans into actions and, subsequently, into results. It is worth to point out that a successful formulation does not guarantee a successful implementation, since the latter is more difficult to carry out and it implies the risk of execution failure. During this phase, the STO and the resources allocated to each of them are defined, and the policies for each strategy are established. It is necessary to have a new organizational structure. The worst mistake is to implement a new strategy using an old structure.

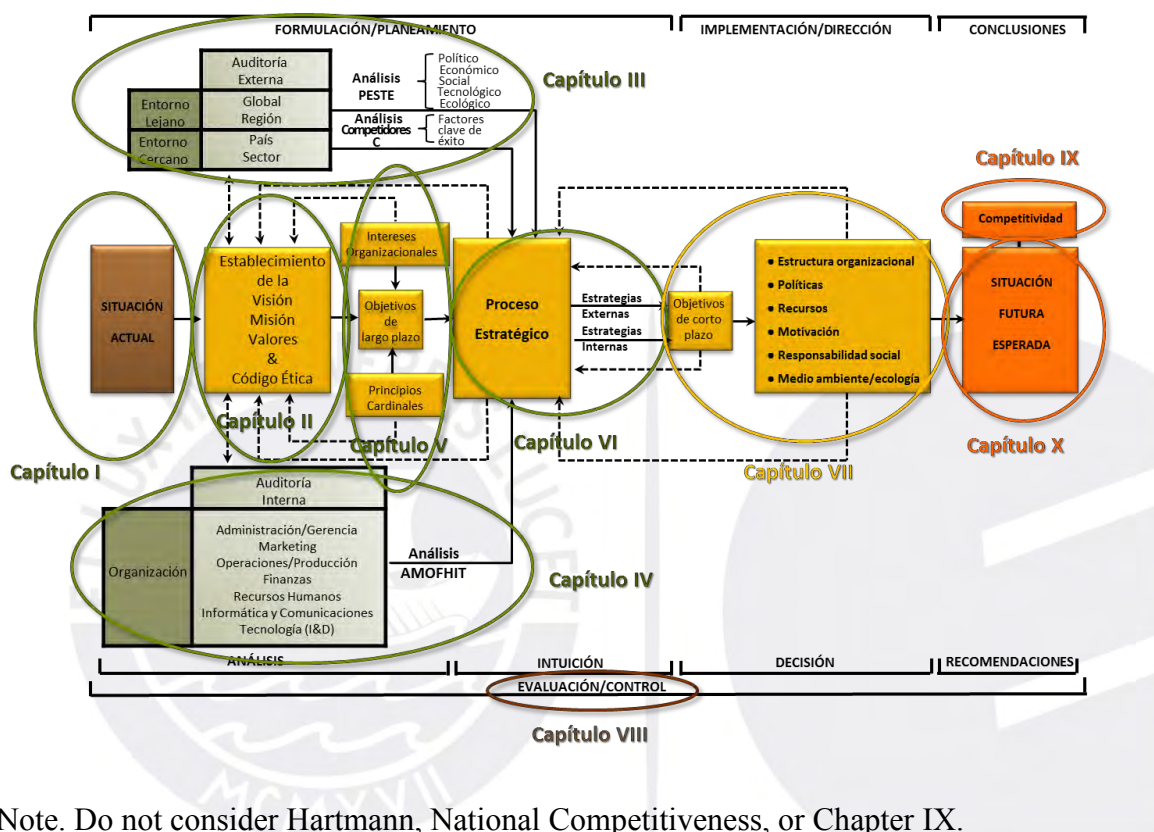
The concern for the respect and preservation of the environment, the social and economic sustainable growth considering ethical principles, and the cooperation with the related community (stakeholders) are part of the Organizational Social Responsibility (OSR). Decision makers and those who, directly or indirectly, are part of the organization should voluntarily commit to contribute to the sustainable development by looking for the shared benefit with all stakeholders. This implies that the action-oriented strategies are based on a set of policies, practices, and programs that are integrated into its operations.

In the third phase, the strategic assessment is carried out using the four control perspectives of the Balanced Scorecard (BSC): (a) internal learning, (b) processes, (c) customers, and (d) financial, so that the achievement of the STO and LTO can be monitored. From this, the appropriate corrective actions are taken. In the fourth phase, after all the planning, the conceived competitiveness for the organization is analyzed and the necessary

conclusions and final recommendations are suggested to accomplish the desired future state of the organization.

Likewise, an Integrated Strategic Plan (ISP), in which the process is displayed at glance, is presented. The strategic planning can be developed for a small business, company, institution, industry, port, town, municipality, region, state, department, and country, among others.

### Sequential Model of the Strategic Process



Note. Do not consider Hartmann, National Competitiveness, or Chapter IX. Chapter X becomes Chapter IX.



## Chapter I: General Situation of the Organization

### 1.1 General Situation

Creamás began operations in Peru in 2009. Since the beginning their objective has been to contribute to the improvement of the Peruvian educational system, to encourage the young and less fortunate population to pursue their dreams, and at the same time, to develop the individual social responsibility of the population. Nowadays it has grown to become one of the main entities in the country with operations in six schools throughout the country. At the same time, the company has begun providing services to private companies, which in the words of the Director-General, is the “healthiest and most sustainable funding source as it supported by a contract (Paredes, personal communication, June 18, 2015).” As a consequence of their achievements during the past few years, Creamás has been awarded many prizes including the “National Volunteering Award 2014.”

In terms of the internal situation, the firm has already established itself in the non-profit education industry, but is struggling to generate a bigger impact with its services. The solution the administration came up with was that since the organization has been managed to build a solid funding system, they were planning on using the extra money to expand their operations into more schools in the near future. Nevertheless, it was discovered that the firm still lacks effectiveness in the schools it is already operating in. By improving indicators such as student attendance, school grades and attitude towards learning, Creamás will enlarge the impact of its activities much more. At the same time, the firm will not unnecessarily risk the valuable funds it has struggled to acquire.

Besides that, supported by the opinion of the CEO, “the most powerful asset the organization has is the level of motivation the volunteers possess (Paredes, personal communication, July 21<sup>th</sup>, 2015).” As will be explained later, Creamás needs to focus in providing external motivation to their volunteers in order to compliment the remarkable

internal motivation they already have. Creamás needs to realize that without the appropriate incentives volunteers are more likely to decrease their performance or even leave the organization.

The present strategic plan is oriented to providing Creamás with a plan that will allow it to increase the impact it is currently causing in the children, by both improving the quality of their services and raising the percentage of attendance of the students to every Creamás session. At the same time, the new strategy will allow the organization to achieve a healthier distribution of their funding by not relying that much in private donations as they do right now.

## **1.2 Conclusions**

Creamás current situation is vital for its long term future. Since it has already gone past the initial stage in which it struggled to consolidate itself in the industry, their current goal is to take off by achieving exponential growth. In order to reach that goal, the firm requires the following pillars that will be explained on detail in the current strategic plan: a solid and sustainable funding structure, an outstanding and accountable impact on the children and an external motivation strategy for its volunteers. The combination of these three pillars will allow the firm to become truly sustainable and reliable for investment.

## **Chapter II: Vision, Mission, Values, and Code of Ethics**

Vision, mission, values and code of ethics are the most important guidelines of the organization that will lead further work. They are the compass of the Strategic Process and vary according to changes in the environment, competitors, etc (D'Alessio, 2015).

Henceforth, it is important to assess if they have been well determined and are adapted to the current situation of the organization within the industry. While at first both the current vision and mission were modified smoothly in order to comply with the requirements mentioned by Fernando D'Alessio (D'Alessio, 2013), after analyzing the information from chapters 3 and 4, about the internal and external situation of Creamás; the company's interests and long term strategies from chapter 5; the strategies defined in chapter 6; and the short term objectives from chapters 7; major changes had to be implemented in order to achieve consistency between the ideas proposed in each of the chapters (D'Alessio, 2014).

### **2.1 Background**

Creamás was conceived as a project of José Miguel Ossa, Rafael Araya and Jaime Besa in Chile, 2003. In 2009, as part of the program "Global Competitiveness Leadership" of Georgetown University, Luis Miguel Starke brought the Creamás model to Peru. It was not until 2010 that operations in their first school, Fey Alegria N°34, started; with 65 volunteers and around 400 students. Creamás was finally consolidated as a Non-Governmental Organization (NGO) in 2012.

After having worked with only volunteers during the last four years, Creamás changed its organizational model to include full-time staff in order to keep growing. The organizational structure of Creamás is composed of an Executive Committee and the volunteers. The first consists of a full-time paid staff made up of the General Director, the Assistant Director, and five other Directors responsible for pedagogy, marketing, talent management, schools management and institutional relationships. On the other hand, the

volunteers are classified into different categories: Coordinators, Field Analysts, Operations Manager, Creando Guías, Creandos, and other volunteer assistants. Coordinators are in charge of each of the schools, Field Analysts are in charge of monitoring the assistance of both kids and volunteers, the Operations Managers are responsible for the logistics in each school; and the Creando-Guides are experienced volunteers who evaluate and motivate Creandos, the math and workshop volunteers. Sometimes Creandos work as assistants when there is heavy workload.

Creamás has presence in six schools: five in Lima and one in Talara; and plans to expand its activities to 10 schools by 2016, and 20 schools by 2020. For this expansion rate, 1000 and 2000 volunteers will be needed respectively (Paredes, personal communication, July 21, 2015). Hence, funding and recruiting more volunteers is certainly needed.

## **2.2 Vision**

The current vision of Creamás is: To be recognized as an effective and sustainable volunteering model that encourages primary, middle, and high school students to discover and exploit their talents in order to positively influence themselves and their environment (Creamás, 2015). It is remarkable that Creamás takes into account sustainability (including economic sustainability) as part of its vision, since one common mistake of non-profit organizations is to focus only in the short term future. Besides that, from the information gathered through the field visits and interviews, everyone within the organization is aware of the vision.

However, as it will be explained later, even though most of the volunteers are conscious of what the organization is trying to achieve in the future, they believe there are basic issues which need to be solved to make it feasible. On the other hand, the vision looks somehow vague at first sight as it does not mention any time horizon nor any tangible goal to achieve. “Effectiveness” and “sustainability” are virtues every organization desire. At the

same time, the phrase “recognized as an effective model” at the beginning of the statement requires much more explanation in order to provide a clear picture of what the company desires. Furthermore, there is a lack of geographical scope in the company’s vision. It is not clear whether the organization is planning on growing inside the boundaries of the city of Lima or on other cities as well.

To be effective, the vision should be restructured taking into account the following components: (a) it needs a central belief that encourages to make changes; (b) it needs to show a future picture of the organization; (c) it needs to be simple, clear and understandable; (d) it has to be ambitious, convincing and realistic; (e) defined within a time horizon; (f) defined within geographical boundaries; (g) be widely known in the organization; (h) create a sense of urgency and; (i) it needs to develop a clear idea of where the organization is heading and why (D’Alessio, 2013). In the current vision it is evident that (b), (e), and (f) criteria are not included. As a result, the vision proposed is: “To be in 2020 the best education NGO focused in the cognitive, social, emotional and physical development of elementary, middle and high school students in Peruvian public schools; with an important presence in the three natural regions of Peru: (a) the coast, (b) the highlands, and (c) the jungle.”

### **2.3 Mission**

The current mission of Creamás is: “To promote the Individual Social Responsibility through professional youth volunteering in schools with the goal of providing a holistic education program that allows children to discover and exploit their talents”. It appears to be well defined as it is clear in how it serves the community and are its main services. At the same time, the fact that they focus in promoting Individual Social Responsibility differentiates Creamás from its competitors, since usually non-profit organizations rely in the good-will of volunteers but do not genuinely foster social responsibility in the population.

However, in contrast of the current vision, Creamás mission is not well known or practiced within the organization. As it will be shown later, even though Creamás' volunteers are incredibly internally motivated, there is a lack of external motivation in order to complement it. In other words, while the organization is providing the means for the population to engage in socially responsible activities, it has not yet succeeded in truly fostering it. To correct the prior flaw and others, Creamás should include the following components on its mission: (a) its clients and consumers; (b) a description of its services; (c) its market; (d) the technologies it uses; (e) its current objective (survival, growth or profit); (f) its philosophy; (g) the self-concept of the organization; (h) its concern about its public image; and (i) its concern about its employees (D'Alessio, 2013). From the current version, it is evident that (f), (h) and (i) components are not included as the "dream" element is not mentioned, neither any concern about the firm's stakeholders. Hence, it has been proposed a new mission, which is: "Creamás educates primary, middle and high school low income students in public school through a holistic educational program given by young professional volunteers, which includes academic subjects and diverse workshops that allow children to discover and pursue their dreams. Creamás is devoted to its shareholders, in particular to its employees. Our ideal is to contribute to their personal and professional development, and reinforce their social responsibility."

## 2.4 Values

Even though the organization promotes the practice of values on its operations, they do not have a list published. Currently, every new candidate is required to be teamwork oriented, committed, and to have a positive attitude towards service. In fact, during the data gathering stages and field visits, it was verified that organization has succeeded in inspiring those values within its volunteers. The current Director-General mentioned that every volunteer perceived his/her coworkers as siblings. Besides that, he stated that even though the

whole firm relies in volunteers, the level of professionalism and commitment of the volunteers was superb (2015, July 21<sup>th</sup>). And it was confirmed that the internal motivation and attitude of the volunteers were remarkable. Nonetheless, there is a need to go beyond the prior values and add the following two:

- Integrity: Because there is a lack of resources in the organization to control every volunteer, they should be expected to be 100% honest.
- Collaboration: In every emerging NGO eventualities happen every day. That is why volunteers should be expected to be open to collaborate in tasks that are different than their regular ones.

## **2.5 Code of Ethics**

There is currently no code of ethics within the organization. The following are proposed according to the previously defined vision and mission of the firm:

- Responsibility and Service, everybody should conduct their activities for the sake of others, whether for the students, volunteers, organization, public, or any other particular segment. Funds provided to the organization must not be misused for any individual or selfish unorthodox purpose; and all public assets, such as the Creamás tangible assets, must be treated with utmost seriousness and respect. It is mandatory for everyone to be aware that conduct and activities impact the organization's reputation and the public's perception of Creamás. Besides that, all members of Creamás should exhibit and portray a caring, respectful, and responsible attitude towards the Peruvian environment in all of its activities and methods.
- Cooperation, it is required at all levels of the organization, and even across communities and governments. The firm shall foster progress and acceptance towards the well-being of the organization and the country; an intercultural and interracial working environment is suggested.

- Human Rights, the organization shall not violate any individual's fundamental human rights. It recognizes and adheres that all individuals are born equal and free in dignity; hence, Creamás and all of its members accept the morals, religions, traditions, and customs of their volunteers, employees, staff, students, and communities they serve as long as they do not interfere with the operational cycle of the organization.
- Transparency, Creamás strives for honesty and openness, both internally and externally. This organization commits to be transparent with the public, donors, partners, government, interested parties, volunteers, staff, and students. This organization is accountable for its decisions and actions, both to its staff and the public.

## **2.6. Conclusions**

In general, the organization has put some effort in defining itself, the scope of its activities and making sure everyone is conscious of what it is about. Nevertheless, as it was explained, the vision of the company is not clearly defined as vague terms are included, which could transmit dissimilar ideas to the stakeholders. Furthermore, it does not include any time or geographical boundary, mandatory for this matter. The proposed version of the vision fulfills all the requirements needed and is focused in describing what the company wants to achieve in the future with clear statements. At the same time, it takes into account the information obtained in the following chapters in order to be consistent with the long term objectives and strategies developed to attain them.

In terms of the mission, the firm has done a good job in defining it. The value proposal is clear and it clearly reflects the everyday activities of the volunteers with the children. Nevertheless it does require some changes such as the insertion of the “dreams” element, and the reformulation of the Individual Social Responsibility idea they claim to be promoting in the current mission. In addition, the proposed version included the public



opinion, the organization's stakeholders, and in particular, the employees; in an attempt to show them that the organization recognizes the importance of the roles they play in its operations.

Since the values and the code of ethics of the firm have not been published, a proposal according to what was gathered about Creamás' principles during field visits has been included. The values embrace the sense of belonging and professionalism, which have already been successfully put in practice; and also, integrity and collaboration, which are mandatory for an NGO with the characteristics of Creamás. Secondly, the code of ethics has been written from scratch taking into account and in order to complement the mission, vision and values already defined.



### **Chapter III: External Evaluation**

The purpose of the external evaluation is to have a clear idea of the environment that surrounds the organization in order to identify opportunities and threats as well as critical factors that the organization must consider to become better than its competitors, and to learn best practices from its worldwide referents. All of the external elements from the PESTE analysis were studied taking into account and emphasizing the fact that as it was mentioned, Creamás lies in the non-profit education industry.

#### **3.1 Environmental analysis PESTE**

##### **3.1.1 Political, governmental, and legal forces (P)**

In order to have a grasp understanding of Creamás' position in Peru, it is extremely valuable and critical to evaluate and study the political, government, and legal environment of Peru.

Peru is a constitutional republic run on a civil law system. The country is one with many political parties and leaders that play a role in the country, such as: Alliance for Progress party, National Solidarity party, Nationalist Party, Popular Christian Party, etc. (World Fact Book, 2015). Moreover, Peru also has a couple of political pressure groups and leaders. The most common of these are the General Workers Confederation of Peru and the almost disappeared Shining Path. Growing and accelerating as a country strongly run on nationalism, the Peruvian government and political parties seek to portray an image of Peru to the world; one that can show the world what Peru is and how it is booming. This is done through Peru's national brand.

Moreover, even though Peru is currently experiencing an economic boom, it faces a serious problem in terms of wealth distribution; nonetheless. As Boyd (2012) mentions, "Peru is said to be booming but the poor would never know it." In fact, this state on inequality in Peru could not be completely understood without rooting back to the history of the country.

The Inca society was built on highly hierarchical bases (Low, 2012). As the Spanish colonizer arrived in the 16<sup>th</sup> century, marginalization of the indigenous increased even more; nonetheless, the trend continued into the Peru known today. However, in the recent years, economic growth had helped improve this situation and contributed to a large decline in the poverty rate from 50% to 30% within 8 years (Low, 2012). Despite these improvements, it is a stated fact that income still remains very unevenly distributed. Indeed, this uneven distribution brings about very low literacy rates in many regions in Peru.

Even though the government is seeking ways to retrieve funds to finance investment and social programs to alleviate poverty and tighten the inequality gap, it has not been easy to accomplish. For example, in 2011, the government increased the tax takes from extractive industries but was only able to end up with approximately 1 billion Soles; this equates to less than 0.15% of the country's GDP (UNICEF, 2012). In fact, the government has assisted, supported, and lead to the creation of different agencies and governmental bodies to enhance and monitor NGOs in the country. For example, in 2006, modifications were made in existing legal norms, such as the Peruvian Agency for International Cooperation-APCI. Such legalities were formed in order to establish different mechanisms of supervision and control of the activities of NGOs; given under the justification that "the activities of NGOs are linked to development and national security and/or have to do with activities of national interest referring to such topics as education, human right ... and therefore they require the presence of the State/Government (Luna, 2009)."

NGO's in Peru are regulated by the Peruvian Civil Code and are registered in a document administrated by the SECTI, a secretary that belongs to the Presidency of the Council of Ministers, named "Registro de Organizaciones No Gubernamentales de Desarrollo, Receptoras de Cooperación Técnica Internacional (ONGD-PERU)." To be constituted, a NGO has to be inscribed as a legal person at SUNARP, the National

Superintendence of Public Records, for which a set of documents are previously required by the institution. Later on, it should be registered at SUNAT, institution in charge of the Tax Administration Service; and APCI, to obtain fiscal benefits. Finally, the Ministry of Labor has to authorize forms, if employees are hired; and the District Municipality the operations according to the location of the organization (Parodi, 2004).

### **3.1.2 Economic and financial forces (E)**

The economic and financial environment can either pose a challenge or an opportunity for the businesses. These days, just having great structures, plans, good leadership and creativity is not enough to guarantee the success of an organization. The economic and financial environment goes a long way to dictate just how successful an organization can be.

In analyzing the economic environment, there are certain economic and financial forces that are likely to affect Creamás and they include:

***Current and Projected economic growth. (GDP and projection).*** The GDP of Peru, in the year 2014, was 202.948 billion USD. Moreover, Peru was ranked number 8 out of 12 South American countries in growth rate. While this might not be an encouraging economic situation, there is a reason to be hopeful as projections say that Peru's economy will grow at a steady rate in the coming years. (World Economic Outlook, 2015).

This signifies that, organizations can benefit greatly from an expanding economy. Some of the benefits these organizations can get include: more access to funds that can be channeled towards the expansion of their projects, possible government support, possible foreign investment because the economy becomes more attractive to outsiders, and so on. Nevertheless, NGOs can be negatively affected as International Cooperation is reduced when the situation of the country improves.

In the case where the projections do not hold true, this can mean the exact opposite for Creamás as a declining economy can lead to limited access to funds and other opportunities necessary for the growth and expansion of the organization.

**Currency.** The currency used in Peru is the Peruvian Nuevo sol (PEN). The currency, when compared to the US Dollars, has been on a decline over the past few years. From 0.3604 units per PEN in July 2013 to 0.3580 units per PEN in July 2014 and a subsequent significant drop in July 2015 to 0.3144 (XE, 2015).

The decline in value of any currency pegged to the US dollars can mean several things, one of which is the decline in a country's standard of living (Buttonwood, 2013). It is a sign that the economy might not be in great form, especially when the devaluation is not a deliberate approach to solve economic issues.

What this means for Creamás is that it becomes harder to source for funds from its donors as a decline in the value of the currency can signify that the economic climate is not at its best and this can affect the amount of disposable income available to the donors and their subsequent donations to the Creamás project. Also keeping in mind that most of its donors being companies are most likely dealing directly with foreign currency and so, when the PEN declines, it affects their businesses negatively and this in turn affects the amount of financial support they can render to Creamás.

**Unemployment rate.** Unemployment rate measures the number of people actively looking for a job as a percentage of the labor force.

In April 2015, there was a slight decline in Unemployment rate in Peru from 7% in March 2015 to 6.8%. In addition, it has been forecasted that the Unemployment rate will further decline to about 5.64% in the fourth quarter of 2015. (Trading Economics, 2015).

The declining unemployment rate in Peru has its benefits and also, its drawbacks. A decline in unemployment rate means that the Creamás volunteers will most likely have paid

employment and can afford to volunteer their time wholeheartedly for the Creamás organization because they already have paying jobs and would not need to depend on Creamás for income. However, it can also mean that more jobs become available for the Creamás volunteers which might be more time consuming and will impact on their level of dedication towards the Creamás project. Paid employment and opportunities in the economy can serve as a competition for the time and attention of the Creamás volunteers.

***Per Capita Income.*** The average income level in Peru is the upper middle class income. The Gross National Income (GNI) of Peru has been on an increase in the past four years, increasing from 8,980 in 2010 to an impressive 11,510 in 2014 (World Bank, 2014). This is a good indicator of the income of the people in Peru.

The increase in GNI implies that there is more income per household in Peru. This has a positive impact on Creamás because this means that there is the possibility of more funds available to finance its projects. In addition, giving that the objective is to move from corporate donations to Individual donations, the improving GNI and booming middle class can help Creamás achieve its objective.

***Monetary policy.*** In July 2015, the Board of the Central Reserve Bank of Peru agreed in maintaining the interest rate at 3.25%. The reasons supporting the decision are the following: (a) economic activity growing at levels below its potential level, (b) inflation expectations have increased, but remain within the target range, (c) international indicators show mixed signals of global economic recovery and (d) domestic inflation has been affected by temporary supply-side factors that have been reversing more gradually than expected. However it also indicated that the Board in closely observing the inflation rates for any unexpected change and stands ready to make changes in its monetary policy instruments if necessary (BCRP, 2015).

***Inflation rates.*** Peru has done a great job in keeping the inflation rates as low as possible with the goal of maintaining it 2.0% plus/minus 1 percentage point. In the past years inflation reached 2.8% and 3.2% in 2013 and 2014 respectively (World Bank, 2014) and the expectations for the following years are that it will reach 3.0% in 2015 and 2.8% 2016. According to Minister of Finance as reported by Hilary Ojeda, “the slight increase of inflation between the last years is due to the depreciation of the local currency against the US dollar and a steady increase in cost of food” (2015). The goods whose prices have increased the most during the past months are rental housing, gas and foods. Nevertheless, the major issue that worries the BCR is that low inflation is being accompanied by GDP growth.

***Fiscal policy.*** In Peru, nonprofit organizations whose purpose encompasses one of the following purposes: welfare, social assistance, education, culture, science, art, literature, sports, politics, unions and housing; whenever they are not distributed, directly or indirectly between the associates, and if dissolved the equity will be assigned to any of the purposes previously mentioned, it will be exonerated of the income tax (DS 179-2004-EF) (Medina, Zaldívar, Paredes & Asociados, 2014).

Based on the above analysis of the economic and financial factors in Peru, there exists a potential for boundless opportunities for an organization like Creamás. Being a Non for profit organization, there is no pressure to make profits and compete in an economically vibrant market, even though a great economy is good for the successful execution of its project.

### **3.1.3 Social, cultural and demographic forces (S)**

Located in Western South America, bordering the Pacific Ocean, between Ecuador and Chile, Peru, a Roman Catholic country, lies with a large population of approximately 30 million, with a rising population growth of 0.97% annually. Today, Peru is the 43<sup>rd</sup> largest nation in terms of population (World Fact Book, 2015). This large population consists of

different cultures, peoples, and religions. The most dominant ethnic groups in Peru are the Amerindian and mestizo consisting of 45% and 37% of the population respectively. The most spoken and official language is Spanish, with over 84% of the population sharing it. Finally, the two most dominant religions in the country are the Roman Catholic and Evangelical with 81.3% and 12.5% of the population practicing them respectively (World Fact Book, 2015).

With such a large population, Peru embeds a population of more than 7 million people who lie beneath the poverty line; that is 24% of the whole population (World Fact Book, 2015). That being said, more than 55% of the population under the poverty line is based in the rural areas. According to UNICEF (2012), 45% of Peru's total population lives in conditions of poverty and more than 22% are below the poverty line (UNICEF, 2012). In fact, 60% of children between the ages of 0 and 5 years are poor, of which 27% are living in extreme poverty, and 58% of children between the ages of 6 and 11 years are poor, of which 24% are living in extreme poverty conditions (UNICEF, 2012). The Gini indicator which describes the income inequality within a country gave Peru a 48.1 score in 2013 indicating it is a country with a remarkable uneven wealth distribution (United Nations, 2013).

Even though school enrollment in Peru has improved over the last few years, the quality of education is still at question. With a spending of less than 3.3% of the GDP in 2013, Peru ranks as one of the lowest spending countries in education (145<sup>th</sup> in the world) (World Fact Book, 2015). In 2012, the annual school public expense per student ranged from 1330 PEN, in Lambayeque, to 3472 PEN, in Moquegua, at the elementary school level; and from 1844 PEN, in Junín, to 4185 PEN, in Tumbes, at the high school level (INEI, 2012). As a result, Peru faces issues with its educational quality. At the PISA 2012 survey realized by the OECD, which assess 15 year-old students on mathematics, reading and science; Peru ranked in the last position between 65 countries that participated, which a mean score of 368 in mathematics, 384 in reading, and 373 in science. Those scores were around 200 points



below the best ones (OECD, 2014). Additionally, it is important to keep in mind that much of the population could not afford education. “Many poor children temporarily or permanently drop out of school to help support their families [...] often putting in long hours at hazardous mining or construction sites” (World Fact Book, 2015).

According to the Peruvian National Education Council vice-president, the three basic problems of the educational system in Peru are the following:

- There is a huge inequality in the education quality, the difference between the results in the last national test of the best and the last region was abysmal, which is one of the main causes of unemployment (Lavado, Martínez, & Yamada, 2014).
- The offer of university majors completely differs from what the Peruvian labor market actually needs. As a result, there is a rise on unemployment and sub employment. In a study published by the Peruvian Central Bank (BCR), it was point out that 40% of professionals are sub employed, for which they receive a salary 30% lower than if they worked in a job related to their profession . The sectors more affected with sub employment are commerce (56%), agriculture (47%), construction (28%), manufacture (24%), services (20%) and mining (6%) (Lavado, Martínez, & Yamada, 2014).
- The public budget assigned for education is terribly managed, every year the Ministry of Education gives back 2,850 million soles to the Public Treasure (Díaz, 2014).

Another major issue the country has to deal with in Education is the supply shortage of primary public education; a consequence of the inefficient public budget expenditure.

### **3.1.4 Technological and scientific forces (T)**

In this age of new trends, innovation and development, technology and scientific innovations have transformed the world completely and the more adaptable a country is to the technological trends, the better; even best when the country is the technological innovator. In

analyzing the technological and scientific environment of Peru, two factors will be used: Technological Innovation and Research and Development Activity and the Number of Internet and Telephone Users in Peru.

***Technological Innovation and Research and Development activity.*** The role of technological innovation cannot be undermined. According to Sachs & McArthur, “Technological innovation is almost certainly the key driver of long-term economic growth” (2002). Technological innovation is important for growth of any economy and Peru is no exception.

Furthermore, Research and Development plays a vital role towards technological and scientific advancement (National Science Board, 2012). The more investment is channeled towards Research and Development, the more likely it becomes that technological innovations will spring forth.

According to the Klaus Schwabs in Global Competitiveness Report 2014, Peru ranks 117 out of 144 countries in terms of Innovation. This is hardly a surprise considering that in 2010, Peru only spent 0.1% of its GDP on Research and Development (Trading Economies) compared to United States 2.7% or even Chile 0.5%.

There is no technological innovation that has come from Peru and therefore this means that the Technological and Scientific environment is not at its best.

Organizations like Creamás that are involved in knowledge transfer, making impact and improving the lives of young students in general, might be negatively affected by this relatively low level of technological innovation by the country. Without the information and necessary tools available for the students of Creamás, it becomes a lot difficult to nurture big dreams and creativity by the students and make them competitive on a global scale.

***ICT in education.*** There is a public department in the country called “Dirección General de Tecnologías Educativas” (DIGETE) in charge of integrating Information and

Communications technologies (ICT) to the Peruvian educational system. Its main goal is to develop a national platform that will grant access to all kind of information and multimedia content in order to improve the education quality in both rural and urban areas. The platform, called PerúEduca, already has more than half of a million active users. Furthermore, until June 2014 the DIGETE had succeeded in providing Internet access to 6,773 public schools which represent 17.8% of the total schools in Peru. Moreover, the institution has already provided 96.2% of the total schools in the country with at least one personal computer. And in terms of teacher's training so far 114,035 have receive live and virtual courses. (PerúEduca, 2014).

***Number of Internet and Telephone users in Peru.*** The Telephone and Internet are among the greatest technological innovation of all time. The impact of telephone and the internet in the world cannot be underestimated. The use of telephone and the internet has changed the way communication is carried out all over the world and the more users of the telephone and internet in a country signifies a country that is technologically savvy.

Peru ranks number 36 out of 198 in terms of Internet Usage worldwide (Internet Live Stats, 2014). It also ranks 36 out of 217 countries in terms of Telephone usage in the world (World Fact Book, 2014). This ranking is definitely above mid-table and this means that in comparison with the rest of the world, Peru is relatively technologically advanced.

This can mean a number of things for Creamás organization. In a country where there is a high usage of the Internet and Telephone, Creamás can take a cue from this when it wants to target its marketing and publicity initiative: A well designed and informative website, Social Media presence and Telephone marketing are mediums Creamás can explore in order to advance in its projects.

In conclusion, Creamás stands to benefit from a more technologically advanced environment as it will definitely enhance its effectiveness and open windows of opportunities for its advancement.

### **3.1.5 Ecological and environmental forces (E)**

***Geographical Location.*** The geographical location of a business is a very important factor that can affect the performance of a business, either positively or negatively.

Peru is located in the west of South America and has borders with Ecuador, Columbia, Brazil, Bolivia and Chile. The surrounding countries are among the biggest countries in South America. The fact that Peru has those neighboring countries can mean more opportunities and also, in contrast, competition. What this means for Creamás organization is that it can seize opportunities presented by the surrounding countries and it can take advantage of favorable policies in the surrounding countries. Creamás can also expand its operation in the surrounding countries when a great opportunity arises.

The capital of Peru is Lima. Creamás operates mainly in the capital. Major cities are characterized by more developed infrastructure, better roads, access to information, etc. It is also believed that students in major cities achieve a higher level of reading proficiency compared to students in remote areas.

***Climate and Weather.*** The climate in Peru is characterized by a cold to cool weather and very little rainfall. The temperature is neither very cold nor very hot (WeatherSpark, 2015). However, there were records of extreme weather conditions in July 2009 as reported by Dan Collyns of BBC News, Lima. According to the reports, “Almost 250 children under the age of five have died in a wave of intensely cold weather in Peru” (2009). While this is not a normal or frequent occurrence, it is necessary to constantly be aware about how the weather and climate conditions of a particular environment can impact on the operations of a particular organization.

This is particularly important for an organization such as Creamás that involves young children. In the rare occurrence that the weather is harsh, Creamás will most likely suffer from a decline in attendance of the children which can negatively impact on the free flow of its operations.

**Pollution.** Environmental pollution has slowly become of great concern in the world in general. There are several types of pollution; Air Pollution, Land Pollution, Sea Pollution and even Solid Waste Pollution. Pollution negatively affects the operations in an environment as it has the potential of posing health hazards on the residents of the country and Peru has been a victim.

They also went on to mention that, “only 87% of rural dwellers and 62% of the rural population have access to pure drinking water.”

The situation above is definitely detrimental to organizations like Creamás because without healthy volunteers or healthy students or a generally healthy working (and learning) environment, there will be little or no success in the operations and performance of the organization.

**Government laws and regulation.** The government of any country have huge roles to play in terms of environmental issues in the economy. Laws and regulations can either aid the environment or put it at risk. The environment needs to be protected at all times and laws can either encourage its protection or discourage it. Nowadays, it is not unusual to see governments loosening their environmental protection laws in order to attract foreign investment and Peru is no exception.

In 2014, Peru made headlines when it relaxed its environmental protection laws. According to Jeremy Hance in Mongabay news,

“In an effort to kick start investment in mining and fossils fuels, Peru has passed a controversial law that overturns many of its environmental protections and essentially

defangs its Ministry of Environment. The new law has environmentalists not only concerned about its impact on the country but also that the measures will undermine progress at the upcoming UN Climate summit in December (Hance, 2014).”

There is no doubt that laws and regulations play a huge role in the environmental stability of a country and when laws put the environment at risk, it can affect the country in general and of course, that can also have an impact on Creamás organization, its volunteers, its students, its management, its donors and in general, all stakeholders involved.

### **3.2 External Factor Evaluation Matrix (EFEM)**

Table 1 shows the results of the external factor evaluation. In this matrix, all the external elements previously detailed are classified into opportunities and threats according to the potential effect they could have on the organization. Weights were given according to the relative magnitude of each of the statements, having the low public educational quality as Creamás biggest opportunity and the high children school drop as its biggest concern. The rating described the degree of reaction the organization has given to each of those opportunities and threats. It was identified that the company’s funding structure and online fund raising strategy are its strongest responses.

In this methodology a score of 2.5 or lower implies that the firm is not responding efficiently to the opportunities and threats, while a score higher than that indicates a competently response. Indeed, the result of 2.125 shows that while Creamás has done a decent job potentiating its opportunities, there is still a huge chance of taking advantage of the public programs the government is currently developing. At the same time, while its funding structure allows Creamás not to depend on international funds to operate and reduce its exposure, there is a huge threat that malnutrition poses for children learning. The firm could complement its services with a nutrition program aimed to improve children physical and intellectual condition, and as a consequence, their academic performance.

Table 1

## Creamás External Factor Evaluation Matrix

Key Success Factors	Weight	Rating <sup>a</sup>	Weighted Score
<b>Opportunities</b>			
1. The government has supported the creation of agencies to monitor NGOs in the country.	0.050	2	0.100
2. Steady growth of a healthy economy with low inflation and efficient monetary policies.	0.100	3	0.300
3. 45% of Peru's population lives in condition of poverty, and 55% of them are based in rural areas. Moreover, 58% of children between ages six and 11 years old are poor.	0.100	2	0.200
4. Educational public quality is poor.	0.150	3	0.450
5. PerúEduca, a project of the DIGETE, is currently providing access to internet, as well as to information and multimedia to train teachers and teach students in public schools.	0.075	1	0.075
6. High usage of Internet and Cellphones in Peru.	0.050	3	0.150
<b>Threats</b>			
1. Economic growth discourages International Cooperation to the country.	0.075	4	0.300
2. Depending on international funds increases the risk exposure to changes in the exchange rate.	0.050	4	0.200
3. The process to start an NGO in Peru is not too complex, plus it offers fiscal benefits.	0.075	1	0.075
4. Children drop out of school to work.	0.075	1	0.075
5. The offer of university majors differs from the actual demand.	0.050	1	0.050
6. Students' performance can be affected by an increase on absence.	0.075	1	0.075
7. Public school students' concentration is affected by poor nutrition.	0.075	1	0.075
<b>Total Weighted Score</b>	<b>1.000</b>		<b>2.125</b>

<sup>a</sup> 4=Superior response, 3=Above average response, 2= Average response, 1=Poor response.

### **3.3 The Organization and its Competitors**

In analyzing the organization and its competitors, the Porter's Five Forces Analysis will be used (D'Alessio, 2013), which provides a framework to analyze the level and intensity of competition in any given industry.

All these forces are necessary to analyze the attractiveness of industries in the market. The more attractive the industry is, the more intense the competition is.

#### **3.3.1 Bargaining power of suppliers**

In relation to suppliers, Creamás has a limited need for them. Considering what was seen during field visits and by the information provided the firm relies in the following supplies for its operations: (a) lunchbox groceries including drinks, fruits and little snacks, (b) school supplies such as pencils, crayons, notebooks among others, (c) clothing for the volunteers, and (d) medium sized buses for transporting them. After analyzing the list of suppliers it is concluded that their bargaining power against Creamás is minimum as there are multiple competitors in their industries which provide almost the same products. Since the supplies Creamás requires have almost no value-added, they can be easily found easily and the firm does not have to depend in any individual supplier. In other words, they can always chose their best option according to their desires.

#### **3.3.2 Bargaining power of buyers**

It is said that the presence of powerful buyers reduces the potential of profit in an industry. However, due to the fact that Creamás is not a for-profit organization, the issue of profit is not the bone of contention. Nevertheless, the more powerful the buyers are, the more control they have over the organization. In the case of Creamás organization, the buyers have been identified as being donors. As mentioned above, services are technically paid for by the individuals and companies that donate their money to fund the activities of Creamás. And even though they do not directly enjoy the services rendered by Creamás, they have a high



bargaining power as they are crucial to the success of the organization. They can make decisions on whether or not to continue to buy the services of the organization and that makes them very influential in the affairs of the organization. Without these donors, Creamás will be unable to carry out its projects and it can lead to the ultimate collapse of the organization. As a matter of fact, in the past Salva firm stopped donating resources to Creamás due to a mandatory budget reduction policy.

Besides that, it is obvious that the private companies that voluntarily give donations to Creamás are in an advantageous position to demand for benefits. As the administration said, even though there is almost always an agreement in between, private donor occasionally request for benefits which sometimes go against what the firm desires mostly in terms of branding. For example this year, before renewing its contract as a sponsor, BCP asked the firm to that was not stipulated in the signed agreement but that had to be agreed because of the compromising situation.

Nevertheless, as it will be shown Creamás funding structure excessively relies in the money coming from private company's donations, so sometimes, it ends up pleasing its donor's demands especially when their donations are large. The previews situation does not happen with individual donors because although their contributions are very much appreciated, they are not discretely representative in the sense that Creamás can sacrifice some of them without receiving a major impact. Likewise Creamás' clients do not pose a threat to the organization as there is always a signed contract in between which specifies the services Creamás has to provide to its client and how the latter will pay for them.

### **3.3.3 Threat of Substitutes**

Creamás substitutes consist on the organizations that offer any kind of training to public school students during Saturdays, not necessarily related to education. As a matter of fact there are currently several organizations offering this kind of services to the younger and

less wealthy population. To name a few: Futbol +, Acción por los Niños, Aldeas Infantiles, and Perú Champs.

Nevertheless, since at the moment Creamás is currently focusing only in a few schools around the country, the actual threat of substitutes is rather negligible. In fact, the reason why Creamás students skip classes is not because they choose to attend substitute's ones but rather because they do not find Creamás services appealing enough. Perhaps in the long-term when Creamás widens its national presence there will be a need to care about organizations that offer services to the same public as they do.

There is even another option the firm could explore. Instead of considering substitutes as rivals, Creamás could establish alliances with them in order to transform them into complements. For example Fútbol Mas, which is a firm specialized in giving soccer classes to poor children in an attempt to promote a healthy lifestyle in the younger population, could be contacted by Creamás so as to offer both services every Saturday and increase the holistic development of both firm's children.

#### **3.3.4 Threat of New Entrants**

The threats of new entrants refer to the threat potential competitors pose to the existing competitors in an industry. Both the advantages and disadvantages the non-profit education industry provides new entrants were analyzed. In terms of benefits it was found that the initial investment required to begin operations is not that high in this industry. The more capital intensive a market is, the more discouraging it is for new entrants to enter into the market. While NGOs can be capital intensive, the ones in the education industry are not as capital intensive as in others as they usually rely in ad-honorem volunteers for its workforce and in already built and equipped schools. Besides that, since this is a market whose demand is not being adequately serviced so there is plenty of room for new entrants to join the industry and provide consumers with their services.

On the other hand, it has been said that the more profitable and lucrative an industry is, the more attractive it becomes for potential competitors. And Creamás operates in an industry that is not concerned about profit making but more concerned about adding value, volunteering and education. The industry is not a profitable one and hence, it is most likely less attractive to outside competition. Besides that, potential competitors would have a hard time trying to get inside the industry as they would have to build synergies with schools that are not only willing to share their infrastructure but also, their students. Strategic contacts, government support and soft skills are much needed to build trust between the two parties.

At the same time, selling the idea of volunteering is a hard goal to accomplish. It was identified it as one of the main challenges this industry represents. And particularly since a certain number of volunteers are required in order to start operations in a new school, new competitors would have to recruit a large number of them before selling their proposals to the public schools. Thinking about it, one of the main motivational aspects an NGO can use for recruiting new volunteers is the wingspan of its operations. So what comes first? Recruiting and motivating volunteers or selling the idea to public schools? This is an important and difficult question new entrants have to answer before even attempting to establish themselves in the market.

NGOs just like every other organization, require finance to fund its operations and also rely on the donations from industries and companies. In this time of competing needs and limited resources, NGOs have to earn their donations too. Individuals and organizations hardly donate to causes that they do not believe in and for them to believe in the cause, there has to be resources and time committed to the project initially.

Comparing and contrasting the advantages and disadvantages the industry pose to new entrants it can be concluded that the threats of new entrants in the NGO industry are low. As

it was explained, this industry is more concerned with adding value, touching lives, leaving positive impact and generally giving back to the society.

### 3.3.5 Competitive rivalry

Creamás belongs to a non-profit industry in which competitors are not able to compete with low prices, but rather have to develop the differentiation strategy. Public success, marketing, outputs, and reputation are powerful assets in the quest to become unique. It was identified that Creamás has two main direct rivals in the non-lucrative educational industry. A brief explanation of both will be provided next.

*Educa, Impacta, Crece (EIC)*: This company focuses in developing socio-emotional abilities in children from six to eight years coming from low income families through ludic workshops. As well as Creamás, EIC relies on volunteers for lecturing the children during Saturdays, however their workshops consist entirely in ludic activities. As they mention in their vision and mission they expect to generate a positive impact in children lives by helping them to develop their emotional maturity which will allow them overcome adversity in the future.

However EIC looks like a potential huge threat for Creamás if we analyze both organizations, the prior is still a very incipient initiative in comparison to Creamás for many reasons. First of all, as they recognize, EIC is not yet able to measure the impact they generate on the children they educate. At the same time there are no paid workers within the organization and their funding structure is not nearly as stable as Creamás' as they rely in money coming from NGO competitions rather than from more stable donations. A consequence of this weakness is that EIC does not possess the required resources to focus in more than 1<sup>st</sup> and 2<sup>nd</sup> year primary school students.

**Enseña Perú:** This organization is committed in developing a world-class educational system in Peru. It began functioning five years ago and has operated in 57 schools within the country. In the year 2014 their annual donation were up to 7 million PEN.

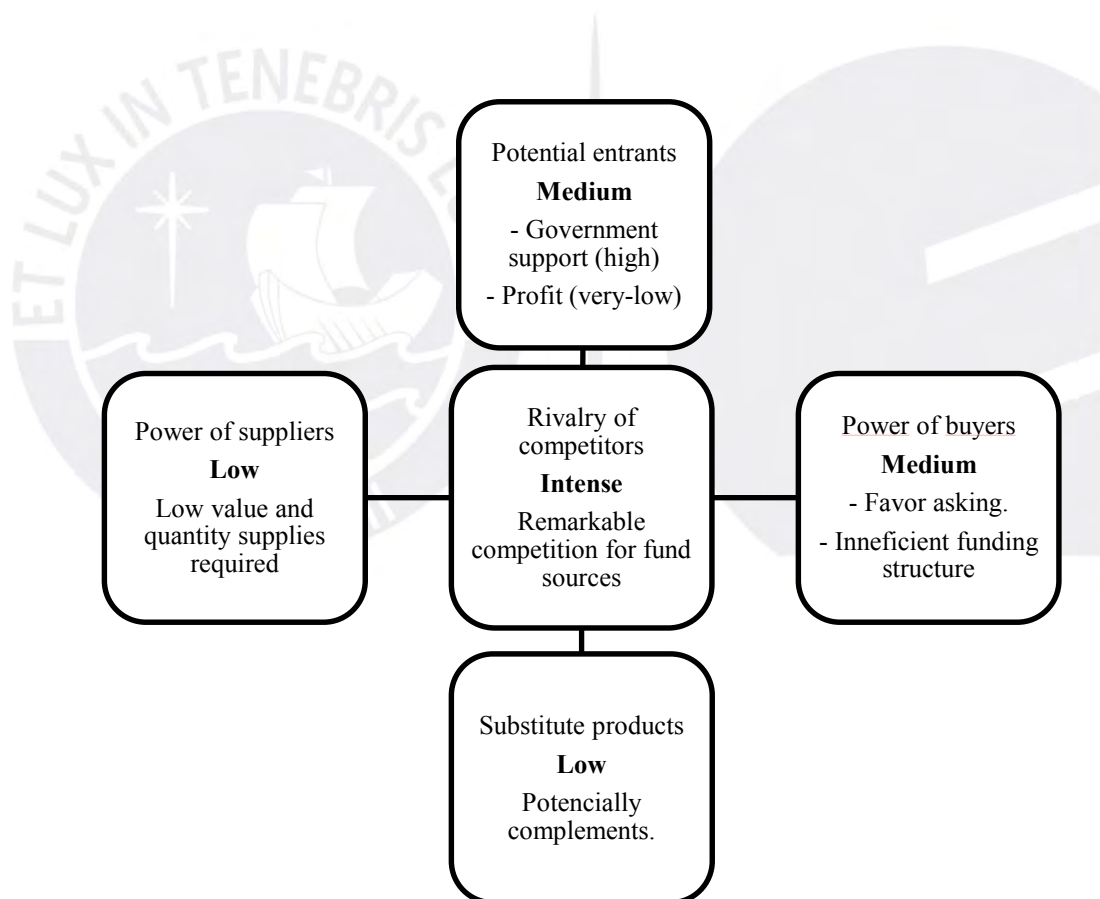
Enseña Perú recruits young professionals and offers them the chance to work as teachers in public schools from poor regions of the country for 2 years. Unlike Creamás, continuous training in leadership competences is provided to the volunteers during their stay in the organization. Besides that, the firms keeps in contact with its ex collaborators (Alumni) and encourages them to engage in additional social activities by providing them with the tools they need. In other cases, Alumni are hired as full-time staff members.

After analyzing the organizational culture of Enseña Perú it is evident that it is much more developed than the one of Creamás. As we will explain later, Creamás volunteers lack the external motivation needed to complement the inner motivation they already possess and which is in fact the organization's biggest asset. In the case of Enseña Perú, the firm has succeeded in implementing a strategy that successfully convinces young professionals to devote to full-time social activities for two-years without monetary retribution. Not only that, since volunteers are engaged with children as full-time teachers the actual impact in the educational system the organization is making is in fact remarkable.

The directors of Creamás recognize that Enseña Perú is currently not competing with them for recruiting as the profile of what both companies expect from volunteers differ a lot. Nevertheless, they mentioned that in the near future there will be a fierce competition for fund raising as Creamás is reaching to a point in which its market exposure and wingspan of operations allow it to opt for larger sponsors and donors which in fact are currently beneath the eyes of Enseña Perú as well.

Figure 1 presents a summary of the previously analyzed Porter's five forces. In terms of potential entrants that while government supports the creation of educational NGOs, this

industry is not a profitable one thus not many investors would be willing to enter. In terms of substitutes it is evident that even though there are currently alternatives to Creamás they are not taking away income from the firm in terms of donations, besides that as it was explained they could eventually transform into complements if the effort is made. This is not the case of competitors with whom the directorates are aware the organization will have to battle for the sponsorship of many large firms. The power of buyers relies in the fact that Creamás is receiving donations thus even though there usually is a contract in between, sponsors can take advantage of their donor's position and demand for small favors. At the same time the funding structure of Creamás still strongly relies in private donations. Finally since Creamás does require many nor valuable supplies, the power of its suppliers is minimum.



*Figure 1.* Five Forces of Porter.

Adapted from “Modelo de las cinco fuerzas competitivas” by M. Porter, 2009.

### 3.4 The Organization and its Referents

There are several organizations worldwide focused in solving educational issues in developing countries. Nevertheless there are two whose operations reassemble Creamás' ones the most and that have already that operate globally. The goal is to analyze which aspects have allowed them to achieve worldwide success in education which is the long-time vision of Creamás.

***Educate the world:*** This is an English organization that raises money in order to fund small-scale projects in order to provide a high quality education and associated services for all children in the communities the charity works in. At the same time the firm raises awareness of the issues surrounding the provision of high quality education for all in both developing and developed countries (Educate the World, 2015). As well as Creamás, they also have the vision of making their operations financially sustainable but in this case the idea is to reach a state of self-sustainability in the communities. In order to do this, Educate the World works together with other organizations worldwide in order to not only provide education for the children of an area but actually provide sustainable development to the region.

Besides that, volunteers working for this firm can choose to do it outside of their home country as the Educate the World operates in Kenya, Tanzania, Uganda and UK. In terms of funding structure the firm mostly relies in individual donations. However they propose an interesting donation option called “Sponsor a Child”. By this method, donors can choose to donate 20 pounds every month to a specific child. The amount of money will completely cover school tuition, study materials and at least one nutritious meal every day for a month.

***Pratham:*** It is an NGO located in the state of India and is a collaboration between both UNICEF and the state of India. Pratham stood with a mission, “Every child in school

and learning well,” beginning with only pre-school education in the slums of Mumbai, India in 1994 (Pratham, 2015). Eventually, the organization expanded to help improve writing, reading, and arithmetic skills of the students between the ages of six and fourteen. According to the progress-o-meter on the organization’s website, today this program has reached 7.7 million children, 15,000 youths, and expanded to 21 states and union territories.

The wide range of programs offered by Pratham allows them to adhere to every angle of the child’s education. Some of these programs are: Read India, vocational training, digital classrooms, English program, Info tech foundation, science programs, etc. Pratham has dedicated time and efforts to efficiently and effectively train their volunteers, whether volunteer, teachers, administrators, or staff, to be able to bring about the most output on the children. The focus of this organizations administration is to enhance efforts to measure child progress and enrollment throughout all their schools.

Not only has Pratham promoted many resources towards simultaneously collecting and analyzing informative evidence to enhance and innovate accordingly, but also has been effective in developing Annual Status of Education Reports annually. This consists of “annual assessments on the outcomes of Pratham’s Read India program, for example, since 2009” (Pratham, 2015). Moreover, in 2013, Pratham went a step further in expansion with the establishment of the Measurement, Monitoring, and Evaluation Unit (MME). “This team of researchers works to provide timely and relevant feedback on the processes and outcomes of Pratham’s programs” (Pratham, 2015).

### **3.5 Competitive Profile Matrix (CPM) and Reference Profile Matrix (RPM)**

Table 2 and Table 3 show the competitive and reference profile respectively. As it is shown in the local context, Creamás currently lies between Educa, Impacta, Crece and Enseña Perú in terms of complying with the success factors that were identified as essential in this industry. The factors that were given the highest weights were the real impact in



children education, volunteer's external motivation and training, the public awareness of the company, the internal motivation of the volunteer and the firm's funding structure. Creamás scores high in internal motivation of its volunteers as a result of a well-developed selection process.

Nevertheless, its score of 2.275 indicates that there is still a significant improvement opportunity for the firm. In fact, there is still a lot to do in terms of achieving a substantial impact in the children education as currently there no quantitative indicator that allows the firm to compare the performance of a student before and after the organization began operations in his/her school. Besides that, yet currently solid its funding structure has a great opportunity for improvement in the sense that the company's funds should come mostly from service providing and individual donations.

Table 2

*Creamás Competitive Profile Matrix*

Key Success Factors	Weight	Creamás		Educa, Impacta, Crece		Enseña Perú	
		Rating <sup>a</sup>	Weighted Score	Rating <sup>a</sup>	Weighted Score	Rating <sup>a</sup>	Weighted Score
1. Funding structure	0.1	2	0.2	1	0.1	3	0.3
2. Volunteer's external motivation and training	0.15	1	0.15	1	0.15	4	0.6
3. Wingspan of operations	0.05	3	0.15	2	0.1	4	0.2
4. Volunteer's selection process	0.1	3	0.3	2	0.2	3	0.3
5. Public awareness	0.12	2	0.24	1	0.12	3	0.36
6. Volunteer's internal motivation	0.1	4	0.4	3	0.3	4	0.4
7. Impact on children education	0.18	1	0.18	1	0.18	3	0.54
8. Amount of donations	0.1	3	0.3	1	0.1	3	0.3
9. External relations	0.05	4	0.2	3	0.15	3	0.15
10. Volunteer's rotation	0.05	3	0.15	2	0.1	4	0.2
Total Score	1		2.27		1.5		3.35

<sup>a</sup> 4=Major strength, 3=Minor strength, 2=Minor weakness, 1=Major weakness.

Furthermore, Creamás still needs to provide its volunteers with adequate training and more resources in order to improve their effectiveness and their perception of how the organization supports them in order to accomplish their goals.

On the other hand, as shown in Table 3, Creamás still lies well behind its global referents in mostly all topics. As it was explained, Educate the World possesses a huge wingspan of operations as well as a solid training program for its volunteers. In the case of Prathan, its impact in children education is large even though it only operated in India. At the same time they have developed an extremely effective funding strategy called “Sponsor a child” which as a matter of fact has already been adopted by Perú Champs, a Creamás’ substitute.

Table 3

*Creamás Reference Profile Matrix*

Key Success Factors	Weight	Creamás		Educate the world		Pratham	
		Rating <sup>a</sup>	Weighted Score	Rating <sup>a</sup>	Weighted Score	Rating <sup>a</sup>	Weighted Score
1. Funding structure	0.10	2	0.20	4	0.40	4	0.40
2. Volunteer’s external motivation and training	0.15	1	0.15	4	0.60	3	0.45
3. Wingspan of operations	0.05	3	0.15	4	0.20	4	0.20
4. Volunteer’s selection process	0.10	3	0.30	3	0.30	3	0.30
5. Public awareness	0.12	2	0.24	3	0.36	3	0.36
6. Volunteer’s internal motivation	0.10	4	0.40	4	0.40	4	0.40
7. Impact on children education	0.18	1	0.18	3	0.52	4	0.72
8. Amount of donations	0.10	3	0.30	4	0.40	4	0.40
9. External relations	0.05	4	0.20	4	0.20	4	0.20
10. Volunteer’s rotation	0.05	3	0.15	3	0.15	3	0.15
Total Score	1.00		2.27		3.53		3.58

<sup>a</sup> 4=Major strength, 3=Minor strength, 2=Minor weakness, 1=Major weakness.

### 3.6 Conclusions

In the External Factor Evaluation Matrix (EFEM) both the opportunities and threats that Creamás face were evaluated according to their importance, how the organization is reacting to those factors, and the respective overall impact to the organization.

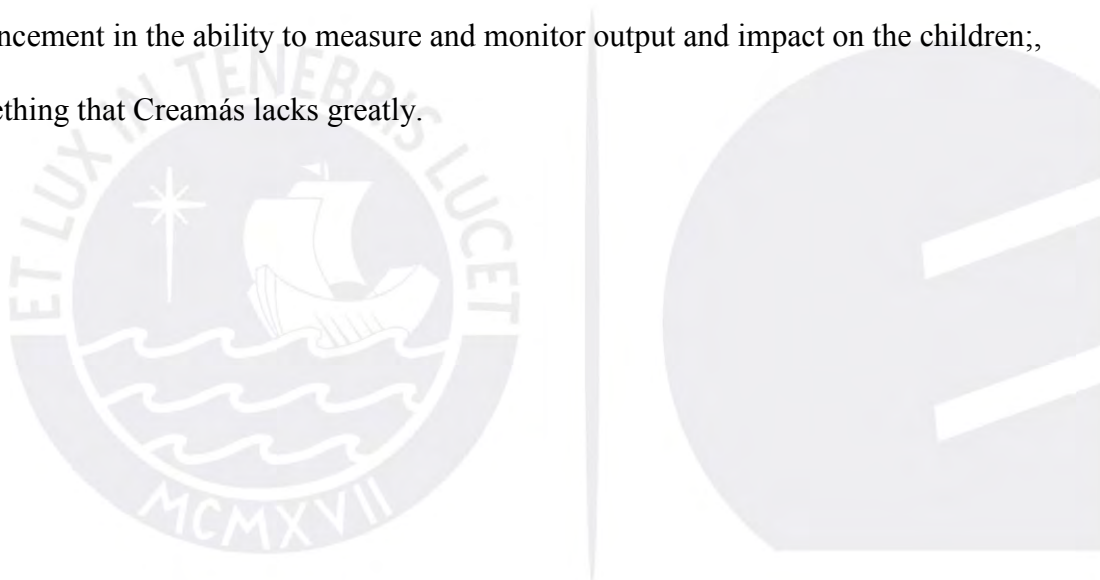
In terms of opportunities, Creamás scores high in areas such as steady growth of a healthy economy, educational public quality if poor, and usage of telephone and Internet as an opportunity. On the other hand, they are not enthusiastically reacting to other remarkable important opportunities such as: taking advantage of access to information to train teachers and teach students, and expanding into rural areas, etc.

In terms of threats, Creamás is adequately reacting to issues such as the reduced international financial cooperation due to the country progress by focusing on national funding and support. However, Creamás is not taking into consideration threats that are of high risk such as the fact that the offer of university majors differ from the actual demand or the issue that student performance is being affected by illness or an unhealthy diet as a consequence of poverty.

When comparing and contrasting Creamás to its two main competitors, it was concluded that it lies in between in terms of effectiveness and efficiency. Educa, Impacta Crece has the lowest weighted score of the three competitors with a low 1.5 which unveils its incipient situation in many areas. On the other hand, Enseña Peru scores a high 3.35 as a consequence of an effective strategy and well defined vision. Besides that it is a company that has many more years in the industry and has successfully positioned itself as a referent in the Peruvian market. Creamás' score lies just below the 2.5 line with a 2.27 which indicates there are strong improvement opportunities for it. While the firm scores very high on external relations and volunteer's internal motivation, the impact they have on the children's

education is still not significant. Furthermore, even though the company is doing fine in terms of funding, it is not using the large amount of cash it possesses efficiently.

After that Creamás was also compared with two leading global referents in that industry; Educate the world and Pratham. As illustrated in the referent matrix, both organizations score much higher than 2.27; 3.53 and 3.58 respectively. Since they are both leading global entities in this industry, they score high on almost all factors showing they have successfully taken advantage of the external opportunities their environment grant. That being said, the two selected referents that may be used as benchmarks by Creamás as they both have different strengths which Creamás can use for their knowledge. For example, Pratham is very well known for its strong training of volunteers and staff as well as its enhancement in the ability to measure and monitor output and impact on the children; something that Creamás lacks greatly.



## **Chapter IV: Internal Evaluation**

After having a clear picture of the organization's external environment and the opportunities and threats it represents, it is time to analyze the internal situation of Creamás. First of all it is important to mention the fact that Creamás Peru is an independent organization of Creamás Chile and Creamás Brasil. Even though the Peruvian idea was inspired by the Chilean one, Creamás Peru has become a unique organization with unprecedented practices. The purpose of this analysis is to have a clear picture of how the operational cycle of the organization to identify its main strengths and weaknesses and how effectively it is taking advantage or neutralizing them.

### **4.1 Internal Analysis AMOFHIT**

#### **4.1.1 Administration and management (A)**

As discussed in Chapter two, the organization knows what it wants to be in the future and who it is now; however, the recognition they refer to in the vision can be achieved in a short time frame. Whether or not the vision has been effectively written, Creamás does not have a strategic plan to achieve it, and the functional areas of the company are not aligned to reach a long term objective. As a result, daily activities are focused on short term objectives, which are to be in 10 schools by 2016, and 30 schools by 2020.

The organization of Creamás is led by its Directorate-General and other six Directorates: Communications and Marketing, Pedagogy, Talent Management, School Management, Institutional Relationships, and Strategic Management; all of whom are part of the Executive Committee. Due to the importance of these positions, the General Director as well as the Directors of the other six Directorates but the Strategic Management Director, are full-time paid employees of Creamás. Directors are allowed to work anywhere as long as their objectives are met. Besides their ordinary duties, all of the Directors have planned visits to each of the schools in Lima to evaluate the operations taking place.

The Director-General is in charge of managing accountability, legal aspects, administration, and finance. He was also responsible of the strategic management of the organization until this year, in which a new Directorate was created. The current Director-General, Daniel Paredes, has been in Creamás for over 3 years, and came to office in January, 2015. Creamás Piura has his own Director-General, Alondra Quiróz, who reports to the Director-General of Lima. However, Creamás Piura has certain level of independence on its organizational structure as well as its funding and operations. In contrast to the operations in Lima, all of their members are volunteers.

Under the Director-General there are 6 Directorates, whose roles are as follow:

- Communications and Marketing Directorate: It designs and implements campaigns to spread and position the Creamás brand in each of the groups of interest of the company (Potential volunteers, companies, opinion leaders, etc.). Moreover, it is responsible of the recruitment campaigns of volunteers, and to encourage children to be part of the Creamás' service.
- Pedagogy Directorate: It develops implements and measures the educational impact the organization has on the beneficiary children of Creamás. To do so, their principal tools are training of volunteers and use of manuals.
- Talent Management Directorate: It develops the culture and climate of the organization. Recruits personnel, and is in charge of the induction training of volunteers.
- School Management Directorate: It guarantees and coordinates an optimum development and efficiency of Creamás' operations in schools. Hence, it is responsible of managing the resources to obtain better results.
- Institutional Relationships Directorate: It is in charge of developing and implementing a fundraising plan targeting individuals and companies interested in donating money

or acquiring corporate social responsibility services. Additionally, it is responsible for generating customer loyalty.

- Strategic Management Directorate: Develops the Strategic Plan of the Organization.

Even though Creamás has a strategic Directorate, it does not have a strategic plan to reach long term objectives, which makes command a survival task. However, the organization has short term objectives for each position of the organizational chart. To meet them, the Director General allocates materials and financial resources between Directorates and Schools based on historic expenses and costs, and estimates a budget based on them. In some cases additional costs are added if new activities are planned. Human capital is allocated according to where volunteers want to be. Nevertheless, there is a limit of 60-65 volunteers per school. Based on the strengths and weaknesses identified, the Executive Committee can invite volunteers to be part of the organization functional areas when new positions are created.

Activities are coordinated between the organizational areas. Though, there are not appropriate communication channels for volunteers to share their ideas, and much of the creative work developed in class is lost. Moreover, the organizational structure has proven to be disorganized, with unnecessary positions, overwhelming ones, and unrelated functions. For instance, the Institutional Relationship Directorate reports to the Director-General, and not to Marketing. As a result, there is not a consensus understanding of the client.

Creamás evaluates both Directors and volunteers. Nevertheless, the indicators used are not adequate or well established. For instance, the indicators to evaluate the Pedagogic Director are: (1) Goals accomplished (Number of trainings), (2) Team leadership, and (3) Creamás' culture. Since indicators are not quantified, whether Directors' performance has been good or not is left to the evaluator's criteria (Creamás, 2015b). Volunteers and children, in the other hand, are only evaluated through children assistance and a questionnaire at the

beginning and end of the program. Though, the data obtained in the questionnaires has not yet been processed to obtain valuable information for the organization.

#### **4.1.2 Marketing and sales (M)**

Within the NGO industry, Creamás competes in three different markets: (a) individual donors; (b) corporate social responsibility (CSR) services; and (c) company donors; which represent respectively 22%, 20% and 58% of the overall annual income. Nevertheless, the segmentation and targeting of Creamás for each market is too broad. Three segments have been determined for each of the markets. The first segment consists of those individuals/companies who are willing to donate their money or buy the social responsibility program to any NGO. The second segment is for those who are specifically interested in educational NGOs. And the third segment of the market is for those who are specifically interested in NGO's other than educational ones. Currently, Creamás targets both the first and second segment determined for each market. However, target segments still encompasses individuals and companies with dissimilar characteristics, needs and wishes. Hence, if the target segments are too big for the resources, Creamás will not be able to serve them particularly well (Kotler & Fox, 1986) As a result, Creamás positioning won't be effective, nor the marketing mix developed for each target group as part of their marketing strategy.

Even if Creamás had a complete marketing strategy, their financial resources are limited to apply a more effective marketing strategy in the organization. For both the individual and company donors there is no price set, they are free to donate any amount they are willing to. In contrast, for those companies looking for a CSR service the price varies according to the requirements arranged in the contract. Hence, in some cases the service can be adapted to the client's needs. For instance, Banco de Crédito del Perú (BCP) requested to hire 3 people to administrate the school they were going to sponsor, as well as a more in-detail evaluation of the volunteers. Moreover, Graña y Montero requested not to have a bus,



and to change the number of weeks a semester would last, which normally has 11 weeks. In contrary, Nestlé and Mega Plaza sponsored other schools with no particular requirements and with a base tariff for the CSR service. The place or distribution of the service is in public schools in poor urban regions. There are currently 5 schools, and 2 more being planned to start its operations in Lima this year, in Ventanilla and Cercado de Lima.

In regards with the promotion of the service, the Institutional Relationship Directorate, also known as Fundraising Directorate, is responsible of retaining current donors (*Creando Amigos*), and attracting new ones. Moreover, they look up for new companies interested in Corporate Social Responsibility (CSR) to sponsor new schools. To do so, they develop a strategy focused on direct contact with businessmen through meetings, phone calls, etc; and the use of social media as Facebook and flyers to approach other potential customers. Creamás has also been object of reportages for magazines as *Asia Sur*, *Cosas & Somos*; local radios in Lima as *Radio San Borja*; and TV shows. For the promotion channels other than social media and flyers, Creamás hadn't allocated any resource; it was through contacts that those were possible.

The sales goals for each semester are set by the Directorate-General based on the budget estimated to accomplish the short-term objectives of the organization.

#### **4.1.3 Operations and logistics. Infrastructure (O)**

Creamás operations are close to the ones of a public school, a welfare service. Hence, as mentioned by Hayes and Wheelwright (cited by D'Alessio, 2012), the transformation process is characterized by a mass production volume and an intermittent production.

Figure 2 details the basic input-process-output diagram of the educational process, which seeks to aid children to discover and pursue their dreams. Dreams should be understood as long-term goals children set based on what they like. This final result is achieved by utilizing the knowledge and know-how of the volunteers, with the help of the

administrative personnel, through the teaching of math classes, “Divertimate”, and diverse workshops, “Talleres”, which vary from painting to Portuguese classes. The courses are divided in two semesters with 11 Saturday sessions each, from which the first and two last sessions are the welcome and closing ceremonies. For the math classes, depending on the amount of children registered, one or two classes are opened per grade. In case of the workshops, children are mixed according to the one they are willing to take. The teaching program for each semester is prepared by the Pedagogic Directorate and available in a Dropbox Folder under the name of *Programa Annual de Creamás Primaria/Secundaria*. All of the volunteers have access to the document and follow the indications to prepare their classes in advance.

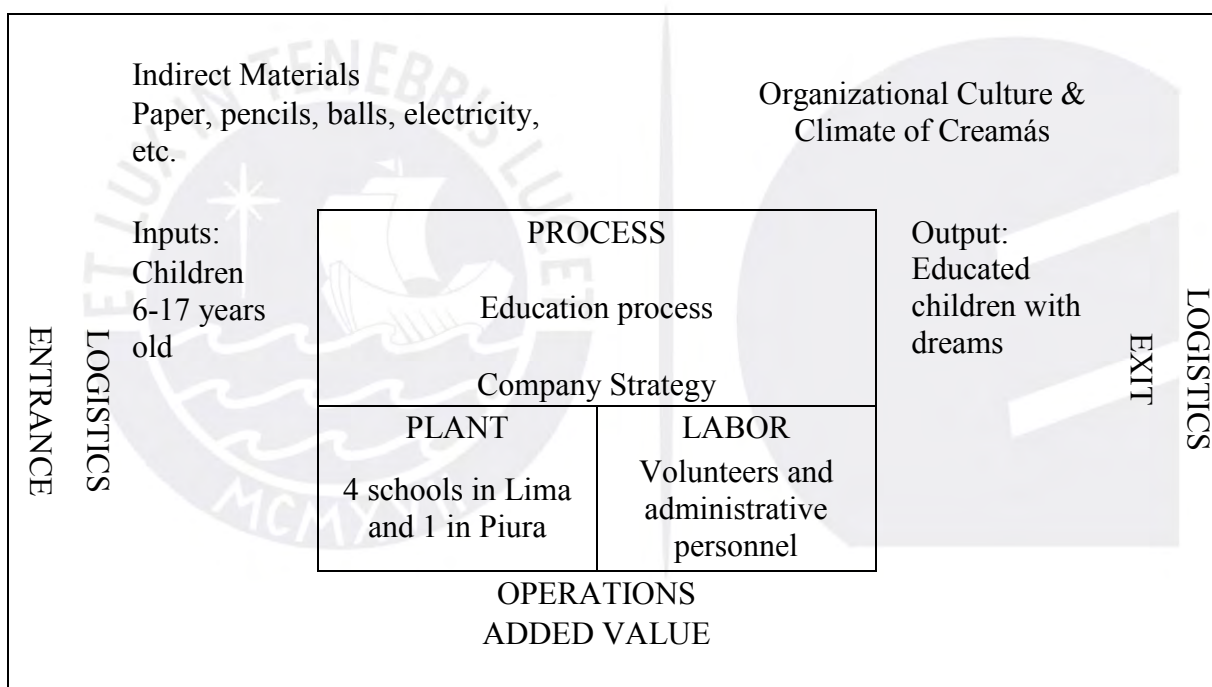


Figure 2. *Basic input-process-output diagram of Creamás.*

Adapted from “Administración de las Operaciones Productivas” by D’Alessio (2012).

Creamás operations are held in five operating public schools, four in Lima: Fe y Alegría 3 (in San Juan de Miraflores), Jorge Basadre (in Villa María del Triunfo), San Miguel Arcángel (in Callao), and Sagrada Familia (in Ventanilla); and one in Piura: Micaela (in Talara). The schools are characterized for being located in poor areas that lack efficient public services as well as good infrastructure. In order to increase the impact on society,

Creamás stays no more than 4 years in each school. Because these schools were fully functional prior to Creamás' arrival and its workforce consists basically in volunteers, operational costs are remarkably low even when compared with other NGOs.

In Creamás administrative process are managed by the Directorates described in point 4.1.1, while the operative processes are individually controlled by each school's team, all of whom are volunteers. The operative processes labor consists in the following members:

- Supply chain coordinator: There is one coordinator for all of the schools. He is in charge of distributing the indirect materials between schools, and reports to the School Director.
- School coordinator: There is one school coordinator per school, who is responsible for the formation process of the children. He is also in charge of motivating every other volunteer on its team and reports directly to the School Director.
- Operations supervisor: In charge of the logistics in every school. He is assigned an inventory of goods for every semester according to the historic data, and reports to the Supply Chain coordinator.
- Field analyst: In charge of assessing the attendance of volunteers and children. In addition, he/she monitors the everyday activities in each of the school, and solves any situation that could arise regarding security.
- Creando guías: Experienced volunteers who provide guidance to others when needed in the everyday situations. They used to be regular volunteers for at least a year after which they were evaluated and promoted. There are usually four per each school.
- Creandos: In charge of giving classes to the children and conducting diverse workshops according to their individual expertise. Since they are in direct contact with the children, Creandos are the ones who motivate them to attend classes every Saturday. There are usually 25 Creandos per Creando guía.

Every Saturday every team arrives at each school taking a private bus hired by the organization. While classes begin at 10:00am, the Creamás team usually arrive 45 minutes before in order to warm up and prepare for the assigned classes for the day. However, not all this time is usefully used since there are volunteers with no specific tasks to do. As a suggestion, time could be used to better plan classes, listen to volunteer requests/feedback or even for increasing the teaching hours. For instance, whenever a volunteer desires to come up with an innovative idea and requires resources to develop it, there is no channel through which they can ask for funding (i.e. (a) A math teacher developed a ranking system for the children in order to foster attendance. However, prizes were purchased entirely by him; (b) A volunteer wrote letters to his students to encourage them to dream big). As a result, knowledge created inside the organization is lost.

Besides the initial warm up, the school coordinator gives a short motivational speech to the volunteers and communicates important matters to the team. After that, the students enter each classroom together with their assigned teachers and math classes begin. During classes regular volunteers are both in charge of both assessing attendance and lecturing the kids. The field analyst wanders around the school solving any issue that may arise concerning to volunteers attendance. If for example, all of the volunteers in charge of one class are missing, kids are sent to other class of the same grade as long as there is one; otherwise, they are sent to the closer previous or next grade. Creando guías are available for solving any doubts volunteers may have concerning children behavior and teaching procedures based on their past experience as volunteers.

Before math lessons are done, each volunteer is required to contact the operations supervisor in order to request brunch for his/her students. The children have a recess, eat and play for a while. At 11:45am break is over and the diverse workshops begin. The procedure for this stage is the same as for math classes; nevertheless the atmosphere is much more

relaxed as children independently choose which workshop to attend. Hence, not much supervision nor attendance accountability takes part. At 1:00pm classes end, students go back home and the Creamás bus arrives to pick up the volunteers.

Creamás' children attendance tends to be significantly lower at the end of each semester, as shown on Figure 3. Even though it is a key performance indicator of the organization, it is not being correctly accounted. Attendance is weekly evaluated, but lacks an individual track of each student. The only indicators being measured are number of children per week and school, and its variability along the weeks. The result is that the organization is unable to identify the regularly and irregularly attending students, and the causes of that irregularity.

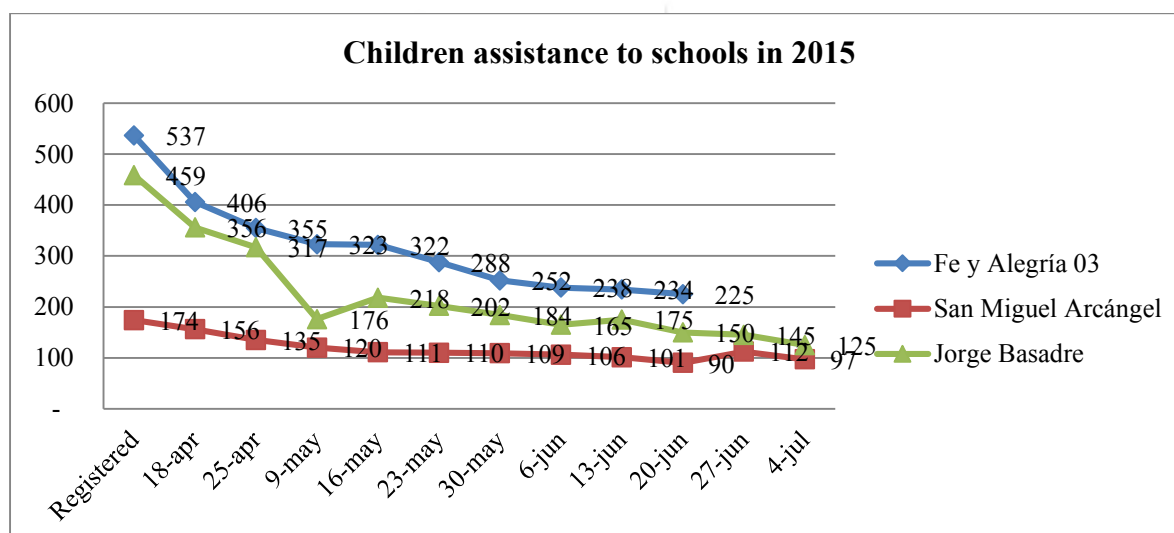


Figure 3. *Children weekly assistance to Creamás per school.*

Adapted from “Asistencia General” by Creamás (2015a).

The organizational culture and climate of Creamás is well developed. It is a group of volunteers willing to help, passionate on what they do, and decided to have a positive impact on children. As Figure 4 shows, there's a higher assistance of volunteers than kids every Saturday, only reduced during mid-term exams. Nevertheless, it has been found an inconsistent behavior between schools Coordinators and Creando Guides. Those from older schools, as Fe y Alegría 03 show less energy in their operations. They lack the icebreaker

activities seen in newer schools as Jorge Basadre, and spend most of the time in their office.

As a result, the Creamás culture is not spread to all of the volunteers.

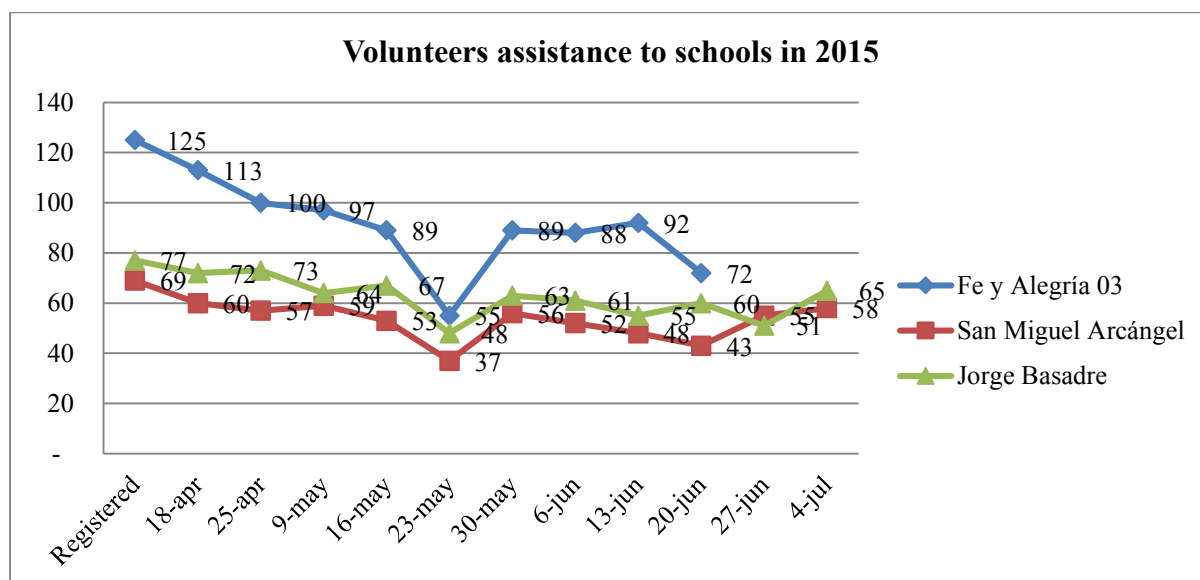


Figure 4. *Volunteers weekly assistance to Creamás per school.*  
Adapted from “Asistencia General” by Creamás (2015a).

#### 4.1.4 Finance and accounting (F)

The Directorate-General of Creamás is in charge of managing the financial resources to sustain both operative and administrative processes. Some of his functions as a financial administrator are investment decisions, financial decisions and administrative decisions (Van Horne & Wachowicz, 2010). However, as it was found out, those decisions are not made based on the accountability reports, which are not reviewed by any member of the organization.

For the year 2013, Ernst & Young made an audit for the financial statements of Creamás, which are monthly realized by an external accountant. It was concluded that there were no major irregularities (Medina, Zaldivar, Paredes & Asociados, 2014). The profit of the period was 48,777 PEN, with a total income of 140,706 PEN in donations. Creamás, as evidenced in the Statements of Financial Position of 2013, does not invest much in non-current assets, which were 3,106 PEN of a total of 140,753 PEN assets. Current assets are

donations paid by cash as well as donations paid in kind. The Statements of Financial Position showed that Creamás operations are mainly financed by retained profit, and not by debt; debt which amounted to 222 PEN in contrast to 140,531 PEN of equities. The Statements of Cash flows showed that in the year 2013 the net increase of cash was of 49,796 PEN, with a value of 137,647 PEN at the end of the year. The donations paid in kind had a value of 5,271 PEN, all of which were used in the same year.

For the year 2014, the annual donations Creamás received were up to 1 million PEN (Paredes, personal communication, July 21, 2015).

Donations are categorized in individual and company donors. Presently, Creamás is financed by 257 individuals that donate money every month, and 4 companies that donate money every trimester or annually: Fundación Wise, Nestlé, Parque Arauco, and IBM; whose donations range from 20 000 soles to 250 000 soles each year. There are other companies that pay in kind (breakfasts, materials, services, etc.): Estudio Rubio, Miranda, Pacífico University, Roosevelt School, and Ernst & Young. Creamás is also financed by offering a CSR service to companies as Megaplaza, Nestlé, BCP. This year three more companies will buy the service: Repsol, Graña y Montero, and Bladex.

#### **4.1.5 Human resources (H)**

The Talent Management Directorate is in charge of human resources, focused on managing and maximizing the talent of the organization. The goal is to seek 'dreamers'.

The ages of volunteers in Creamás have an average of 26 years old; hence, young, energetic, enthusiastic, and motivated individuals. A typical volunteer is a person, regardless of age, who desires to share his/her talent, who is proactive, and with a vocation to help and assist others.

Volunteers usually get to know about Creamás through the webpage or Facebook thanks to the Communications and Marketing Directorate initiatives. At the beginning of

each semester, the call to become a volunteer goes out. Applicants send their CVs, which are reviewed by the Talent Management Directorate. The purpose of the review is to realize whether or not the individual are qualified to become a volunteer. Afterwards, candidates are invited to a talk by Creamás Directors, coordinators, and sometimes by Creando guías. These meetings are usually held in ISIL, Pacífico, or at the main Creamás offices. The purpose is to inform about what Creamás does, and what they expect of future volunteers.

After the talk, applicants are given a test based on psychological aspects and personality, followed by a thorough interview, both of which are conducted by trained volunteers. The test is designed and evaluated by a team of outsourced psychologists, while interviews' questionnaire is prepared by the Talent Management Directorate. In the interviews, applicants are asked about their past, what their talents are, how they learned them, etc.; in order to prove they have enough experience to teach it to the younger generations. Even though most of the volunteers seek to pursue the area in which their talent lies; some don't mind teaching something else. After a group dynamic, volunteers are chosen and informed about the result days later.

One of the first activities volunteers are exposed to is an induction lesson to get to know about Creamás' culture. There is also a training session prepared by the Pedagogic Directorate to teach new volunteers about the methodologies, tools, etc. of Creamás.

Besides the recruitment process, Human Resources are in charge of motivating the members of the organization. However, some volunteers feel the only reason why they are in Creamás is their personal motivation, and that there's no value added by the organization. As a consequence, volunteers' rotation is around 50% per semester.

One of the indicators Creamás uses to evaluate volunteers' motivation is called NPS, which in English stands for Personal Satisfaction Level. An example the questions use to measure it is whether or not volunteers would recommend Creamás as an organization to do



volunteering. However, the relation between the answer and what it is supposed to measure is not adequate.

Figure 5 shows the organization chart, which is currently being reviewed by an outsourced employee. The roles and functions of the Directorates and the personnel involved in the operations were explained in point 4.1.1. and 4.1.3.

#### **4.1.6 Information and communication systems (I)**

Creamás is currently developing an affiliation of current donors system provided by VISAnet; plus a system to track volunteers' performance; and another one to monitor attendance of both students and volunteers.

Some of the platforms used to enhance communication within the organization are WhatsApp, a social media application for cellphones; Dropbox and Google Drive, personal cloud storage services in which documents are shared. Nevertheless, Creamás is currently migrating from the use of Google Drive to One Drive, as well as transferring the e-mail service from Gmail to Outlook.

#### **4.1.7 Technology and research and development (T)**

Research and development is particularly realized in the Pedagogy Directorate, and in the Talent Management Directorate. In order to improve Creamás' education system, and to differentiate it from competitors, Creamás seeks to keep its teaching and coaching processes up to date. Hence, there is a need to research and develop innovative methodologies of how to deal with children, how to motivate volunteers, and how to adapt existing knowledge to improve Creamás' operative and administrative processes.

Furthermore, each area of Creamás is responsible for developing best practices learned from past experiences, developed in other areas, and performed in other companies whether they belong to the same industry or not.

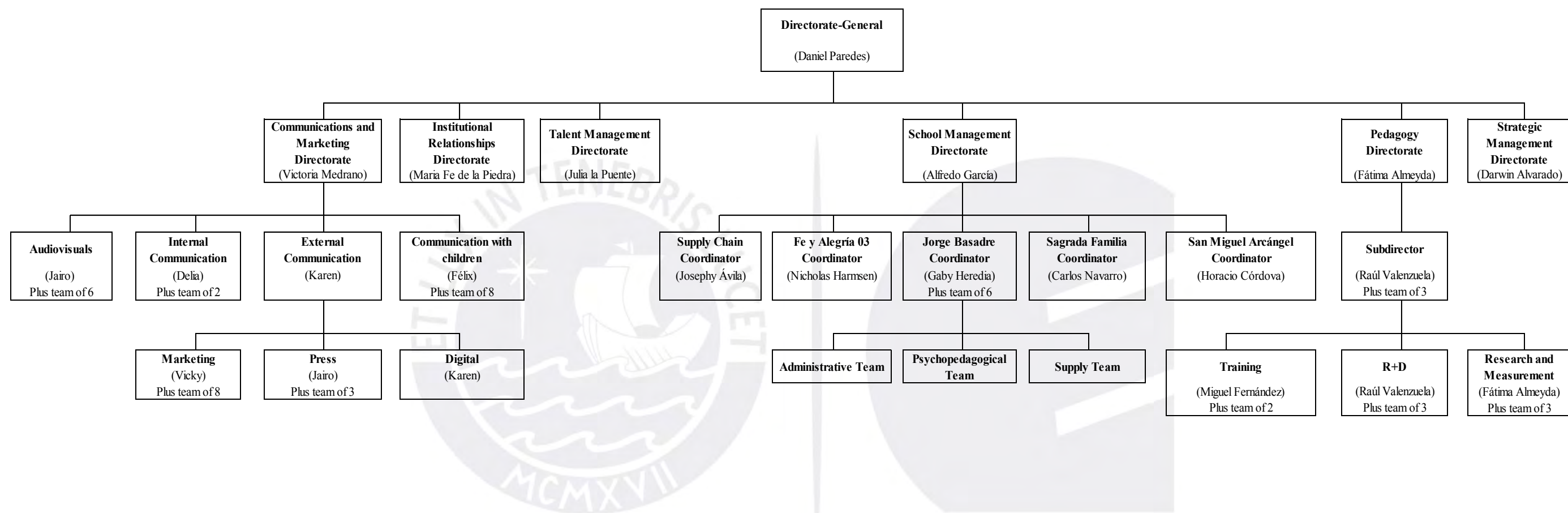


Figure 5. *Creamás Organization Chart*.  
Adapted from “Organigramas” by Creamás (2015c)

## 4.2. Internal Factors Evaluation Matrix (IFEM)

The IFEM matrix is designed to compare the strengths and weaknesses of an organization. To do so, a series of internal factors are categorized in those two groups, and weighted according to their relevance to fulfill the vision of the organization. A value from one to 10 is assigned to each factor, being 1 the least relevant and 10 the most important one. Next, those values are divided by their addition to get the weights of the internal factors. Afterwards, weights are multiplied by a rating that ranges from one to four to get the weighted score per factor. A rating of four means it is a major strength for the organization; three if it is a minor strength, two if it is a minor weakness, and one if it is a major weaknesses. Hence, strengths can only have a value of three and four, and weaknesses of one and two. Lastly, the weighted scores are added to obtain a Total Weighted Score that varies between one and four. A value of four is an ideal situation which means that the organization has no weaknesses and all of its strengths are major ones; while a value of one is the opposite scenario in which all of the internal factors are major weaknesses.

As described in Table 4, Creamás rates 2.2 in its Total Weighted Score. This means that the weaknesses outweigh the strengths of the organization. The main causes that obstruct Creamás to reach its vision are that the functions and roles are mixed and not effectively stated; time at school is not properly used; and there is a school presence rotation policy of every four years.

While there are some strengths the organization is taking advantage of, especially regarding the volunteers, there are several that could be further explored. For example the fact that the operational costs are remarkably low. Besides that, the functional areas are not aligned with the vision of the organization because Creamás lacks a strategic plan, and it does not have an in-detailed picture of where it wants to be in the future. Hence, the organizational chart is convoluted with unnecessary functions, unrelated ones, and overwhelming ones. To

Table 4

*Creamás Internal Factor Evaluation Matrix*

Key Success Factors	Weight	Rating <sup>a</sup>	Weighted Score
<b>Strengths</b>			
1. Independent from Creamás Chile and Brasil.	0.04	3	0.12
2. Directors have planned visits to see how operations are doing in schools.	0.02	3	0.06
3. The idea of dreaming is constantly mentioned to the children, and an everyday concern.	0.05	4	0.2
4. Organization financially healthy and moving towards an optimum funding structure.	0.05	3	0.15
5. Good presence in social media and networking to attract both funding and volunteers.	0.07	4	0.28
6. Large group of energetic and educated volunteers with inner motivation.	0.07	4	0.28
7. Large group of educated people willing to join the organization.	0.05	3	0.15
8. Low operating costs.	0.05	3	0.15
<b>Weaknesses</b>			0
1. Creamás culture is not homogenous in all of the schools.	0.05	2	0.1
2. Academic formation is only focused in mathematics.	0.03	2	0.06
3. No proper communication channels to share new knowledge developed.	0.05	1	0.05
4. Personnel performance is not adequately evaluated.	0.05	1	0.05
5. Functions and roles are mixed, not effectively stated.	0.06	1	0.06
6. Bad financial practices.	0.04	1	0.04
7. Too much dependence on companies' donations to finance its operations.	0.04	2	0.08
8. Time at schools is not properly used.	0.06	1	0.06
9. School presence rotation policy of every four years.	0.07	1	0.07
10. Volunteers are not trained on teaching but on coaching the children.	0.06	1	0.06
11. The organization does not adequately motivate volunteers.	0.06	2	0.12
12. Creamás does not take advantage of the potential of information and communication systems even though they have the platform.	0.03	2	0.06
<b>Total Weighted Score</b>	<b>1.00</b>		<b>2.2</b>

<sup>a</sup> 4=Major strength, 3=Minor strength, 2=Minor weakness, 1=Major weakness.

give some examples, the Talent manager Directorate is in charge of developing the culture of the organization; fundraising and marketing are split into two different Directorates (Institutional Relationship Directorate and Communications and Marketing Directorate); the organizational chart is being updated without having a strategy, etc. As it has also been witnessed, time on classes is not efficiently used. It is usually wasted because not all of the volunteers prepare the materials they will need in advance.

Finally, Creamás has a rotation policy of every four years per school. Even though its purpose is to increase the impact on the amount of children they serve, it is currently considered a weakness because of the uncertainty of not knowing whether or not four years is enough to positively impact on kids. Creamás does not know how much it impacts on kids to dream.

### **4.3. Conclusions**

Creamás is a young organization with valuable resources. It is favored for counting with an energetic team of new volunteers, as well as being financially healthy, with a minimum debt, enough cash to be invested and low operating costs. Its good presence in social media as well as networking has allowed Creamás to expand its operations by recruiting more volunteers and attracting more funding. With these qualities, Creamás has room for improving and becoming a leader in its sector.

Even though Creamás has the potential to grow, it lacks an organize structure to take advantage of the resources it has. Functions and roles are mixed up inside the organization, which reduces the efficiency of its processes. Other weaknesses Creamás faces are related to time management; training, motivation and performance evaluation of employees and volunteers; and processing of data.

Creamás' weaknesses outmatch its strengths. However, since Creamás is still in its first years, its processes are not too complex to be changed, which creates a window of opportunity for improvement. Thus, this scenario should not daunt the organization, but encourage it to implement better practices.



## **Chapter V: Interests of the Organization and long-term objectives**

In order to come up with effective tailor-made strategies for the organization, it is essential to identify which are its interests and innate motivations. If not done properly, the defined strategies might not guide the organization towards its desired vision. At the same time, in order to succeed in identifying the right schemes it is also imperative to recognize what is the current potential of the organization from the external and internal information already obtained. It is necessary to have an accurate idea of what the firm is capable or not capable of doing; and to include all of the stakeholders in this analysis as well.

### **5.1 Interests of the Organization**

As it was presented, the mission of the company is: “To educate primary, middle and high school low income students in public school through a holistic educational program given by young professional volunteers, which includes academic subjects and diverse workshops that allow children to discover and pursue their dreams. Creamás is devoted to its shareholders, in particular to its employees. Our ideal is to contribute to their personal and professional development and reinforce their social responsibility.”

To this end, the interests of the organization have been discussed in detail and determined after an analysis of the information gathered through interviews with members of the organization, field visits, and documents provided by Creamás. They have been classified as vital, major and peripherals.

Vital interests are those that are critical and of very high importance to the organization. They serve as top priority of the organization, and are extremely essential to the attainment of the vision of the organization.

In the case of important interests, they refer to highly important ones that complement the vital interests. If not achieved, they adversely affect the organization; however, the effect is somehow lower than in the case of vital interests.

Peripheral interests are not as critical to the organization as the prior two; they represent the other interests that the organization has and is willing to pursue. These can be referred to as wants in the sense that they go in the same line as the mission of the organization but are not essential for its operations.

### 5.1.1. Vital interests

***To encourage children to define and pursue their dreams.*** The students are at the heart of the operations of the firm since the mission of Creamás on providing them with a holistic educational program. Creamás focuses on children in their formative years (8-17 years) as it is believed that this is the time when they can be influenced and adequately impacted on. It is a clear case of “catching them young”. It is also believed that when children have the ability to dream big at such a young and tender age, they can go on to do great things in the future for themselves and the environment in general, creating a positive ripple effect.

Creamás currently pursues this interest through math classes, workshops, language classes, skills acquisition classes, and other extra-curricular activities. The idea is to show the kids that another reality is achievable for them, and that it all begins by dreaming.

***To contribute to the adequate education of children.*** Creamás, being an educational NGO, is concerned with ensuring that its students (and children in the society at large) are equipped with the education necessary to help achieve their dreams. Creamás has rightfully identified that it is not enough to instill big dreams in its students, but they must be fueled with good education to ensure those dreams are attained.

***National interest, well-being of the society.*** Creamás is not only concerned about its internal affairs, the education and dream of its students, but also with the society in which it operates in. It is believed that when the children are instilled with big dreams and they achieve it, they can impact on their environment positively.



***Promote Individual Social Responsibility.*** Social Responsibility is also at the heart of Creamás. Creamás operates in a way that its volunteers can contribute positively to their environment on an individual basis. As explained, the founders of the organization believe Social responsibility should be something that comes naturally to people, and not only a duty of corporate entities. With the setting provided by Creamás, its volunteers have the opportunity of acting as socially responsible citizens of Peru who give back to their community through teaching and making impacts in the life of its students. Social Responsibility has become a huge phenomenon in the world today as customers and societies are no longer content with just the output or products that an organization brings forth, but also, how it responds to its environment, how it impacts on it, and the necessary improvements it makes in the society.

### **5.1.2. Important interests**

***Achieve an adequate and sustainable funding structure.*** Finance is a key component to the success of any organization and NGOs like Creamás are no exception. At the moment, Creamás depends largely on funds from company donations, and the remaining funding comes from the services it renders and also, individual donations.

The dependence on Corporations is not very reliable as it represents 40% of the total funding, which puts Creamás at risk if the organizations stop donating. The risk that come from high dependence on these corporate organizations is one that Creamás wants to avoid or mitigate by all means possible. Hence, Creamás seeks to achieve a more robust and sustainable funding structure in its organization. It is believed that to achieve this, Creamás must shift from corporation dependency for funding to individual dependency or even better, funding from services rendered. By doing this, Creamás can rest assured knowing that it has a sustainable structure that guarantees a constant flow of financial resources needed for it to pursue bigger dreams in future, undertake worthy projects, and in general, attain its vision.

***Recruit highly motivated volunteers.*** The role of volunteers in Creamás cannot be underestimated. Volunteers can be likened to the flagbearers of the organization as they not only handle the administration of teaching services to the students of Creamás, but they also are responsible for carrying the vision of Creamás to the letter. Without Volunteers (the input/resources), there will be no ambitious students (the output).

Knowing this, it is therefore important that the volunteers are constantly motivated and committed to the vision of Creamás to ensure they can make solid impact on the lives of the students. Through an efficient recruitment system the firm can attract and keep the greatest and most motivated volunteers. Once the foundation is properly laid, the solution is almost half-solved. Nevertheless, after the initial recruiting stage it is completely of the firm's concern to further motivate its volunteers. While internal motivation is a powerful asset it shall only last for a finite period of time if no additional measures are taken.

***Expanding operations within the country.*** One signal of the progress of any organization is its expansion. Expansion gives the organization an opportunity to reach a wider audience. Creamás currently operates in four schools at the moment and it plans to expand to it to about twelve schools in 2016. Expansion of its operations within Peru not only improves the awareness of the plausible project to the environment but also increases the level of impact it has on the environment through its wider reach. It is believed that the more presence it has in the country, the more awareness it will generate; which in turn can lead to more funding for its operations, and in general, improve the impact and efficiency of its operation.

***Recruit the best full-time workers as far as the firm's budget permits.*** Workers are undisputedly the most valuable resource in any organization since having great and dedicated personnel can fire the organization to success. Prior to now, Creamás depended on the input of solely its volunteers, who were unpaid, as expected. However, Creamás currently has a

few full-time, paid workers who help oversee some crucial aspects of the business. This is a plausible move by Creamás as sometimes a stipend given in turn for services rendered can help motivate the workers or ensure that the work is done.

To this end, Creamás is looking to recruit the best workers for the organization, because it understands the important role that skilled employees can play in an organization. The benefits of having the best workers are countless, but amongst them it is include: the increase in the likelihood of positive impact on the students, efficiency in the administration of duties, proper and adequate transfer of knowledge and generally, provision of boost needed to ensure the organization meets its set objectives.

***Establish long term relationships with the firm's private donors.*** Relationship building is the secret to a lasting organization. Great relationships ensure satisfaction and of course retention. The business that Creamás does is one that relies so much on relationships, and frequency of patronage. It is common knowledge that it is a lot easier to maintain existing customers than to get new customers, and this is why most organizations strive to keep their customers by all means possible.

Creamás relies very much on repetition of donations, they have even introduced a system where donors can give on a monthly basis. With frequent donation, Creamás can rest assured knowing that it will have a constant supply of finances.

### **5.1.3. Peripheral interests**

***Contribute to the personal development of the volunteers.*** The volunteers remain important personnel in the herm of affairs at Creamás, and one way to ensure that the best is constantly got from them, is through personal development. Apart from the students who will be impacted on and transformed into ambitious and hardworking citizens of the country, the volunteers too will not be left out.

The volunteers are typically young adults in the society, with the passion for teaching, adding value and making impact. However, they are not necessarily finished products themselves. The personal development of the volunteers is equally important as it not only helps improve their efficiency with the students, but helps them become well-rounded citizens in the society.

Personal development of the volunteers can come from trainings which include: Leadership training, skills and acquisition workshops, communication skills and so on. The more skillsets are instilled on the volunteers, the better it is for the advancement of the students, the organization, and the society at large. Besides that, it will grant the volunteers the required skills to take higher positions within the organization if needed.

***Complement the education of the children with varied workshops.*** Creamás aims to complement the education of the children with various workshops that equally contribute to the success of its students. Apart from teaching the students the usual mathematics and language classes, other workshops that help harness the practical and vocational skills of the students are also necessary. It is important to be well-rounded educationally through the correct mix of theoretical and practical skills. Practical skills ranging from music, art, dance and so on, are necessary. Workshops are needed to complement the learning of the students as opposed to merely sitting still to listen to the teacher. The target being students, it is not unusual to find that their attention span might be short and so, to ensure their undivided attention, workshops are important to create an interactive platform for learning. For children, mixing both subjects, and for example, games, is a great way to foster learning.

***Obtain the best deals possible with its suppliers.***

Creamás need a number of suppliers for the administration of its services. There are several expenses incurred when carrying out its operations, and most of them are with regards to logistics, transportation, groceries, reading, teaching materials and so on. These costs are

recurring as they are incurred virtually every Saturday when the teaching takes place. It is wise to have a particular supplier to provide these products in bulk, and take advantage of bulk buying. In this light, it is necessary to obtain the best deals possible from them. One way this can be attained is through first, identifying the ideal supplier for each of the organization needs; and then, building a good and long lasting relationship with them in order to obtain favorable deals. When this is done, the costs incurred by Creamás would be reduced even more, freeing up funds that can be used to pursue other projects in the future.

## **5.2 Potential of the Organization**

The potential of the Organization refers to its core competences, in what is strong, and in what is weak. With the purpose to identify them it is required to analyze the seven functional areas of the organization.

### **5.2.1. Administration and management**

In terms of administration and management, Creamás lacks a core competence and/or a competitive advantage. Even though Creamás has lots of strengths under administration and management, their strengths are those that can be imitated and copied by competition. For instance, it is a strength that directors plan frequent visits to the schools to monitor and evaluate the productivity, but it is not a core competency.

Creamás also has weaknesses in these areas. However, one that is very critical is the lack of communication channels. Even though activities are coordinated between the functional areas, there are not appropriate communication channels for volunteers to share their ideas. Such a weakness definitely puts Creamás at a competitive disadvantage and could prevent and/or slow them down from more future potential.

### **5.2.2. Marketing and sales**

Creamás definitely has a competitive advantage and a core competence under marketing and sales. Creamás is known for its upper end reputation in the country, with a good network of contacts, which inevitably leads to great exposure.

On the other hand, Creamás is not using this strength to its full potential. Even though the firm has such an advantage, they lack a commercial department. In all fairness, Creamás does have one individual who is dedicated to the commercial affairs of the company.

### **5.2.3. Operations and logistics. Infrastructure**

The logistics side of the organization is very efficient and effective in what they do. It is reflected throughout the organization when materials are not lacked, but tracked, monitored, and supervised very successfully. Hence, the logistical aspects of Creamás are a core competence to the organization.

Nevertheless, in terms of operations, the organization has a weakness on time management.

### **5.2.4. Finance and accounting**

Unlike many NGOs, Creamás is financially healthy and has lots of cash at hand; this is a strength and advantage they hold. However, according to the organizations financial statements, the organization lacks the know-how on cash. Moreover, Creamás lacks an official finance and accounting department to actually focus solely on the money and assets of the organization.

### **5.2.5. Human resources**

In terms of Human Resources, Creamás has a great core competence in the sense that they are very good at recruiting motivated individuals. The ‘dream’ aspect of the mission of the organization strongly attracts passionate and motivated volunteers to the organization.

Even though internal motivation is present at Creamás, the organization lacks external motivation. Understandably, it is very difficult to externally motivate or incentivize the workforce of an NGO; yet it is an interest to address.

#### **5.2.6. Information and communication systems**

Creamás effectively uses information systems such as Drop Box and Google Drive, but they are only used for keeping track of information in a simplest way possible.

Moreover, has no official and/or formal communication system within the organization. The way the structure is built at Creamás doesn't really allow fluent communication between the workforce and the directors for example. Almost all communication is done very informally, of which most is verbal.

#### **5.2.7. Technology and research and development**

Creamás has been pursuing an innovative way of teaching children in the classrooms through promoting games and different innovative methods to teach the children. That being said, research and development in that sense is very effective. Moreover, the 'dreaming' aspect is a very powerful innovative tool to encourage and motivate the students.

Additionally, Creamás has been effectively using research and development in different way to enhance the culture and physically activating the volunteers at Creamás. For instance, this is done in some schools by different 'motivational warm-up' activities for the volunteers at the beginning of the day prior to the arrival of the children.

### **Cardinal Principles of the Organization**

#### **5.3.1. Influence of third parties**

**Governmental influence.** Governmental influences can either be negative or positive to Creamás. According to UNICEF (2012), the government is seeking to assist and support NGO's in Peru through different methods such as retrieving funds to finance investment and social programs. The government aims to tighten the inequality gap in the country and

alleviate poverty; nonetheless, that is easier said than done. Moreover, the government is also seeking to enhance educational programs and investments in the country to improve the quality of education.

Another governmental entity, which has a great influence on Creamás and the industry in general, is the Peruvian Agency for International Cooperation (APCI). These legalities by the APCI were specifically formed to bring about certain mechanisms to supervise and control the activities of NGOs (Luna, 2009).

**CSR sponsors influence.** The influence of sponsors can have a negative or positive effect on Creamás depending on the market, economic stability, and interest of the sponsors. In order for Creamás to continue retrieving funding from sponsors, it is important that they are able to maintain relationships and show results. Even though sponsors do not hold the largest shares of donors to Creamás, they still play a large role and can seriously influence the organization.

**Donors influence.** Donors are different than sponsors. Creamás has aimed to maintain donors by allowing monthly deductions from credit cards as it has realized individual donations are one of the most reliable sources of funding. Nevertheless, even though most of the times donors represent a stable cash flow for the firm, eventualities have and will always happen. For example, in 2013, Creamás faced a dilemma where donations dropped dramatically for a short span of time. This was strictly due to the fact that most credit cards got renewed during that period and they lost contact with the donors they had. Hence, even though donors are a very positive influence to Creamás, follow-up from the organization is required to get the most from them.

**Media influence.** It is important for Creamás to always take the media into consideration and never underestimate it as the firm's reputation is strongly dependent on what the latter reflects on it. While the media could and should be used as an asset to portray



the success and good reputation of the organization to the public, it can have a strong negative effect if it is not adequately managed.

### **5.3.2. Past and present relationships**

**Partners (Donors, sponsors, government, etc.).** It is critical for Creamás to be aware of the importance of preserving relationships with the public. In this case, the individual donors, sponsors, the government, and the company donors are referred.

**Individual Donors.** In the past, individual donors were simply the relatives/friends of the founders, and were strongly based on personal networking. This has changed over the years and is different now. Today, Creamás has a set goal on what is required from individual donors, and how to attain funding from them. In fact, Creamás has a department set towards achieving that alone. This is done through the use of present day technology, credit cards, fundraising events, etc. Today, Creamás has a steady 257 individual donors annually which account for 22% of the total funding.

**Sponsors.** Previously, sponsors did not exist to Creamás. Today, the firm stands with four main sponsors: BCP, G&M, Nestlé, and Megaplaza which account for 20% of the total firm's funding. It is important to point out that these sponsorships are done through contracts, and are in exchange for services. Some of these donors have specific requests upon signature of the contract. For example, BCP required that Creamás had official hired coordinators.

**Government.** Both past and present relationships between the Peruvian government and Creamás have been very stable, and Creamás has been strictly aligned with the governmental laws and regulations.

**Company Donors.** Previously, Creamás was strongly reliant on corporate donors. Today, they account for 58% of the funding acquired by Creamás, which is still a large amount. Each corporate donor donates between 20,000 Soles and 250,000 Soles annually. These corporate donors include: IBM, Nestle, Fundacion Wise, Parque Aravco, Estudio

Rubio, Miranda, Pacifico University, Roosevelt, and E&Y. The main plan is to keep them. However, no further promotion is required to increase the number, since they are risky and unstable.

### **5.3.3. Counterbalance of interests**

**Competitors.** As mentioned earlier in the document, Creamás has two main competitors, Educa, Impacta, Crece and Enseña Peru, whose interests differ from Creamás' in the sense that each school can usually only welcomes one organization at a time. Nevertheless, they all share the common goal of improving the Peruvian educational system. The firm needs to keep in mind, that according to the Competitive Profile Matric (CPM), one of its competitors, Enseña Peru, is doing much better in some key factors. At the same time, even though Educa, Impacta, Crece scored much lower than Creamás, it does not mean that they are less of a threat as this firm is still at an early stage of development.

**Substitutes.** Substitutes are related to any organization that can offer any kind of training or activities for students, not necessarily only in education to the less wealthy public and children. As was mentioned, these include: Futbol+, Acción por los Niños and Aldeas Infantiles. Such organizations can take over and overlap the Creamás market generating a negative effect on the organization. Yet, as mentioned earlier, even though these organizations may appear as a threat to Creamás, they may also be viewed as an opportunity that needs to be taken. For example, instead of having opposite interest and fighting for the same market, they could be working together to form some sort of alliance. Anyhow, Creamás should take into consideration these substitutes and never neglect the influence, whether positive or negative, they could have on Creamás.

#### 5.3.4. Conservation of enemies

Creamás has two main potential enemies: their competitors and the media.

***React to and preserve competitors.*** It is important for Creamás to not only be aware of the presence of their competitors, but to also be able to react to them and preserve them. It is necessary to know that competitors are what drive innovation, uniqueness, and enhancement; hence, Creamás needs to preserve their competition. On the other hand, Creamás should be able to counter and react to what their competition is doing in the market to be able to maintain and preserve their market share.

***React to and preserve media.*** As mentioned earlier, Creamás must also take into consideration the media accordingly. Indeed, Creamás must maintain a solid and positive relationship with the media at all times to maintain their positive reputation. Nonetheless, they should strategically react to any negative outlets released by the media.

#### 5.4. Organizational Interests Matrix (OIM)

In Table 5, all of the organizational interests previously defined were summarized. At the same time, the stakeholders that share each of Creamás' interests are mentioned as well as their interest intensity.

#### 5.5 Long-term objectives

After analyzing the current situation of the company, its potential and the internal and external environment it is facing, it has been concluded that the following long-term objectives that will allow Creamás to achieve its vision in the chosen timeframe. The sum of every long-term objective represents the desired situation of the company in the future.

- LTO 1: By the end of 2020, Creamás will operate in 20 schools within the three natural regions of Perú: (a) the coast, (b) the highlands, and (c) the jungle; impacting 10,000 students.

Table 5

*Creamás Organizational Interests*

Organizational Interest	Interest Intensity		
	Vital	Important	Peripheral
1. To encourage children to define and pursue their dreams.	Creamás		
2. To contribute to the adequate education of children.	Creamás, Enseña Perú, and Educa impacta, crece.	Government, private and public education institutes.	Private companies
3. National interest, well-being of the society.	Creamás, Enseña Perú, and Educa impacta, crece.	Government, other NGOs	Private companies
4. Promote Individual Social Responsibility.	Creamás		
5. Achieve an adequate and sustainable funding structure.	Educa, impacta, crece	Creamás, and Enseña Perú	
6. Recruit highly motivated volunteers.		Creamás, Enseña Perú.	
7. Expanding operations within the country.		Creamás, Enseña Perú, and Educa impacta, crece	Private companies
8. Recruit the best full-time workers the firm's budget permits.	Enseña Perú	Creamás	Private companies
9. Establish long term relationships with the firm's private donors		Creamás, and Enseña Perú	
10. Contribute to the personal development of the volunteers.	Enseña Perú		Creamás
11. Complement the education of the children with varied workshops.			Creamás
12. Obtain the best deals possible with its suppliers.			Creamás, Enseña Perú, Educa impacta, crece, other NGOs, and private companies

In order to become the best education NGO in Peru Creamás needs to expand its operations throughout the national territory and impact as much students as possible.

- LTO 2: By the end of 2020, in each Creamas school, the average numerical reasoning scores in the MINEDU test, of every grade, will be two points higher than the corresponding regional average.

Apart from the number of students impacted it is essential for the organization to have a solid impact in the education of its students.

- LTO 3: By the end of 2020, the average difference between the initial and final students' workshop grade will be more than three.

Apart from the academic impact, Creamás needs to assure that the workshops given actually influence positively in the education of its students, and have an accountable impact.

- LTO4: By the end of 2020, all of the volunteers will have completed and passed the teaching and coaching training program at the beginning of each semester.

In order to improve the efficiency of its operations and be a top of the line NGO in Peru Creamás needs to have adequately trained volunteers that are effective in teaching and coaching the students. It is important that the training is realized at the beginning of each semester to ensure the continuous learning of the volunteers.

- LTO5: By the end of 2020, 80% of Creamás' volunteers will consider it a great place to work, which will be measured through a Trust Index employee survey average higher than 80%.

Apart from hard and soft competences, the volunteers need to be adequately motivated and satisfied with the organization to increase the impact on children in both lectures and workshops. For this end, the Great Place to Work Trust Index will be used; "a tool that measures the extent to which a company is considered to be a workplace by its

employees, and provides essential information that enables organizations to understand how to improve their workplace environment (Great place to work, 2015).”

- LTO6: By the end of 2020, at most 20% of the organization’s funding will come from company donors.

Currently Creamás’ funding structure is distributed by 22% of the donations coming from individual donors, 20% from corporate social responsibility services, and 58% from company donors. This structure is risky as the organization relies excessively in the good will of private companies, which are four by the year 2015: Fundación Wise, Nestlé, Parque Arauco and IBM. On the other hand Individual donations and service incomes are much more stable because they are distributed in a major number of individual donors (257 people in 2015), and the CSR services are subject to a contract.

## 5.6 Conclusions

In this chapter it was defined the organization’s vital, important and peripheral interests according to the situation of the company within its environment. The prior represent the essential causes of action which have to deal with the innate nature of the organization, in other words with its mission. Between these we identified concerns about children education, encouraging dreams, fostering the individual social responsibility in the country and making a tangible contribution to the society. In terms of major interests we recognized the desire of Creamás to expand its operations within the country, achieving a sustainable funding structure, recruiting the best full-time workers and volunteers, between others. While these interest are significant for the organization they are not imperative in the sense that the vision could somehow be achieved without completely satisfying them. And finally, the peripheral interests were named and even though they are aligned with the mission of the company, they are evidently secondary when compared to the previous two.

After analyzing the potential of the organization together with its cardinal principles it was concluded that the organization is currently facing problems in the administrative, the operations and finance departments. The main weaknesses identified were the not well defined roles of many of its collaborators, the lack of time management on its everyday operations and its poor cash management practices. On the other hand, it was concluded that Creamás possessed valuable core competences in marketing as a result of the well-developed public image it holds and the remarkable network it has built. Besides that in terms of human resources the organization is able to recruit fully motivated volunteers through its recruiting process.

After analyzing the past and present relations of the organization with its stakeholders, it was shown that while the affairs with the local government have always been successful, the relationships of the firm with its fund providers have dramatically changed over time. While in the past it was a major interest to raise funds with private donations, the current aim is to accomplish it by individual donations and sponsor contracts.

Having gone through all of the previews analysis, it was defined the long term objectives the organization needs to pursue in order to ultimately achieve its desired vision. As it will be seen, each them have to deal with at least one of the vital or major interests of the company and are both measurable and time-framed.

## Chapter VI: The Strategic Process

After having set the long term objectives of the organization, the challenge is to identify which are the best strategies to achieve them. Strategies should not be picked arbitrarily, but determined after a reasoned process in which a variety of shared opinions are combined to reach a consensus in each step of the Strategic Process. The methodology to choose specific strategies encompasses the comparison of five matrices: (a) Strengths, Weaknesses, Opportunities and Threats Matrix (SWOTM), (b) Strategic Position and Action Evaluation Matrix (SPACEM), (c) Boston Consulting Group Matrix (BCGM), (d) Internal-External Matrix (IEM), and (e) Grand Strategy Matrix (GSM). These matrices are filled with the information analyzed in the previous chapters; and their results gathered in a Strategic Decision Matrix (SDM) to disaggregate them into specific and alternative strategies.

Besides their expected efficiency, specific strategies need to satisfy a number of criteria to be effective for Creamás, which include their level of attractiveness; if they are consistent, consonant, feasible, beneficial, and accepted by the evaluating team; and if they do not interfere with the ethics of the organization.

Hence, the purpose of this Chapter is to determine effective and efficient strategies to reach the long term objectives of Creamás based on the strengths and weaknesses of the organization and its response to the opportunities and threats of the environment.

### 6.1 Strengths, Weaknesses, Opportunities and Threats Matrix (SWOTM)

The SWOT analysis has as inputs the final results obtained in the IFEM and EFEM matrices of Chapter 3 and 4. It is a methodology used to identify specific strategies based on the strengths and weaknesses of the Organization to increase its response against the opportunities and threats of the environment. To do so, good intuitive judgment as well as a deep understanding of the internal and external environment is needed (David, 2009). The outcome of this process is shown in Table 6.



Table 6

*Creamás Strengths, Weaknesses, Opportunities and Threats Matrix*

<p style="text-align: center;">Internal Evaluation</p> <p>External Evaluation</p>	<p style="text-align: center;">Strengths - S</p> <ol style="list-style-type: none"> <li>1. Independent from Creamás Chile and Brasil.</li> <li>2. Directors have planned visits to see how operations are doing in schools.</li> <li>3. The idea of dreaming is constantly mentioned to the children, and an everyday concern.</li> <li>4. Organization financially healthy and moving towards an optimum funding structure.</li> <li>5. Good presence in social media and networking to attract both funding and volunteers.</li> <li>6. Large group of energetic and educated volunteers with inner motivation.</li> <li>7. Large group of educated people willing to join the organization.</li> <li>8. Low operating costs.</li> </ol>	<p style="text-align: center;">Weaknesses - W</p> <ol style="list-style-type: none"> <li>1. Creamás culture is not homogenous in all of the schools.</li> <li>2. Academic formation is only focused in mathematics.</li> <li>3. No proper communication channels to share new knowledge developed.</li> <li>4. Personnel performance is not adequately evaluated.</li> <li>5. Functions and roles are mixed, not effectively stated.</li> <li>6. Bad financial practices.</li> <li>7. Too much dependence on companies' donations to finance its operations.</li> <li>8. Time at schools is not properly used.</li> <li>9. School presence rotation policy of every 4 years.</li> <li>10. Volunteers are not trained on teaching but on coaching the children.</li> <li>11. The organization does not adequately motivate volunteers.</li> <li>12. Creamás does not take advantage of the potential of information and communication systems even though they have the platform.</li> </ol>
<p style="text-align: center;">Opportunities – O</p> <ol style="list-style-type: none"> <li>1. The government has supported the creation of agencies to monitor NGOs in the country.</li> <li>2. Steady growth of a healthy economy with low inflation and efficient monetary policies.</li> <li>3. 45% of Peru's population lives in condition of poverty, and 55% of them are based in rural areas. Moreover, 58% of children between ages 6 and 11 years old are poor.</li> <li>4. Educational public quality is poor.</li> <li>5. PerúEduca, a project of the DIGETE, is currently providing access to internet, as well as to information and multimedia to train teachers and teach students in public schools.</li> <li>6. High usage of Internet and Cellphones in Peru.</li> </ol>	<p style="text-align: center;">Strategies SO</p> <p>SO1 Expand the operations to more schools in Lima and rural areas (S4, S5, S8, O3, and O4).</p> <p>SO2 Integrate with other complementary NGO. (S5, and O3).</p> <p>SO3 Develop a "Sponsor a Child" program (S5,O2, and O4).</p>	<p style="text-align: center;">Strategies WO</p> <p>WO1 Diversify the products to the selling of souvenirs (W6, W7, O2, and O6).</p> <p>WO2 Strategic alliance with the best Peruvian private schools to improve teaching quality (W2, W10, W11, O2, and O4).</p> <p>WO3 Develop a "Sponsor a Child" program (W6, W7, O2, and O6).</p>
<p style="text-align: center;">Threats – T</p> <ol style="list-style-type: none"> <li>1. Economic growth discourages International Cooperation to the country.</li> <li>2. Depending on international funds increases the risk exposure to changes in exchange rate.</li> <li>3. The process to start an NGO in Peru is not too complex, plus it offers fiscal benefits.</li> <li>4. Children drop out of school to work.</li> <li>5. The offer of university majors differs from the actual demand.</li> <li>6. Students' performance can be affected by an increase on absence.</li> <li>7. Public school students' concentration is affected by poor nutrition.</li> </ol>	<p style="text-align: center;">Strategies ST</p> <p>ST1 Expand the operations to more schools in Lima and rural areas (S4, S5, S7, S8, and T3).</p> <p>ST2 Develop new workshops related to country's demand and reality (S3, S5, S6, S8, T3, and T5).</p> <p>ST3 Give information talks to children's parents (S3, S5, S6, T4, and T6).</p> <p>ST4 Implement school nutrition campaigns. (S1, S4, S6, S8, and T7).</p>	<p style="text-align: center;">Strategies WT</p> <p>WT1 Close operations in schools with high absence of children and volunteers (W1, W7, W10, W11, T4, and T6).</p> <p>WT2 Diversify the products to the selling of souvenirs (W7, W10, and T3).</p> <p>WT3 Implement school nutrition campaigns. (W6, T7).</p>

## 6.2 Strategic Position and Action Evaluation Matrix (SPACEM)

SPACEM is a four quadrant matching tool developed by Rowe, Mason and Dickel in 1982. It defines a framework of alternative strategies related to the Strategic Position of the organization, whether it is Conservative, Aggressive, Defensive, or Competitive. The four factors determinants to the strategic position represent the axis of the matrix, and are categorized in internal and external dimensions. Financial Strength and Competitive Advantage are the dimensions related to the Organization, while the Industry Attractiveness and Environmental Stability are related to the Industry (D'Alessio, 2013; & David, 2009). Tables 7 to 10 show the value obtained per factor after analyzing the variables involved.

### 6.2.1 Analysis factors for financial strength (FS)

Table 7

*Creamás analysis factors for Financial Strength*

Return of investment	Low	0	1	2	3	4	5	6	High	
Leverage	Unbalanced	0	1	2	3	4	5	6	Balanced	
Liquidity	Unbalanced	0	1	2	3	4	5	6	Solid	
Required capital vs available capital	High	0	1	2	3	4	5	6	Low	
Cash flow	Low	0	1	2	3	4	5	6	High	
Ease of market exit	Difficult	0	1	2	3	4	5	6	Easy	
Business risk	High	0	1	2	3	4	5	6	Low	
Inventory turnover	Slow	0	1	2	3	4	5	6	Fast	
Economies of scale and expertise	Low	0	1	2	3	4	5	6	High	
Average									4	

### 6.2.2 Analysis factors for competitive advantage (CA)

Table 8

*Creamás analysis factors for Competitive Advantage*

<i>Market share</i>	<i>Small</i>	0	1	2	3	4	5	6	<i>Big</i>
<i>Product quality</i>	<i>Inferior</i>	0	1	2	3	4	5	6	<i>Superior</i>
<i>Product lifecycle</i>	<i>Advance</i>	0	1	2	3	4	5	6	<i>Early</i>
<i>Product lifecycle replacement</i>	<i>Variable</i>	0	1	2	3	4	5	6	<i>Fixed</i>
<i>Customer loyalty</i>	<i>Low</i>	0	1	2	3	4	5	6	<i>High</i>
<i>Capacity utilization</i>	<i>Low</i>	0	1	2	3	4	5	6	<i>High</i>
<i>Technological know-how</i>	<i>Low</i>	0	1	2	3	4	5	6	<i>High</i>
<i>Degree on vertical integration</i>	<i>Low</i>	0	1	2	3	4	5	6	<i>High</i>
<i>New product development speed</i>	<i>Slow</i>	0	1	2	3	4	5	6	<i>Fast</i>
<i>Average – 6</i>		$(3.44-6) = -2.56$							

### 6.2.3 Analysis factors for industry attractiveness (IA)

Table 9

*Creamás analysis factors for Industry Attractiveness*

<i>Growth potential</i>	<i>Low</i>	0	1	2	3	4	5	6	<i>High</i>
<i>Profit potential</i>	<i>Low</i>	0	1	2	3	4	5	6	<i>High</i>
<i>Financial stability</i>	<i>Low</i>	0	1	2	3	4	5	6	<i>High</i>
<i>Technological know-how</i>	<i>Simple</i>	0	1	2	3	4	5	6	<i>Complex</i>
<i>Resource utilization</i>	<i>Inefficient</i>	0	1	2	3	4	5	6	<i>Efficient</i>
<i>Capital intensity</i>	<i>Low</i>	0	1	2	3	4	5	6	<i>High</i>
<i>Ease of entry into market</i>	<i>Easy</i>	0	1	2	3	4	5	6	<i>Hard</i>
<i>Productivity, capacity utilization</i>	<i>Low</i>	0	1	2	3	4	5	6	<i>High</i>
<i>Suppliers negotiating power</i>	<i>Low</i>	0	1	2	3	4	5	6	<i>High</i>
<i>Average</i>		<i>3.67</i>							

### 6.2.4 Analysis factors for environmental etability (ES)

Table 10

#### *Analysis factors Environment Stability*

Technologic changes	Many	0	1	2	3	4	5	6	Few
Rate of inflation	High	0	1	2	3	4	5	6	Low
Demand variability	Large	0	1	2	3	4	5	6	Small
Price range of competing products	Broad	0	1	2	3	4	5	6	Narrow
Barriers to entry into market	Few	0	1	2	3	4	5	6	Many
Rivalry/ Competitive pressure	High	0	1	2	3	4	5	6	Low
Price elasticity of demand	Elastic	0	1	2	3	4	5	6	Inelastic
Pressure of substitutes products	High	0	1	2	3	4	5	6	Low
Average-6		$3.25-6 = -2.75$							

As shown in Figure 6, Creamás ranks 1.11 in Industry Attractiveness, and 1.25 in Financial Strength. Hence, the Strategic Position of Creamás is an Aggressive one, characterized for being a Financial Strength Organization that has achieved Competitive Advantages in an attractive growing and stable industry (David, 2009). (Figure 6). Hence, the alternative strategies recommended by Fred David (2009) to pursue the long term objectives are: (a) Backward, forward, and horizontal integration; (b) market penetration; (c) market development; (d) product development, and (e) diversification.

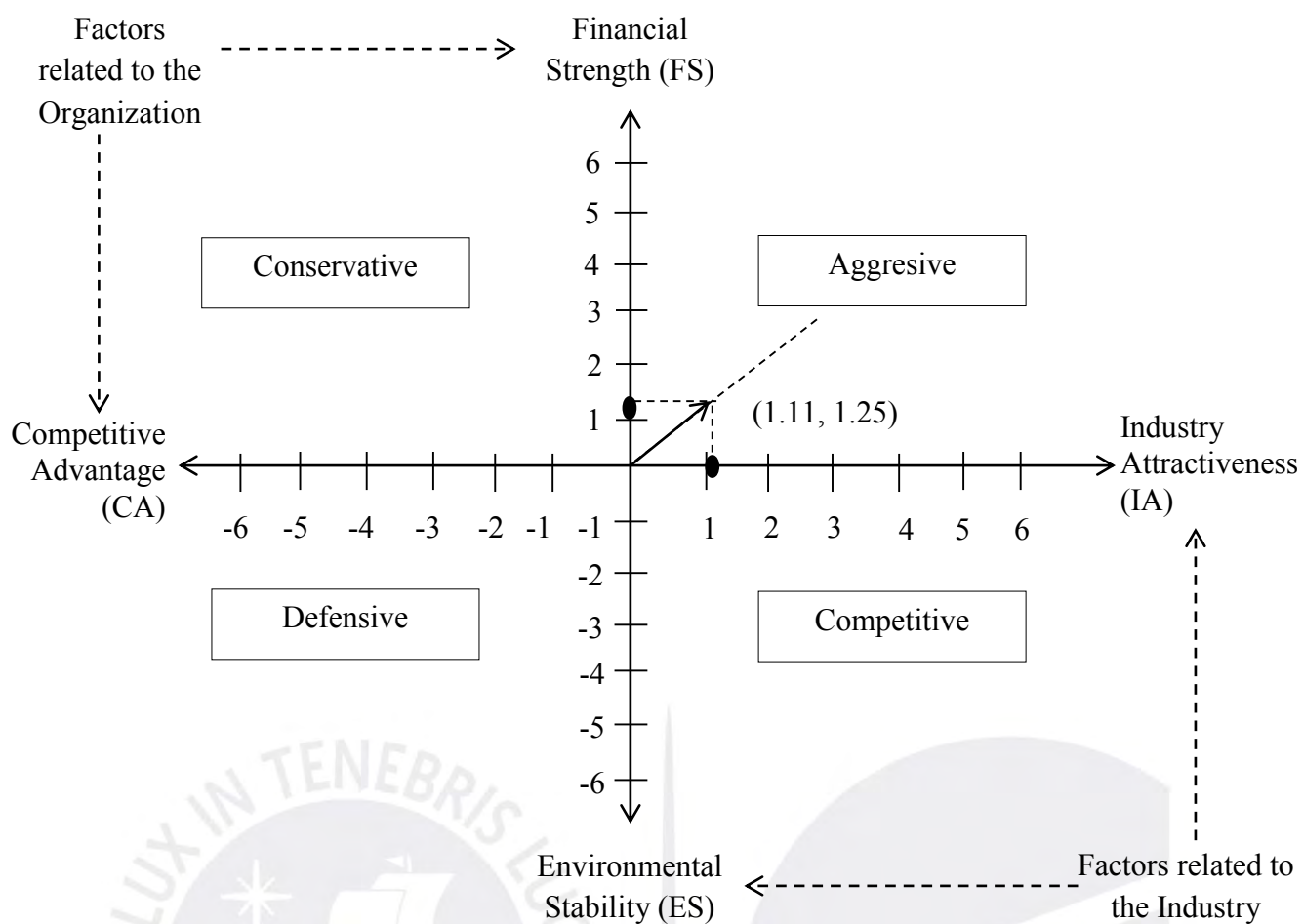


Figure 6. *Creamás Strategic Position and Action Evaluation Matrix.*

Adapted from "Strategic Management: Concepts and cases (13th ed.)" by David (2009).

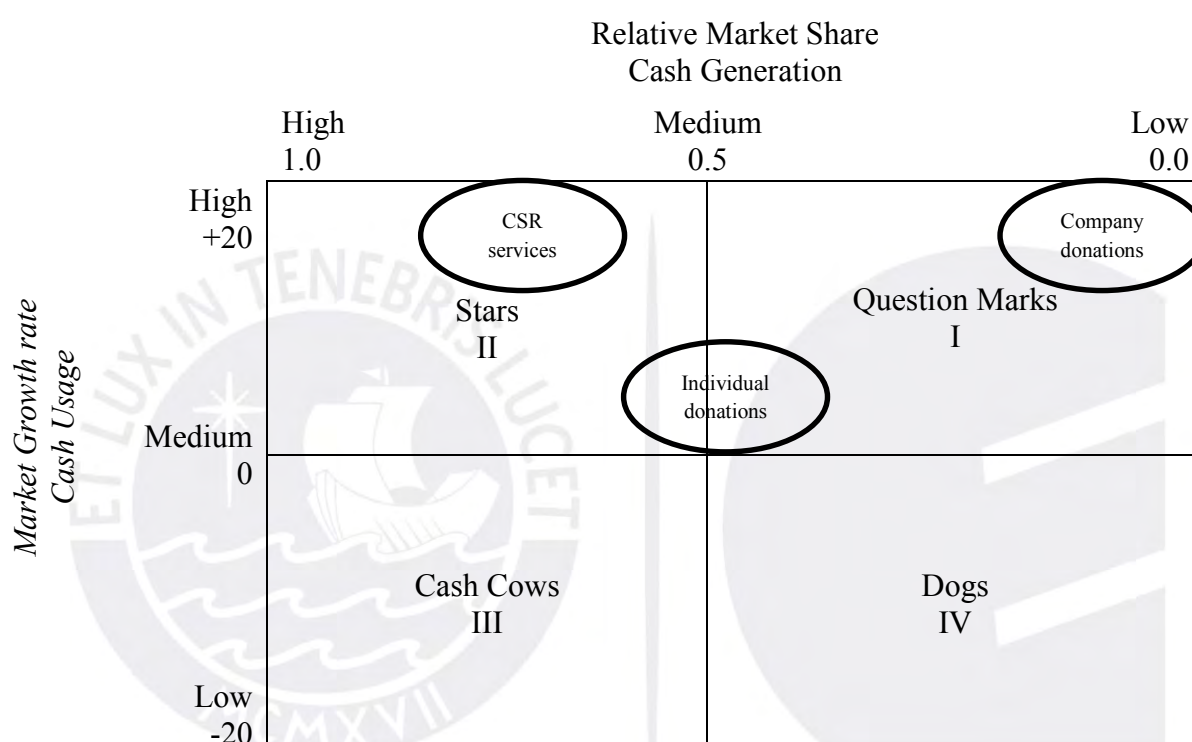
### 6.3 Boston Consulting Group Matrix (BCGM)

This matrix was developed by the Organization of its name and categorizes the Strategic Position of an organization into four types: Question Marks, Stars, Cash Cows and Dogs. These positions vary according to the relative market share of the Organization and the market growth rate, which are related to the cash generation and cash usage of each of Creamás' products: (a) individual donations; (b) company donations; and (c) CSR services. As it is shown in Table 11, Creamás, on average, belongs to the Question Mark Category, characterized by a medium-low relative market share and a high market growth rate. In comparison with the biggest competitor of the industry, Enseña Perú, Creamás annual income

in2014 was a seventh of theirs (Paredes, personal communication, July 21<sup>st</sup>, 2015). However, despite their low relative market share level, Creamás generates a remarkable amount of cash as a result of its substantial donations and low operating costs (Medina et al., 2014). As explained in Table A1, the strategies recommended for Question Marks are market penetration, market development, product development and divestiture.

Table 11

*Creamás Boston Consulting Group Matrix.*



*Note.* Adapted from “El proceso estratégico: Un enfoque de gerencia (2da ed.)” by D’Alessio (2013).

#### 6.4 Internal-External Matrix (IEM)

The Internal-External Matrix is a matching matrix developed by McKinsey & Company for General Electric (D’Alessio, 2013). It uses as inputs the scores obtained in the Internal and External Matrices developed in Chapter 3 and 4 respectively, which have a value of 2.2 for the IFEM and 2.125 for the EFEM. Thus, Creamás is categorized in the Second

Region, as detailed in Table 12, in which the Strategic Position prescribed is to hold and maintain. The strategies recommended are presented in Table 13, which are market penetration and product development.

Table 12

*Creamás Internal-External Matrix*

		Total IFE Weighted Score		
		Strong 3.0 a 4.0	Average 2.0 a 2.99	Weak 1.0 a 1.99
Total EFE Weighted Score	High 3.0 a 4.0	I	II	III
	Medium 2.0 a 2.99	IV	V	VI
	Low 1.0 a 1.99	VII	VIII	IX

*Note.* Adapted from “El proceso estratégico: Un enfoque de gerencia (2da ed.)” by D’Alessio (2013).

Table 13

*Boston Consulting Group strategies per region.*

Region	Cells	Prescription	Strategies
1	I,II, and IV	Grow and build	Intensive Integration
2	III, V, and VII	Hold and maintain	Market penetration Product development
3	VI, VIII, and IX	Harvest or exit	Defensive

*Note.* Adapted from “El proceso estratégico: Un enfoque de gerencia (2da ed.)” by D’Alessio (2013).

## 6.5 Grand Strategy Matrix (GSM)

The Grand Strategy Matrix is a tool for formulating alternative strategies based on two dimensions: competitive position and market growth. It was developed by Christensen, Berg, and Salter in 1976 (David, 2009). Creamás has a strong competitive position because of its unique value proposal, its regulated and legal operations, and its highly motivated manpower. Moreover, it is situated in an industry characterized by a rapid market growth. For instance, Creamás' annual donations increased more than 35% between 2012 and 2013 (Medina et al., 2014); and since that increase was not as a result of a larger market share (Paredes, personal communication, July 21<sup>st</sup>, 2015), it is concluded that the industry itself is expanding. Thus, it is considered that Creamás is on an excellent Strategic Position. Hence, the alternative strategies recommended in Table 14 to be implemented are market development, market penetration, product development, forward integration, backward integration, horizontal integration, and concentric diversification.

Table 14

*Grand Strategy Matrix*

		Rapid Market Growth				
		Quadrant II		Quadrant I		
Weak Competitive Position		<ul style="list-style-type: none"> <li>○ Market development</li> <li>○ Market penetration</li> <li>○ Product development</li> <li>○ Horizontal integration</li> <li>○ Divestiture</li> <li>○ Liquidation</li> </ul>		<ul style="list-style-type: none"> <li>○ Market development</li> <li>○ Market penetration</li> <li>○ Product development</li> <li>○ Forward integration</li> <li>○ Backward integration</li> <li>○ Horizontal integration</li> <li>○ Concentric diversification</li> </ul>	Strong Competitive Position	
		Quadrant III		Quadrant IV		
		<ul style="list-style-type: none"> <li>○ Retrenchment</li> <li>○ Concentric diversification</li> <li>○ Horizontal diversification</li> <li>○ Conglomerate diversification</li> <li>○ Divestiture</li> <li>○ Liquidation</li> </ul>		<ul style="list-style-type: none"> <li>○ Concentric diversification</li> <li>○ Horizontal diversification</li> <li>○ Conglomerate diversification</li> <li>○ Joint venture</li> </ul>		
			Slow Market Growth			

*Note.* Adapted from “El proceso estratégico: Un enfoque de gerencia (2da ed.)” by D’Alessio (2013).



## 6.6 Strategic Decision Matrix (SDM)

The Strategic Decision Matrix compares the five matrices previously developed to determine which alternative strategies are the most suitable for the Organization. The decision criterion to select a strategy is to have been considered in at least 3 or more of the matrices evaluated (D'Alessio, 2013). As shown in Table 15, the specific strategies developed are: (a) Implement school nutrition programs (ST4/WT3); (b) strategic alliance with the best Peruvian private schools to improve teaching quality (WO2); (c) develop a "Sponsor a Child" program (WO3); (d) expand the operations to more schools in Lima and rural areas (SO1/ST1); (e) give information talks to children's parents (ST3); and (f) integrate Creamás with another complementary NGO (SO2).

## 6.7 Quantitative Strategic Planning Matrix (QSPM)

The specific strategies developed in the Strategic Decision Matrix are further analyzed regarding the opportunities and threats of the environment as well as the strengths and weaknesses of the Organization. The criterion to dismiss a strategy is to have an attractiveness rating lower than 5 (D'Alessio, 2013).

The key success factors and their weights used to solve the matrix are the ones of the External and Internal evaluation of Chapter 4 and 5 respectively. The rating ranged from one to four. A value of four means that the factor is very attractive; three, attractive; two, somewhat attractive; and one, non-attractive.

As shown in Table 16 and Table 17, the six strategies analyzed had a total weighted score over 5. As a result, they were accepted.

Table 15

*Creamás Strategic Decision Matrix*

			Matrix					
Alternative Strategies	Specific Strategies	SWOT	SPACE	BCG	IE	GS	Total	
1	Product development	ST4/WT3. Implement school nutrition programs. WO2. Strategic alliance with the best peruvian private schools to improve teaching quality. SO3/WO3. Develop a "Sponsor a Child" program.	X	X	X	X	X	5
2.	Market development		X	X	X	X	X	5
3.	Market penetration	SO1/ST1. Expand the operations to more schools in Lima and rural areas.	X	X	X		X	4
4.	Concentric diversification	ST3. Give information talks to children's parents.	X	X			X	3
5.	Conglomerate diversification			X				1
6.	Horizontal diversification	WO1/WT2. Diversify the products to the selling of souvenirs	X	X				2
7.	Backward integration			X			X	2
8.	Forward integration			X			X	2
9.	Horizontal integration	SO2. Integrate Creamás with another complementary NGO.	X	X			X	3
10.	Divestiture	WT1. Close operations in schools with high absence of children and volunteers.	X		X			2
11.	Retrenchment							0
12.	Liquidation							0
13.	Joint Venture							0

Table 16

*Creamás Quantitative Strategic Planning Matrix*

Key Success Factors	Weight	ST3		ST4/WT3		WO2		SO3/WO3		SO1/ST1		SO2	
		Rating <sup>a</sup>	Weighted Score	Rating <sup>a</sup>	Weighted Score	Rating <sup>a</sup>	Weighted Score	Rating <sup>a</sup>	Weighted Score	Rating <sup>a</sup>	Weighted Score	Rating <sup>a</sup>	Weighted Score
<b>Opportunities</b>													
1. The government has supported the creation of agencies to monitor NGOs in the country.	0.050	3	0.15	4	0.20	3	0.15	2	0.10	3	0.15	3	0.15
2. Steady growth of a healthy economy with low inflation and efficient monetary policies.	0.100	3	0.30	3	0.30	3	0.30	4	0.40	3	0.30	3	0.30
3. 45% of Peru's population lives in condition of poverty, and 55% of them are based in rural areas. Moreover, 58% of children between ages 6 and 11 years old are poor.	0.100	3	0.30	3	0.30	3	0.30	3	0.30	3	0.30	4	0.40
4. Educational public quality is poor.	0.150	3	0.45	3	0.45	4	0.60	3	0.45	4	0.60	4	0.60
5. PerúEduca, a project of the DIGETE, is currently providing access to internet, as well as to information and multimedia to train teachers and teach students in public schools.	0.075	2	0.15	1	0.08	4	0.30	2	0.15	4	0.30	3	0.23
6. High usage of Internet and Cellphones in Peru.	0.050	2	0.10	2	0.10	2	0.10	3	0.15	3	0.15	2	0.10
<b>Threats</b>													
1. Economic growth discourages International Cooperation to the country.	0.075	3	0.23	3	0.23	3	0.23	4	0.30	3	0.23	3	0.23
2. Depending on international funds increases the risk exposure to changes in exchange rate.	0.050	2	0.10	2	0.10	3	0.15	4	0.20	2	0.10	3	0.15
3. The process to start an NGO in Peru is not too complex, plus it offers fiscal benefits.	0.075	3	0.23	3	0.23	3	0.23	2	0.15	4	0.30	4	0.30
4. Children drop out of school to work.	0.075	4	0.30	4	0.30	4	0.30	3	0.23	1	0.08	3	0.23
5. The offer of university majors differs from the actual demand.	0.050	3	0.15	2	0.10	3	0.15	3	0.15	3	0.15	3	0.15
6. Students' performance can be affected by an increase on absence.	0.075	4	0.30	4	0.30	3	0.23	1	0.08	1	0.08	2	0.15
7. Public school students' concentration is affected by poor nutrition.	0.075	4	0.30	4	0.30	1	0.08	1	0.08	2	0.15	1	0.08
<b>Strengths</b>													
1. Independent from Creamás Chile and Brasil. Able to restructure the organization according to their needs.	0.04	4	0.16	4	0.16	4	0.16	4	0.16	4	0.16	4	0.16
2. Directors have planned visits to see how operations are doing in schools.	0.02	3	0.06	3	0.06	3	0.06	2	0.04	3	0.06	3	0.06
3. The idea of dreaming is constantly mentioned to the children, and an everyday concern.	0.05	4	0.20	2	0.10	4	0.20	3	0.15	4	0.20	4	0.20
4. Organization financially healthy and moving towards an optimum funding structure.	0.05	3	0.15	4	0.20	4	0.20	4	0.20	4	0.20	4	0.20
5. Good presence in social media and networking to attract both funding and volunteers.	0.07	3	0.21	4	0.28	4	0.28	4	0.28	4	0.28	4	0.28
6. Group of energetic new volunteers with inner motivation.	0.07	4	0.28	3	0.21	4	0.28	1	0.07	3	0.21	4	0.28
7. Large group of educated people willing to join the organization.	0.05	3	0.15	3	0.15	4	0.20	1	0.05	4	0.20	4	0.20
8. Low operating costs.	0.05	4	0.20	4	0.20	4	0.20	1	0.05	4	0.20	4	0.20
<b>Weaknesses</b>													
1. Creamás culture is not homogenous in all of the schools.	0.05	2	0.10	2	0.10	3	0.15	3	0.15	3	0.15	3	0.15
2. Academic formation is only focused in mathematics.	0.03	1	0.03	4	0.12	4	0.12	4	0.12	1	0.03	3	0.09
3. No proper communication channels to share new knowledge developed.	0.05	3	0.15	2	0.10	3	0.15	1	0.05	3	0.15	2	0.10
4. Personnel performance is not adequately evaluated.	0.05	2	0.10	2	0.10	4	0.20	1	0.05	3	0.15	2	0.10
5. Functions and roles are mixed, not effectively stated.	0.06	2	0.12	3	0.18	4	0.24	2	0.12	3	0.18	2	0.12
6. Bad financial practices.	0.04	4	0.16	4	0.16	2	0.08	4	0.16	4	0.16	3	0.12
7. Too much dependence on companies' donations to finance their operations.	0.04	1	0.04	4	0.16	3	0.12	4	0.16	1	0.04	2	0.08
8. Time at schools is not properly used.	0.06	2	0.12	4	0.24	4	0.24	1	0.06	3	0.18	3	0.18
9. School presence rotation policy of every 4 years.	0.07	1	0.07	4	0.28	2	0.14	3	0.21	3	0.21	2	0.14
10. Volunteers are not trained on teaching but on coaching the children.	0.06	2	0.12	2	0.12	4	0.24	1	0.06	3	0.18	3	0.18
11. The organization does not adequately motivate volunteers.	0.06	2	0.12	3	0.18	4	0.24	2	0.12	3	0.18	3	0.18
12. Creamás does not take advantage of the potential of information and communication systems even though they have the platform.	0.03	2	0.06	1	0.03	3	0.09	1	0.03	3	0.09	3	0.09
Attractiveness	2.00		5.65		6.11		6.69		5.02		6.09		6.16

<sup>a</sup>4= Very attractive, 3= Attractive, 2= Somewhat attractive, 1= Not attractive

## 6.8 Rumelt's Matrix (RM)

Rumelt's Matrix is a filter to evaluate if the specific strategies selected in the QSPM selected are consistent with the objectives and politics of the Organization; that are consonant with the environment and the changes that occur in it; that promote the creation and maintain of competitive advantages of functional areas; and that won't create overruns or problems without solution. If a strategy obtains a No in any of the four tests, it is dismissed (D'Alessio, 2013).

At the end of the analysis only four strategies were accepted, as shown in Table 17.

Table 17

*Creamás Rumelt's Matrix*

Specific Strategies	Tests				Accepted
	Consistency	Consonance	Feasibility	Benefit	
ST3 Give information talks to children's parents.	Yes	No	Yes	Yes	No
ST4/ WT3 Implement school nutrition campaigns.	Yes	Yes	Yes	Yes	Yes
WO2 Strategic alliance with the best Peruvian private schools to improve teaching quality.	Yes	Yes	Yes	Yes	Yes
WO3 Develop a "Sponsor a Child" program.	Yes	Yes	Yes	Yes	Yes
SO1/ ST1 Expand the operations to more schools in Lima and rural areas.	Yes	Yes	Yes	Yes	Yes
SO2 Integrate with another complementary NGO.	Yes	Yes	No	Yes	No

## 6.9 Ethical Matrix (EM)

The ethical matrix is the last filter to retain a specific strategy and is shown in Table 18. It was developed by Rowe et al. (1994) based on a study by Cavanagh, Moberg, and Velasquez (1981). Its purpose is to evaluate that they don't threaten human rights, nor are unfair, nor prejudicial for the strategic ends. Because all of the requirements were met, the five strategies were accepted (D'Alessio, 2013).

Table 18

### *Creamás Ethical Matrix*

	Specific Strategies <sup>d</sup>			
	WO3	ST4/WT3	WO2	SO1/ST1
<b>Rights<sup>a</sup></b>				
Impact in the right to life	P	P	P	P
Impact on the right to property	N	N	N	N
Impact on the right to free thought	N	N	N	N
Impact on the right to privacy	N	N	N	N
Impact on the right to freedom of conscience	N	N	N	N
Impact on the right to speak freely	N	N	P	N
Impact on the right to due process	P	N	P	P
<b>Justice<sup>b</sup></b>				
Impact on distribution	F	F	F	F
Equity in the administration	F	F	F	F
Compensation rules	F	F	F	F
<b>Utilitarianism<sup>c</sup></b>				
Strategic purposes and results	E	E	E	E
Strategic means employed	E	E	E	E

<sup>a</sup> P= Promotes, N=Neutral, V= Violates

<sup>b</sup> F= Fair, N=Neutral, U= Unfair

<sup>c</sup> E=Excellent, N=Neutral, P= Prejudicial

<sup>d</sup>WO3= Develop a "Sponsor a Child" program.

ST4/WT3= Implement school nutrition campaigns.

WO2= Strategic alliance with the best Peruvian private schools to improve teaching quality.

SO1/ST1= Expand the operations to more schools in Lima and rural areas.

## 6.10 Retained and Contingency Strategies

Until this point, the retained strategies for Creamás are as follow:

- WO3. Develop a "Sponsor a Child" program.
- ST4/WT3. Implement school nutrition campaigns.

- WO2. Strategic alliance with the best Peruvian private schools in order to improve teaching quality.
- SO1/ST1. Expand the operations to more schools in Lima and rural areas, as well as the amount of classes per school.

The first two contingency strategies for Creamás are horizontal diversification and divestiture; which got a rating of 2 in the Strategic Decision Matrix (SDM), reason why they were dismissed. Even though backward and forward integration also got a rating of two, for the purpose of Creamás, they have been rejected as contingency strategies because of the irrelevance of the suppliers in the supply chain, and the nature of clients as final clients of the service. Besides that, since in the QSM and Rumelt matrices only four specific strategies were retained, the other two become contingency strategies as well. Therefore, if one of the retained strategies has troubles during the implementation process, product development will be the first strategy to be taken into consideration followed by concentric and horizontal diversification (D'Alessio, 2013).

### **6.11 Long-term Strategies vs. Objectives Matrix**

After the Creamás strategies are defined, it is important to identify which of them will be useful to reach the long term objectives. As shown in Table 19, all of the strategies will be key to increase the number of kids annually impacted, improve the funding distribution of the organization, and increase the educational offer.

### **6.12 Competitive Possibilities Matrix**

The Competitive Possibilities Matrix is a useful tool to analyze what are the possibilities of competitors, partners, substitutes, and new entrants to react to the specific strategies retained so as to confront them (D'Alessio, 2013). Those possibilities are developed in Table 20. Because Creamás lacks partners, their competitive possibilities have not been taken into account.

Table 19

*Creamás Long-term Strategies vs Objectives Matrix*

Organizational Interests	LTO1 <sup>a</sup>	LTO2 <sup>b</sup>	LTO3 <sup>c</sup>	LTO4 <sup>d</sup>	LTO5 <sup>e</sup>	LTO6 <sup>f</sup>
1. To encourage children to define and pursue their dreams.	X	X	X	X	X	X
2. To contribute to the adequate education of children.	X	X	X	X	X	X
3. National interest, well-being of the society.	X	X	X	X	X	X
4. Promote Individual Social Responsibility.	X	X	X	X	X	X
5. Achieve an adequate and sustainable funding structure.	X	X	X	X		X
6. Recruit highly motivated volunteers.	X	X	X	X	X	X
7. Expanding operations within the country.	X		X	X		
8. Recruit the best full-time workers the firm's budget permits.	X	X	X	X		X
9. Establish long term relationships with the firm's private donors	X		X	X		X
10. Contribute to the personal development of the volunteers.	X	X		X	X	
11. Complement the education of the children with varied workshops.		X	X	X	X	
12. Obtain the best deals possible with its suppliers.	X					
<b>Specific Strategies</b>						
WO3. Develop a "Sponsor a Child" program	X	X	X		X	X
ST4/WT3. Implement school nutrition campaigns.	X	X	X		X	X
WO2. Strategic alliance with the best Peruvian private schools in order to improve teaching quality.	X	X	X	X	X	X
SO1/ST1. Expand the operations to more schools in Lima and rural areas.	X	X	X		X	X

<sup>a</sup>LTO1: By the end of 2020, Creamás will operate in 20 schools within the three natural regions of Perú: (a) the coast, (b) the highlands, and (c) the jungle; impacting 10,000 students.

<sup>b</sup>LTO2: By the end of 2020, in each Creamas school, the average numerical reasoning scores in the MINEDU test, of every grade, will be two points higher than the corresponding regional average.

<sup>c</sup>LTO3: By the end of 2020, the average difference between the initial and final students' workshop grade will be more than three.

<sup>d</sup>LTO4: By the end of 2020, all of the volunteers will have completed and passed the teaching and coaching training program at the beginning of each semester.

<sup>e</sup>LTO5: By the end of 2020, 80% of Creamás' volunteers will consider it a great place to work, which will be measured through a Trust Index employee survey average higher than 80%.

<sup>f</sup>LTO6: By the end of 2020, at most 20% of Creamás' funding will come from company donors.

Table 20

*Creamás competitive possibilities matrix*

Retained Strategies	Competitive Possibilities	Educa, Impacta, Crece possibilities	Enseña Perú possibilites	Substitutes	New Entrants possibilities
WO3. Develop a “Sponsor a Child” program.		The idea of the strategy can be easily imitated, however, the functional areas behind it make it hard to be efficiently replicated or surpassed by Educa, Impacta, Crece in the near future. Furthermore, it is important to mention that this strategy depends on networking and the organization’s ability to attract more funding.	Enseña Perú is an organization with a greater team of volunteers, as well as children being impacted than Creamás. Their functional areas are capable of successfully implementing this strategy.	Other substitutes can implement this strategy; however, as long as their operations belong to an industry different than the education one, it won’t compete with donors interested on the sector.	For new entrants the process to implement the strategy might be tedious, particularly the network to spread the program, or resources to promote it.
ST4/WT3. Implement school nutrition programs.		This strategy requires a number of resources Educa, Impacta, Crece cannot yet acquire.	Enseña Perú has the resources needed to apply this strategy. Nevertheless, they are currently not doing it.	Substitutes can definitely apply the same strategy as not much know-how is needed	New entrants can apply the same strategy. Nevertheless, if they are new in the industry this would require a large portion of the donations.
WO2. Strategic alliance with the best Peruvian private schools in order to improve teaching quality. SO1/ST1. Expand the operations to more schools in Lima and rural areas.		Educa, Impacta, Crece can in fact apply the same strategy in order to improve its effectiveness. This strategy requires a number of resources Educa, Impacta, Crece cannot yet acquire.	Enseña Perú has established strategic alliances but not with educational institutions. Enseña Perú has the resources needed to keep expanding their operations. They are currently implementing this strategy to reach their long term objectives.	Substitutes cannot apply this strategy unless they switch to the education industry. Substitutes cannot apply this strategy unless they switch to the education industry.	New entrants will require the proper networking in order to apply the same strategy. New entrants will require great amounts of resources to expand their operations. Moreover, they first need to create an image of the Organization to be accepted in several schools.



### 6.13 Conclusions

Four specific strategies ended up being retained as a result of a collegial selection process, which are: (a) To develop a “Sponsor a Child” program (WO3); (b) implement school nutrition programs (ST4/WT3); (c) to sign strategic alliances with the best Peruvian private schools in order to improve teaching quality (WO2); and (d) to expand the operations of Creamás to more schools in Lima and rural areas (SO1/ST1).

The strategic process analyzed data gathered in the internal and external evaluation to be processed through a set of matrices that evaluate how often each strategy appeared in the matching matrices (From SWOT to the GSM); if they are consistent, consonance, feasible and beneficial; and if they are ethically correct.

All of the strategies answer to some of the long term objectives, which confirm their relevance to be further implemented. Nevertheless, as evaluated in the Competitive Possibilities Matrix, most of them might be replicated by competitors and new entrants depending on the number of resources they have. Additionally, substitutes are susceptible to strategies specific to the industry, and new entrants to those that require having a position in the market.

## Chapter VII: Strategic Implementation

During this stage the aim is to define the procedures required to put into action the previously determined strategies. The long-term objectives had to be disaggregated into short-term ones and analyzed which were the requirements in order to achieve them. Besides that, since human resources are the most important element in the implementation of strategies, the organization needs to make the organizational structure go along with them. “Structure follows strategy and not the other way round (D’Alessio, 2013).”

On the other hand, as previously explained, external motivation of the personnel is one of the main endeavors of the organization in order to complement the already remarkable internal motivation of the volunteers and increase the positive of the firm’s operations in the children. Furthermore, in this transformational scenario the organization needs to further motivate its collaborators to convince them that strategic change is in fact beneficial for everyone. Change resistance is an issue Creamás will have to deal with in order for the strategic plan to succeed hence, this chapter will present the required actions in order to mitigate and even take advantage of it.

### 7.1 Short-term Objectives

Short-term objectives need to be defined according to each long-term objective in an attempt to simplify them and grant each of the departments with simpler goals to pursue in the everyday activities. The idea is that in the same way long-term objectives conduct the organization to its vision; short-term objectives allow the organization to achieve each one of its long-term objectives.

LTO1. By the end of 2020, Creamás will operate in 20 schools within the three natural regions of Perú: (a) the coast, (b) the highlands, and (c) the jungle; impacting 10,000 students.

STO1.1: By 2017, Creamás will operate in 13 schools.

STO1.2: By 2017, Creamás will have an annual impact of 6 thousand kids in Peru

STO1.3: By 2018, Creamás will operate in 16 schools within at least 2 Natural Regions of Peru.

LTO 2: By the end of 2020, in each Creamás school, the average numerical reasoning scores in the MINEDU test, of every grade, will be two points higher than the corresponding regional average.

STO 2.1: By 2018, student math classes' attendance will reach an average of 75% in every Creamás school.

STO 2.2: By 2018, in each Creamas school, the average numerical reasoning scores in the MINEDU test, of every grade, will be more at least 1.5 points higher than the corresponding regional average.

LTO 3: By the end of 2020, the average difference between the initial and final students' workshop grade will be more than three.

STO 3.1: By 2017, Creamás will have established a strategic alliance with at least two private schools.

STO 3.2: By 2018, student workshop attendance will reach an average of 75% in every Creamás school.

STO 3.3: By 2018, the average difference between the initial and final students' workshop grade will be more than two.

STO 3.4: By 2019, Creamás will have established a strategic alliance with at least four private schools.

LTO4: By the end of 2020, all of the volunteers will have completed and passed the teaching and coaching training program at the beginning of each semester.

STO 4.1: By 2016, all of the new volunteers will have passed a test after their initial training program.

STO 4.2: By 2017, all of the volunteers will have passed a test after the training program of each semester.

LTO5: By the end of 2020, 80% of Creamás' volunteers will consider it a great place to work, which will be measured through a Trust Index employee survey average higher than 80%.

STO 5.1: By 2018, 70% of the volunteers will be satisfied with the organization.

STO 5.2: By 2018, attendance of volunteers will reach an average of 80% in every school.

STO 5.3: By 2019, the average number of semester that a volunteer stays at Creamás will be at least 2.5.

LTO6: By the end of 2020, at most 20% of the organization's funding will come from company donors.

STO 6.1: By 2017, Creamás will provide its corporate social responsibility services to at least 10 companies.

STO 6.2: By 2019, Creamás will provide its corporate social responsibility services to at least 16 companies.

STO 6.3: By 2017, 27% of the firm's funding will come from individual donors.

STO 6.4: By 2019, 35% of the firm's funding will come from individual donors.

## **7.2 Resources allocated to short-term objectives**

In order to fulfill each of the short-term objectives resources are needed to be invested. And those resources are not only economic ones but rather include the whole spectrum of the concept known as the 7Ms (Materials, manpower, machines, methods, management, money and morale). Each of the short-term objective's needed resources are:

- Increase in the number of schools the organization operates in: materials (office-tools, furniture and groceries), manpower (volunteers, full-time workers), methods (diverse procedures concerning to school operations), management (external motivation for volunteers), mentality (organizational culture) and money (for logistics and other expenses).
- Fostering student's attendance: materials (office-tools, furniture and groceries), manpower (volunteers), methods (math-teaching and workshop procedures), management (external motivation for volunteers) and mentality (organizational culture).
- Rise in children math grades: materials (office-tools, furniture and groceries), manpower (volunteers), methods (math-teaching procedures), management (external motivation for volunteers) and mentality (organizational culture).
- Rise in children workshop grades: materials (office-tools, furniture and groceries), manpower (volunteers), methods (workshop procedures), management (external motivation for volunteers) and mentality (organizational culture).
- Methodologies development: manpower (volunteers, full-time workers), methods (teaching and coaching training program, volunteer's motivational program), management (external motivation for volunteers) and mentality (organizational culture).
- Training volunteers: materials (office-tools, furniture and groceries), manpower (coaches and trainers), methods (volunteer's training program), management (external motivation for volunteers), money (needed for paying the training providers).
- Motivating volunteers: material (office tools), manpower (full-time workers), methods (volunteer's motivation program), management (external motivation for volunteers) and money (third party trainers and coaches).

- Rise in volunteer's attendance: manpower (experienced volunteers and full-time workers), management (external motivation for volunteers and great working environment) and mentality (organizational culture).
- Rise in volunteer's average stay in the organization: manpower (experienced volunteers and full-time workers), management (external motivation for volunteers and great working environment) and mentality (organizational culture).
- Commercial department creation: material (office tools, hardware, software), manpower (full-time workers), management (external motivation for volunteers), mentality (organizational culture) and money (salaries).
- Increase in funding from individual donors: manpower (experienced volunteers and full-time workers) and methods (commercial, individual fund-raising procedures).
- Increase in the number of sponsors: manpower (experienced volunteers and full-time workers) and methods (commercial, private fund-raising procedures).

### **7.3. Policies for each Strategy**

The policies of the organization are the rules of the game derived from its values/ethic code. Hence, they provide the correct procedures and boundaries of action in order to adequately achieve each objective. While they can be defined independent from each objective or strategy it is recommended to relate them to each of the strategies as in this way they can be suitably controlled. At the same, by relating the policies with their respective strategy it is guaranteed that the top management will assure their application. In that sense, the list of policies is presented in Table 21, while referring to which of the current strategies they relate.

Table 21

*Creamás políticas*

WO3	P1: Increase the awareness of poor education in the population. P2: Contribute to the country development by encouraging citizens to sponsor the ones in need.
ST4/WT3	P3: Recognize the essential role of nutrition in children's development. P4: Promote the participation of individuals and private institutions. P5: Foster the recruiting of volunteers with unique and valuable talents. P6: Avoid the waste of food.
W2	P7: Encourage the collaboration and synergy building between education institutions within the country. P8: Promote competitiveness and benchmark with other schools. P9: Attract the attention of the private sector to contribute in the country's development
SO1/ST1	P10: Decentralize the quality education opportunities within the country. P11: Raise the government attention in the educational issues of the poorer regions of the country. P12: Promote competitiveness and benchmark with international organizations. P13: Operate with the best training methods in teaching and coaching.

#### 7.4 Organizational Structure

The organizational structure proposed for Creamás in Figure 7 is divided in six Departments/Directorates besides the Directorate-General: Marketing, IT, Supply and logistics, Operations, RID, and Human Resources. This distribution has been designed to support the strategies of Creamás, offering flexibility to adapt to further growth.

The names of the Directorates and areas may change, but the roles they play. The main tasks of each Directorate will be described as follows:

- Directorate-General: Is the legal representative of the organization. In charge of guiding the organization towards its vision and the main promoter of Creamás' culture.
- Marketing: This Directorate is in charge of attracting donors through the commercial area (individual donors and corporate social responsibility); engaging with schools to offer Creamás math classes and talent workshops through the school engagement manager area; and advertising through the area of the same name.

- Information technology: In charge of managing webpage updates, cloud storage services, affiliation systems, assistance tracking, etc.
- Supply and logistics: In charge of buying the materials needed as well as distributing donations paid in species.
- Operations: Responsible that the operations of all of the schools are going as planned to have a positive impact on children. Analyzes information and evaluates School Coordinators. In charge of motivating and increasing the performance of volunteers. This Directorate will be divided into geographical regions or grouped into a higher number of schools as Creamás grows.
- As in 2015, there will still be one Coordinator per school responsible of its operations, managing the volunteers and the children in its charge, evaluating them, and taking assistance of the volunteers. In each school Coordinators will have the assistance of a Logistic Supervisor, who will be the intermediary between the Supply and Logistics Directorate and the volunteers. The role of Creando guías will be kept; however, they do not longer have administrative duties but teaching as any other volunteer. The position of field analyst does no longer exist. The function of evaluating the assistance of all of the schools is now realized by the Operations Analyst.
- Research and development: This Directorate is divided in two areas focused in training and coaching respectively. To train volunteers with teaching and coaching skills.
- Human resources: This Directorate is responsible of recruiting volunteers and developing integration activities between them.

It is recommended that as long as the resources are sufficient, all of the members of the organization but the volunteers should get paid, in order to get the best qualified professionals and increase the control of the organization. Due to the size of the organization



it is only required one employee per each of those positions. As long as Creamás expands each Directorate will be composed by teams of full-time employees leading them, and volunteers. This structure will reduce bureaucracy and enhance innovation,

Since the tasks Creamás perform on their daily activities are not too complex, plus there is a need to constantly share information and thoughts; outsourcing is not viable for any of the areas. Yet, all of them are core for the operations of Creamás.

### **7.5 Environment, Ecology, and Social Responsibility**

Currently, Creamás has proven to be a very environmentally friendly organization. That being said, it is important that this is maintained and enhanced further if necessary and possible; it is simply part of the Creamás image. No environmentally harmful activities were proposed for the implementation stage of the strategic plan.

In the other hand, social responsibility is part of the entity of Creamás. Since the very purpose of an NGO is based on corporate social responsibility, it is critical that Creamás always remembers that and seeks to enhance and work on that further. By increasing its effectiveness in childhood education the social impact of the organization will positively increase.

### **7.6 Human Resources and Motivation**

Human resources are just as important and critical for an NGO as they are for a profit concerned firm. According to Fred David, “a well-designed strategic-management system can fail if insufficient attention is given to the human resource dimension (David, 2009).” Hence, Creamás must strongly focus and allocate resources to the Human Resource area of the organization to ultimately succeed in the implementation of this strategic plan. For instance, responsibilities for each of the short-term objectives need to be defined within the organization in order to increase the chances of success.

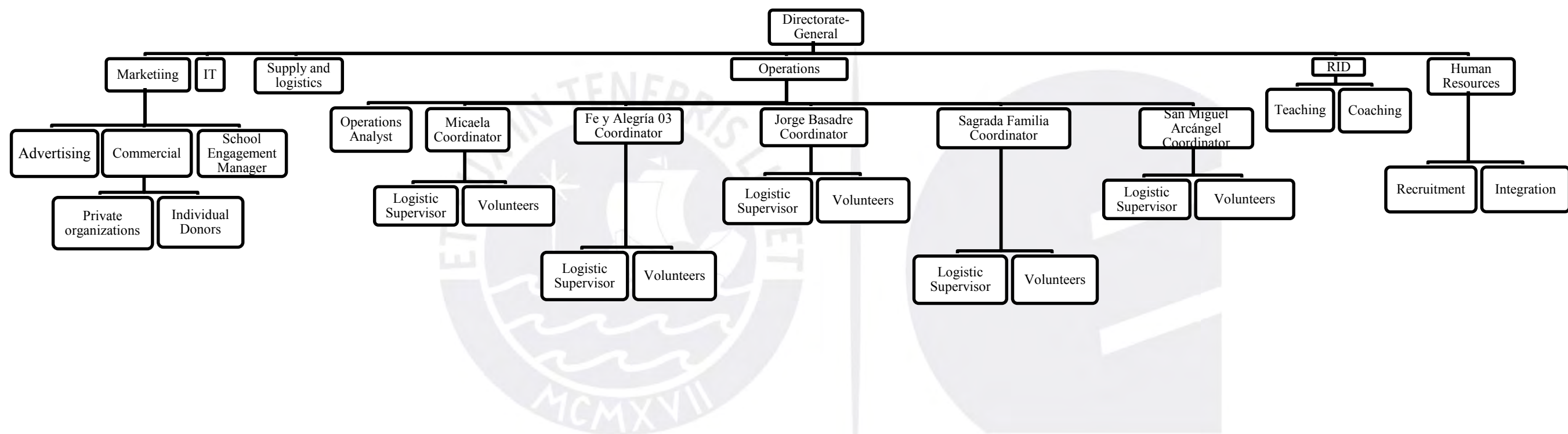


Figure 7. Creamás Organizational Structure.

### **7.6.1. Flexible yet effective criteria adhering to the organizational culture**

The organizational culture is what brings Creamás together and makes it what it is today. That being said, the human resource department/individuals must recruit volunteers that match the organizational culture whenever possible. For example, Creamás representatives have strongly referred to characteristics such as enthusiastic, energetic, and passionate. However, the organization should not take this recommendation too far and be aware that not all individuals with those characteristics can be able to fit into the organizational culture.

In order for the recruiting are to done efficiently and effectively, it is critical that Creamás is provided with a thorough and strategic recruiting procedure and criteria. A huge part of this procedure is done in the recruiting interview with the candidates as the recruiting team can get a real touch of the candidates through questioning and a personal approach.

### **7.6.2. Training**

Training is a very important aspect of an efficient and effective Creamás as it not only improves the effectiveness of the volunteers while teaching but also externally motivates them to continue being part of the organization. As has been mentioned in the short-term objectives, volunteer training in both hard and soft skills is a must in order to achieve the desired vision. While Creamás has succeeded in identifying the most motivated, passionate and team-oriented individuals sometimes there is still lack of hard-skills in the new recruits.

### **7.6.3. Motivation and performance incentives**

Creamás needs a way to develop performance incentives in order to foster the volunteer's motivation. In this specific situation, it may not be this easy simply as volunteers may be solely motivated by their own good will of helping children. On the other hand, some volunteers are 'forced' to volunteer for different reasons, such as: school requirements, an impressive resume, etc. Therefore, it is difficult to have a motivational incentive in place.

After talking to many volunteers at Creamás, it is visible that the majority of them are motivated by one thing: the outcome on the children. Volunteers at Creamás are truly motivated when they see the children learning, happy, and excited to show up at Creamás. Indeed, the human resource department and management at Creamás must take advantage of this aspect. Nevertheless, surely they would also be motivated if there was a way in which they could realize the actual impact they are generating on the students. By assessing and evaluating the output on the children and documenting their success/failures, volunteers can have a clear picture of what their real impact on children is.

### **7.7 Change Management**

According to Hicks and Nair (2009), many organizations believe they have a certain problem, when in fact that is not their main one (Hicks and Nair, 2009). While Creamás believed the source of its struggles to achieve its vision was the funding structure the possessed, as it was explained it is much more than that since the issues lie beneath the firm's operations. That being said, in order for Creamás to effectively overcome these issues, lots of change have to be done.

According to Longbotham and Longbotham (2006), it is necessary to have factor levels used to implement change and to be able to analyze the reason for each factor (Longbotham and Longbotham, 2006). That being said, the table 22 shows the main factors needed for Creamás to be able to implement and manage change, and the effect each will have on the organization.

Table 22

*Factors required to manage change*

Factor	Reason
Personal & unexpected visit from top management	Increased productivity and increased knowledge of issues or lack of know-hows within the organization
Detailed and staged implementation plan.	Minimized risk of unexpected issues or downfalls. Each individual knows what is expected of him/her.
Perform one-on-one meetings with all levels of organizational structure.	Minimized risk of unexpected issues or downfalls. Retrieve the 'inside situation' of the workforce. Build a personal relationship with all.
Continuous evaluations and output measurements.	Accurate knowledge of where the organization is and aware of any issues in real time.

*Note.* Adapted from "A Scientific Approach to Implementing Change" by (Longbotham & Longbotham, 2006).

## 7.8 Conclusions

Throughout the chapter the disaggregated short-term objectives were analyzed and presented in terms of which long-term objectives they relate to and which resources are needed to accomplish each one of them. As seen, most of the resources needed lie between manpower (especially from volunteers), methods (how to correctly perform each of the tasks), management (for motivation and a positive working environment) and mentality (organizational culture and identity). Besides that according policies that will allow the strategies to correctly take the organization to its desired vision were introduced.

After that, the newly proposed organizational structure that is believed will allow Creamás to support the new strategies and be consistent with its vision was presented and the respective functions of each of the players were described. Not major changes were made from the past structure in order not to create much resistance to change, nevertheless the new structure dramatically improves accountability as functions, responsibilities and hierarchy are well defined for each position.

Finally, in order to complement the prior objectives and recommendations the requirements for the implementation to succeed in terms of human resources, motivation and change management were presented. The organization faces a substantial challenge in motivating its workers in order to acknowledge and accept changes while developing a motivation program that will increase their effectiveness with the children. At the same time, as roles will be redefined during the implementation process, a reluctant portion of the working population will for sure complain. That is why it is advisable for the organization to follow the recommendations presented in order to adequately manage change.



## Chapter VIII: Strategic Evaluation

The strategic evaluation is the final step of the strategic process. It consists in evaluating, reviewing and controlling each of the previous steps in order to get the best out of the procedure. As Fernando D'Alessio mentions, "the strategic process is by nature iterative which means that it is a permanent feedback process (D'Alessio, 2013)." That is why even though the evaluation is the final step in the process, all of its tasks should be done throughout all the steps.

In order to measure and compare the effectiveness of a strategic process, indicators are a must. Besides that, industry benchmarks have to be considered so as to calculate the relative position of the organization toward its competitors and referents. It is important that since the environment in which the organizations compete is continuously changing, it is common to find out the strategic process needs adjustments during its planning or implementation steps. This could be due to the previous mentioned alterations in the environment or as a consequence of the poor results of the strategies defined. While this might be unfortunate and resource demanding it is important to make the modifications right away in order to keep on track and successfully guide the organization to its vision.

### 8.1 Control Perspectives

In order to make sure the organization is experiencing a positive effect from the strategic plan there are four metrics that need to be evaluated: internal learning, processes, clients and finances. The logic is the following: When an organization focuses its efforts in promoting the internal learning and development of its workforce as a consequence its processes are enhanced. If the latter are improved then the goods or services the firm provides its clients also become of better quality. As a consequence clients will become more and more satisfied with the organization and continue to buy products or services from it. If this happens then the company will achieve a healthy positive cash flow that will keep its

shareholders satisfied. The previous situation is a virtuous circle that begins by providing workers with the adequate skills in order to excel at their functions.

### **8.1.1 Internal learning**

In the case of Creamás, it has been identified that volunteer's development is the main interest the organization should pursue in order to create the vicious cycle, therefore, that is the topic that will be assessed the most during the present stage and the vision time horizon. In order to provide volunteers with the required skills to excel in their endeavors, training, coaching together with external motivation need to be provided by the organization. Between the indicators named in order to assess the effect Creamás is generating in the prior there is the percentage of attendance of volunteers, the amount of training received and the percentage of genuinely motivated volunteers.

### **8.1.2 Processes**

With adequate volunteer' training the productive process of Cremás, encouraging children to define and pursue their dreams, shall dramatically improve. Besides that, in order to make the organization more adept in fund raising there is a need to create a commercial department in charge of recruiting individual donors and offering services to potential sponsors. In order to control how the processes of the organization are being influenced, the following indicators are proposed to be controlled: the development of an effective methodologies that will grant the volunteers with the know-how needed to foster their student's dreams, the creation of an effective motivation program for volunteers and the foundation and of the commercial department. In order to adequately measure the progress of those developments Creamás needs to apply Project Management Procedures (PMP) techniques as there is no simple quantitative indicator that could be used. Milestones and the individuals in charge of each project need to be defined prior to the implementation process and a close as these processes are essential for accomplishing many long term objectives.



### **8.1.3 Clients**

If the previous processes are optimized then Creamás' clients (donors) will perceive the improvement of the final product (value-added children). And because the organization will be capable of assessing the actual possible impact it is having in the children, quantitative information will be available to support the value proposal for fund raising. Through the commercial department the organization will be ready to take advantage of the previous results, so more and more donations will come to the firm. The indicators from this control perspective include student's math grades, average attendance to Creamás classes and the number of students the organization is impacting through its activities.

### **8.1.4 Financial**

If more and more funding come to the company it will reach a healthy financial situation which will allow it to further positively influence the society. While there are no shareholders of Creamás, the company is devoted to contributing to the welfare of the society and needs to be financially sustainable to do that. The indicators that show how the organization is performing financially include the percentage of funding coming from individual donors and the number of corporate private client it holds.

## **8.2 Balanced Scorecard**

The balanced scorecard is used to verify and control the effect the strategic process is having in the organization. It is a very powerful tool for strategy management since classifies and evaluates all of the short-term objectives within the four perspectives previously explained needed to achieve the virtuous cycle that will increase the welfare of the organization. Besides that it allows the administration to make changes in the strategies if actual results do not match the expected ones. Table 23 shows the Balanced Scorecard developed for Creamás. It includes 18 short term objectives divided between the different perspectives explained before in order to correctly keep account of the impact the

Table 23

*Creamás Balanced Scorecard*

Perspective	STO number	Objectives	Indicator	Units	Way of measuring
Learning and growth	STO 4.1	By 2016, all of the new volunteers will have passed a test after their initial training program.	New volunteers who passed the exam	%	Written exams
	STO 4.2	By 2017, all of the volunteers will have passed a test after the training program of each semester.	Volunteers who passed the exam	%	Written exams
	STO 5.1	By 2018, 70% of the volunteers will be satisfied with the organization.	Volunteers satisfied	%	Trust Index survey developed by Great Place to Work
	STO 5.2	By 2018, attendance of volunteers should reach an average of 80% in every school.	Average attendance of volunteers	%	Attendance registration
	STO 5.3	By 2019, the average number of semester that a volunteer stays at Creamás will be at least 2.5.	Average number of semesters a volunteer stays in Creamás	Semesters	Volunteer's registration data
Internal processes	STO 3.1	By 2017, Creamás will have established a strategic alliance with at least two private schools.	Number of strategic alliances	Private schools	Count the number of private schools part of a strategic alliance
	STO 3.4	By 2019, Creamás will have established a strategic alliance with at least four private schools.	Number of strategic alliances	Private schools	Count the number of private schools part of a strategic alliance
Client	STO 1.1	By 2017, Creamás will operate in 13 schools.	Number of schools Creamás operates in	Schools	Count the number of operating schools
	STO 1.2	By 2017, Creamás will have an annual impact of 6 thousand kids in Peru	Number of Creamás students impacted	Students	Student's registration data
	STO 1.3	By 2018, Creamás will operate in 16 schools within at least 2 Natural Regions of Peru.	Number of schools Creamás operates in, in each Natural Region.	Schools per Natural Region	Count the number of operating schools per region.
	STO 2.1	By 2018, student math classes' attendance will reach an average of 75% in every Creamás school.	Students attendance to math classes	%	Attendance registration
	STO 2.2	By 2018, in each Creamas school, the average numerical reasoning scores in the MINEDU test, of every grade, will be at least 1.5 points higher than the corresponding regional average.	Average math school grades	Grade	MINEDU annual math test
	STO 3.2	By 2018, student workshop attendance will reach an average of 75% in every Creamás school.	Students attendance to workshops	Percentage	Attendance registration
	STO 3.3	By 2018, the average difference between the initial and final students' workshop grade will be more than two.	Difference between the initial and final workshop grade	Grade	Workshop examinations
Financial	STO 6.1	By 2017, Creamás will provide its corporate social responsibility services to at least 10 companies.	Number of Creamás' clients	Clients	Count the number of CSR clients
	STO 6.2	By 2019, Creamás will provide its corporate social responsibility services to at least 16 companies.	Number of Creamás' clients	Clients	Count the number of CSR clients
	STO 6.3	By 2019, 27% of the firm's funding should come from individual donors.	Individual donors	Donors	Financial statements
	STO 6.4	By 2019, 35% of the firm's funding should come from individual donors.	Individual donors	Donors	Financial statements

organization is experiencing at the different levels as a result of the strategic plan. From Project Management practices through polls, the means of measuring the objectives differ greatly which is why different characters should be for charged with the different accomplishments the Balanced Scorecard demands.

### **8.3 Conclusions**

Throughout the chapter is was explained how Creamás must engage in a virtuous cycle in order to attain its vision in the desired timeframe. As Fernando D'Alessio mentioned, improving productivity will indisputably improve competitiveness which will grant success to the organization. In the case of Creamás it all begins by improving the effectiveness of its volunteers which is done by providing them with training and coaching as well as with external motivation. With effective human resources processes inevitably improve which in this case relate to the degree children define and pursue realistic dreams, improve their math skills and essentially become better assets for the society. If measurable positive effects are recorded by Creamás, selling its services and asking for individual donations will become a much easier task. Finally, a healthy financial status will allow the firm to sustainably continue its operations.

From the balanced scorecard it was concluded that there are still many processes regarding operations that have still not been developed/validated and that concern specifically to volunteers' training and assessing children. It is important to point out that these kind of objectives require Project Management Practices in order to be accomplished as it is very complicated to have a singular countable indicator that could describe its progress.

The need for procedures is causing the organization to lack the effectiveness required to have measurable results which later can be used as a sales tool for raising more funds. While at first the directorates of the firm thought of the funding structure as its major concern, they should acknowledge that it only comes as a natural consequence of providing

the client with a good product, in this case an accountable impact in Peruvian children education. Besides that, in the same way there are objectives with the aim of increasing the organization's effectiveness, there are others aimed to expanding Creamás operations supported by a sustainable financial situation of the company.



## **Chapter IX: Conclusions and Recommendations**

### **9.1 Comprehensive Strategic Plan**

The Comprehensive Strategic Plan, displayed in Table 24, is a powerful tool that gathers in one Table the main aspects of an Organization's Strategy to take in consideration for its future implementation. It includes the vision, mission, values and code of ethics; the organizational interests, long term objectives, strategies and short term objectives; and the policies and Balanced Scorecard. With this holistic view of the strategic plan the directorate can have a quick view of what the organization is trying to accomplish, how it is going to be accomplished and which are the indicators they should care in order to correctly steer the boat towards the vision.

### **9.2 Concluding Remarks**

Throughout the process, it was explained how Creamás was going to achieve its desired vision from its current situation. It is important to note that due to the fact that Creamás is an NGO, extra care had to be taken to ensure that those tools were well suited to the NGO as they cannot be applied in the same way they will be applied to a typical profit organization.

There was a need to reformulate the current vision as the statement was not clear nor the time and geographical boundaries were defined. In the case of the mission it had to be also reformulated as the "dreams" component was not included although it is at the heart of Creamás company culture. Besides that, the current mission does not show the company's concern for its stakeholders nor is defined within a time and geographical framework.

The external environment as well as the internal operations of the company were taken into account in order to come up with the appropriate strategies that will lead the organization to success. Features like the strong economic position of the company and the poor public education were identified as strong opportunities for the organization while the

Table 24

*Creamás Comprehensive Strategic Plan*

Mission: "Creamás educates primary, middle and high school low income students in public school through a holistic educational program given by young professional volunteers, which includes academic subjects and diverse workshops that allow children to discover and pursue their dreams. Creamás is devoted to its shareholders, in particular to its employees. Our ideal is to contribute to their personal and professional development and reinforce their social	Vision: "To be in 2020 the best education NGO focused in the cognitive, social, emotional and physical development of elementary, middle and high school students in Peruvian public schools; with an important presence in the three natural regions of Peru: (a) the coast, (b) the highlands, and (c) the jungle."										
	Organizational Interests			Long term objectives				Cardinal principles		Values	
	1. To encourage children to define and pursue their dreams. 2. To contribute to the adequate education of children. 3. National interest, well-being of the society. 4. Promote Individual Social Responsibility. 5. Achieve an adequate and sustainable funding structure.			LTO 1: By the end of 2020, Creamás will operate in 20 schools within the three natural regions of Perú: (a) the coast, (b) the highlands, and (c) the jungle; impacting 10,000 students.	LTO 2: By the end of 2020, in each Creamas school, the average numerical reasoning scores in the MINEDU test, of every grade, will be two points higher than the corresponding regional average.	LTO 3: By the end of 2020, the average difference between the initial and final students' workshop grade will be more than three.	LTO4: By the end of 2020, all of the volunteers will have completed and passed the teaching and coaching training program at the beginning of each semester.	LTO5: By the end of 2020, 80% of Creamás' volunteers will consider it a great place to work, which will be measured through a Trust Index employee survey average higher than 80%.	LTO6: By the end of 2020, at most 20% of Creamás' funding will come from company donors.	1. Influence of third Parties. 2. Past and present relationships. 3. Counterbalance of interests. 4. Conservation of enemies.	Teamwork Commitment Attitude Integrity Collaboration
	1. Recruit highly motivated volunteers. 2. Expanding operations within the country. 3. Recruit the best full-time workers the firm's budget permits. 4. Establish long term relationships with the firms' private donors. 5. Contribute to the personal development of volunteers. 6. Complement the education of workshops. 7. Obtain the best deals possible with its suppliers.										
	Strategies									Policies	Code of Ethics
	WO3. Develop a "Sponsor a Child" program			X	X	X			X	X	Responsibility and service Cooperation Human rights Transparency
	ST4/WT3. Implement school nutrition campaigns.			X	X	X			X	X	
	WO2. Strategic alliance with the best Peruvian private schools in order to improve teaching quality.			X	X	X	X		X	X	
	SO1/ST1. Expand the operations to more schools in Lima and rural areas.			X	X	X			X	X	
	Balanced Scorecard			Short term objectives							
Learning and growth perspective			STO1.1: By 2017, Creamás will operate in 13 schools.	STO 2.1: By 2018, student math classes' attendance will reach an average of 75% in every Creamás school.	STO 3.1: By 2017, Creamás will have established a strategic alliance with at least two private schools. .	STO 4.1: By 2016, all of the new volunteers will have passed a test after their initial training program.	STO 5.1: By 2018, 70% of the volunteers will be satisfied with the organization.	STO 6.1: By 2017, Creamás will provide its corporate social responsibility services to at least 10 companies.			
STO 4.1: Indicator: New volunteers who passed the exam STO 4.2: Indicator: Volunteers who passed the exam STO 5.1: Indicator: Volunteers satisfied STO 5.2: Indicator: Average attendance of volunteers STO 5.3: Indicator: Average number of semesters a volunteer stays in Creamás			STO1.2: By 2017, Creamás will have an annual impact of 6 thousand kids in Peru.	STO 2.2: By 2018, in each Creamas school, the average numerical reasoning scores in the MINEDU test, of every grade, will be at least 1.5 points higher than the corresponding regional average.	STO 3.2: By 2018, student workshop attendance will reach an average of 75% in every Creamás school.	STO 4.2: By 2017, all of the volunteers will have passed a test after the training program of each semester.	STO 5.2: By 2018, attendance of volunteers should reach an average of 80% in every school.	STO 6.2: By 2019, Creamás will provide its corporate social responsibility services to at least 16 companies.			
Internal process perspective			STO1.3: By 2018, Creamás will operate in 16 schools within at least 2 Natural Regions of Peru.		STO 3.3: By 2018, the average difference between the initial and final students' workshop grade will be more than two.		STO 5.3: By 2019, the average number of semester that a volunteer stays at Creamás will be at least 2.5.	STO 6.3: By 2017, 27% of the firm's funding will come from individual donors.			
STO 3.1: Indicator: Number of strategic alliances STO 3.4: Indicator: Number of strategic alliances					STO 3.4: By 2019, Creamás will have established a strategic alliance with at least four private schools.			STO 6.4: By 2019, 35% of the firm's funding will come from individual donors.			
Client perspective											
STO 1.1: Indicator: Number of schools Creamás operates in. STO 1.2: Indicator: Number of Creamás students impacted. STO 1.3: Indicator: Number of schools Creamás operates in, in each Natural Region. STO 2.1: Indicator: Students attendance to math classes. STO 2.2: Indicator: Average math school grades. STO 3.2: Indicator: Students attendance to workshops. STO 3.3: Indicator: Difference between the initial and final workshop grade.											
Financial perspective											
STO 6.1: Indicator: Number of Creamás' clients STO 6.2: Indicator: Number of Creamás' clients STO 6.3: Indicator: Individual donors STO 6.4: Indicator: Individual donors											
			Resources								
			Organizational Structure								
			Operational Plans								

strong motivation of the volunteers and the low operating costs were between the largest strengths of Creamás. Nevertheless It was also concluded that while the environment does not pose many threats for the company, there are numerous internal weaknesses that do not allow the firm to achieve its true potential. For example, the poorly defined functions and roles of the collaborators and the lack of volunteer training.

In terms of the strategies defined according to the current situation of Creamás, since it was found that there is still a huge market to explore, the company possesses a significant amount of resources, and there are lots of services related to education the company can offer; most strategies refer to product development. Language art lessons, workshop development and nutrition programs are examples of those.

Moving on to the implementation stage, it is believed that upon it the company will be more efficient and effective. However, in order for this plan to be successful there is a huge need for commitment from the Creamás administration. Even though at the end, all stakeholders will benefit from the successful application of the strategic plan, change always brings conflict to the table and it is the responsibility of the management to mitigate it.

The general manager is currently taking care of operational issues which constantly divert its attention from more strategic concerns. However, with the proposed organizational structure it is expected that responsibility will be shared with a reliable and carefully designed team for secondary matters. This will give him more room to pursue the strategic vision of the organization. It is believed that the general manager needs to play the main role in encouraging the organization to focus its efforts into pursuing the objectives of the strategic plan. Besides that, he must be the one in charge of continuously evaluating the progress of the strategic process in order to point out any flaws on it and promptly correct them.

The operations manager holds a strategic position within the organization since it is granted a large amount of responsibility in terms of scope. Furthermore, every school coordinator reports directly to it so possesses a holistic and clear picture of the situation of the organization in terms of its operations. It is believed that this is the best way to centralize the information gathering in order to successfully diagnose any situation that may arise.

Last but not least, volunteers play an essential role as well since they are the main workforce of the organization. Convincing them that training and coaching is beneficial for them as well as for the interests of Creamás should be one of the first goals to accomplish before implementing the plan.

### **9.3 Final Recommendations**

It is recommended for Creamás to implement this Plan, as it will help them to achieve its vision while considering the most important aspects of their internal structure and the external environment. Moreover, it will assure their everyday activities to be aligned with the purpose of the organization.

It is also recommended that since some of the short-term objectives involve developing methodologies that are totally new to the organization, PMP practices should be used for assessing the development of those them. It is important to note that extra attention should be given to the fulfillment of those short term objectives as those methodologies are mandatory for fulfilling near future short-term objectives that will eventually fulfill the long term ones and eventually that the organization to its desired vision. As mentioned, the

It is also advisable for Creamás to hire all the members of the organizational chart but the Creandos' volunteers, who teach math and workshops. While non-paid volunteers have large amounts of internal motivation, this is related to contributing to the development of children rather than to radically transforming the organization. The idea is to build a strong



and reliable team of full-time workers that can make sure the strategies are well implemented in the organization and as a consequence the vision can be achieved.

Upon analyzing the internal environment of the company, it was observed that while the organizational strategy was redefined, the previous organizational structure was still in existence. This is a huge flaw as it is not effective to define a new strategy with an already existing organizational structure.

#### **9.4 Future of the Organization**

By 2020, Creamás will be considered a referent for the education NGOs in Peru. It will have presence in the three regions of the country providing a positive impact on the poorest areas of the organization through application of innovative teaching and coaching methodologies.

Their impact on children would have greatly increased in each of their schools not only but the amount of hours every kid is exposed to, but by quality of the volunteers. Volunteers will be distinguished from the competitors for their passion, as well as their hard and soft skills.

The organizational structure will be flexible, allowing Creamás to adjust it depending on its size. Moreover, it will count with a team of qualified professionals to guide Creamás through all of its organizational cycle, that will monitor their activities to reach more and more ambitious goals.

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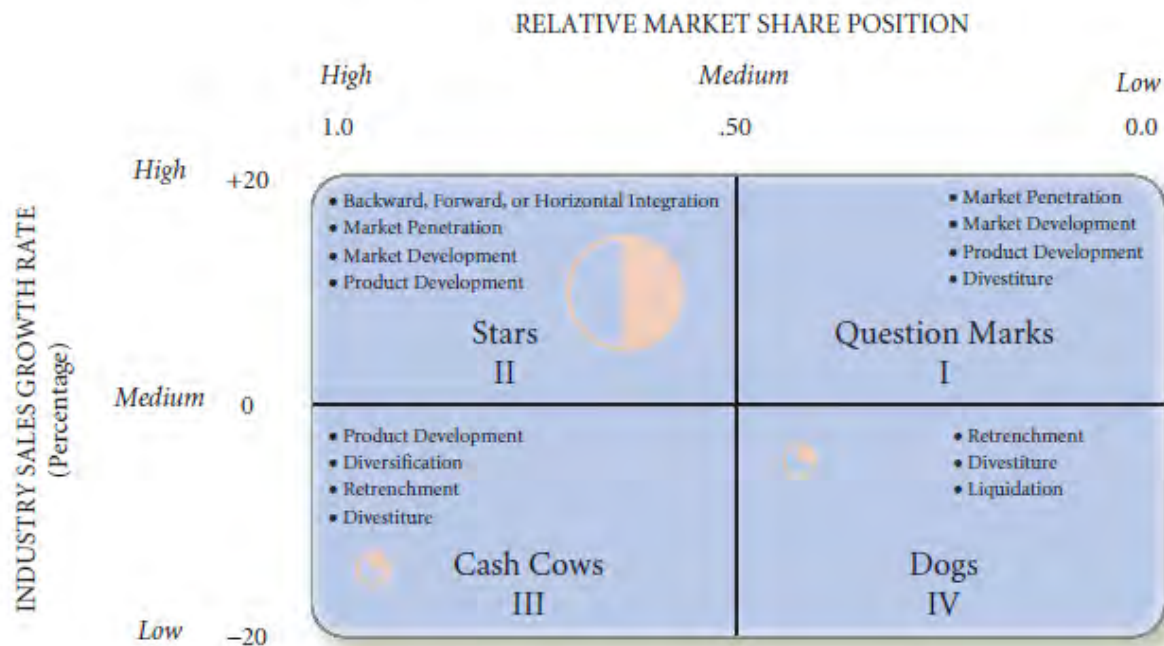
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## Appendix A

### The Strategic Process

Table A1

*Boston Consulting Group Matrix Strategies*



*Note.* Adapted from “Strategic Management: Concepts and cases (13th ed.)” by David (2009).