



SCALING OUR IMPACT

Global Strategic Plan
2015–2019





SCALING OUR IMPACT LETTER FROM OUR CO-FOUNDER AND CEO

Dear Friends,

In 2000, Room to Read was founded upon the belief that World Change Starts with Educated Children.® Since then, our organization has grown exponentially: we now operate in 10 countries across Africa and Asia, employ over 1,000 staff members, and draw support from a dedicated network of investors who fund our annual budget of US\$50 million. Most importantly, we are on track to accomplish the goal we set for ourselves in our last strategic plan: by the end of 2015, Room to Read will have benefited more than 10 million children around the world through our programs in literacy and girls' education.

We take deep satisfaction in our accomplishments thus far—and are profoundly grateful to the investors and partners that have enabled us to reach our goals. At the same time, we know that we have a challenge to reach even more children in the future. 250 million children around the world still lack basic reading, writing and numeracy skills. In the regions in which we work, girls remain much less likely to complete secondary school than boys. It is clear that the programs we provide in literacy and gender equality in education are still needed by millions of children.

As part of Room to Read's commitment to providing high-quality educational opportunities to children in the most effective ways possible, every five years we reflect on our work and consider how we are doing as an organization. We assess the direction and goals we have set for ourselves to recommit or adjust as needed. This strategic plan, *Scaling Our Impact*, focuses on two key areas we want to address between 2015-2019 to make Room to Read even stronger:

INVESTING IN OUR CORE BUSINESS TO ACHIEVE EFFICIENCIES AND GREATER EFFECTIVENESS

This will allow us to continue to grow our impact at the same significant pace while improving the efficiency and effectiveness of our programs, fundraising efforts and operations.

LAUNCHING A NEW DELIVERY MODEL TO SIGNIFICANTLY SCALE OUR IMPACT THROUGH PARTNERS

We will work with organizations and government ministries to build their capacity to better deliver programs like ours. This will allow us to address more of the global need for our programs without having to grow our organization at the same rate as in the past.

We are very excited about the quality of our programs, the ability we have to scale our impact and the opportunities for investing in a healthy and sustainable organization. The international education sector has highlighted literacy and gender equality in education as great needs and we are better positioned than ever before to contribute in a meaningful and impactful way to addressing these needs for children around the globe. We believe we have set ambitious yet achievable goals and priorities in the next five years that create a roadmap for Room to Read to continue to deliver on its belief that World Change Starts with Educated Children.®

Best,



Erin Ganju
Co-Founder and CEO

FIFTEEN YEARS OF IMPACT

10 MILLION CHILDREN

A quality education remains out of reach for millions of children around the world, even as access to schooling has improved. While the number of out-of-school primary school-aged children has fallen by almost half since 2000, 250 million children (or almost 40% of all primary school-age children in the world) still lack basic reading, writing and numeracy skills. UNESCO estimates that nearly half of those 250 million children will never reach 4th grade.¹ When children reach the 3rd grade without basic literacy skills, it is virtually impossible for them to catch up.²

In addition, despite gains over time in girls' primary school enrollments, gender equality in education continues to be a serious problem. Female student enrollment drops sharply between primary and secondary school due to various societal challenges that girls face as they enter adolescence, particularly in Sub-Saharan Africa and South and West Asia. In addition, there are still substantial differences in girls' and boys' experiences in school as well as in transitions to the next phases of their lives.

In our last strategic plan, *A Roadmap for Learning: Literacy and Girls' Education* (2010–2014), we committed ourselves to two critical areas where we believed we could have the greatest impact: literacy and gender equality in education, with a focus on providing support for the critical milestones of a child's education. We brought our efforts to establish libraries, construct schools and publish books in local languages, and our then newly piloted reading and writing instruction programs together under one unified Literacy Program. We recommitted ourselves to the vision of the Girls' Education Program, which supports girls to complete secondary school and provides the life skills necessary to negotiate key life decisions. We also enhanced our support by incorporating more systematic ways of delivering the life skills and mentoring aspects of the program. After much concentrated effort and dedication across the organization over the past five years, our operations now focus on two core programs: the Literacy Program and the Girls' Education Program which, together, reflect our vision for creating change through education.

To date, we have benefited 9.7 million children and achieved the following results through our Literacy and Girls' Education Programs. We now reach approximately one million new children each year, yet despite this reach, we recognize that the global need for quality education cannot be addressed by any single organization alone. Reaching 250 million children who lack basic primary education requires a collaborative effort among many organizations and governments.



Providing over 31,000 girls with enhanced education opportunities and life skills training



Establishing more than 17,000 libraries



Supporting reading and writing instruction in 2,300 classrooms across 1,300 schools



Constructing over 1,900 schools



Publishing more than 1,100 original local language children's titles and distributing over 15.5 million books



Impacting the lives of more than 9.7 million children

Results as of December 2014

¹ UNESCO Institute of Statistics, EFA Monitoring Reports (2000-2013/4). Estimates based on a composite of children who do not complete grade 4 and results from sample-based learning achievement surveys; definition of children who reached grade 4 is based on the expected cohort completion rate method.

² Catherine Snow et al. Preventing Reading Difficulties in Young Children. National Academy of Sciences, Commission on Behavioral and Social Sciences and Education, 1998.

WHAT GUIDES US

OUR BELIEF THAT WORLD CHANGE STARTS WITH EDUCATED CHILDREN

As part of this strategic plan, we recommitted and redefined, where needed, our vision, mission, theory of change, core values and operating principles that were set in our last strategic plan.

OUR VISION

Room to Read believes that World Change Starts with Educated Children.® We envision a world in which all children can pursue a quality education that enables them to reach their full potential and contribute to their communities and the world.

OUR MISSION

Room to Read seeks to transform the lives of millions of children in developing countries by focusing on literacy and gender equality in education. Working in collaboration with local communities, partner organizations and governments, we develop literacy skills and a habit of reading among primary school children, and support girls to complete secondary school with the relevant life skills to succeed in school and beyond.

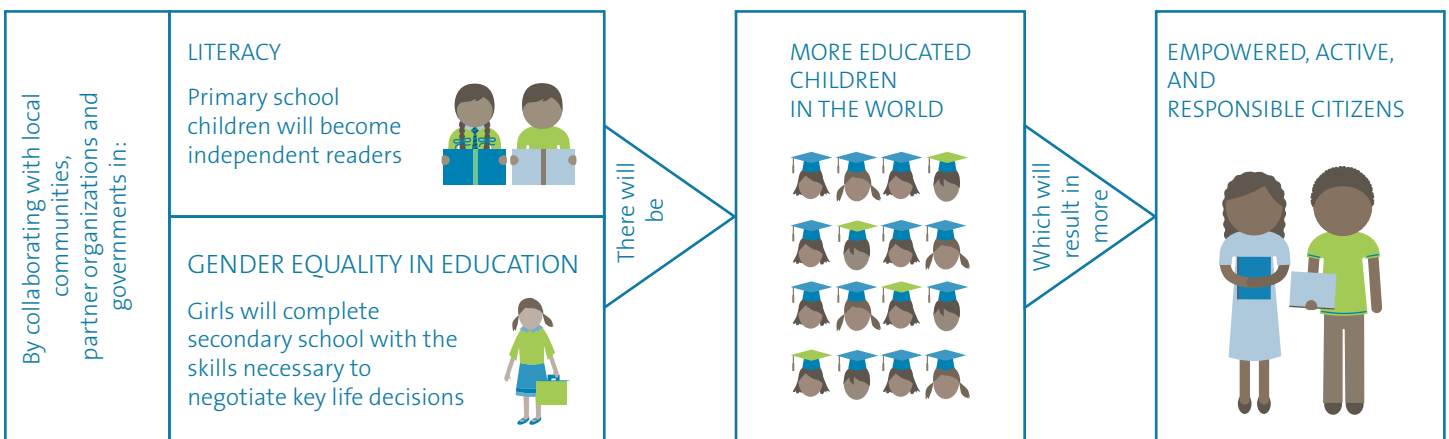
CORE VALUES

- ▶ Passion for Education
- ▶ Focus on Action and Innovation
- ▶ Commitment to Collaboration

OPERATING PRINCIPLES

- ▶ Focus on Education of Children
- ▶ Cultivate Top Caliber Staff and Supporters
- ▶ Engage Communities and Local Partners
- ▶ Promote Scale and Sustainability
- ▶ Maintain a Healthy and Efficient Organization

OUR THEORY OF CHANGE



ORGANIZATION-WIDE GOAL

By 2020, Room to Read will have invested in the futures of at least 15 million children by developing literacy skills and a habit of reading among primary school children, and by supporting girls to complete secondary school with strong life skills.



WHAT GUIDES US OUR CORE PROGRAMS

LITERACY PROGRAM

The goal of the Literacy Program is to ensure that all primary school children become life-long independent readers—developing the passion and love for reading that motivates them to reach for a book on a regular basis. This requires that a child develops both reading skills and a habit of reading.

Our school intervention includes ensuring the facility has a structured library with books in the children’s local language, as well as teachers and librarians who are trained in the best practices of reading and writing instruction. Key to our program is ensuring that families, communities and governments are all engaged in the transformation of the school and committed to its success.

Our Literacy Program components are like pieces of a puzzle.³ When all the pieces are in place, children have the resources and support they need to become independent readers. In many of the communities with which we partner, Room to Read works with schools to implement all of the activities needed for children to become independent readers—fitting together every piece of the puzzle. In other communities, we provide support and programming on some of the activities if others are already being conducted effectively by the school, the local government, or another organization.

GIRLS’ EDUCATION PROGRAM

The goal of our Girls’ Education Program is to ensure that girls complete secondary school and have the skills to successfully negotiate key life decisions. Our program⁴ reinforces girls’ commitment to their own education, works with girls to develop essential life skills and increases support for girls’ education among their parents, school staff, and communities. Key to our program are our Social Mobilizers, local women who are hired as mentors and work with girls and their families to ensure that girls stay in school, participate in activities, and navigate the challenges of adolescence with the ability to make their own life choices, both personally and professionally.

While many countries have made great strides in keeping girls in primary school, huge imbalances persist, particularly as girls transition into secondary school. The Girls’ Education Program is vital for increasing community support for gender equality in education, demonstrating effective and efficient models that governments and other organizations can take to scale, and for helping the girls who participate in the program to achieve their dreams.

³ The six components of the Literacy Program are: (1) access to relevant, appropriate, and quality reading materials, (2) effective teachers and librarians able to teach literacy skills and encourage the habit of reading, (3) school environments that are conducive to learning, (4) family and community awareness and support of reading, (5) collaboration with government, civil society, and/or other NGOs to support policies and programs, and (6) ongoing research, monitoring and evaluation activities to ensure program quality and improvement.

⁴ The six components of the Girls’ Education Program include the following: (1) life skills education, (2) family, school, and community engagement, (3) mentoring, (4) material support, including tutoring and exam preparation, (5) collaboration with government and civil society, and (6) research, monitoring, and evaluation.

WHAT GUIDES US OUR COMMITMENT TO DATA-DRIVEN RESULTS

Research, monitoring, and evaluation (RM&E) is core to our program design and implementation strategy. Through our RM&E activities, we learn how to increase program effectiveness, efficiency, and sustainability. We strive to collect the right data and ensure that we can understand how program inputs and implementation shape outputs and outcomes. This information helps us link data to program decisions by staff at all levels, from schools to districts, and from Country Offices to the Global Office. RM&E analysis and reporting also helps us to communicate our results to external audiences, provides transparency of and accountability for our work, and influences educational policy and practices around the world.

The three parts of our RM&E portfolio include the following:

HIGH-IMPACT, STRATEGIC RESEARCH

We conduct research to address questions of strategic importance for program improvement. These studies are often relatively small-scale but have a big impact on the quality of our programs.

EFFECTIVE AND EFFICIENT MONITORING SYSTEMS



We invest in monitoring our programs and collecting output and outcome data from each project site, which enables us to improve the quality of school-level projects and overall program designs.

OBJECTIVE EVALUATION OF OUR IMPACT

Impact evaluations inform us the extent to which outcomes are being improved in our program schools and whether this improvement is because of our programs. They give unbiased information that provide us confidence that we understand the impact of our programs worldwide.

Measuring results is central to our success and we are committed to collecting data from more than 7,000 projects per year to track fidelity and impact, and to regularly communicating these results to our key stakeholders. Our annual Global Monitoring Report will continue to share information on more than 30 indicators across all of our countries of operation for stakeholders interested in detailed data about the results and impact of our programs.⁵

We commit to reporting annually on the following:

PROGRAM	LITERACY PROGRAM 	GIRLS' EDUCATION PROGRAM 
OUTPUTS	<ul style="list-style-type: none"> # of literacy program partner schools # of schools with infrastructure projects # of books published # of books distributed # of teachers and librarians trained # of children benefited 	<ul style="list-style-type: none"> # of girls benefited
OUTCOMES	<ul style="list-style-type: none"> # of books checked out % of children reading at fluency level⁵ 	<ul style="list-style-type: none"> % of girls who stayed in school % of girls who advanced to the next grade % of girls receiving life skills education % tertiary advancement

⁵To begin reporting in 2016

⁵ Room to Read's Global Monitoring Reports can be found on its website at www.roomtoread.org/measuringresults



WHAT CHALLENGES US AND HOW WE'LL ADDRESS IT

CHALLENGES

Our ability to successfully reach our goal for 2020 will depend on how well we can address our current challenges:

SCALING OUR PROGRAMS TO MORE QUICKLY ADDRESS THE GLOBAL NEED FOR OUR WORK

Many more children could benefit from our programs. Attempting to have a substantially larger effect on the global demand through our direct implementation approach would require substantial resources and time. Thus, addressing this challenge will require identifying ways to become more efficient in current program delivery and consider alternate methods.

MAINTAINING SUSTAINABLE REVENUE GROWTH TO MEET PROGRAM DEMAND

While we have a solid and diverse base of support in many regions, we still have limited resources. Finding more systematic ways to allocate resources in existing and new markets and automate processes to maximize revenue and keep investors connected is essential.

INVESTING IN OUR PEOPLE, PROCESSES AND SYSTEMS TO SUPPORT GROWTH

Our internal systems have not developed at the same pace of growth as our programmatic impact. This has led to challenges of improving efficiency for our staff and has created redundant or misaligned processes that have affected our ability to retain top talent, build staff capacity and operate as efficiently as possible.

STRATEGIC INITIATIVES

In this strategic plan, we are addressing each of these challenges through a set of three strategic initiatives:

DEEPENING AND BROADENING OUR IMPACT

We will streamline and standardize our approach within our core programming, take a more disciplined approach to country expansion and contraction, and launch an external assistance arm call Room to Read Accelerator.

FOCUSING OUR RESOURCE MOBILIZATION EFFORTS

By placing fundraising efficiency at the center of our strategy, we will increase our number and diversity of investors and strengthen connections between them and our work.

ENSURING OUR SUSTAINABILITY

By investing in our people, internal systems and processes, we will build a robust platform for sustainable growth.



STRATEGIC INITIATIVE ONE: DEEPENING AND BROADENING OUR IMPACT MODULES AND DIRECT IMPLEMENTATION

Our long-term commitments to the countries where we work have allowed staff to be flexible to grow programs that best fit the culture and conditions as well as experiment so that we can understand the benefits or challenges several years down the road. We are now at a prime moment to codify our best practices, both programmatic and operational.

Through the development of global program and operational implementation packages, we are consolidating best practices from each of our Country Offices to provide standard activity sets and instructions to form our core program material for our future. These packages will provide countries with tried-and-true Room to Read ways of operating, while still allowing for local contextualization.

This updated approach will improve effectiveness and efficiency in a number of ways. From an operational perspective, it will allow us to standardize many of our processes and procedures, build the skills of our staff more efficiently, and transfer knowledge to the educators we work with more effectively. Programmatically, it will allow us to formalize what we know works best and ensure that we implement projects with high quality on a more consistent basis. From a monitoring and evaluation perspective, it allows us to determine empirically and systematically which activities can be implemented successfully across contexts and which must continue to be very locally constructed and driven. From a fundraising perspective, it will allow us to explain and report on our programs in more clear and simple ways to investors. This new way of operating through implementation packages not only provides efficiencies in the countries where we directly work, but we believe will allow us to leverage our know-how and content to launch a new technical assistance program model as a second mode of delivery.

To date, Room to Read has chosen to make long-term commitments to our countries of operation. Establishing a longstanding presence in a country creates trust, builds understanding, and offers influence with the government, schools and communities in which we work, supporting our long-term goal of influencing policies and practices in national education systems.

Within our countries of operation, activities and programs are implemented directly through Room to Read staff or partners. We develop and provide materials to teachers, librarians, school administrators and community leaders, but the success of the programs depends heavily on the training, hands-on coaching, support and monitoring delivered by our field staff. Within our Country Offices, we have technical staff who focus on ensuring that the programmatic content meet our global standards, while remaining relevant and appropriate for the local context. We also have operational teams who manage the efficiency and cost effectiveness of the delivery of our work.

Working directly with relevant government ministries, we are able to target our programs to have meaningful impact at all levels from the child and school to influencing national curriculum and educational policy—as well as ultimately influencing the global education movement. Our long-term commitment and engagement with the government are key factors that make Room to Read a trusted partner for government officials.

Over the course of the next five years, we will continue to prioritize the direct implementation of our programs and have set aggressive but achievable targets. By 2020, we will cumulatively impact the lives of at least 15 million children by partnering with 25,000 schools through our Literacy Program and supporting more than 66,000 girls in our Girls' Education Program.

⁶ The exceptions are a pilot of training another NGO to carry out our programs in Indonesia (2014), and short-term training in the Maldives (2013).



STRATEGIC INITIATIVE ONE: DEEPENING AND BROADENING OUR IMPACT ROOM TO READ ACCELERATOR

As we look towards the future and at the immense need for programs like those we provide, we know we need to think more strategically about how to scale our impact. Therefore, we will launch a technical assistance unit to complement our direct program delivery model. Through Room to Read Accelerator, our staff will train like-minded organizations and governmental institutions to implement programs focused on literacy and gender equality in education. Accelerator will help us reach even more children in a shorter period of time than we can through direct implementation alone. While we expect that this model will ultimately generate enough revenue to sustain itself, its primary function will be to increase the number of children reached by our programs.

In parallel with our core programs, we plan to multiply our impact through Accelerator and provide a mechanism through which we can respond to the increasing number of requests for technical assistance that we receive from other organizations and governments. Key ways the Accelerator model can operate include:

- ▶ In countries where we currently operate, we will provide training and resources for components of our program in geographies where our full program is not needed or cannot be fully funded.
- ▶ We will expand into geographies where there is great need, but where political instability, lack of educational infrastructure, or other challenges do not fit the requirements of our direct implementation model.
- ▶ We can consider expanding into regions with programmatic need or interest but incrementally more financial resources than where we have historically worked. Room to Read Accelerator will consist of training, coaching, and providing access to our programmatic materials and resources, and will be tailored to the needs of each client organization. These services will be provided for a fee to cover organizational costs, either directly by the organization receiving the services or by a donor.

Over the course of the strategic plan period we will evaluate the reliability and impact of the Accelerator model against the following criteria:

- ▶ Has the program demonstrated the ability to deliver outcomes in line with our mission? Can we measure the impact we have generated through the program?
- ▶ Has Accelerator in any way put undue strain on our core programs or our ability to deliver impact in other areas? If so, have the benefits clearly outweighed the costs?
- ▶ Has sufficient demand from like-minded, capable clients materialized or is there evidence it will materialize in the future?
- ▶ Has sufficient revenue been generated or is it likely to be generated in the future to cover both actual and opportunity costs?

If Accelerator proves measurably successful in the first few client engagements, we will explore opportunities to increase the cost-effectiveness of delivery, adopt a strategy to more proactively seek out desired partnerships, and identify changes to the organization's external positioning, goals and priorities in order to grow this aspect of our work further.



STRATEGIC INITIATIVE ONE: DEEPENING AND BROADENING OUR IMPACT EXPANSION AND CONTRACTION

Considering the continued and substantial need for the types of programs that we offer, we believe it is our responsibility to thoughtfully consider where we should be operating both our direct and technical assistance approaches. Through this strategic plan we have defined criteria we will use to make contraction and expansion decisions.

Contraction triggers we will use to guide us:

ACHIEVEMENT OF OBJECTIVES

Our efforts are no longer needed because children have acquired the skills and habit of reading or gender equality in education has been achieved.

LIMITED COMPARATIVE ADVANTAGE

Our programs do not provide the unique benefit that warrants the presence of direct implementation because there are other organizations or governments that are able to achieve our targeted outcomes in a more efficient way.

CHALLENGES TO ACHIEVING DESIRED OUTCOMES

We cannot achieve targeted outcomes due to factors beyond our control, such as changes in government policy, concerns around safety or shifting demographics.

CHANGE IN ORGANIZATIONAL PRIORITY

Our priorities have changed based on the fundraising landscape, programmatic focus, Accelerator opportunities or emerging new opportunities.

It is important to note that building our technical assistance and capacity building skills will support our efforts should we decide to phase out of certain regions or even potentially a country. Accelerator could help build the capacity of the local governments and our partners to sustain and build on our programs.

Expansion will be focused within current countries of operation because with the introduction of implementation packages and the standardization of country operations, it is allowing Room to Read to benefit from economies of scale and maintain high program quality in current and new geographies.

The conditions under which we would consider launching direct implementation in a new country would include:

ASSESSMENT OF MODEL

We would first consider if Accelerator could meet the needs of the potential expansion opportunity.

ADVANCED FUNDING

We would need the first three years of risk-tolerant funding and the identification of long-term funding sources.

FINANCIAL SECURITY

With a revenue surplus of at least 20% a year over the course of two years and with adequate cash reserves, we would further investigate the launch of a new country.

STRATEGIC INITIATIVE TWO: FOCUSING OUR RESOURCE MOBILIZATION EFFORTS UNDERSTANDING REVENUE GROWTH

While our revenue has grown rapidly, we have been recently challenged to maintain the same rate of growth as our start up years. Through the efforts of our global staff and volunteer chapters as well as the generosity of our dedicated and diverse network of supporters, in 2014 we surpassed US\$50 million in annual revenue, including gifts-in-kind. We have achieved a financial scale that few nonprofits ever reach and are eager to continue breaking through what appear to be thresholds for growth. In fact, between 1975 and 2008, only 201 U.S.-based nonprofits surpassed the US\$50 million annual revenue level.

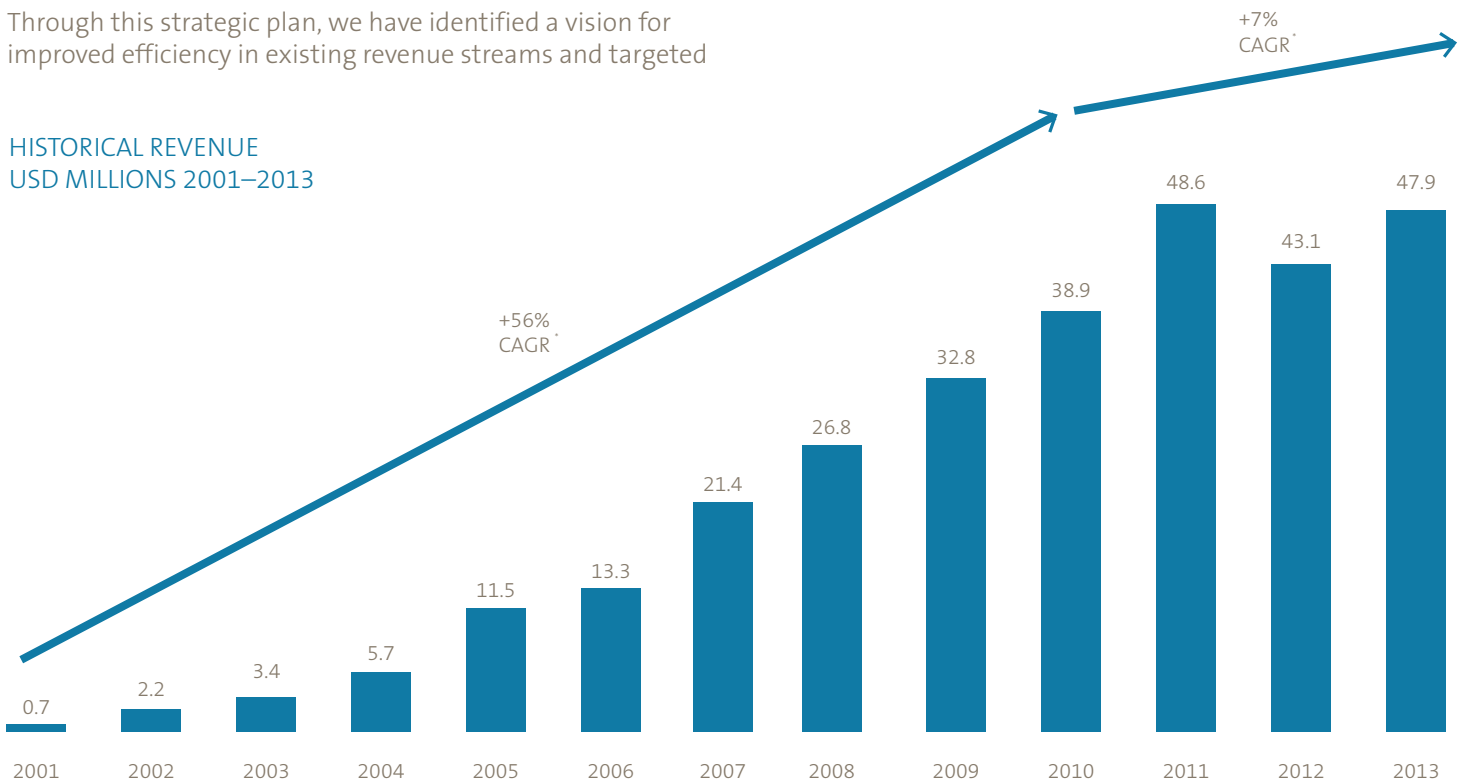
Room to Read has built a talented team whose fundraising abilities and strong connections to our investor base have become key drivers of programmatic growth. As we have grown, however, we have not always grown efficiently. As seen in the graph below, our rates of growth have declined over the last few years.

Through this strategic plan, we have identified a vision for improved efficiency in existing revenue streams and targeted

areas that we want to focus on to augment our current fundraising efforts. With staff more focused on the specific streams of revenue where we see the greatest potential, they can become better stewards of our investors' interests and, ultimately, build stronger mechanisms through which our investors can connect with our work and be inspired to become long-term partners of Room to Read.

As an organization committed to providing our investors with the strongest possible connections to our work, we took this opportunity to solicit feedback from our investors. This involved administering a survey to thousands of current and previous individual investors and conducting targeted interviews with over a dozen of our major individual and corporate investors.⁸ Our goal was to ensure that direct investor feedback would drive the changes that we make to our donor engagement strategy in the years to come.

HISTORICAL REVENUE
USD MILLIONS 2001–2013




⁷ This particular statistic defines revenue as all revenue earned by the organization, including contributed support (donated cash), gifts-in-kind, investment income, and fees earned from revenue-generating initiatives. It excludes hospitals and universities. Source: Stanford Social Innovation Review, Why Non-Profits Are Getting Bigger, 2012.

⁸ Surveys were administered in two groups, one to donors who had given more than US\$10,000 annually in the past 10 years, and one to donors who gave less than US\$10,000 within the same period. We received 139 responses from US\$10K+ donors and 1,656 responses from <US\$10K donors.

*Compound annual growth rate.

2011 figures are unaudited and taken from the 2011 annual report. 2002–2013 figures are taken from audited financial statements. These figures do not include investment and other income, special event expenses, and fees.



STRATEGIC INITIATIVE TWO: FOCUSING OUR RESOURCE MOBILIZATION EFFORTS EXISTING FUNDING STREAMS

During this process, we analyzed how effective we are at securing donations from our current base of support. We found that we are most efficient (i.e. lowest cost to revenue ratio) in working with private investors (individual and institutional) who give the organization more than US\$5K per year in our major markets. When quantified, these types of investors present an immense opportunity size.

Our key findings are as follows:

ROOM FOR GROWTH WITH CURRENT FUNDERS

We have not yet fully capitalized on the substantial opportunity size within our current funding pool. This is due to a lack of appropriate research to quickly qualify prospects and focus fundraisers, as well as the missed opportunity of asking for legacy gifts.⁹ Future legacy gifts will strengthen our financial health, provide additional diversity of revenue sources, and create opportunities for program expansion.

MORE OPPORTUNITIES EXIST IN CORPORATE GIVING

Our corporate pipeline is rich, and we are efficient within this funding sector across multiple markets. However, our corporate fundraisers need additional support to capitalize on the opportunity size, especially since corporate gifts require a longer lead time. We will customize proposals and reporting for institutional investors to meet their needs for personalized partnership services, including cause marketing, and utilize technology to help implementation.

WE HAVE ROOM FOR IMPROVEMENT WITH ANNUAL FUND INVESTORS

We will build a stronger online and offline Annual Fund strategy (under US\$5K gifts from individuals) to maximize revenues and forge strong connections with investors. While we do have online and offline components to our current strategy, they are not integrated. We will work to identify the appropriate technology solutions to manage our Annual Fund effectively.

THERE IS GREAT OPPORTUNITY IN BILATERAL AND MULTILATERAL FUNDING

To date, this funding source has never exceeded 3%, yet we know it is a necessary stream for growth. Additionally, our lack of this type of funding has limited our ability to work with governments, because they prefer to work with recipients of large bilateral and multilateral funding. We will grow bilateral and multilateral funding to at least 5% to 6% of our total revenue.

OUR CHAPTERS AND VOLUNTEER NETWORKS CONTINUE TO BE A GREAT WAY FOR OUR INVESTORS TO CONNECT WITH THE ORGANIZATION

We will strengthen our chapter and volunteer networks' ability to connect our investors to the organization and build a pipeline of new investors, by providing more self-service and easy-to-use online tools, such that the network can expand its reach in a sustainable way.

For this analysis, we examined efficiencies across every “donor type by geography” combination in which we currently receive funding. There are approximately 50 such combinations, reflecting the diversity of our investor base and the fact that we raise approximately 50% of our revenue outside of the United States. As we collected the data to conduct this analysis, we also recognized our need to implement better systems to capture and track data in order to promote efficiency. As part of this strategic plan, we will begin strengthening our data collection system such that we can consistently measure four key levers of fundraising efficiency: average gift size, retention rate, addressable leads, and conversion rate. Overall growth targets for each of these levers have been set and associated targets for resource allocation and fundraising efficiencies through 2019 have also been set. We will strive to meet these targets over the next five years, which will guide us to greater efficiency in our existing markets.

⁹ Legacy gifts are assets received from investors through both revocable and irrevocable arrangements. The majority of legacy givers are unable to make a major gift during their lifetime and do so through an after-life gift from their estates. A smaller percentage make a legacy gift in conjunction with financial and tax planning objectives.



STRATEGIC INITIATIVE TWO: FOCUSING OUR RESOURCE MOBILIZATION EFFORTS LEARNING FROM INVESTOR FEEDBACK

Survey data tells us that our investors support us because our mission aligns with their interests, we set clear and strategic goals, we are action-oriented, fiscally responsible, and we are able to demonstrate impact and report transparently. Many also note the culture of Room to Read is something that attracts them to the organization. From our analysis of feedback from these investors, a few key themes emerged:

INVESTORS WANT OPTIONS

Providing an engaging giving experience for our investors that includes flexibility, choice, and regular updates on the impact of their investment is critical to continued success in retaining and growing our fundraising base. We will improve the giving experience by promoting the choice that investors have among our programs and countries by implementing a new, more responsive website and building out a variety of donation options to sponsor special components of our Literacy and Girls' Education Programs. We will also ensure investors of all levels receive more digital media materials as well as organization-wide impact reports. Major investors will receive additional program or country-specific impact-reporting as needed.

EVENTS SERVE A SPECIFIC PURPOSE

Events play a critical role in bringing new investors to Room to Read; however, our current investors felt that 1–2 well-planned events per year in each market would provide sufficient opportunity to introduce friends and colleagues to Room to Read. We will focus efforts on events that have the highest return for Room to Read and create support systems that reduce the amount of staff support needed.

ENGAGEMENT WITH LEADERSHIP AND BENEFICIARIES

Leadership engagement is a critical aspect of maintaining a connection with the organization for many major investors; however, that connection did not always require significant face-to-face interaction with founders. Additionally, investors expressed interest in learning more about beneficiaries. Therefore, we will evolve our major investor experiences in-country to ensure we are offering opportunities in a cost-effective manner as well as create “virtual experiences” for investors to hear from beneficiaries.

SPLIT OPINION ON UNRESTRICTED VS. RESTRICTED GIVING

Our investors who give over US\$10K annually are equally split between those who want to provide funding that is tied to a program and those who want to provide funding for Room to Read to use towards greatest needs. However, investors who give less than US\$10k per year prefer to fund greatest need (64%) rather than specific programs (36%), so this group offers us an opportunity to build our critical unrestricted funding pool in a sustainable way.¹⁰

With increased fundraising efficiencies, stronger investor engagement, and streamlined fundraising under the new program structure, our financial model indicates that we can achieve US\$77.1 million of contributed support by 2019.

¹⁰ We have made significant progress in increasing the flexible funding raised for the organization, which provides needed opportunities for Room to Read to spend on areas of greatest need during the year. In 2014, 62% of total revenue raised was flexible versus just over 30% in 2012.



STRATEGIC INITIATIVE THREE: ENSURING OUR SUSTAINABILITY INVESTING IN PEOPLE AND PROCESSES

Targeted and strategic investments in our people and processes will ensure that our staff are operating with the skills and tools they need to be the most productive in supporting our mission. By investing in our talent and in the resources necessary for efficient and effective operations, we will be better prepared for continued growth. Over the next five years, we have identified several projects to support our overarching goals:

FOCUS ON EMERGING LEADERS

Develop targeted and specialized training to develop the next generation of Room to Read leaders and ensure they have the ongoing professional development and skills they need to deliver the high quality work we expect.

IMPROVE OUR TECHNOLOGY INFRASTRUCTURE

Implement a comprehensive cloud-based technology solution to ensure seamless sharing of information across offices and departments, improved revenue generation, and development of a content management and delivery system for our programmatic content.

The first phase of this process will focus on identifying ways the organization can improve operational efficiencies and effectiveness to increase productivity. During the second phase of this effort we will look at the landscape of organizations that are using technology to improve literacy and gender equality in education and assess if there are partnership opportunities that could enhance how we deliver our programs.

EXPAND INTERNAL COMMUNICATIONS

Develop a more integrated internal communication function by providing mechanisms for regularly sharing information across our 1,000 staff members located across 17 different countries of programmatic and fundraising operations, to ensure staff are engaged, informed and connected to our mission.

IMPROVE EFFICIENCY AND REDUCE RISK

Standardize and document operations across the organization so that processes and policies are consistent across the organization, thus reducing our risk and increasing productivity. We will focus on developing and codifying a series of standard operating procedures, with a priority on those that put us at risk or would allow us to see increased efficiencies. Additionally, these standardized operations will ensure that we are able to more quickly train new staff in their roles and responsibilities.

By 2020, Room to Read will have invested in the futures of at least 15 million children by developing literacy skills and a habit of reading among primary school children, and by supporting girls to complete secondary school with strong life skills.

It has been our pleasure to work with Dalberg Global Development Advisors as our strategic planning consulting partner during this six month engagement. They have been an invaluable resource to us by bringing insight and research on the international development sector, challenging us to think critically about how we operate, and facilitating a participatory strategic planning process that engaged our key stakeholders.

We would also like to thank Ketchum, our pro bono communications partner, whose research team provided generous support in developing the donor surveys.

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