

WSB-CO Relocation

Report to the Secretary General of the World Scout Bureau

July 2013

*This report provides
a recommendation to
the Secretary
General on the future
location of the World
Scout Bureau Central
Office*

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1 *Executive Summary*

- At its meeting of March 23-24, 2013 the World Scout Committee (WSC) reviewed and discussed the issues surrounding the potential relocation of its World Scout Bureau-Central Office (WSB-CO) from its current location in Geneva, Switzerland.
- Following reports by the Relocation Task Force, a special paper from the European Region and the Staff proposal, the WSC decided that an external support company is to be commissioned to work with senior management of the WSB-CO to review the seven short-listed cities.
- PwC was selected to provide an independent analysis of the shortlist of locations including Geneva and provide a report to the Secretary General.
- A more rigorous data analysis was conducted using data to support five main criteria: cost, risk, operations, staff, and proximity to Scouting members.

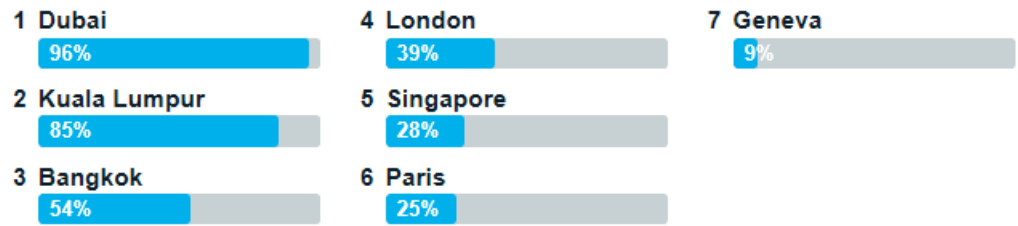
Main trends

- European destinations are the preferred locations when measuring criteria related to best operational environment, with highest levels of staff factors. However, they also have the highest costs and are furthest away from Scouting members.
- The Asian destinations of Bangkok and Kuala Lumpur are clearly lower cost locations and closest to Scouting members. However, when measured against operational and staff criteria they score less well than the European destinations. In particular Bangkok scores very low when assessing risk criteria.
- Dubai and Singapore are exceptions to these trends:
 - Dubai has scores that are consistently in the middle quartile of the analysis with neither very strong nor very weak areas;
 - Singapore shares all the strengths of the European destinations in terms of staff and operational effectiveness as well as proximity to members. Although it is a high cost location, the combined strength of its scores is what drives its number 1 position in the evenly weighted results.
- The conclusions above demonstrate that there is a clear trade-off between the criteria used to assess these locations: for example, to achieve the high quality of location like Singapore there is an associated high cost; for a low cost location such as Kuala Lumpur there is an associated reduction in factors related to operational and staff criteria.

Our recommendation

Based on the independent methodology followed and the aggregated results using equal weighting of the criteria defined, our recommendation for the new location for the WSC – CO is Singapore.

However should any decision made be required to show greater cost sensitivity, the three locations with the lowest cost would be possible locations. We recommend against Bangkok as despite the low cost, as the risk level was in the lowest quartile of the dataset. Both Kuala Lumpur and Dubai would be the recommended choice of best alternative lower cost locations.



2 *Introduction*

2.1 Background

At its meeting of March 23-24, 2013 the World Scout Committee (WSC) reviewed and discussed the issues surrounding the potential relocation of its World Scout Bureau-Central Office (WSB-CO) from its current location in Geneva, Switzerland. The WSC reviewed a document submitted by its specially appointed Relocation Task Force, a special paper from the European Region, as well as a Staff Proposal submitted to the WSC through the employee consultation process.

The report from the Relocation Task Force included a “short list” of six cities as preferred locations and recommended that the WSB-CO being one, single location (there were previous discussions of multiple locations). Geneva was added as a seventh city, based partly on the employee Staff Proposal.

The WSC then made the following four decisions;

1. The WSC approved the model of having one WSB-CO;
2. The WSC agreed to add Geneva to the proposed short-list of six cities;
3. The WSC then decided that an external support company is to be commissioned to work with senior management of the WSB-CO to review the seven short-listed cities to develop an appropriate business case for each;
4. The WSC gave the Secretary General the authority to make the final decision on the location of the WSB-CO, based on the “single nominee” recommended by the external support company.

The seven short-list cities approved by the WSC are as follows:

Abu Dhabi/Dubai, Bangkok, Geneva, Kuala Lumpur, London, Paris, Singapore

PwC has been asked to offer a second opinion on the work which has been carried out so far, notably validating the selection criteria used in previous Relocation Task Force reports to establish a medium list of possible locations for the WSB-CO. We understand that the second opinion will form the basis for the business case to be present to the WSC by the end of July 2013 and should include:

- a) All cities included in the medium list of locations including Geneva
- b) A critical review of the criteria used in the reports
- c) Criteria used by other organisations when choosing a new global location
- d) An independent methodology
- e) And finally a recommendation on the preferred location

3 Selection of location

3.1 Approach

The approach we have taken to determine the final recommended location for the WSB is to conduct a more rigorous analysis of the key criteria for the short list of locations including Geneva.

An independent methodology has been used using a multi-criteria analysis model using an innovative set of social economic and sustainability criteria. The approach involves critical analysis of:

1. what is important for the new location, and
2. uses a broader and more detailed catalogue of data sources to validate and augment the number of criteria used.

The full catalogue of data sources are described in the Appendix.

The criteria used in the previous reports were taken from the results of Regional and NSO surveys carried out in 2012. This provides a basis of what is understood to be important for members of the NSO and Regional offices. Our approach also takes into consideration the Secretary General's vision for the World Scout Bureau – Central Office.

3.1.1 Secretary General's Vision for the WSB

The vision for the WSB outlines what factors are important for the future development of the organisation. The vision stated below provides the basis for defining the additional criteria used to determine the new location for the WSB – CO.

As Secretary General, my vision for a new location of the World Scout Bureau - Central Office (WSB-CO) is "dynamic":

- *It will be dynamic in that it will be the new location for the next 10 years or so, but not necessarily a "static" location for another 40 years. Just as economies and businesses evolve today, so should the location of the WSB-CO;*
- *It will be operated by a dynamic team drawn from the international pool of talent that exists within Scouting today, reflecting the diversity of the Scouting movement;*
- *It will have a dynamic working atmosphere in a modern, efficient location which makes the best use of cutting edge technology to facilitate virtual working. It will be an office facility we are proud of and one our financial supporters aspire to;*
- *Finally the new, dynamic location will have a world class transport system conducive to hosting the travel needs of staff and, especially volunteers that take time away from their professional careers to provide assistance and leadership.*

Each of the criteria described in the report by the Relocation Task Force has been reviewed and supplemented with additional data to provide a richer, more robust data source which also reflects the Secretary General’s vision.

Interpreting the data

In the following analysis, the locations with the highest percentage score have the higher probability relative to the other locations. For each criteria, the higher the percentage the better the outcome for that criteria i.e. locations with the lowest level of risk factors have the highest percentage scores.

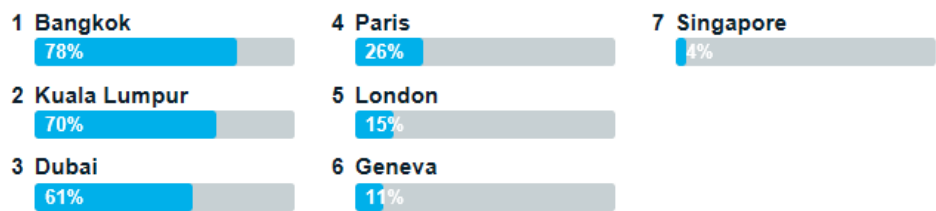
3.1.2 Cost criteria

There is a range of data available to capture costs for an organisation; we have incorporated the following indexes to capture the operational effectiveness of a location: National Income per capita, the world’s most expensive cities index and office occupancy costs and real estate costs

In addition, to respond the need to facilitate “the travel needs of staff and, especially volunteers that take time away from their professional careers to provide assistance and leadership” as stated in the Secretary General’s vision, we specifically included the costs of travel from each location to the regional offices in terms of the financial and time cost involved.

Data results on Cost criteria

The data reveals that the European locations and Singapore have the highest costs and are therefore shown in the data with the lowest positions. Both Kuala Lumpur and Bangkok are locations that offer the lowest relative cost of doing business.



Data sources used for Cost criteria

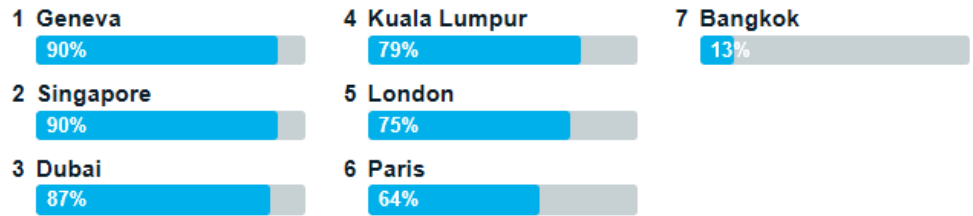
- National Income per capita
- Most Expensive Cities
- Office Occupancy Cost
- HQ-2-Region Travel Cost

3.1.3 Risk criteria

The data supporting the level of political and financial stability from the Relocation Task Force focussed on two data sources on the ease of doing business in a country and operational risk. We have used the following data to provide a fuller picture of stability which captures global risks.

Data results on Risk criteria

The data reveals that Geneva, Singapore and Dubai have the best results. All locations except Bangkok are globally competitive. Bangkok scores very poorly when measured against this factor.



Data sources used for Risk criteria

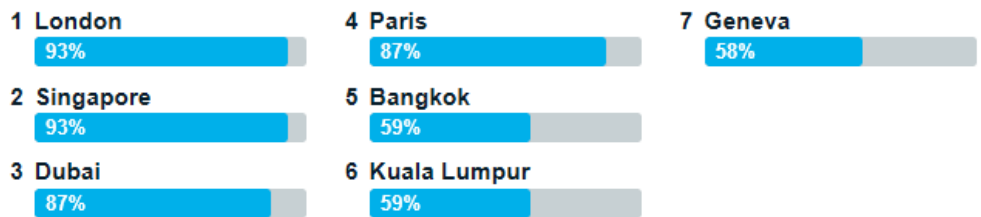
- Global Risk Management

3.1.4 Operational criteria

As reflected in the vision from the Secretary General the location of the WSB-CO requires strong airline connectivity - to facilitate travel by both by the HQ staff members to the regional offices and from the regional offices and NSOs to the HQ location. Furthermore, the location must be able to operate in a stable, global business environment with high quality, reliable infrastructure such as internet access. Data was analysed on the level of network readiness as well as international passenger traffic to capture the operational requirements of the new location.

Data results on Operational criteria

The data reveals that the short-listed locations are all more or less suitable to support the new WSB central office. In Bangkok and Kuala Lumpur the new location will most likely have to be in the City Business District to have access to effective Internet and IT capacities.



Data sources used for Operational criteria

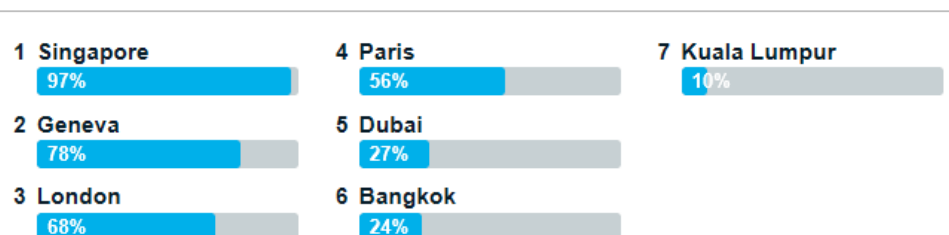
- Networked Readiness
- International Passenger Traffic

3.1.5 Staff issues criteria

With regard to staff factors we have added data on range of sources on city safety, air pollution, and liveability to strengthen and deepen the data previously used by the Relocation Task Force from Mercer data sources.

Data results on Staff issues criteria

The global cities in Europe together with Singapore have the most favourable results for these criteria. This is in contrast to the other Asian locations of Bangkok and Kuala Lumpur which have relatively low scores.



Data sources used for Staff issues criteria

- Air Pollution
- City Safety
- City Liveability

3.1.6 Scouting support from government

Before a final decision is made, the complete details and variations in the levels of support Scouting may receive from prospective governments cannot be fully confirmed. We do not therefore recommend including detailed criteria on the assessment of support from government at this stage, and suggest further confirmation and analysis once a final decision has been reached.

3.1.7 INGO presence

Based on the role of the WSB as outlined in the constitution and based on the role of the Regional offices, we agree that it is important for Scouting to be well connected to the INGO community. However given the location of the European Regional Office in Geneva, we believe that regional office fulfils these criteria and is not a key criteria in considering the new location of the WSB –CO.

3.1.8 Additional Criteria – proximity to members

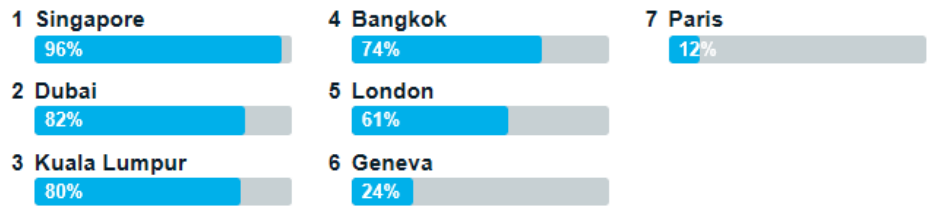
Analysing the geographic growth in Scouting over recent years shows the clear patterns in Scouting membership globally. The March 2013 staff member report correctly stated Article XIX.1 of the WOSM constitution stating the function of the WSB “to maintain relations with Member organizations to assist them in the development of Scouting”

The vision of the Secretary General describes a future location with a team that reflects the diversity of the Scouting population. It is for this reason that physical proximity to

current members as well as data on population and income growth are part of additional criteria related to members.

Data results on Member criteria

The data reveals that with 96% Singapore has the highest probability to meet all the WSB requirements concerning its alignment with the existing and future Scouting members. The score shows that population and middle income growth dynamics are concentrated in Asia whereby enough Social Progress has been made to compete with high-income countries. The proximity to current and anticipated member concentrations favours a WSB-CO location in Asia.



Data sources used for Member criteria

- Member penetration
- Population growth
- National income growth:
- Social Progress
- Proximity to members

4 Overall Results

4.1 Results based on the data only

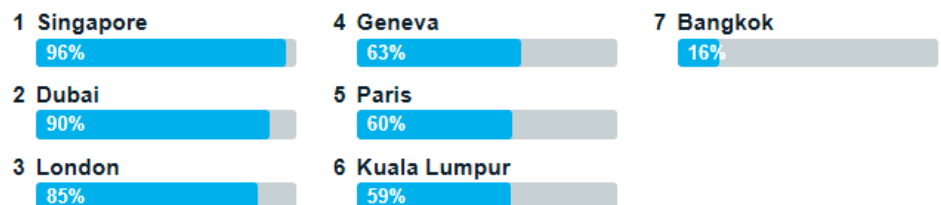
The results of the analysis of all the criteria combined are shown in the table below. Each has an equal weighting and the data shows the top location based on the shortlist of seven locations to be Singapore.



Your business environment DNA:



Top Matching locations [?](#) (click on any location for additional details)



4.1.1 Comments on emerging trends

The results of the analysis show overall which location has the highest scores based on an equal weighting of each of the five categories of criteria/indicator which are related to: cost, risk, operations, staff and members.

By using a large dataset of 32 indexes and also including in the background analysis also the medium list of locations, the results are statistically robust and trends emerge from the data:

- European destinations score highly when measuring criteria related to best operational and staff environment. However, they also have the highest costs and are furthest away from Scouting members.
- The Asian destinations of Bangkok and Kuala Lumpur are clearly lower cost locations and closest to Scouting members. However, when measured against operational and staff criteria they score less well than the European destinations. In particular Bangkok scores very low when assessing political risk

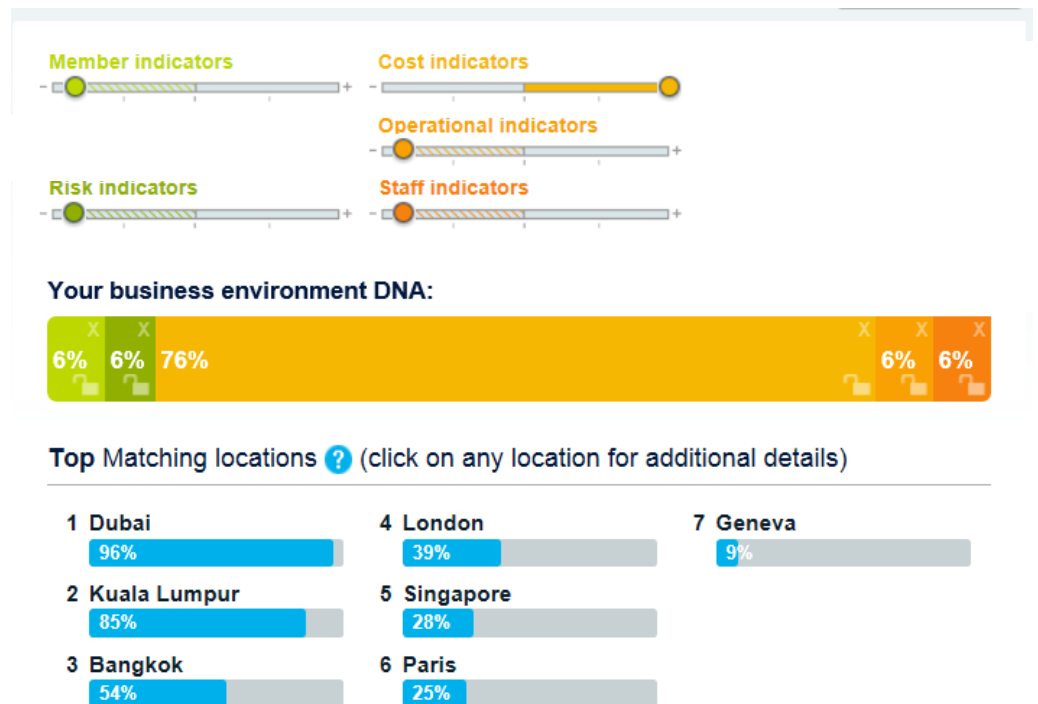
- Dubai and Singapore are exceptions to these trends:
 - Dubai has scores that are consistently in the middle quartile of the analysis with neither very strong nor very weak areas;
 - Singapore shares all the strengths of the European destinations in terms of staff and operational effectiveness as well as the proximity to members. Although it is a high cost location, the combined strength of its scores is what drives its number 1 position in the results, when applying equal weighting.

The conclusions above demonstrate that there is a clear trade-off between the criteria used to assess these locations: for example, to achieve the high quality of location like Singapore there is an associated high cost; for a low cost location such as Kuala Lumpur there is an associated reduction in factors related to operational and staff criteria.

4.2 Results based on the organisational preferences

It often the case that any decision for a new location is required to show greater sensitivity to cost. The scenario below shows the results of the data based on the following weighted preferences:

- Cost with a weighting of 76%
- All other factors, combined weighting of 24%



In this scenario, the importance of cost clearly shows that Singapore and the European destinations are extremely high cost locations. The three top locations with the lowest cost could be possible locations. However we recommend against Bangkok as despite the low cost, as the risk level was in the lowest quartile of the dataset. Both **Dubai** and **Kuala Lumpur** would be best low cost locations under this scenario.

Appendix

Data Catalogue

Data sources used for Cost criteria

- **National Income per capita:** [GNI per capita](#) (formerly GNP per capita) is the gross national income, converted to U.S. dollars using the World Bank Atlas method, divided by the midyear population. GNI is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad.
- **Most Expensive Cities:** [The Most Expensive Cities](#) ranking is based on cost of living expressed in US dollars.
- **Office Occupancy Cost:** [The Cushman-Wakefield-report](#) is an analysis of the global office market fundamentals and its main trends for the year ahead. The report's main focus is on prime office rental performance and occupancy costs across the globe.
- **HQ-2-Region Travel Cost:** The Global-Arena-Index scores different cities' offer abilities concerning air transport connections. It respects price and time elements.

Data sources used for Risk criteria

- **Global Risk Management:** [The World Economic Forum's Global Risks 2013](#) report is developed from an annual survey of over 1,000 experts from industry, government, academia and civil society who were asked to review a landscape of 50 global risks.

Data sources used for Operational criteria

- **Networked Readiness:** At the core of the WEF report, the Networked Readiness Index (NRI) measures the preparedness of an economy to use ICT to boost competitiveness and well-being.
- **International Passenger Traffic:** This indicator lists [the world's busiest airports](#) by international passenger traffic

Data sources used for Staff criteria

- **Air Pollution:** [The WHO database](#) contains results of urban outdoor air pollution monitoring from almost 1100 cities in 91 countries. Air quality is represented by annual mean concentration of fine particulate matter (PM10 and PM2.5, i.e. particles smaller than 10 or 2.5 microns)
- **City Safety:** [Safety index](#) is published by Numbeo. If the city has a high safety index, it is considered very safe.
- **City Liveability:** [The EIU Spatially Adjusted Liveability Index](#) complements the existing EIU Liveability index with an awareness of cities' spatial characteristics. This new category seeks to account for spatial aspects of city life: urban form (sprawl, green space), the geographical situation of the city (natural assets, isolation and connectivity), cultural assets and pollution.

Data sources used for proximity to Members

- **Member penetration:** This [Global Arena indicator](#) covers the relation between the Scouts member number and the absolute youth population size (2020) as provided by the World Bank.
- **Population growth:** [Population growth \(annual %\)](#) is the exponential rate of growth of midyear population from year t-1 to t, expressed as a percentage.
- **National income growth:** [GNI per capita](#) (formerly GNP per capita) is the gross national income, converted to U.S. dollars using the World Bank Atlas method, divided by the midyear population. GNI is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad.
- **Social Progress:** [Social progress](#) is defined as the capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential.
- **Proximity to members:** This Global Arena indicator reflects the travel duration from the selected set of locations to the hotspots of member concentration in East Asia. It is based on own calculations using data from [Expedia.com](#).

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