# Skal International: Governance, Financial Waste, and Strategic Reform

## Case Study: IT Investment Failure 2017–2025

### Content

This document is intended as a constructive continuation of the "Governance Reform" process initiated by Skål International in 2022. While that first phase focused on the composition and election of the Executive Board, this proposal aims to complement that effort by addressing operational transparency, financial accountability, ethical procurement, and long-term project governance. It builds on what has already been achieved, without re-opening past divisions, and offers a forward-looking framework grounded in good governance and stakeholder trust.

Skal Roma

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# Executive Summary

Between 2017 and 2025, Skål International invested over €500,000 in digital projects, including the Odoo and Omnigo platforms. Neither project delivered a working solution. These outcomes were not isolated technical failures, but reflected broader governance challenges: limited strategic continuity, weak project oversight, opaque financial reporting, and a lack of formal accountability mechanisms.

As a European legal entity, Skål International is expected to operate in line with recognized standards of transparency, ethical governance, and member participation. While the 2022 Governance Reform addressed leadership structure and elections, this report proposes a continuation of that effort — targeting operational reform, financial transparency, and long-term project governance.

**Key Takeaways**

- Over €500,000 in digital investments were lost without strategic return.

- Contracts were awarded without structured tenders or transparent oversight.

- Member approval was not sought for major spending.

- Financial reports do not show project-specific breakdowns.

- No independent ethical or anti-corruption safeguards are in place.

**Recommended Actions**

- Launch new IT projects only after member-approved Strategic Vision.

- Embed professional project management and transparent tendering.

- Require member approval for major investments.

- Introduce cost-center-based financial reporting.

- Implement external ESG certification as a governance safeguard.

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As an immediate goodwill gesture, **waiving the current membership fee increase** could demonstrate Skal's sincere commitment to change and begin rebuilding the trust of its global membership.

# 1. Introduction: Why the Skal.org Failure is a Symptom, Not the Disease

The collapse of the Skal.org website project between 2022 and 2025 represents far more than an unfortunate IT failure. It is a visible consequence of deeper, long-standing structural weaknesses within Skål International's governance model.

For more than two decades, Skål International has pursued various modernization initiatives — especially in the digital sphere — many of which have been delayed, abandoned, or significantly over budget. Despite financial losses across multiple projects and a steady rise in membership fees, members have seen a limited tangible return on investment. The gap between strategic ambition and operational delivery has become increasingly difficult to ignore.

The Skal.org project was conceived as a necessary step to modernize the organization's digital infrastructure for a globally connected membership. However, it became entangled in the same governance limitations that have consistently impeded Skål's ability to execute long-term initiatives. These include:

- Short-term political cycles, with leadership changes resetting priorities year after year;

- Absence of a professional project management structure insulated from political influence;

- Lack of a clear, enforceable multi-year strategic plan to ensure continuity;

- No standardized or transparent procedures for project tendering, selection, and oversight;

- Financial opacity, with expenditures reported in broad accounting categories rather than by project or cost center;

- Secrecy in Executive Board decision-making, reinforced by privacy rules that prevent members from knowing how their elected leaders vote or what is discussed;

- Absence of strong anti-corruption safeguards, including:

    o No conflict-of-interest enforcement mechanisms,

    o No independent monitoring of procurement or project execution,

    o No whistleblower protections,

    o No external audits focused on ethical compliance.

These are not isolated failures. They reflect a governance model that is misaligned with the standards of transparency, accountability, and ethical management expected of any modern international organization.

This report is presented as a **constructive continuation of the Governance Reform process initiated in 2022**, which focused on the structure and election procedures of the Executive Board. It builds on that foundation by addressing governance practices related to operations, finance, project delivery, and ethical compliance.

Using the Skal.org project as a case study, this report:

- Diagnoses the systemic governance challenges underlying the failure;

- Quantifies the financial and reputational consequences;

- Proposes a realistic, forward-looking roadmap for institutional reform.

The objective is not to assign personal blame to any past leadership, but to help Skål International:

- Establish a foundation of long-term financial and strategic stability;

- Ensure transparent and professional project management;

- Align governance practices with modern standards of accountability and member oversight.

Skål International must now recognize that the internal framework designed for a small, informal association decades ago — even if adjusted in recent years — is no longer adequate. Without further structural reform embedding transparency, fiscal discipline, democratic participation, anti-corruption protection, and ESG-aligned governance practices, the organization risks a steady decline in relevance, credibility, and sustainability.

*The time to modernize Skal's governance is not tomorrow. It is now.*

# 2. Financial Analysis: Cost of Failed Digital Transformation

## 2.1 Multi-Year Cost Breakdown

Between 2017 and 2025, Skal International invested heavily in digital transformation projects intended to modernize its operations, communication, and financial management. However, these investments largely failed to deliver lasting results, leading to significant financial losses.

The main phases of investment are as follows:

| Project / Phase | Period | Amount Invested | Result |
|---|---|---|---|
| **Odoo Platform Development** | 2017–2020 | €369,481 | Partial use (finance) |
| **Odoo Modifications & Upgrades** | 2021–2022 | €78,500 | Project abandoned |
| **Omnigo WordPress Website Project** | 2022–2024 | €58,500 | Project abandoned |
| **Total IT Investment** | 2017–2024 | **€506,481** | Majority written off |

**Additional Notes**:

- **Further related expenses** (consultant fees, management time, legal and negotiation costs) are not fully captured in these figures, meaning the real financial impact is even higher.

- The pre-audit 2024 balance sheet still shows residual depreciation items for the **Paris and Germany voluntary contributions** (originally €20,000 in total).

- Costs related to the **emergency stabilization** of the website are not included.

- Costs related to the **Skal App** are not included.

- Costs related to the **graphic and PR consultancy** are not included.

- Costs related to the **image damage** of the non-functioning website, and the missed opportunities in membership development, are not included.

- Data source: Skal International Digital Transformation Review (2017-2022) report presented at 2022 AGA, 2023 Audited accounts, 2024 pre-audit accounts.

## 2.2 Specific Analysis of Odoo and Omnigo Projects

### Odoo Platform (2017–2022):

- Originally intended as a complete membership, finance, and communication platform.

- Partial success: finance and membership dashboards remain operational.

- Total investment: approx. €448,000.

- Club websites (with contributions of Skal Paris and Skal Germany) were abandoned mid-way despite financial contributions.

- Full write-off of front-end and website development costs by late 2022.

### Omnigo Project (2022–2024):

- New website contract awarded to Omnigo, a Canadian company, on **19 December 2022**.

- No competitive tender was held.

- No prior approval was sought from membership at the Annual General Assembly (AGA).

- Contract value: €58,500, plus ongoing prepayments (€49,817 recorded in 2024 provisional balance sheet).

- Project plagued by continuous delays and underperformance.

- Contract terminated in early 2025; project abandoned with no usable product delivered.

### Cumulative Financial Result:

- The total amount lost in web-related initiatives since 2017 exceeds half a million euros.

- Members have faced fee increases during this period, without corresponding service improvements.


## 2.3 Analysis of Missing Member Approvals

Both the shift away from Odoo and the engagement of Omnigo were conducted **without formal consultation or approval by the General Assembly**.

- Skal's statutes require major organizational and financial decisions to be ratified by members at the AGA.

- Nevertheless, the Executive Board acted unilaterally, by-passing the membership and concentrating the decision-making power without appropriate accountability.

- This breach of standard financial governance exposes Skal to reputational, financial, and legal risks, particularly as a European-based association expected to follow international governance norms.

Failure to secure member approval not only undermines the legitimacy of the decisions taken but also removes the collective ownership necessary for the success of large strategic initiatives.

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*ability, credibility, and future success.*

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# 3. Governance Failures and Strategic Risks

The repeated failure of Skal International's digital projects — culminating in the collapse of the Skal.org website initiative — cannot be attributed to technical shortcomings alone. These failures are the result of systemic and long-standing governance issues that undermine strategic execution, financial control, and stakeholder trust.

## 3.1 Lack of Strategic Continuity

Skal's governance is deeply affected by short-term political cycles. Leadership changes annually, and with each change, project priorities shift, long-term initiatives are abandoned or redefined, and vendor relationships are strained. This constant resetting of direction:

- Undermines stability and accountability,

- Allows no sustained implementation of a long-term vision,

- Creates unnecessary costs through rework and scope creep.

The absence of a strategic vision that transcends leadership terms made the failure of both the Odoo and Omnigo projects not only possible but predictable.

## 3.2 Absence of Transparent Tendering and Procurement Processes

Best practices require open, transparent, and competitive procurement procedures. In Skal's recent history:

- Major contracts were awarded without a structured tender,

- No Requests for Proposals (RFP) were published,

- Evaluation criteria were undefined or informal,

- There was no independent review or penalty clauses.

This opaque process not only wasted financial resources, but also damaged Skal's credibility and introduced legal and ethical risks.

## 3.3 Financial Opacity and Lack of Member Control

Between 2017 and 2025, over €500,000 were committed to IT initiatives without full prior General Assembly approval. Decision-making remained concentrated in small executive circles. Financial reporting relied on macro-categories, concealing actual project expenditures. Members were informed only after decisions were made, with no effective oversight.

In addition:

- No industrial accounting practices (by project/cost center) were followed,

- Project-specific reports were unavailable,

- Audits lacked detail and timeliness.

The result is growing mistrust between leadership and membership, and a steady erosion of institutional credibility.

## 3.4 Lack of Anti-Corruption and Ethical Safeguards

The organization lacks any system of independent oversight or internal controls to detect conflicts of interest or mismanagement. There are:

- No conflict-of-interest statutory safeguards,

- No ethical procurement guidelines,

- No whistleblower protections.

Combined with opaque processes, this increases vulnerability to governance failure.

## 3.5 Secrecy in Executive Decision-Making

Skal's current Privacy Statement explicitly prohibits disclosure of Executive Board voting records or the content of internal deliberations. This rule, contrary to any modern good governance standard, prevents:

- Members from holding leaders accountable,

- Transparency in how decisions are made,

- Credible democratic participation.

Such secrecy is incompatible with both ESG principles and basic institutional integrity.

## 3.6 Reputational Risk and Erosion of Trust

These failures — strategic, procedural, and ethical — have direct consequences:

- Loss of financial credibility,

- Erosion of member trust,

- Institutional stagnation,

- Increasing difficulty in recruiting capable leadership.

Ultimately, Skal risks entering a cycle of decline unless it implements deep and immediate reforms.

# 4. Recommendations for Immediate and Structural Reform

The observations presented in this report point to longstanding governance challenges that have shaped the outcomes of recent strategic initiatives. Rather than isolated occurrences, the difficulties encountered reflect patterns that have developed over time and merit thoughtful attention. In continuing the spirit of the Governance Reform process initiated in 2022, the next step is to focus on strengthening operational transparency, financial accountability, and strategic implementation.

These recommendations are structured into two areas: immediate measures for the upcoming digital project and broader structural improvements. Together, they provide a framework to guide sustainable modernization, while fostering continuity, member participation, and alignment with recognized standards of ethical governance.

## 4.A Immediate Recommendations for the Current IT Tender

As Skål prepares for a renewed digital development initiative, there is an opportunity to introduce a more structured and transparent working method. This includes integrating strategic planning, financial oversight, and external evaluation into the project design from the beginning.

### 4.A.1 Create a Strategic Vision Document

- Develop a clear Strategic Vision for digital and organizational development over a five-year horizon.

- Define objectives, scope, key success criteria, governance model, and cost tracking methods.

- Present the Vision for member discussion and approval, ensuring its stability across leadership terms.

### 4.A.2 Present the Vision for AGA/Membership Approval

- Submit the full **Strategic Vision** to the Annual General Assembly (AGA).

- Seek formal approval on:

    o   Strategic objectives,

    o   Budget ceilings,

    o   Oversight structure,

      o   Alignment with sustainability and governance best practices.

### 4.A.3 Launch a Transparent and Structured Tender Process

- Prepare and publish a clear Request for Proposals (RFP), including:

  o Defined scope and deliverables,

  o Budgetary constraints,

  o Legal and regulatory expectations,

  o Evaluation criteria, incorporating technical, financial, and sustainability indicators.

### 4.A.4 Establish a Professional Project Oversight Structure

- Form a Project Steering Committee with representation from:

  o IT Development,

  o Finance,

  o Sustainability (ESG alignment),

  o Statute and Governance Committees,

  o An independent third-party advisor.

- Define milestones, timelines, penalty clauses for delay, and standardized reporting procedures.

## 4.B Structural Changes to Statute and Bylaws

Long-term success will depend on embedding key principles of good governance into the organization's foundational documents. The following proposals are intended to support lasting institutional resilience:

### 4.B.1 Member Approval for Major Investments

- Set a clear threshold (e.g., €25,000) above which any investment or project must receive AGA approval.

- In urgent cases, require full post-factum reporting and ratification by the next AGA.

### 4.B.2 Institutionalize a Standard Project Governance Cycle

- Adopt a transparent project cycle: **Vision → Project → Member Approval → Tender → Selection → Implementation → Review**

- Maintain consistency and require formal member approval for any deviation.

### 4.B.3 Create Permanent Oversight Committees

- Introduce standing committees with staggered terms, insulated from annual political changes:

  - Strategic Projects Committee,

  - Finance and Audit Committee,

  - Sustainability and ESG Committee,

  - Statute and Governance Committee.

### 4.B.4 Strengthen Financial Reporting and Transparency

- Move beyond general fiscal reporting by introducing detailed industrial accounts:

  - Reclassify revenues and expenditures by project and cost center,

  - Differentiate between operational and strategic investments,

  - Isolate major project costs for separate tracking.

- Provide members with:

  - Audited financial statements,

  - Quarterly reports for major projects,

  - Clear breakdowns of expenditures linked to strategic goals.

### 4.B.5 Align Governance with ESG Certification Standards

To reinforce these reforms and promote long-term integrity, Skål may consider adopting an external ESG certification framework. This would:

- Introduce regular external evaluation of governance and procurement practices,

- Help identify and address early signs of risk or misalignment,

- Ensure alignment with internationally recognized principles of transparency and ethical stewardship,

- Provide members with an annual independent report on progress and compliance.

By continuing the path initiated with the 2022 Governance Reform and extending its focus to operational and financial governance, Skål International can enhance institutional trust, align with best practices, and position itself as a resilient and forward-looking organization. ESG certification represents a natural and practical tool in this progression, offering a structured approach to governance accountability and continuous improvement.

# 5. A Choice Between Decline and Sustainable Progress

Skål International stands at a meaningful juncture in its evolution. The challenges documented throughout this report — particularly the financial and strategic shortcomings associated with successive digital projects — reflect patterns that can be addressed through structured, transparent reform.

The difficulties encountered are not the result of singular missteps or external circumstances, but rather the foreseeable outcomes of internal processes that have not kept pace with modern standards of governance. These include:

- Lack of long-term strategic continuity,

- Limited oversight of project management and spending,

- Decision-making practices not sufficiently anchored in transparency or member engagement.

The implications are significant:

- Over €500,000 of member-funded investments yielded no sustainable result,

- Membership fees have risen without corresponding improvements in services,

- There is growing concern among members regarding accountability and value.

These developments should not be interpreted solely as setbacks, but as signals that the current organizational framework requires thoughtful adjustment. Skål, as a European legal entity with a global mission, is well-positioned to respond proactively by reinforcing the work that began with the 2022 Governance Reform.

The next phase involves completing the reform process by extending its scope to operational governance, financial transparency, ethical safeguards, and project delivery standards. This approach balances continuity with innovation and aligns with the expectations of members, stakeholders, and external partners.

The proposals presented in this report are neither theoretical nor disruptive. They reflect best practices in the management of international associations and are designed to:

- Strengthen decision-making accountability,

- Reinforce member sovereignty in financial matters,

- Promote transparent reporting and responsible project management,

- Integrate sustainability and ethical governance through ESG certification.

Taken together, these reforms offer a pathway for Skål to rebuild trust, improve internal coherence, and demonstrate leadership in aligning its operations with 21st-century governance principles. The goal is not to revisit past divisions, but to ensure that the future of the organization is shaped by clarity, inclusion, and long-term vision.

This is an opportunity to complete the reform journey already underway — and in doing so, position Skål International for renewed growth, credibility, and resilience.

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*Change is not optional.*
*Change is survival.*
*The future of Skal International will be decided by the choices made today.*

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# Annexe A

## Understanding Odoo at Skål International

A **Partial** Success and a **Lesson** in Digital Transformation

When examining the different outcomes of Skål International's digital initiatives in recent years, it is useful to reflect on why some aspects succeeded while others struggled or failed. The implementation of Odoo offers a valuable case study — not only of a partial success, but also of what conditions tend to drive successful digital transformation.

### The Success: Finance and Membership Management

The Odoo platform was successfully implemented for back-office operations, particularly in finance and membership management. This has produced tangible and measurable benefits:

- A **Club Dashboard** was established, providing Clubs with direct access to manage their members.

- Features include membership payments, adding/removing members, and fully editable member profiles.

- The international fee collection process became **significantly more efficient**, with better data accuracy and faster processing of payments.

- Financial oversight improved, helping both the Secretariat and Clubs streamline routine administrative tasks.

### Why did this part succeed?

- The **processes were clear**: payments, member records, and data flows were already well defined.

- There was **little ambiguity about the outcomes**: all parties knew what "success" looked like (e.g., correct member records, timely payments).

- The data managed is **structured and transactional**: financial data and membership rosters lend themselves naturally to digital systems.

When processes are standardized and the data involved is structured, technology is more likely to succeed in bringing efficiency and accuracy.

## The Failure: Web Front-End and Content Strategy

The unsuccessful aspect of the Odoo project related to the website and public-facing content management. This part of the project never reached a successful conclusion. While a technical solution was pursued, it ultimately lacked clarity and alignment.

### Why did this part fail?

- There was **no shared understanding of the purpose** of the web front-end.

- It remained unclear what the website was supposed to achieve beyond simply hosting content.

- In practice, many Clubs do not have standalone websites, often preferring to use **social media platforms** such as Facebook to communicate and share news.

- There was **no agreed content strategy** defining what content should be published and for whom (members vs public, global vs local).

- Content management processes are creative and decentralized by nature, which makes them much harder to standardize through IT systems.

In digital transformation, ambiguity in goals or processes creates risk. Without clear answers to **"what content, for whom, updated by whom, and why,"** the web component was bound to struggle.

## Key Lesson: Clarity Drives Success

The case of Odoo at Skål highlights a fundamental truth in digital transformation:

When processes and data are well defined and structured, digital tools are likely to succeed. When processes are vague or decentralized — especially creative and communications-related processes — technology alone will not solve the problem.

The relative success of the finance and membership modules of Odoo, and the failure of the web component, clearly reflect this rule.

### Moving Forward

As Skål International continues its path toward modernization and reform, the lessons of Odoo should guide future initiatives:

- Define **clear business processes and objectives** before selecting or implementing technology.

- Align stakeholders on **what success looks like**.

- Accept that not all problems are technical: where ambiguity exists, governance and strategy — not just IT — must provide the answers.

Odoo's partial success should be seen as a positive example of what can be achieved when clarity and structure exist, and a cautionary tale of the risks when they do not.

# Annexe B

## Front-End Functional Specification Example
Towards a Unified Member Experience

### Introduction

This document does not represent the final functional design of the future Skål International front-end platform. Rather, it serves as a **practical and preliminary example of what is needed**, to stimulate discussion and invite ideas from Clubs and members across Skål.

The objective is to provide a clear starting point to align expectations, gather feedback, and reach broad consensus on the necessary features and priorities. Only after this shared understanding is achieved should the search for adequate and cost-effective technology solutions begin.

This proposed structure aims to help answer the basic question: **what should the front-end deliver to Clubs, members, and the organization as a whole to ensure relevance, participation, and value creation?**

### Context and Rationale

Following the partial success of the Odoo platform in managing finance and membership data, and responding to growing needs for transparency, accessibility, and participation, the new front-end should be conceived as an integrated service platform — not merely a website.

Skål is built around Clubs, members, and governance processes. A new front-end should reflect this by offering a comprehensive environment for services, information sharing, decision-making, and visibility.

### Key Design Principles

- **Single Authentication System**

    o Leverage existing Odoo login and role-based access.

    o Automatically reflect changes in roles (e.g., new Club Presidents).

    o Integrate access to voting, events, and content areas.

- **Unified Members-Only Area**

    o Expand and enhance the current members area as the core of user interaction.

# Functional Areas (Draft Shopping List)

## Voting and Decision-Making

- Unified voting module integrated into the Members-only area.
- Support for:
  - Congress elections (hybrid in-person and remote voting).
  - Online votes on resolutions and bylaws amendments.
  - Optional Club-level elections.
- Automated voter eligibility and secure authentication.
- Transparent publication of results with appropriate access control.

## Clubs and Activities Database

- Club-driven calendar and event management system.
- Centralized listing of:
  - Meetings (Conviviates, Board Meetings, AGAs).
  - Webinars, trade shows, seminars.
  - Sports, social, and sustainable activities.
- Promotion, RSVP management, and visibility tools.

## Institutional Communications

- Executive Board announcements and communiqués.
- Committee reports and working documents.
- Participation links and archives of meetings.
- Recordings and documents for transparency.

## Contributors' Articles and Content

- Platform for member-submitted articles (moderated).
- Thematic categories for relevance and ease of access.
- Local news and Club newsletters integration.

### Member-to-Member Interaction (Future Expansion)

- Directory with optional visibility and secure messaging.

- Cross-Club networking features.

- Professional profiles for business connection opportunities.

### Sponsor and Partner Visibility (Optional/Controlled)

- Controlled sponsor presence on event and article pages.

- Limited to Skal partners and governed by strict visibility rules.

### ESG Reporting and Best Practices (Future Integration)

- Clubs can publish their sustainable actions.

- Tools for reporting ESG activities at Club and International levels.

- Showcase Skal's global sustainable impact.

## Path Forward: From Draft to Shared Vision

Skål International's future front-end should not be viewed as merely replacing a website. It should be seen as an opportunity to:

- Unify all member services and processes into one seamless digital experience.

- Empower Clubs as the primary source of Skal activities and engagement.

- Facilitate transparent governance, member participation, and decision-making.

- Reinforce networking, professional development, and sustainable action.

This document is intended as a **starting point for shared reflection and co-design**. Feedback from Clubs and members will be essential to finalize requirements and define priorities. Once this is achieved, Skål will be ready to identify and tender for the most suitable technology solution to bring this vision to life.