MOVING UP THE S-CURVE:

How creating performance challenges can help build sustainable organizations
- Founded in 1964
- 25 +/- programs
- 250+ employees
- $14.5MM FY2019 operating budget
Elements of a Performance Challenge

What are they and how do they work?
• 12-month process
• Peer-sharing and coaching support
• Quarterly "gatherings"
• Challenge identification and refinement
• Focus on financial sustainability
• Designed to create significant and lasting organizational CHANGE
THE SECRET OF CHANGE IS TO FOCUS ALL OF YOUR ENERGY NOT ON FIGHTING THE OLD, BUT ON BUILDING THE NEW!

Socrates
Our Iceberg is Melting
Changing and Succeeding Under Any Conditions
The Professor
Our Iceberg Is Melting

1. Create a Sense of Urgency

- The iceberg is melting!
- So enough with the talk. Let's do something.
- Stop complaining about missing lunch. THINK!!
- Why does this have to happen to me?
- I never really liked food. Now I know why!
- Harvey, be real. Winter is only a few months away!!

2. Pull Together the Guiding Team
Our Iceberg Is Melting

3. Develop the Change Vision and Strategy

A nomad colony...
Free, with no fixed home.
We can learn from the seagulls.

4. Communicate for Understanding and Buy-in

Have you seen the large iguana?
It's actually funny.

I'm considering becoming a scuba diver.

I think this is all worth trying.

Hummm.
A nomadic life versus sitting
and drooling on a melting and
exploding iceberg. Seems
clear enough.

Which one?

What does it take? Do you get
more for it?

I still like the super-glue idea.
Our Iceberg Is Melting

5. Empower Others to Act

6. Produce Short-Term Wins
Our Iceberg Is Melting

7. Don't Let Up

8. Create a New Culture
KEY CONCEPTS

▶ Create urgency, dissatisfaction
▶ Guiding Coalition
▶ Create vision
▶ Communication and buy-in
▶ Celebrate Wins
▶ Persistence
▶ SUCCESS
▶ Anchoring
Guiding Coalition

A diverse group of stakeholders that is charged with leading and driving the change effort forward
CHARACTERISTICS

- Titles and positions add credibility
- All levels of the organization
- Extroverts v. Introverts
- Varied skills and abilities
- Diverse viewpoints
- Naysayers and champions
- EMPOWERED to act
Performance Challenge Statement

A clear, **measurable** statement that articulates the vision that is to be achieved
CHARACTERISTICS

▸ Change-oriented
▸ Time-bound
▸ Outcome driven
▸ Measurable
Measuring Progress

Measure and communicate progress, celebrate wins, and maintain momentum
End of challenge:
- new capacity
- celebrate results
- next PC!

Beginning of End (BOE) Criteria:
- outcomes achieved.
- what was adaptive, is now routine.
- people have fulfilled commitments.

End of the Beginning (EOB) Criteria:
- clearly defined performance challenge/vision - what does success look like?
- SMART Goals defined.
- gone public, engaged some of the key people.
- first "Wins."
Our Challenge
Experience
CASE STUDY
Challenge

To increase the financial stability of the organization through the creation of a comprehensive, client focused performance management system that results in the establishment of a centralized, cross program application process, and the establishment of a $1 million reserve of unrestricted funds by the end of 2017.
Challenge Elements

- Establish reserve fund
  - $1,000,000 goal
  - Policy for capitalization and use of the fund

- Implement “No Wrong Door” Service Delivery
  - Centralized Intake
  - New Client Management Information System (EmpowOR)
Guiding Coalition

- Rob Goldsmith - President and C.E.O.
- Bryan Phipps - Vice President and C.D.O.
- Janet Shrader - Vice President and C.F.O.
- Angie Groseclose - Vice President and C.O.O.
Communication

How Do We Get There?

✓ Share the vision and plan
✓ Gain buy-in from staff and board
✓ Communicate every step of the way
✓ Celebrate our successes
Communication

The Initial Presentation

✓ Mission
✓ What makes us a great CAA
✓ Need for change
✓ The Challenge Statement
✓ Why these two particular goals
✓ How we’ll get there together
✓ Participation and input from staff
Celebrating Wins

Let's Celebrate!

We Had A WIN!!
Celebrating Wins
Tools and Resources
Exercises

▸ From
  ▶ Siloed services
  ▶ Cash constrained
  ▶ Disengaged staff

▸ To
  ▶ Integrated services
  ▶ Adequate reserves
  ▶ Engaged staff at all levels of the organization
Exercises

Change = D x V x P

“D”
Dissatisfaction with the status quo; desire from all levels of the organization to make a change

“V”
Clear vision for the future; level of engagement in the change effort by and among staff

“P”
Process for implementing the change; a roadmap has been developed and is actively being followed

The higher the score, the closer you are to overcoming the resistance to change and attaining the goal!
Tools

Profit & Impact Data (summary)

<table>
<thead>
<tr>
<th>Property / Line of business</th>
<th>Profitability</th>
<th>Impact of Program (in %)</th>
<th>Total Expenses</th>
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</thead>
<tbody>
<tr>
<td>A - Domestic Violence/Sexual Assault</td>
<td>$ -</td>
<td>2.8</td>
<td>$ 541,248</td>
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<tr>
<td>B - CASA [ Court Appointed Special Advocate]</td>
<td>$ -</td>
<td>2.4</td>
<td>$ 110,516</td>
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<tr>
<td>C - CHIP [Comprehensive]</td>
<td>$ 44,123</td>
<td>9.1</td>
<td>$ 874,789</td>
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<td>D - RSVP</td>
<td>$ 23,800</td>
<td>1.8</td>
<td>$ 60,498</td>
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<td>E - Virginia CARES [Comprehensive]</td>
<td>$ 16,215</td>
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<td>F - Improving Scholars [Comprehensive]</td>
<td>$ 5,329</td>
<td>1.8</td>
<td>$ 25,129</td>
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<td>G - Project Discovery</td>
<td>$ 9,785</td>
<td>3.4</td>
<td>$ 46,629</td>
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<td>H - Dental Clinic</td>
<td>$ 1,312</td>
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<tr>
<td>I - Business Lending</td>
<td>$ 49,152</td>
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<td>$ 407,405</td>
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<td>J - Consumer Lending</td>
<td>$ 45,804</td>
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<td>$ 69,904</td>
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<td>K - Training and Technical Assistance</td>
<td>$ -</td>
<td>0.3</td>
<td>$ 250,469</td>
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<tr>
<td>L - VITA [Volunteer Income Tax Assistance]</td>
<td>$ 6,287</td>
<td>2.4</td>
<td>$ 27,700</td>
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<td>M - Consulting</td>
<td>$ 2,784</td>
<td>3.9</td>
<td>$ 2,216</td>
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<td>N - New Market Tax Credits</td>
<td>$ 845,000</td>
<td>4.0</td>
<td>$ 455,000</td>
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<tr>
<td>O - Individual Development Account</td>
<td>$ 200</td>
<td>2.3</td>
<td>$ 1,200</td>
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<td>P - Head Start</td>
<td>$ -</td>
<td>3.9</td>
<td>$ 4,909,228</td>
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<td>Q - Dickenson County Day Care</td>
<td>$ 92,900</td>
<td>2.3</td>
<td>$ 212,900</td>
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<td>R - Home Ownership and Housing Counseling</td>
<td>$ 57,048</td>
<td>3.1</td>
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<td>S - Homeless Programs</td>
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<td>T - Weatherization</td>
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<td>U - Section 8</td>
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<td>V - Housing Development</td>
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<td>W - Property Management</td>
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<td>X - Adult</td>
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<td>Y - Youth</td>
<td>$ 8,84,578</td>
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<td>$ 884,578</td>
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<td>Z - Dislocated Worker</td>
<td>$ 10,265</td>
<td>3.0</td>
<td>$ 1,361,359</td>
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Impact & Profitability Map

Profitability

Impact

People inc. Building Futures Realizing Dreams
Resources

LEADING CHANGE
JOHN P. KOTTER

NONPROFIT SUSTAINABILITY
JEANNE BELL JAN MASAOKA STEVE ZIMMERMAN

Our Iceberg Is Melting
Changing and Succeeding Under Any Conditions
John Kotter

MAKE SUCCESS MEASURABLE!
A Mindbook-Workbook for Setting Goals and Taking Action
DOUGLAS K. SMITH

For word by Spencer Johnson, M.D., author of "Who Moved My Cheese?"
Results

How did we do?
Reserve Fund

**TARGET: $1,000,000**

**FROM**

-$0 in dedicated reserve funds

-Cash flow ebbs and flows

-Less than ideal financial indicators
No-Wrong Door Approach

**FROM**

- Program specific enrollment processes
- Siloed program operations
- Outdated and underutilized client management system
- Program specific or no long-term follow up plans
- Long-term outcomes not identified

**TO**

- Purchase and implementation of new, fully-integrated client management system
- Central application and intake system for all programs
- Internal and external referral system
- Creation of dedicated data management and follow-up department
  - Evaluation and Data Coordinator
  - Follow-Up Clerks
- Long-term outcomes identified for all programs
- Follow-up plans established for all programs
- Enhanced employee engagement
- Data monitoring and quality assurance systems
- Revamped board of directors and staff outcomes reporting
Culture Shift

Participation in the performance challenge process spurred a new focus on employee engagement and creating a more spirited team environment. Involving all staff in the challenge process prompted us to create additional employee engagement opportunities in an effort to improve communications, improve staff morale, and ultimately help to break down the silos that have arisen through a historical focus on program based service delivery.
Lessons Learned
Going Forward
Fostering Future Success

Accountability
Sustainability Challenge concept provided structure and the impetus for identifying, planning, implementing and achieving two long-held agency goals.

Building Capacity
Process resulted in increases in technological and agency capacity to implement change.

Engagement
Challenge concept fostered new focus on employee engagement to improve operations, morale and stimulate ongoing change.

Results
Proof of concept lays the groundwork for future challenges. Success breeds success. We are on much firmer financial footing, and have seeded a culture shift that will continue to emerge over the coming months and years.
EVALUATIONS

The Partnership Wants Your Feedback!

Please be sure to **complete** the evaluation for this session **online**, via the **CAPCON18 Event App**.

Thanks in Advance for your Cooperation!
THANKS!

Any questions?

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