“In Making Strategy Count in the Health and Human Services Sector, the Alliance for Children and Families and its Strategy Counts initiative pilot sites deepen our understanding of how human services organizations . . . respond during times of transition. . . . Contributors share real stories from a bottom-up perspective about hiring and integrating chief strategy officers and implementing transformational projects. They describe practical responses to shrinking resources, increasing demands for services and accountability, changing demographics, and the . . . need to heed constituents’ voices.”

—Guillermina Hernandez-Gallegos, Program Director, Human Services, The Kresge Foundation

Everyday issues and interruptions often take precedence over a focus on the vision and goals of many nonprofit organizations. This is the first guide to achieving long-term impact and social change by employing critical strategies in health and human services organizations. It is based on lessons from a learning lab of 20 human services organizations and their chief strategy officers who, as part of the “Strategy Counts” initiative, engineered significant improvements in their ability to adjust to change, reap the benefits of more data-driven decisions, innovate in ways that have meaningful impact, and establish fruitful partnerships with companies, communities, and government.

The book is based on the findings of a long-term pilot project—the Alliance for Children and Families Strategy Counts initiative—which focused on enhancing the social impact of human services organizations by increasing their reliance on strategy and its effective deployment throughout the entire organization. Included among these findings are those tools and methods that have the greatest potential to help nonprofits effectively anticipate emerging market forces and adapt strategies accordingly. Replete with lessons learned and case studies, the book will inform a great variety of human services organizations in their quest to improve the lives of children, adults, and families.

KEY FEATURES:

- Comprises the first guide to using critical strategies in human service organizations to achieve transformation and long-term social impact
- Designed to foster agility in adjusting to change, reliance on data-driven decisions, and successful partnership with companies, communities, and government
- Describes how the chief strategy officers from a learning lab of human services organizations used strategy to innovate, strengthen organizational culture, and effect meaningful change
- Based on the findings of the Alliance for Children and Families Strategy Counts initiative
Making Strategy Count in the Health and Human Services Sector
Michael Mortell, MS, is director of the Strategy Counts Initiative at the Alliance for Children and Families. This $5.3 million grant to the Alliance by The Kresge Foundation is a multiyear project with 20 pilot sites that serves as a learning lab for accelerating the transformation of the nonprofit human services sector toward greater impact by elevating the role of strategy. Mortell came to the Alliance after directing a $5.1 million Workforce Innovation in Regional Economic Development (WIRED) grant for the Greater Milwaukee Committee, where he designed and launched the Innovation Fund to provide seed funding for regional partnerships and projects to enhance southeastern Wisconsin’s economic competitiveness. For 10 years prior to this role, he oversaw operations across the multiple locations of a 12-agency human services partnership. As a senior member of the American Society for Quality, he has served as an examiner with a state-level Baldrige-based process promoting performance excellence. Mortell earned a master’s degree in industrial organizational psychology and has additional training in Lean Six Sigma, organizational culture, and real-time strategic change.

Tine Hansen-Turton, MGA, JD, is the chief strategy officer of Public Health Management Corporation, one of the largest health and human services nonprofit organizations in Pennsylvania, where she oversees and leads corporate strategy, business development, mergers and acquisitions, and operations for a national leading public health institute and its public health foundation, generating annual revenues in excess of $300 million. She has direct oversight over 70% of the organization. Hansen-Turton also serves as the founding executive director for the Convenient Care Association (CCA), the national trade association of over 1,450 private-sector retail clinics, serving 20 million people with basic health care services across the country. Additionally, she serves as CEO of the National Nursing Centers Consortium (NNCC), a nonprofit organization supporting the growth and development of over 500 nurse-managed health centers serving more than 2.5 million vulnerable people across the country in urban and rural locations. Hansen-Turton is known as a serial social entrepreneur who has started several national social and public innovations in the health and human services sector. For the past two decades she has also been instrumental in positioning nurse practitioners as primary health care providers globally. Hansen-Turton received her BA from Slippery Rock University, her master’s in government/public administration from the University of Pennsylvania Fels Institute, and her JD from the Temple University Beasley School of Law.
Making Strategy Count in the Health and Human Services Sector

Lessons Learned From 20 Organizations and Chief Strategy Officers

Michael Mortell
Tine Hansen-Turton
Editors
This book is dedicated in memory of Peter B. Goldberg. The Strategy Counts initiative was conceived by Peter while he served as president and CEO of the Alliance for Children and Families, because he saw the tremendous potential for the human services sector to achieve even more impact through strategy.

Strategy Counts was one of many contributions Peter made to the nonprofit field. He saw it begin to take shape with support from The Kresge Foundation, and was actively engaged in the initial planning until his unexpected passing on August 12, 2011. This book, and the fruits of this endeavor, stem from the insight and passion that Peter had for the entire nonprofit human services sector.
Contents

Contributors xi
Foreword by Susan Dreyfus, BS xvii
Foreword by Guillermina Hernandez-Gallegos, BS, MPA, PhD xix
Preface xxi

The Case for Strategy Counts xxii
The Purpose of Making Strategy Count xxvii
Acknowledgments xxxi

1. Strategy in Nonprofits 1
   Michael Mortell
   Strategy Counts: A Learning Lab 3
   Nonprofits: Agents of Change 4
   References 5

   Patricia Winsten and Amanda Dahlquist
   Pre-1900s: Early Philosophies Shape the Future 7
   1900–1920: The Progressive Era Promotes Growth 13
   1920s: Prosperity Fuels the Growth of a Movement 14
   1930s: The Depression Era Further Defines the Movement 16
   1940s: World War II Fuels Greater Demand 18
   1950s: Societal Changes Mark the Advent of Service Expansion 21
   1960s: Revolutionary Societal Changes Force Rapid Human
   Services Changes 22
   1970s: Authority and Institutions Challenged 27
   1980s: Cutbacks, Recession, and General Unease Bring
   New Direction 29
   1990s: Community-Based FocusEmerges 32
   2000s: New Millennium Begins With Tumultuous Events 34
   References 38
3. Forces Shaping the Human Services Sector in the Early 21st Century 39
   Elizabeth Carey, John Hollingsworth, and Alex Reed
   Embracing the Industry of Courage 39
   Eckerd: A Dramatic Transformation 50
   References 60

   Elizabeth Kunde
   Pilot Site Roundtable Participants 70

5. Reshaping Organizations Through Culture and Strategy 71
   Culture Eats Strategy for Lunch 71
   Great Circle’s Approach to Aligning Strategy and Culture 77
   Creating an “Alloy” of Strategy and Culture at the Children’s Home of Cincinnati 78
   Hopelink’s Strategy and Culture 83
   Deploying Strategy to Change Culture: The Public Health Management Study 90
   Resources 106
   References 106

6. Strategy, Sanctuary, and Turnaround 109
   Michael Mortell, Christina Gullo, Patricia Winsten, Nina Esaki, Joseph Benamati, Sarah Yanosy, Jennifer S. Middleton, Laura M. Hopson, Victoria L. Hummer, and Sandra L. Bloom
   Finding Hope: A Case Study on Strategy Redesign and Turnaround 109
   References 118
   The Sanctuary Model: Theoretical Framework 119
   References 132

7. Using Data to Drive Change and Achieve Impact 135
   Greg Ryan, John Jeanetta, Michael Bedrosian, Francine Axler, Amy Friedlander, and Alex Lehr O’Connell
   Developing a Data-Driven Culture: A Case Study 135
   Using Data and Information Systems to Drive an Integrated Health and Human Services Enterprise: The Public Health Management Corporation Approach 141
   References 146

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8. Improving Organizational Capacity and Infrastructure 149
Jim Bettendorf, Maria Cristalli, Glenn Wilson, Rose Chapman, Denise Roberts, and Dave Paxton

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteers of America of Minnesota: Discovery for Transformation</td>
<td>149</td>
</tr>
<tr>
<td>Hillside Family of Agencies: Office of Strategy Management Case Study</td>
<td>158</td>
</tr>
<tr>
<td>Holy Family Institute: Implementing Strategy Using Human-Centered Design</td>
<td>161</td>
</tr>
<tr>
<td>Jewish Family and Children’s Service of Sarasota-Manatee: A Strengths-Based View</td>
<td>166</td>
</tr>
<tr>
<td>Integrating Strategic Planning and Strategy Implementation Into Corporate Culture</td>
<td>170</td>
</tr>
</tbody>
</table>

Resources 173
References 173

9. Research, Evaluation, and Assessment as Key Strategic Engagements in the Nonprofit Health and Human Services Sector 175
Jennifer Keith, Lisa R. Kleiner, Archana Bodas LaPollo, and Lynne Kotranski

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Health Needs Assessments</td>
<td>177</td>
</tr>
<tr>
<td>Strategic Assistance in Tobacco Control Efforts in Pennsylvania</td>
<td>179</td>
</tr>
<tr>
<td>Developing Strategy and Driving Change in HIV/AIDS Prevention and Service Delivery</td>
<td>181</td>
</tr>
</tbody>
</table>

References 185

10. Deploying Strategy to Create Purposeful Partnerships 187
Richard Cohen, Tine Hansen-Turton, and Glenn Wilson

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnerships: From Collaborations to Mergers</td>
<td>187</td>
</tr>
<tr>
<td>A Tale of Two Cities: Seller and Buyer—The Holy Family Institute and Public Health Management Partnership</td>
<td>198</td>
</tr>
</tbody>
</table>

References 238

11. Responding to Policy Change and Creating Policy Impact and Systems Change Through Strategy 207
Marilyn Mason-Plunkett, Timothy Johnstone, Barbara Vollmer, Daniel L. Daly, and Rebecca M. Robuck

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating Systems Change and Policy Impact Through Strategy at Hopelink</td>
<td>207</td>
</tr>
<tr>
<td>Boys Town's Role in the Strategic Effort to Reform Nebraska's Child Welfare System Through Privatization</td>
<td>215</td>
</tr>
<tr>
<td>Innovation at the Philadelphia Department of Human Services: Improving Outcomes for Children by Increasing Accountability and Strengthening Community Partnerships</td>
<td>228</td>
</tr>
</tbody>
</table>

References 238
Richard Graziano, Vincent Hillyer, and Donald Layden Jr.

The CEO Perspective on the Role of Strategy and the CSO at The Village Network  241
The CEO Perspective on the Role of Strategy and the CSO at Great Circle  244
A Board Member’s Perspective on the Role of Good Corporate Governance in High-Performing Strategic Nonprofits  247

References  254

13. The Health and Human Services Sector Constituent Voice  255
David Bonbright

Constituent Voice  255
Constituent Voice: A Tool of Performance Management  261

References  272

Laura T. Pinsoneault

From Strategic Evaluation to Evaluating Strategy  276
Evaluating Strategy Counts Today  281

Conclusions  286

References  287

Appendix: Strategy Counts Pilot Sites and Map  289

Index  303
Contributors

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Every day across America, nonprofit human services organizations carry on some of our society’s most important work—equipping people with the tools to improve their lives. In the aftermath of the Great Recession that started in 2007, these organizations are challenged to work not just harder, but also smarter. With client rolls swollen and finances sliced, nonprofits need to transcend old patterns of doing business to pioneer program innovations, secure new sources of funding, and leverage new partnerships. But in today’s “do more with less” environment, where can they find the time, support, and intellectual capital necessary to engineer these essential strategic breakthroughs?

Enter Strategy Counts, an initiative to elevate the role of strategy across the sector. Funded by a generous investment from The Kresge Foundation and conceived and implemented by the Alliance for Children and Families, Strategy Counts engaged a cohort of 20 pilot agencies as pathfinders in hardwiring strategy into their operations. Today, after 18 months of intensive connectivity and shared leadership among these organizations, we are proud to publish *Making Strategy Count in the Health and Human Services Sector* to present the early lessons of this groundbreaking initiative.

We extend our sincere thanks to The Kresge Foundation for being an engaged partner on Strategy Counts, as well as to project director Michael Mortell of the Alliance for his leadership of the program.

Strategy Counts is just one example of how the Alliance for Children and Families acts as an essential “radar” for the sector, anticipating local agencies’ emerging needs from its vantage point as a national network of more than 500 human services and community development organizations. Our mission is not just to detect the trends of the future, but also to equip
our members—and, by sharing widely, the entire sector—with bona fide answers to their most pressing challenges and opportunities.

America’s nonprofit human-serving organizations are social and economic engines and a critical part of the fabric of vibrant and productive communities. America can realize its fullest potential only if these organizations continue to develop their capacities as high-impact organizations. We are proud to be part of a movement that is shaping our future as a nation.
At The Kresge Foundation, we work to expand opportunities for low-income people in America’s cities. Our human services program advances that goal through efforts to strengthen organizations that are committed to improving the quality of life and economic security of vulnerable people. None of these are small tasks.

But as stewards of a philanthropic organization created by a man who aspired to “promote human progress,” we have developed strategies for deploying resources where we believe they will be most effective. Membership organizations such as the Alliance for Families and Children are, we believe, among those places.

These organizations know their members and are well positioned to propose actions that can help human services agencies help individuals and families lead self-sufficient, self-determined, and productive lives.

In 2011, we made a 4-year, $5 million–plus commitment to an Alliance plan to enhance human services agencies’ ability to adapt and refine their own strategies.

Among the goals are producing human services organizations that can better serve families and better manage through challenging economic times, as well as giving rise to a new understanding of what approaches and changes are most likely to improve such agencies’ effectiveness.

We’re pleased to pause and examine some results near midpoint.

In Making Strategy Count in the Health and Human Services Sector, the Alliance for Children and Families and its Strategy Counts initiative pilot sites deepen our understanding of how human services organizations—from different parts of the country and with varying histories, cultures, and missions—respond during times of transition.
Here, contributors share real stories from a bottom-up perspective about hiring and integrating chief strategy officers and implementing transformational projects. They describe practical responses to shrinking resources, increasing demands for services and accountability, changing demographics, and the growing need to heed constituents’ voices.

The book connects fundamental organizational abilities and strategy, including the role of data in driving change. Strategy, it is clear, must be diffused throughout an organization. Strategy is about making choices, about learning and then sharing that learning within the organization as well as with partners.

Too often, we human services professionals have relied on traditional approaches that “fix” situations for people rather than partnering with clients to develop practices that promote wellness and progress. And in doing so we have learned that external fixes don’t last long.

Taking the role of partner rather than of fixer requires a different way of thinking. We need to tap into clients’ talents to come up with the best solutions. Our role is to support people on their journeys, recognizing that solutions can be vastly different even when people are dealing with similar issues.

We hope you will take away a deeper understanding of how organizations and leaders can become more adaptive and learn to create a learning community.

We hope that you, too, will be inspired by the courage the authors—our colleagues in the field—display each day as they make tough choices in a time of uncertainty and guide their organizations’ efforts to help chart better futures for children and their families.
Preface

The Strategy Counts initiative of the Alliance for Children and Families is a multiyear pilot project designed to enhance the social impact of nonprofit human services organizations by increasing their focus on strategy and its effective deployment.

Research conducted by the Alliance for Children and Families in preparation for the Strategy Counts project shows that within human services organizations, strategic issues frequently take a back seat to program development, day-to-day operations, managing ongoing changes in the regulatory environment, and the pursuit of new sources of revenue. Consequently, organizations may not be investing in or prioritizing the areas in which they have the greatest impact.

Launched in May 2011, Strategy Counts is supported by a $5.375 million grant to the Alliance by The Kresge Foundation. “Creating opportunity for low-income people is a hallmark of our work at The Kresge Foundation,” says President Rip Rapson. “Our programs reflect the inflection points where we think we can actually make a difference in the life trajectories of people who are poor, disadvantaged, or underserved in fundamental ways.”

This initiative serves as a pilot project and learning laboratory to explore the role of strategy as one of those key inflection points. As Alliance members begin to see and enhance their role in addressing root causes of poverty and other societal challenges, the Strategy Counts initiative serves as a lab for accelerating the transformation of the nonprofit human services sector toward impact and results.

By determining the impact of elevating strategy in 20 pilot organizations, Strategy Counts has sought to identify and evaluate the tools and methods that have the greatest potential to enhance the capacity of nonprofits to more effectively anticipate emerging market forces and adapt strategies to meet those changes and improve the lives of children, adults, and families.
THE CASE FOR STRATEGY COUNTS

The literature indicates that recognition of the power of being strategic is not new to nonprofit management. Studies conducted as early as 2001 stated:

The nonprofits . . . that experienced the greatest gains in capacity were those that undertook a reassessment of their aspirations—their vision of what the organization was attempting to accomplish . . . their strategy. (McKinsey & Company, 2001, p. 15)

What is newer is discussion and inquiry concerning whether the successful implementation of long-term strategies, which has largely remained in the domain of the chief executive officer (CEO), may be severely limited without either a full-time executive champion for strategy or an organizationwide transformational initiative creating strategic perspective throughout all operating units of an organization.

Like their for-profit counterparts, CEOs of high-performing nonprofits are challenged to meet today’s escalating and often competing demands. Faced with funding pressures, accountability demands, expanding operating environments, shifting market priorities, the nuances and intricacies of interorganizational relationships, and the management of multidimensional organizational structures, the nonprofit CEO is increasingly challenged to attend to innovation and is frequently unavailable to ensure that strategy is executed consistently across all departments and line functions of the agency.

Interviews conducted with 45 Alliance CEOs during the planning phase for this project revealed four significant conclusions:

1. In nonprofit organizations, strategy frequently takes a back seat to program development, day-to-day operations, managing ongoing changes in the regulatory environment, and the pursuit of new sources of revenue.
2. Nonprofit CEOs have experienced limited success in the elevation of strategy to a level at which it has a decisive and considerable effect on outcomes.
3. CEOs perceive the most significant obstacles to the elevation of strategy to be a strong cultural and historic focus on funding programs rather than on management capacity.
4. More substantial information and data on the return on investment and benefits of the elevation of strategy will be critically important to supporting any organization pursuing cultural change or transformational initiatives to enhance the role of strategy in its agencies.

In a study conducted by McKinsey in 2006 in which researchers tapped the strategic planning concerns of over 800 executives, only 36% said that their strategic plans were meaningfully integrated with their human
resources and processes, and only 56% said that their companies tracked the execution of strategic initiatives. In other words, the planning was done and the plans existed, but they were not aligned with day-to-day operations to the extent that they drove and defined organizational priorities.

In our interviews, all but a few executives worried or recognized that their strategic planning efforts would require significant changes or enhancement to become well aligned or integrated with the achievement of their agency’s highest priorities.

A Nonprescriptive Approach

The Kresge Foundation supported further exploration of the role of strategy and its effective deployment by the Alliance by funding the Strategy Counts initiative. The 4-year project launched in May 2011 would have 20 pilot sites, a cohort learning community, and disseminated findings.

In the spirit of serving as a learning lab, the initiative did not impose a specific approach or require all pilot sites to begin from a common starting point. Rather, we recognized that organizations would be at different stages in the cycle of strategy development and implementation. Instead, we have made an effort to not be prescriptive in either defining or ruling out specific activities as organizations build on the progress they have achieved to date.

The Strategy Counts initiative was designed to identify pilot sites that would demonstrate repeatable approaches for developing and deploying strategy into operations. A key activity during the implementation at the various pilot sites involves looking across the sites to glean and distill the principles. This book is one avenue for sharing the insights at the midpoint of the project.

20 Pilot Sites

The first 15 pilot sites began their Strategy Counts projects in January 2012, and the remaining 5 pilot sites started in January 2013. To competitively select the pilot sites, the Alliance released a request for proposals (RFP) in August 2011 seeking nonprofit human services organizations to serve as pilot sites for the Strategy Counts initiative.

Applicants chose between two project types, both of which involved strategy development and its effective deployment. Pilot sites would either employ a chief strategy officer (CSO) or conduct a transformational project. The CSO’s responsibilities and activities were to be clearly directed at the elevation of strategy as a means of building organizational capacity to produce a decisive and considerable impact on the organization’s most important outcomes for the clients and communities served. An effective transformational project was described as a catalyst to change the organization for the longer term.
Nine pilot sites were selected to begin CSO projects in January 2012. Each CSO project was awarded a total of up to $237,000 for the 3-year period. Five transformational projects were selected to begin in January 2012, and a second RFP in August 2012 identified an additional five transformational projects to begin in January 2013. Each transformational project was awarded a total of up to $100,000 for a period of between 18 and 24 months. The RFP required agencies to provide a minimum match of 50% of their total grant. The Kresge Foundation, in awarding the Strategy Counts grant to the Alliance in 2011, included the Alliance as a pilot site, bringing the total to 20.

There was great interest in the Strategy Counts project by Alliance members. During the first RFP process, an Intent to Apply was received from 112 organizations, and 73 Alliance members submitted proposals. Thirty-eight members applied to become one of the nine chief strategy officer projects, and 35 members applied to become one of the five transformational project pilot sites. During the second RFP process, we received an Intent to Apply from 98 organizations, and 72 Alliance members submitted proposals applying to become one of the five transformational project pilot sites.

**Chief Strategy Officer Projects**

Within Strategy Counts pilot sites, the CSO position reports directly to the CEO, and the CSO role is dedicated to advancing strategy within the organization. The role of CSO is a relatively new management concept that has established its value over the past decade within the for-profit sector. Fueled by the necessity of managing today’s complex, dynamic business environments, the CSO has emerged as an important force in executing both short-term strategy and long-term vision. Though the CEO and board retain ultimate responsibility for setting strategy, the CSO serves as the centralized position for integrating knowledge into planning and strategy into operations. As a facilitator between the executive suite and the business units, the corporate CSO serves an important and vital role within the organization, responsible for ensuring that there is shared alignment around the vision and operationalizing strategy to achieve it.

Though the position is less common in nonprofits, the chief strategy officer can offer human services agencies the same benefit and results obtained by companies in the for-profit sector: a focus on strategy that leads to greater organizational impact, enhanced revenues, and a sustainable future. Interviews conducted with six current nonprofit CSOs\(^1\) during the planning phase of this project revealed that those member agencies realized some very tangible results, including the following:

\(^1\)Not all executives interviewed carried the formal title of CSO, but these six were singled out as senior executives solely responsible for elevating strategy within their organizations.
They narrowed core services, focused their organizations’ efforts, and attracted more funding.

They identified better benchmarks for results.

They put their agencies in better positions to make data-driven proposals and decisions.

They reduced drifting from strategic goals—when goals were not achieved, clear reasons were given and new goals were mapped.

They developed their agencies’ first comprehensive strategies.

They developed strategic responses to avert major budget crises.

As the literature suggests, there are three specific roles a CSO can undertake to affect successful strategy execution in high-performing nonprofits. These roles were all identified in some fashion by the six agencies reporting dedicated senior leadership positions focusing on strategy:

1. **Securing commitment to existing strategic plans.** As a 2007 *Harvard Business Review* article said, CSOs “resolve strategy . . . clarify it for themselves and for every business unit and function, ensuring that all employees understand the details of the strategic plan and how their work connects to corporate goals” (Breene, Nunes, & Shill, 2007).

2. **Creating the right changes to implement strategy and achieve results.** As the CEO’s eyes and ears on the ground, the CSO has the authority and autonomy to test whether the operational decisions being made on a daily basis are in fact aligned with the organization’s strategy and achieving the results envisioned by the board and senior leadership. Where they are not, the CSO is empowered to create new systems, innovate services, and implement structures that will support strategy and promote success.

3. **Facilitating ongoing strategy development.** In addition to leading formalized strategic planning processes within the organization, the CSO assumes the role of continuously challenging the assumptions underpinning a chosen strategy. By keeping in mind the long view in tandem with the pragmatic, and overlaying global trends onto both, the CSO effectively builds knowledge, assesses advantages, constructs opportunities for continuous improvement, and identifies viable options for long-term growth and sustainability.

**Transformational Projects**

By design, preparing a proposal to fund a transformational project was different from other funding opportunities that an agency might commonly pursue, such as bidding to provide a direct service for a specific population. While some direct services start and stop depending on funding cycles, the transformational project was viewed as a catalyst for providing enduring change. Rather than being at the periphery of the organization as some
programs are, the transformational project was to be at the core of the organization and would seek to involve the whole organization.

Each transformational project would be developed to fit the specific agency’s needs. Our overall approach was to be nonprescriptive, recognizing that organizations would be at various stages in the cycle of strategy development and implementation. We hoped that sites would build upon the experience and progress they had made to date. Thus, we have not been requiring all sites to restart with a set of assessments that would inform the next steps.

Each agency was encouraged to engage in dialogue, discernment, and even debate to strengthen the design of their transformational project. We provided a line of questions that could help an organization begin to formulate a transformational project, including the following:

What would it take to transform our organization into one that

- Further elevates the role of strategy?
- Expands our long-term view?
- Operates in a more proactive manner?
- Aligns operations with the core mission of our organization?
- Enhances our ability to make data-driven decisions?
- Engages and brings an understanding of and level of ownership for our mission and strategy to our mid-level and direct service staff?
- Increases focus on meaningful client and community impact?
- Helps us see our role, directly or indirectly, in poverty reduction?

An effective transformational project should also diffuse responsibility for strategy throughout multiple levels of the organization. Within that scope, we expected that significant cultural change would need to occur through a formalized, facilitated process so that across the organization, from the board downward, there would be greater understanding, ownership, and empowerment to contribute to strategy development, implementation, and refinement.

The projects were likely to use a variety of methods for driving culture change and elevating strategy throughout the whole organization, including organizational assessments, training, executive coaching, mentoring, utilization-focused evaluation activities, and technical assistance.

The Cohort Learning Group

The pilot projects were established to contribute a new depth of understanding about the role of strategy in nonprofit organizations and to add to our knowledge those tools and methods that have the greatest potential to enhance the resilience and effectiveness of organizations that share our mission to improve the lives of children and families.
A cohort learning group of all the pilot sites is one way we are accelerating the development of transferrable models and expanding the knowledge base to the wider Alliance membership and industry. All pilot project sites have been participating in the cohort learning group facilitated by the Alliance, which is designed to

- Identify and share successes and challenges facing the pilot project participants in their efforts to elevate strategy
- Discuss resolutions to issues that emerge in the pilot sites
- Identify the organizational cultural changes that are occurring, as well as how they are being managed throughout the organization
- Consider the impact on the individuals and communities served by the organizations
- Prepare for and participate in formal presentations of successful practices deployed and lessons learned
- Synthesize the challenges and successes of the piloting experience
- Compile a set of best practices for nonprofits that will help enhance the effectiveness of future initiatives

In addition to joining in periodic conference calls, sharing status updates, and connecting individually across the sites, members of this group convene for a 2- to 3-day in-person meeting each year and gather as a cohort within the annual Alliance National Conference.

**THE PURPOSE OF MAKING STRATEGY COUNT**

*Making Strategy Count in the Health and Human Services Sector* will show readers how the health and human services welfare agencies continue to use strategy to achieve long-term social impact in communities across the United States with the goal of reducing poverty and increasing opportunities for people to live safe, productive, and healthy lives.

*Making Strategy Count in the Health and Human Services Sector* is a guide and toolkit based on the lessons learned from 20 organizations and CSOs. Specifically, this book discusses how these organizations, by deploying strategies and having senior leaders in a strategy role, show that nonprofits can be:

- More agile in adjusting to change
- More data-driven in making decisions
- Better positioned to partner
- More able to innovate in ways that meaningfully help reduce poverty throughout America

Through lessons learned and case studies from Strategy Counts participants and experts, *Making Strategy Count in the Health and Human Services Sector* will show...
Services Sector will share a new depth of understanding about the role of strategy in nonprofit organizations and add to the knowledge of those tools and methods that have the greatest potential to enhance the resilience and effectiveness of nonprofit organizations that share the mission of improving the lives of children, adults, and families.

Featuring writers from various health and human services leadership teams and clinicians in the field, this book promises to be the first and most comprehensive work describing how to create social change and impact by deploying critical strategies in the health and human services child welfare sector.

**An Audience With a View to the Future**

This book serves to fill in the knowledge gap for leaders, managers, practitioners, students, faculty members, providers, and professionals working in the health and human services sector who are interested in learning about or teaching in the health and human services sectors, as well as for universities educating social workers, counselors, psychologists, nurses, and other health professionals who want to add preparation to work in the health and human services sector into their curricula.

Readers will walk away with the ability to

- Understand the history and growth of the human services sector
- Develop organizational strategies for how child welfare agencies can achieve long-term social impact by reducing the number of people living in poverty; increasing the number of people who have the opportunity to lead safe, healthy lives; and increasing the number of people who have opportunities for educational and employment success
- Recognize the challenges and opportunities within the health and human services sector
- Identify ways to innovate that will meaningfully affect the reduction of poverty throughout America
- Discuss how to use strategy to improve organizational capacity and infrastructure
- Understand how to use data to drive organizational change
- Recognize the need to align services to achieve collective impact, and learn how to do just that
- Recognize the role of culture and strategy within an organization
- Discuss how strategy can be used to create policy impact and systems change
- Learn how to deploy strategy to create purposeful partnerships

The title of this book foreshadows a blending that we see occurring over the next decade of what have historically been the two largely independent sectors of health care and human services. Research on the social
determinants of health and emerging practices that link physical health care with behavioral health bring support to what is rather intuitive when it comes to human health: the mind and body are inextricably linked.

Many of the contributors to this book represent leading nonprofit human services agencies and write from that perspective. Coeditor Tine Hansen-Turton and her colleagues at Public Health Management Corporation contribute content to this book as one nonprofit that is bridging these two sectors. Newer funding models are beginning to reflect this link. Some nonprofits are not only blending physical and behavioral health but are also incorporating family and neighborhood or community health. We see promising practices on the horizon as these disciplines connect and collaborate.

REFERENCES


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The standard of living in our country appears to be higher than ever. For our elders, who were raised during the Great Depression of the 1930s and endured shortages and rationing of goods during World War II, much has changed. Many from that generation can recall substantial portions of their lives when the common comforts and conveniences of today, such as telephones, air conditioning, color televisions, and travel by air, were not so common. Compared with just a half-century ago, today homes are larger while housing smaller families and retailers offer enormous options in massive quantities. Recreation and entertainment are widely available. In the past decade, Internet access, smart phones, and tablets have become near necessities, suggesting an ever-increasing standard of living.

Although our current lifestyle may afford more comforts and conveniences, a closer look reveals a bleaker reality. In a report by the National Poverty Center, 15.1% of all Americans lived in poverty in 2010—the highest rate since 1993. For children, the picture is worse. Although they made up 24% of the total population, children accounted for 36% of all those living in poverty. That translates to 16.4 million of our nation’s kids, or more than 1 in 5, who are growing up in poverty (U.S. Census Bureau, 2011).

Poverty is a complicating factor and even the root of many other challenges in the lives of those served by the nonprofit health and human services sector. Nonprofits find themselves not only on the forefront of the issue but also uniquely positioned to make a meaningful difference. Consider these questions: Who, other than nonprofits, has the infrastructure and community presence nationwide to make a difference? Who, other than nonprofits, has the staff with the specialized skills and training needed to address the complex situations that many living in poverty face? Who, other than nonprofits, has the programming in place to take action now?
Our nation’s adults, families, and children need this help. And many cannot wait much longer.

**What Is Poverty?**

Many have argued that the current federal poverty definition does not work because it focuses only on the economics of poverty while overlooking the social and political implications. In their article “Beyond the Poverty Line,” Rourke L. O’Brien and David S. Pedulla (2010) elaborate on this definition’s shortcomings: “No poverty line, regardless of how well conceived or how well intentioned, can provide the information that nonprofit leaders and policymakers need to better serve their community. A line cannot provide information about the depth or intensity of deprivation. It cannot tell us about the duration of poverty. It does not provide direct information about actual deprivation, such as homelessness or hunger” (2010, 33).

**Challenges Complicated by Poverty**

It is helpful for nonprofits to fully understand the needs of those who live in poverty and measure which approaches are most effective in bringing about change. Toward this end, the Alliance solicits observations from those who work in nonprofits. The following are excerpts and ideas from the Alliance’s report *Scanning the Horizons: Top Five Trends 2009–2010*:

“Society needs to realize that poverty is at the root of all problems: lack of education, unemployment, homelessness, crime, health issues and abuse/neglect situations,” says Jennifer Dale (p. 42). As poverty grows, more people are affected by these conditions, either directly or indirectly, which puts greater strain on our health care system, schools, law enforcement agencies, and social services organizations.

“Because so many programs have been cut and people in need were not able to get wellness exams or health education, there may be increased incidences of diabetes, high blood pressure and other diseases,” Undraye Howard says. In addition, some organizations will not be able to provide mental health services to a growing number of uninsured people who cannot afford to pay the minimum fee (pp. 41–42).

“Food bank usage across the country has also increased dramatically, especially from families that never used food banks before,” Elizabeth Carey says (p. 41). “When basic issues such as hunger, stable living and employment are not being addressed, it is very challenging to meet the mental health needs of children and families,” adds Brigitte Grant (p. 43).

With higher unemployment and more home foreclosures, the nation’s school districts report increases in the number of highly mobile and homeless students. Compared with their peers, children with unstable housing are at greater risk of school failure, behavioral problems, truancy, and other challenges (p. 40).
“We’re encountering more moms reporting mental health and substance abuse issues, which can be related to environmental stressors, such as money concerns, loss of jobs, and other difficulties. These are often correlated with increased incidence of child abuse and neglect,” Mitzi Fletcher says (p. 42). Often when problems such as these go untreated, the cycle of poverty and violence toward children continues.

Scenarios such as these are commonplace. Across the nation, today’s human services organizations report an increased need for all types of programs, ranging from quality child care, financial literacy, and vocational training to mental health counseling and addiction recovery. Complicating matters, many human services agencies find themselves facing dramatic funding cuts, making it more difficult to serve their current clients—and nearly impossible to keep up with growing demands.

“As human services organizations adapt to changing social and economic conditions, there’s a natural impulse to focus on immediate concerns,” says Guillermina Hernandez-Gallegos, director of human services for The Kresge Foundation. “Our Strategy Counts investment is intended to help the leaders of human services agencies step back and take a strategic view, make informed choices and ultimately build stronger and more effective organizations.”

STRATEGY COUNTS: A LEARNING LAB

“Creating opportunity for low-income people is a hallmark of our work,” says Rip Rapson, president of The Kresge Foundation. “Our programs reflect the inflection points where we think we can actually make a difference in the life trajectories of people who are poor, disadvantaged, or underserved in fundamental ways.”

As a pilot project and learning lab, the Strategy Counts initiative seeks to help nonprofits use strategy as a key inflection point—or turning point—from which they can bring positive change to people’s lives.

Strategy Counts is a 4-year pilot initiative designed to enhance the impact of nonprofit human services organizations by increasing their focus on strategy and its effective deployment. The Alliance for Children and Families launched this initiative in May 2011, supported by a $5.375 million grant from The Kresge Foundation.

While preparing for this initiative, researchers with the Alliance discovered that many nonprofits’ long-term goals—their missions and their visions—get pushed aside as everyday issues and interruptions command immediate attention. Instead of focusing on those areas that have the greatest impact, many nonprofit leaders find their days filled with managing day-to-day operations, adjusting to regulatory changes, pursuing new revenue sources, deploying programs, and putting out proverbial fires.

Strategy Counts has 20 nonprofits serving as pilot sites. Their leaders were asked to identify and evaluate various tools and methods that could
help them work more effectively and strategically in achieving their missions and visions. For example, various sites are modeling how to become more agile in adjusting to change, more data-driven in making decisions, better positioned to partner with others, or more innovative when helping children and families move out of poverty and toward greater well-being.

An early observation suggests that there is no lack of compelling vision or of worthy aspirations by nonprofits. More often, the challenge is in the effective deployment of strategy. Thus, this project is less about writing a strategic plan and more about being strategic. While multiyear strategic plans remain useful, the value diminishes if organizations take an episodic approach to strategy. Instead, strategy leaders, from the pilot sites and beyond, are taking a more continual approach to strategy in which the strategy is aligned with and guides daily operations.

NONPROFITS: AGENTS OF CHANGE

Leaders of today’s nonprofit social services organizations are called upon to be agents of change in two different arenas—both among those we serve and within our own organizations—helping people become more strategic in bringing about change, more resourceful in environments that require doing more with less, and more focused on accomplishing what really matters.

So what has to happen for nonprofits to be agents of change? During a roundtable discussion with the pilot sites, Guillermina Hernandez-Gallegos asked about how the voices and perspectives of those we serve as intended beneficiaries are helping the pilot sites be more strategic. One of the responses articulated the role of the strategy officer and underscored the value of nonprofits’ taking a strengths-based approach that builds on the assets of communities and individuals:

The old questions of community development were always about lacks, gaps, needs, wants, and whatever was missing and broken. At Neighborhood Centers, Inc., we don’t ask, “What’s tragic about your life?” Instead, we want to know, “What are you working on? What do you have? What are you able to accomplish? What are your ultimate aspirations?” So the dots that really need to connect are the ones that align their aspirations with resources. A key role for the strategy officer in our organization is seeing where neighborhoods are going and where resources are headed and then finding the intersection of the two. That intersection is critically important, because resources never align perfectly with what needs to be done. So a key part of our strategy work is looking at the way they do align and finding ways to reshape the resources to fit the neighborhoods and neighbors.

—Angela Blanchard, president and CEO of Neighborhood Centers, Inc.
To be agents of change for those we serve, it’s important to reframe our questions. To be agents of change within our own organizations, it’s important to be intentional about strategy and its effective deployment. We can help our organizations run more smoothly and effectively, freeing up our time, energy, and resources to focus on things that really matter: not only reducing poverty and the many challenges that accompany this condition but also enhancing the lives and opportunities of children and families.

This book is one way the Strategy Counts initiative will share information. In the following chapters, pilot site leaders discuss the tools and methods they are evaluating, allowing other nonprofits leaders to consider new strategies for making their time, energy, and resources more effective in realizing their organizations’ missions and visions.

By helping people move from poverty and toward greater self-sufficiency, the hope is also to reduce the many challenges that stem from or are complicated by poverty. The ultimate goal is to help nonprofits throughout the nation use strategy more effectively to transform and enhance the lives of the nation’s poorest adults, children, and families.

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