Ready or Not, Here it Comes:

Preparing for Success in Rapidly Changing Times

Ready or Not Cohort 2 - End of Program Evaluation Report

EXECUTIVE SUMMARY

Prepared for the Health Foundation for Western and Central New York
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I. Ready or Not Cohort 2 Program Overview and Evaluation

Developed and funded by the Health Foundation for Western and Central New York, *Ready or Not* is designed to build the capacity of organizations that serve the Foundation's target populations, vulnerable older adults and young children impacted by poverty. The program aims to build organizational capacity by strengthening the core competence of grantee organizations in areas where they need it most and by refining each organization's value proposition. The Foundation believes that support for capacity building will improve organizational effectiveness, performance and programs, which will in turn improve health and social service outcomes for its target populations. In Ready or Not 2, six central New York based organizations were selected to participate through a competitive Request for Application in October 2014:

- Alzheimer's Association
- Aurora of Central New York
- Herkimer County HealthNet
- PEACE, Inc.
- Salvation Army Senior Services
- Visiting Nurse Service of Ithaca & Tompkins County

Ready or Not 2 began in January 2015 with an in-person learning session for all participants. At this session, the project team (Foundation staff and Ready or Not 2 Lead Consultants Katie Doucette and Susan Burgess of The Leading Element) provided an overview of program goals and activities, and introduced the organizational capacity building framework applied in "Ready or Not 2: Nonprofit Lifecycles – Stage-Based Wisdom for Nonprofit Capacity," developed by Susan Kenny Stevens. The Lifecycles framework views capacity building as strengthening the "table legs" of management, governance, financial resources and administrative systems that support a nonprofit's mission and programs.

Figure 1. *Lifecycles* Framework for Nonprofit Capacity: "Table Legs" Support Mission and Programs[1]

In Ready or Not 2, the Lifecycles framework also served as a guide for examining stages of organizational growth, decline and rebirth; the characteristics of organizations in each stage; and key questions and activities appropriate to capacity building in each stage of an organization's lifecycle.

The two-year program started with a six-month Assessment and Planning Phase from January to June 2015.

During this phase, grantees completed a comprehensive organizational assessment and capacity building work plan with support from the organizational development consultant assigned to their team.

Following the Foundation's review and approval of the grantee's capacity building work plans there was an 18-month Implementation Phase (June 2015 to December 2016). During implementation, grantees received $40,000 in grant funding for capacity building, ongoing support from their OD consultant, and participated in four in-person learning sessions (October 2015; February, June and December, 2016).
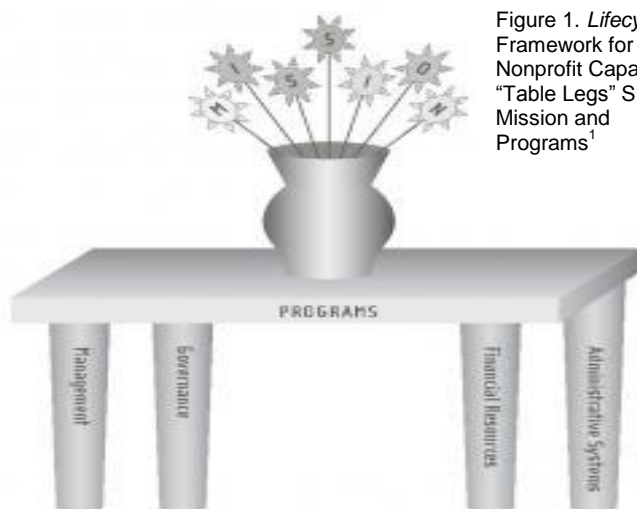
At the February 2016 session, OD expert Nell Edgington provided tools and a framework for developing grantees' organizational theory of change and value proposition. The Theory of Change framework shared by Edgington is shown below:

Target Population	External Context	Activities	Short & Long Term Outcomes	Assumptions
What groups of people are you seeking to benefit or influence?	What relevant trends in or changes to the external environment are occurring?	How and where are your core competencies employed?	What changed conditions do you believe will result from these activities?	What evidence do you have that this theory will actually result in change?

Grant funds in Ready or Not 2 were used, largely at grantee's discretion and with Foundation approval, to support a wide range of capacity building needs, including additional OD and other consultant expertise, market analysis, IT infrastructure and staff time for capacity building.

The Ready or Not 2 Evaluation: The goals of this formative evaluation are to examine the process, structure, experience, and the impact of Ready or Not 2 on participating organizations - their learning, outcomes and achievements. To attain these goals, the evaluation applies a mixed method design with both quantitative and qualitative inputs over a three-year period.

The current report summarizes evaluation findings through implementation (December 2016). Data sources include interviews with Ready or Not 2 grantee team members and OD consultants (conducted in February 2017), final reports from grantees and measures of capacity building impact (submitted January 2017).

II. Capacity Building Goals, Activities and Achievements

Grantee's capacity building activities in Ready or Not 2 focus on strengthening the "legs of the table": management systems, governance, administrative systems, and finances. As a cohort, capacity building activities in Ready or Not 2 included:

- o Leadership and staff development
- o Board development; improving Board role and function
- o Defining the organization's value proposition, business identity and strategy
- o Market analysis; developing proactive response to changing markets and reimbursement
- o Expanding programs and services; new business development
- o Mergers/partnerships
- o Response to organizational crisis
- o Navigating turnaround
- o Improving management systems, including management process, structure, decision-making and communications

The shaded areas in Table 1 indicate organizational capacity building activities underway or completed at each grantee organization. During the program, all grantees expanded their scope of capacity building activity beyond the original goals for Ready or Not 2. This occurred in response to progress made in capacity building in the program, unanticipated challenges, or emerging opportunities.

Table 1. Grantee Organizational Capacity Building Goals and Activities

Capacity Building Goals & Activities	Grantees					
	AA	Aurora	HCHN	Peace	SA	VNS
Organizational needs assessment	■	■	■	■	■	■
Strategic planning						■
Crisis response/turnaround/closure	■	■	■		■	■
Governance/Board development	■					■
Leadership and staff development (training, workforce, succession planning, organizational culture)	■	■		■	■	■
Internal structure, decision making, communication	■		■		■	
Internal management systems (personnel, financial, etc.)	■	■			■	■
Data and technology management/development		■			■	■
Process improvement					■	■
Financial strengthening, fundraising	■	■	■	■		■
Understand market opportunities; define value proposition		■	■	■	■	■
Expand or improve programs and services	■	■	■		■	■
External communication, marketing, branding		■	■	■	■	■
Explore new line of business, model, strategy or merger	■	■	■		■	■
External relationships; expand partnerships, collaboration, strategic alliances		■	■		■	■

All grantees realized significant achievements in organizational capacity building. Achievements included organizational restructuring, turnaround, leadership and staff development, business development, new partnerships, including two mergers, expansion of services and revenue, reinvigorated marketing and communications. In addition, all grantees defined their organization's theory of change and value proposition.

At the end of Ready or Not 2, most are still working on their value proposition. Several grantees (AA, Aurora, PEACE, VNS) identified measuring organizational performance and demonstrating their value proposition as a capacity building next step. Achievement highlights for each grantee are summarized below, followed by their anticipated next steps in capacity building.

- **Alzheimer's Association** navigated three major developments. The first was closure of its Kirkpatrick Day Program during the first six months of Ready or Not 2. A second focus was merger of the CNY chapter into a single national AA organization and a strategic plan. The merger requires a new non-governing role for the CNY chapter's board, along with other necessary adaptations for the chapter, its leaders and staff. A third development was AA's award of a $2 million regional Alzheimer's Caregivers grant from the NY State Department of Health, with the AA CNY chapter as lead organization. The grant required AA to develop program management infrastructure that didn't previously exist. To support all of these developments, AA's capacity building work focused on leadership and staff development, governance and board development, improving management systems and communications. By strengthening the decision-making and capacity of the leadership team, AA is better positioned to proactively respond to organizational challenges like the closure of KDP, AA's national re-structuring and a regional grant and leadership role.

- o   AA's next steps for capacity building include a focus on board development to support a new, mission-focused advisory role for the CNY chapter's board.

- **Aurora of CNY** repositioned its organization in a changing reimbursement and market landscape. Aurora's initial focus was gaining market intelligence, aggressively pursuing new business, improving board function and engagement, and a new strategic plan. Later in Ready or Not 2, business expansion and partnership exploration led Aurora to formally merge with Liberty Resources, a national health care services organization. According to Aurora's executive director, "With support from RON2, Aurora achieved turnaround." Through Ready or Not 2, Aurora identified new business opportunities, improved its financial strength, and is undergoing a merger that will significantly increase its capacity to provide newly reimbursable services to its traditional client base. The merger required focused leadership from Aurora's executive director, protection of Aurora's organizational identity and ongoing negotiation with Aurora's Board.
  - o   Aurora's next steps for capacity building include merger integration activities (now underway) and continued Board development, particularly following the Board Chair's recent amicable resignation from the Board.

- **Herkimer County HealthNet** successfully emerged from fiscal and leadership crisis early in Ready or Not 2 with a new executive director and a promising business and operations improvement plan. At this time, HCHN continues to work to stabilize the organization, improve financial strength and management, expand revenue and reduce dependence on grant funds. HCHN's achievements in the program include creating new management systems for the organization; staff and leadership development; new business, revenue and value proposition development; and raising HCHN's profile in the community.
  - o   HCHN's next steps for capacity building include continued emphasis on community relations, growth, strategic planning, board development and unification. At present, HCHN's Board recognizes the importance of growth, but is of two mindsets regarding how to achieve it. Some members of the board seek growth for HCHN beyond Herkimer County; others see HCHN in a role that supports Herkimer County.

- **PEACE** focused on auditing facilities, improving internal and external communications, hiring a communications professional, leadership team and staff development, improving management systems and defining its organizational value proposition.
  - o   PEACE's next steps for capacity building include continuing its focus on building a management team, its HR system, which could include developing a merit increase evaluation system for the organization and measuring/demonstrating its organizational value proposition.

- **Salvation Army Senior Services** developed greater market awareness, competitive positioning and a proactive response to change in its business landscape. Market insight gained in the program led SA to restructure its Social Day program, improve service delivery, and adopt and implement a new electronic health record. Analysis conducted in Ready or Not 2 made SA realize it would increasingly operate at a disadvantage without an IT system capable of documenting its services and outcomes. SA leveraged Ready or Not 2 to successfully obtain additional outside funding for its new IT system. Also during the program, SA brought on higher skilled staff to manage higher acuity patients, thereby enhancing the marketability of its Social Day program to payors. Increase in staff skill and capacity makes SA more attractive to managed long-term care payors, and has already resulted in new contracts, increased census and revenue.

- o SA's next steps for capacity building include continuing to implement its EHR and expanding data management capacity to make better use of newly available data on programs, services and outcomes. SA will also continue to strengthen its response to change resulting from SA re-structuring at the national level.

- **Visiting Nurse Service of Ithaca & Tompkins County** is working hard to achieve a comprehensive turnaround. In moving toward that goal, VNS has a wide range of capacity building activities underway. In Ready or Not 2, VNS focused on implementing a new IT system; improving data management and HR systems such as RN recruitment and staff training; strengthening the VNS staff leadership team; and changing the organizational culture to one that better supports collaboration. By implementing a new strategic plan, VNS is repositioning itself to survive in a changing market and reimbursement landscape. This includes identifying new business opportunities, working to diversify and increase revenue and defining an organizational response to new opportunities such as DSRIP and Age-Friendly Ithaca. In 2016, VNS gained new contracts to support Care Transitions training. VNS now also plays a role in AARP's Age Friendly Ithaca initiative. In Ready or Not 2, VNS developed a value proposition to address the organization's primary challenge: hiring and retaining RNs. VNS' value proposition supports VNS' goal of becoming Ithaca's employer of choice. VNS is also working to advance its image and role in the region.
  - o VNS' capacity building next steps include continued focus on strengthening the organization and achieving turnaround, completing the strategic planning process, board development, and advancing the goals of increasing revenue and becoming the region's employer of choice.

III. The Impact of Ready or Not 2 and the Grantee Experience

The impact of the program is evident in grantee achievements and in participant ratings and observations from evaluation interviews. Highlights of the impact of Ready or Not 2 on grantee organizations are summarized below.

- Assessment and planning for organizational capacity building was the focus of the first six months of Ready or Not 2. Through this phase, all grantees gained a deep understanding of their respective organization's strengths, weaknesses, needs, internal and external realities.
  - o Most grantees also conducted market and environmental analysis to inform business planning and development, and maximize reimbursement potential.
- Grantees observed their organization's thinking about capacity building evolved as a result of Ready or Not 2, particularly as increased awareness and growth created new needs and priorities for capacity building. For several grantees, growth, new business opportunity and leadership developments that emerged in the program now make board development and change management new priorities for capacity building in 2017.
- All six grantees identified greater organizational resilience as a key outcome of their work in Ready or Not 2, identifying ways in which their organization is more resilient and better equipped to survive and navigate change as a result of their work. "We are in a totally different place (since the program began). We've increased our funding partnerships. We're better able to embrace change and plan for the future, and we have better systems in place with which to execute plans."

The impact of Ready or Not 2 is also evident in grantee perspectives on what their organization is able to do at the end of the program that it could not have done before. Examples provided include:

- "We are making better decisions with a more strategic focus; long term planning is now part of how we function. Strengthened ability to lead in times of uncertainty is our greatest achievement."
- "We are able to face vulnerabilities head on now."
- "We were in a downward spiral. Ready or Not 2 helped us see that and helped us respond proactively; as a result, we are experiencing rebirth."

Participants also noted the impact Ready or Not 2 had on them personally, such as "I'm finally able to sleep at night." and "It helped me articulate and use new language with authority... It gave me a seat at the table."

Participants rated the program's effectiveness in supporting capacity building and the overall impact of Ready or Not 2 on their organizations. Using a 10-point scale (in which a score of zero is "not at all impactful" and a score of 10 is "highly impactful"), participants rated the impact of Ready or Not 2 on their organizations very highly: an average of 9.7. OD consultants rated the impact of the program on their client organizations somewhat lower: an average of 7.7. Several consultants qualified this rating with the observation that capacity building is still a work in progress for most grantees. They anticipate impact will increase over time as new systems, achievements and opportunities from the program take effect. Participants also rated highly (an average rating of 8.6) Ready or Not 2's effectiveness in helping grantees achieve capacity building.

Another noteworthy impact is organizational learning. In evaluation interviews, participants rated the extent of organizational learning they experienced in Ready or Not 2. Using a 10-point scale (in which a score of zero is "not a lot" and a score of 10 is "a great deal"), participants rated organizational learning in Ready or Not 2 highly: an average of 9.2.

Ready or Not 2 impact measures provide yet another view of grantee's progress in organizational capacity building. At the end of Ready or Not 2, 50 out of 57 repeated measures (88 percent) showed improvement over baseline (up from 70% showing improvement in June 2016). These findings again demonstrate that organizational capacity building - and the results of capacity building - takes time, particularly for bottom line measures like revenue. Several grantees said they anticipate growth will be more visible by the time impact measures are revisited again in this evaluation in December 2017.

Grantees attributed a range of internal and external influences to their organization's capacity building successes in the program. Frequently identified influences include OD consultant support, unanticipated grant or other funding, change in reimbursement and other health policy such as DSRIP and regional ACOs creating new business opportunity. Grantees described how they will institutionalize capacity building concepts and achievements from Ready or Not 2 moving ahead. For example: "Our EHR, new HR policies, management processes and communications will help us institutionalize what we've achieved in Ready or Not." Also, "We'll develop our board; bring on individuals that are committed to the new organization and role of Board members."

Collectively, evaluation findings strongly suggest that Ready or Not 2 had significant impact on grantee organizations and participants. While grantee teams made progress in capacity building; each one also identified goals that are still a work in progress, as well as next steps for capacity building. For example, several grantees identified board development as an important next step; others identified internal staff training and development, EHR system implementation and business development as key priorities.

Most teams identified a need for further work on how to demonstrate their organizational value proposition. Lessons learned in Ready or Not 2 include that organizational capacity building takes time; also, new capacity building priorities emerge as current organizational needs are addressed.

IV. Grantee Support in Ready or Not 2

Participants identified a wide range of program supports that helped them achieve capacity building. In this evaluation, the comparative influence of program components on organizational capacity building was explored. While all program components were well regarded, the highest rated were OD consultant support, grant funding, capacity building work plan development and the learning sessions. Notably, OD consultant support was seen as an essential benefit, and in every case, the OD consultant match with grantees was successful. Every grantee highlighted its consultant's important role as coach, facilitator, team-builder, expert, someone who can ask hard questions or speak candidly with senior management or the board.

All grantees developed an organizational value proposition in Ready or Not 2; they described the value proposition work to be of benefit to their organizations. For example: "The value proposition helped us think about making connections across our work, our staffing and communications in order to address why and how our work as an organization matters." Also, "We are using it to show our value to payors; its helping us tell our story. With improved staffing and our value proposition in place, more referrals are coming in now from managed long term care, the VA, and other payors."

At the end of Ready or Not 2, all but one team said they plan to continue work on their value proposition. Most will focus on developing a performance measurement strategy to demonstrate the organization's role and value to payors and other stakeholders.

A few teams report a perceived limit as to 'how far they can go' with their value proposition given they are local chapters, or departments in local chapters, of large national organizations. Other constructive feedback about the organizational value proposition focus in Ready or Not 2 related to the timing of its introduction.

Grantees and OD consultants alike observed that educational content and expectations regarding the organizational theory of change and value proposition would have been best to include earlier in Ready or Not 2, preferably at the start of the program. In Ready or Not 2, by the time the grantees fully embraced the value proposition activity, realized its value, and made progress on it, there was not a lot of time left in the program to put their value proposition to work or demonstrate its use. Now, after Ready or Not 2, almost all teams want to keep working on it, and several have requested continued consultant support in this area.

All in all, Ready or Not 2 grantees found the value proposition work and content quite valuable - so much so, that the general consensus among them was to begin the value proposition work sooner in the program rather than later.

Grantees collectively agreed and unanimously reported that Ready or Not 2 provided tremendous support and helped their organizations succeed in capacity building.

Feedback included:

- " Ready or Not gave us confidence, tools, vision, and team strength."
- "This process was effective, beneficial, worth the effort - better than I expected. It helped us navigate two senior leadership transitions and a difficult time for our agency."
- " Ready or Not helped us steer the ship during a difficult leadership transition. It helped us focus on growth and develop our organization."

Grantees report that they see their organizations differently now as a result of Ready or Not 2. Most believe their organization is a lot less vulnerable now through increased awareness and capacity building achievements in Ready or Not 2. Most look ahead now to a new set of capacity building goals as their current scope of capacity building concludes. A few grantees - Aurora and VNS, for example - identified measurable ways in which their constituents are better off as a result of capacity building achievements in Ready or Not 2. For example: "Our Home Health Care ratings are up. Customer satisfaction scores are much higher - now 89%, up from the low 70s; and we have a higher employee retention rate."

V. Consultant Feedback & Experience

The Ready or Not 2 evaluation explored participating OD consultants' views on the following topics:

- The impact of Ready or Not 2 on grantee organizations
- OD consultant operations
- The client relationship
- Feedback about Ready or Not 2 - Looking back, is there anything the consultant would have done differently? Anything the Foundation should change/do differently to support grantees?
- Experience working with other OD consultants and the Foundation: How might the role or impact of OD consulting in Ready or Not 2 be improved? How might the consultants function better as a team?

OD consultants described significant learning, progress and achievements among clients in Ready or Not 2. Consultants also reported that for some clients there is still more work ahead to fully realize capacity building gains and potential of work they began in the program. For example: "Turnaround makes capacity building slow, pervasive, critical... and the organization remains financially tenuous." Consultants viewed Ready or Not 2 as effective - providing clients with the structure, guidance and resources to be successful in organizational capacity building. For example: "Ready or Not was very effective. The teams made great progress. It was a successful investment."

OD Consultant Operations - Throughout the program, consultants had periodic check-ins with the lead consultants and meetings where all consultants convened for program management updates, discussion and support. OD consultants were unanimously positive about consultant operations, and about the guidance and support they received. Consultants also reflected - if they could start over with their client, would they do anything differently? Feedback included:

- Improve client readiness for capacity building - offer more information up-front on what is capacity building and what it will entail.
- Emphasize the importance of stability among participating organization's core team members; provide more guidance on how to select and support the capacity building team.
- Provide clearer upfront guidelines on parameters for use of unrestricted grant funds.
- Foster stronger board member engagement in capacity building.

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VI. Recommendations for Future Capacity Building Programs

Ready or Not 2 had numerous strengths; program impact is strongly evident in grantee's many significant capacity building achievements and in feedback about the program. Participants appreciated the Ready or Not project team providing strong leadership, support and investment in grantee's success. Throughout this evaluation, participants were invited to weigh in on whether there was anything the leadership team or the Foundation could do to better support participants, improve operations or results.

Recommendations provided throughout Ready or Not 2 are summarized below.

- Greater focus and earlier introduction of the organizational theory of change and value proposition.
- Increase OD consultant support and funding.
- Increase board engagement in Ready or Not 2 and organizational capacity building. Ongoing board engagement is often required to support the significant change that capacity building can bring to an organization. Four grantees (AA, Aurora, HCHN and VNS) identified a need to focus on board development now as a result of accomplishments in Ready or Not 2 and new directions. Learning sessions focused on board communication, change management with boards, and board development was also recommended in future programs.
- Articulate grantee selection criteria and factors to consider in grantee selection and participation.
- Recommendations for Ready or Not 2 start-up and readiness:
  - Improve grantee and OD consultant orientation
  - Increase baseline understanding of what is capacity building, what is a value proposition, what can participants expect in the program, etc.
  - A pre-program seminar or webinar for organization leaders interested in capacity building is recommended.
- Continue the focus on capacity building - Participants request that OD consulting, training, and peer support extend beyond the program timeline so that capacity building work can continue and achieve greater impact. The program team is currently developing a set of recommendations for 2017 that will reinforce capacity building gains and work in progress.

Conclusion: Evaluation findings highlight grantees' considerable achievement and progress toward capacity building goals set forth in Ready or Not 2. This outcome is true in spite of the fact that several of the participating organizations are small and/or vulnerable, and a few experienced further adverse circumstances soon after the program began.

Participants unanimously concluded that the Ready or Not 2 experience was "extremely positive," providing them with structure, expertise, resources and support to help them succeed in organizational capacity building and achieve ambitious goals. Participants greatly appreciated support and flexibility from the Foundation throughout the program.

One grantee's comments were echoed by all: "Investing in Ready or Not and capacity building for non-profits is an incredibly valuable Foundation focus."

In a one year follow up, this evaluation will explore how grantees have continued to expand their work in capacity building; what achievements are sustained or institutionalized; what worked well to support capacity building; what didn't work well; and what can be learned from Ready or Not 2 to inform future capacity building for public sector and non-profit health and human service organizations.