

United Way Fox Cities



THE CASE FOR CHANGE

Transforming United Way Fox Cities
June 2005



what matters.™



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United Way Fox Cities

Mission: United Way Fox Cities brings diverse people and resources together to build a stronger, more caring community for everyone.

Vision: The Fox Cities is a diverse and dynamic community, where people willingly share the responsibility of ensuring a safe and healthy community for all.

Guiding Principles: To carry out our mission, we...

1. Offer all people of the Fox Cities the opportunity to improve their community through United Way Fox Cities.
2. Recognize that our community is becoming more diverse, we respect the dignity and worth of all people.
3. Promote involvement and volunteerism of all residents in all aspects of our work.
4. Identify and address community health and human service needs.
5. Mobilize individuals and businesses to contribute financial resources to strengthen their community.
6. Value strong partnerships and collaborative efforts that enhance the community's well-being.
7. Strive to be flexible, innovative, and responsive to new ways of conducting our business.
8. Create an environment where volunteers and staff take pride in the quality of their work and the positive impact it makes on their community.
9. Are accountable for the efficient and effective use of all resources.

Brand Value Proposition

Investor Needs	United Way Promise	Investor Belief
I want to make the greatest difference possible	Multiplies Impact	My United Way enables me to make the greatest difference in improving my community
I want a partner who makes sure my money is used for the most important needs in my community.	Focuses on Priorities	United Way partners with me on priority issues to create measurable community impact.
I want to know how my contribution is improving lives in my community.	Reports Results	My United Way is accountable in stewarding my investment and showing me their results.
I want to feel good about what I give.	Appreciates Commitment	I feel great about investing in my United Way.

A Message to United Way Fox Cities Board of Directors

We have been talking about “community impact” for several years. Some of you have been involved since the beginning; others are new to this concept. Regardless of when you became aware of “community impact” everyone probably has a slightly different understanding of what it means and why we feel it is important for United Way Fox Cities.

We started out with an idea of what the end product would look like, had a general timeline for implementation, and then “wrote the plan” as we moved forward. We would report activity to the board, obtain feedback and approval, if necessary, return to committee work to continue the process, and report back activity to the board. You had confidence in staff, board members and the other volunteers who were involved in shaping this transformation.

This report is an effort to summarize our movement to community impact for the board of directors. It is written with the benefit of hindsight and the uncertainty of knowing the future. It provides *my* perspective on community impact and outlines objectives for the next several years. I welcome your thoughts or questions.

Executive Overview

United Way Fox Cities is going through a transformation to a new business model we refer to as *community impact*. The roots of this initiative date back to a strategic planning session held in 2000. We began to make substantive change around the community impact business model in January 2004. This paper provides a summary of the thought process on the change to community impact and sets the foundation for our strategic efforts over the next three years.

The goal of community impact is to improve lives by creating lasting change in community conditions. It's shifting the focus of United Way's work away from fundraising towards changing community conditions. It does not diminish the importance of fundraising, it gives it meaning and direction.

There are a number of global trends that are converging and creating a compelling reason to refocus our business. These include:

- Dramatic growth of the nonprofit sector. In 1998 there were 1.6 million nonprofit/tax-exempt organizations. Over the 10 year period, 1987 – 1997, the total number grew 5.1% annually ... more than double the rate of the business sector. Of the total number of nonprofits in 1998, 734,000 were 501(c)(3) organizations --- up from 422,000 in 1987.¹ (Current research from United Way of America now has the number of 501(c)(3)'s at 964,418 in 2003. This is over 6% annual growth from 1998.)

The question: Does United Way have a clear, compelling business plan that differentiates itself from the growing competition?

¹ The New Nonprofit Almanac IN BRIEF, Facts and Figures on the Independent Sector 2001, Independent Sector.

- Total philanthropic giving continues to grow while the market share of dollars going to health and human services and United Way is declining. Trends for the period 1993 – 2003²:
 - Total giving to all philanthropy increased from \$116.5 billion to \$240.7 billion
 - Giving to health and human services increased from \$23.3 billion to \$39.8 billion
 - Giving to health and human services as a percent of all philanthropy decreased from 20% to 16.5%
 - Giving to the United Way as a percent of all philanthropy decreased from 2.6% to 1.5%
 - Giving to United Way as a percent of health and human services has decreased from 13.1% to 9.0%
 - Overall giving to United Way has “grown” from \$3.05 billion to \$3.59 billion for the 10 year period. (Adjusted for inflation, giving has actually decreased.)

The question: Why are we losing market share when the need for our assistance has never been greater? Is United Way relevant?

- Online presence makes giving easy and “less expensive.” Today a person can access one website, e.g. Guidestar.org, and get information on over 1,000,000 charities. You can go to Guidestar’s partner, JustGive.org, and donate online to almost any nonprofit.

The question: If a person can go to one website, have access to virtually any nonprofit, and give to that nonprofit for a minimal “handling fee,” what value does a time intensive, paper intensive campaign bring to the workplace?

We are not isolated from these national trends. Although our position in the Fox Cities has remained strong and our campaign has continued to grow, these trends should be a wake-up call. We need to assess our business and position it to become stronger to meet the growing needs of our community.

United Way Fox Cities is in an excellent position to make a good organization great. These trends and market conditions create great opportunity. United Way is owned by the community. We are the only organization whose sole focus is to address health and human service priorities in the Fox Cities. That’s a great start at differentiation and providing value to the community. We need to sharpen this even more.

People are demanding accountability. For over seven years we have worked with our partner agencies trying to measure program effectiveness. We understand how to measure outcomes. That’s a great beginning on accountability. Now we need to take program outcomes and figure out how to relate them to community outcomes.

Following is a snapshot of how we will change:

- | <u>Today</u> | <u>Tomorrow</u> |
|-------------------------------|--|
| • Fundraising is our business | Fundraising is one strategy we use to help fulfill our mission |
| • Fund agency needs | Invest in community needs |

² Research services of United Way of America and Giving USA 2004

Today

- United Way raises it, agencies spend it
- Focus on numbers served, amount raised, etc. (count)
- Agency measurement

Tomorrow

- United Way, agencies and others share goals and strategies
- Focus on impact achieved (outcomes)
- Community measurement

These changes may seem subtle, but they will require a total change in thought process and culture. If implemented properly they can have profound ramifications on improving the quality of life for everyone in the Fox Cities. Community impact will force United Way Fox Cities to:

- Invest community dollars in programs and initiatives that will lead to lasting changes in community conditions
- Look for ways to go “upstream” and address the systemic cause of an issue
- Hold us accountable for results
- Collaborate with new partners and work in a united way.

The move to community impact has begun. It will take time ... according to those who have traveled the path before us, “there is no finish line.” Community impact is a never ending process; our community is constantly changing and we must be prepared to change with it.

THE CASE FOR CHANGE

If United Way didn't exist today, our community would create it. We are a community with visionary leadership; a community that has a strong tradition of working together to address local issues. What would this “new” United Way look like? Would the hallmark of the “new” United Way be raising money or making a positive change in community conditions? Would the “new” United Way work with a select number of agencies or would it work with anyone sharing a dream for a better tomorrow? Would the “new” United Way create relationships with organizations that would seem to guarantee a continuous stream of funding regardless of performance or would it be willing to make difficult decisions to invest in programs that align with local needs?

The good news is that a United Way already exists in the Fox Cities. It has a long, proud history of working to improve the quality of life in our community. The issue we face is that the constructs by which United Way Fox Cities operates today are becoming outmoded. The “one campaign for all” concept is less relevant. There are approximately 570 nonprofits in the Fox Cities region³, 160 are “health and human service” related; we fund programs at 40 of them. Acting as the “middleman” between the donor and the provider of service must add value to the transaction. If we were interested in only raising money at the lowest cost, we would direct people to the Internet where they can access one website that will help them contribute money to over 750,000 nonprofits ... all for a fraction of the cost of United Way.

Research commissioned by United Way Fox Cities and conducted in November 1999 indicated that in terms of importance, individuals value an organization that *really helps people* and one *that makes a difference*⁴. We believe that United Way Fox Cities needs to differentiate itself

³ Source: Information & Referral Database, April 2005; search included health and human service agencies (excluding government programs) in Winnebago, Outagamie, and Calumet counties

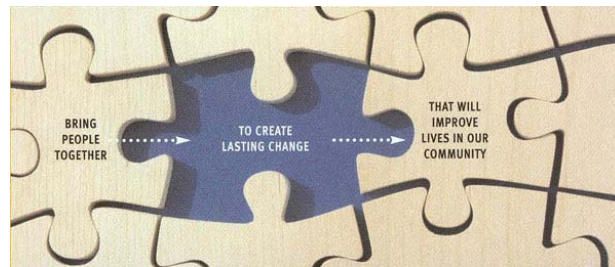
⁴ Donor research conducted by F. H. & K Marketing, Neenah, WI. A copy of the November 1999 report is available in the UWFC office.

from other non-profits, identify indicators to measure our work in the community, and communicate the work of our organization in terms of results.

We are in the enviable position of having a strong, well performing United Way. Rather than resting on our laurels, we can make a strong organization even better and more relevant by continuing to change to meet the community's needs. This transformation is something we call *community impact*. By taking action today to shift the focus from "fundraiser" to "community impact agent" we will build the foundation for United Way Fox Cities to serve our community for decades to come.

WHAT IS COMMUNITY IMPACT?

Community impact is defined as "bringing people together to create lasting changes that will improve lives in our community."



United Way Fox Cities has always been good at "bringing people together." We convene the community to discuss relevant issues or to take action around a particular initiative; indeed our annual campaign is an excellent example of bringing people together to raise resources. The outcome of our work is "improving lives." Our direct services such as Information & Referral / 2-1-1, our partnerships with agencies, and our community initiatives such as *United with Youth* all improve lives in some manner. The real difference with community impact ... the new piece to the puzzle is "creating *lasting change*" in community conditions.

Today we react to issues; we respond to immediate needs, but seldom go "upstream" to address the cause. For example, sheltering the homeless is critically important, but unless we look at what causes homelessness (poverty, mental health, etc.) we'll just be sheltering more and more families. It's the "Band-Aid" versus the "cure" analogy. Much of our work is currently focused on putting a Band-Aid on an issue rather than trying to get to the cure. When we focus on the cure, we will create the "lasting change" in community condition. (Another metaphor to explain community impact is the "Ogre Story." See Appendix 1.)

Community impact also puts the emphasis on why people give to a nonprofit ... to really help people. It helps focus on *what matters*, what we do with the money we raise. Fundraising will always be a critical function of United Way Fox Cities. However, unless we demonstrate what is achieved with the money we invest, fundraising will become increasingly more difficult.

HISTORY --- GETTING TO COMMUNITY IMPACT

April 2000 - June 2003 The evolution to community impact started with the leadership team's internal review of the organization. When trying to measure our results we were conflicted.

Using the traditional "yard sticks" of meeting campaign goal and controlling overhead expense we excelled. (See Appendix 2.) While proud of these results, they don't tell us if we were fulfilling our mission of "building a stronger, more caring community for everyone."

The review process resulted in a three-year strategic plan that was approved by the board of directors in December 2000. This was a "traditional" plan focusing on improvement in the operating departments. It did call for a thorough review of the fund distribution process.

The findings of our community assessment, *L.I.F.E. in the Fox Cities* (Local Indicators for Excellence) were released in June 2001. The study highlighted the community's strengths, identified emerging issues, and described opportunities for improvement. This document became the platform for volunteers to begin to assess our fund distribution practices.

Committee members identified the constraints of the system that was in place at the time, explored how other United Ways address these, and speculated how a new structure could resolve these issues (Appendix 3). We became knowledgeable about United Way of America's (UWA) community impact model and determined it provided the framework to guide our discussions. Informational sessions were held for funded agencies and their volunteer leadership, United Way volunteers, donors, and other community leaders to obtain their feedback on the concepts of community impact.

During the first half of 2003 staff gathered additional information on community impact. The Community Impact Implementation Committee, composed of agency executives, board members, experienced allocations volunteers and staff was convened in September 2003. Six subcommittees were formed; each focused on a specific aspect of our business and the new operating model:

- ❑ Impact structure/operation design
- ❑ Volunteer relations
- ❑ Agency relations
- ❑ Outcomes
- ❑ Policies and guidelines
- ❑ Financial review.

January 27, 2004 - the work of the Community Impact Implementation Committee was presented to the board. They approved a community impact model and the creation of four impact areas:

- *Providing Basic Needs and Self-Sufficiency*
- *Strengthening Families*
- *Developing Children & Youth*
- *Promoting Health, Healing and Crisis Intervention*

(See Appendix 4 for a graphic illustration of the Community Impact Model.)

Several other important recommendations approved by the board included:

- ❑ the transition to a two-year funding cycle starting with review process in Spring, 2005 (for investments for 2006 and 2007)
- ❑ the modification of our quarterly Community Investment Grants program to align more with the impact focus of United Way

- ❑ an "abbreviated" allocations process for the spring of 2004 allowing staff more time to prepare for the change to the business model
- ❑ the elimination of our "black-out" period which prohibited agencies from raising money during the campaign. (The only "restriction" on fundraising is the prohibition of workplace employee campaigns.)

Spring 2004 - UWFC applies for an SBC Foundation Impact Transformation Partnership (ITP) Grant. The purpose of the 14 month ITP is to help accelerate UWFC's progress towards becoming a community impact organization. The expectations are:

- Staff and volunteer activities are increasingly cross-functional and aligned around achieving last change in the Fox Cities;
- Relationships with donors and others focus on specific community impact strategies;
- Resource development becomes the mobilization of all resources, financial and otherwise, to build a better community. Resource development is also viewed as the responsibility of all employees.
- Staff and volunteers engage new audiences and enter into new partnerships to achieve community impact.
- Learning and improving becomes part of United Way Fox Cities' culture.

We received news in May that we were one of eight United Ways in the country to be awarded the SBC Foundation grant.

Summer 2004 - Impact Area volunteers begin meeting. "Issue area experts" are invited to meetings throughout the summer and early fall with the intent of learning about the broad issues associated with their Impact Area.

We begin work with UWA as part of the Impact Transformation Partnership. Through a board and staff survey, four overarching issues were identified:

1. *Prioritize community issues*; develop a written plan including priorities, strategies and actions, outcomes, and measurements of success
2. *Clarify staff roles*; as an organization we know what is needed to accomplish community impact, skills match needs, recognize we may need to stop doing some activities, appreciate the importance of our work and understand when to operate in cross-functional teams
3. *Improve the board's understanding of community impact*; focus the agenda for board meetings on issues we're trying to impact, board members serve as ambassadors for community impact efforts, members help mobilize resources for issues, cultivate relationships with donors
4. *Build knowledge of investor (donor) expectations*; all staff and volunteers understand investors' desires and match their interests to issues; go beyond campaign relationships; survey investors to understand needs; identify touch-points.

Fall 2004 - Based on the educational meetings held during the summer, the volunteers crafted vision statements for their respective Impact Areas. Members of the Community Impact Council developed a vision statement for the council as well. (Appendix 5.)

Meetings were held with agency directors to update them on the process and to share with them the vision statements for the Impact Areas. The directors are asked to align their program(s) with the appropriate Impact Area. (In the "old" United Way," we would have aligned the

programs without input from the agencies.) This alignment served as the basis for the new Investment Process that began in February 2005.

COMMUNICATING THE CHANGE

We have spent over 50 years telling the community that we are a fundraiser extraordinaire. This image will not be changed overnight. The first imperative is to stop talking like a fundraiser and to start talking like a community builder. *This is not to diminish fundraising one iota. The message is that fundraising is a means to an end and not the end itself. It's a strategy we employ to help us invest in programs and initiatives that create lasting community change.*

We started the re-education process in January 2004, as soon as the board approved of the community impact model. At our annual meeting and in our annual report we started to talk about community impact and what it means for United Way Fox Cities. We began to inform the public and sought their reaction to this new strategic direction. Through June 2005, we have given 20 presentations; over 400 people have heard the community impact message during these meetings. We continue to hold "community information sessions" every six weeks, attend agency board meetings, meet with our large corporate contributors and their leadership teams, talk about community impact in newsletters and other media. A separate bi-monthly e-letter is published specifically for agency executives to keep them informed of our work. This e-letter was first produced in January 2004. (These e-letters are posted on our website, www.unitedwayfoxcities.org.)

A COMMENT ON "LANGUAGE"

Words carry important meaning and connotation. How one speaks indicates how one thinks and acts. If we are to truly change our business, one of the many changes we implement must be the way we speak about our work. Two important, fundamental changes are:

- ❑ **Allocations to Investment** An allocation is a designation or allotment of dollars to a funded program without much expectation of a return. In community impact we will invest community resources in programs, organizations, and initiatives that are aligned with the focus of United Way. And like investments, we will identify metrics to demonstrate a return on the investment.
- ❑ **Member Agency to Partner Agency** Our new work requires more collaboration and partnership. We will still have agreements between those we fund, but the tone and spirit of the arrangements must be more participatory than the older "authoritarian" contracts. *Member* can imply a "closed club." While we must be prudent in how we engage others, we cannot create lasting change by limiting our work to *members*.

There are two other important words where the word itself cannot be replaced, but the definition of the word must be better understood. These are:

- ❑ **Community** When we speak of "community" the first, logical assumption is that we are talking about the "Fox Cities." A "community" is also a group of people that share a common interest or unifying trait ... the homeless, those suffering from mental illness, children, etc. Certainly if we can positively impact a "small" community, say the homeless, the broader community, the Fox Cities, is a beneficiary.
- ❑ **United Way** In community impact even "United Way" must be thought of differently. United Way and community must be synonymous. Work on the "community's agenda" cannot be perceived as being "United Way's agenda." "Community priorities" cannot be perceived as

“United Way's priorities.” We may lead some efforts and follow in others, but in all cases we need to work to involve the entire community. This will be one of the biggest challenges in the next five years.

THE COMMUNITY INVESTMENT TRIANGLE – ANOTHER WAY TO VIEW IMPACT

When we first introduced the community impact model to agency directors there was fear and trepidation about the loss of funding. We tried to communicate two important points:

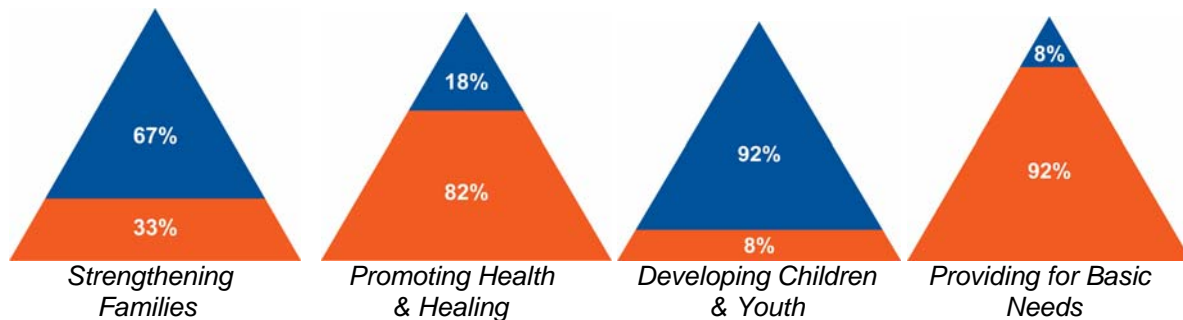
1. Funding is not entitlement. We may have created this “assumption,” but it’s all too clear that we cannot continue using our current process and expect to get better results.
2. Programs that align with the goals of an Impact Area and demonstrate meaningful outcomes will be funded. We will work with those programs that do not align to determine their future.

Agencies must be critical partners in helping to achieve community impact. The community investment triangle illustrates this.

There are three levels in the triangle. As one moves up in the investment triangle, resources are more focused on achieving lasting change:



Today, essentially all of UWFC resources are in the first two levels, basic services and prevention and development. Following is the actual percentage of dollars in these areas based on programs funded in 2005:



The challenge will be finding the right balance in each level of the triangle to achieve the greatest results. UWFC also needs to start investing in the top level of the triangle ... programs and initiatives that will create lasting change. When we make a change in the “investment level” within an Impact Area, it will be based on education and the expectation of achieving a particular outcome. At this time, volunteers are still learning about the issues faced in their respective Impact Area. They will establish priorities by the end of the first quarter of 2006.

Conditions for Success

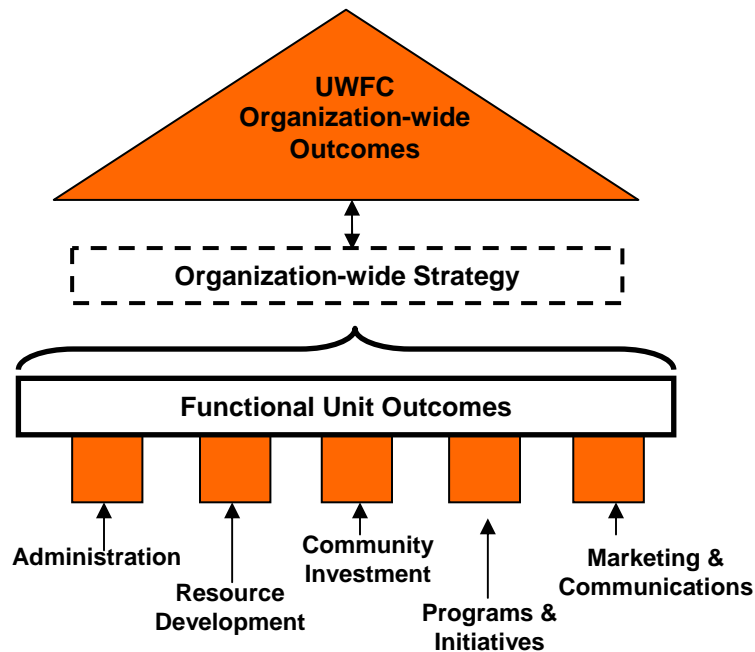
In order to undertake this organizational change, staff spent considerable time identifying the conditions that must exist for the greatest likelihood of success. These are:

1. The total organization (the board, the leadership team, and the workforce) must **share a common vision** of the desired state and how it will produce the required business results.
2. Leaders **walk the talk**. The actions of the board and leadership team demonstrate a commitment to community impact.
3. **Appropriate time is granted for designing, planning, and implementing the change**. The flip side is that because change is not being forced upon us, we still have to push and set clear expectations. Going too slow could create the sense that we’ve accomplished our objectives when in reality we may only be halfway there.
4. A **learning oriented, problem-solving climate** is encouraged. Surfacing issues or concerns that may block success are welcomed and expected.
5. As individuals and an organization we must **be willing to take risks**. We acknowledge that there will be failures/mistakes along the way. This is difficult when resources are so precious, but it’s imperative if we expect to achieve better results.
6. **People directly involved in the change have some way to input to the impact analysis and to recommend viable solutions** for how to achieve the outcomes of the change.
7. **Gather every resource that is needed**. We need to expand our fundraising capabilities and look for other ways to grow revenue that will support our work such as grant writing.
8. **Collaborate and partner well**. We can’t do it all. Community impact must involve the community. There will be times to lead and times to follow.

THE TRANSFORMATION CONTINUES: 2005 – 2008

The broad strategic challenges for United Way Fox Cities will be:

- **Establishing priorities for community impact** – this includes community (external) and organizational (internal) priorities.
- **Aligning the organization & developing a comprehensive strategic plan** – all resources (staff, volunteers, money, etc.) and organizational functions must be organized to support our priorities.



Community impact is not just about changing the fund distribution system. It is about a fundamental change for the entire organization. All functions must align with UWFC desired outcomes.

- **Learning to lead transformation** – community impact requires a different organizational culture and new skills; need to better understand the human and process components of change in addition to the content component.
- **Managing relationships with important stakeholders** – consistent communication of UWFC's new work
- **Creating a community impact board of directors** – the board must understand and champion the community impact work; the board members are our ambassadors.

These are the overarching challenges before us for the next three years. They provide a framework for the development of more detailed plans that will be implemented over this period of time.

Change Leadership Team

A community impact United Way must operate differently than a "traditional" United Way. First we need to change the mindset and culture of the people within the organization before we work

on addressing external forces. To help lead the transformation we have created a cross-functional Change Leadership Team. This consists of:

Gayle Hardt, Community Services, Team Leader
Sarah Berken, Campaign
Cindy Berton, Campaign
Rosie Carpenter, Administration
Doug Collins, Operations
Peter Kelly, Administration
Nanci Micke, Marketing
Joyce Sievert, Operations
Hugh Sloan, AFL/CIO Community Services
Mary Wisnet, Community Services

The Change Leadership Team has been meeting since October 2004. We recognized early on that although the concept of community impact is new, we already perform some of the roles described in this new model. (See Appendix 6.)

The team has focused their efforts on the “overarching challenges” identified during the ITP process. In addition, team members have studied a model of transformational change authored by Dean Anderson and Linda Ackerman Anderson and identified what they feel are the “triggers” or “drivers” of our change. (See Appendix 7.)

We have had some discussion about the size and impact of the Change Leadership Team as currently constituted. We will continue to evaluate this. This group will be responsible for driving the effort forward and for involving and communicating with the balance of staff.

Conclusion

As stated at the outset, this paper was written to provide a prospective on community impact. United Way Fox Cities is committed to this change. One of the biggest challenges will be to manage the current business as we implement the new model. While there is a great deal of work ahead we must remember to recognize and celebrate accomplishments along the way. Staff, board and volunteers have accomplished a great deal since this initiative began. (See Appendix 8.)

The transformation to community impact requires us to think differently about our approach to community work. Our focus must be on the desired outcome ... creating a lasting change in community conditions. Everyone, board, staff, and volunteers need to embrace this change and share a clear vision for this new work.

From Community Chests to United Funds to United Ways in Neenah/Menasha and Appleton/Heart of the Valley to United Way Fox Cities we continue to evolve. Like those who went before us to and led new changes believing that the new organization would better serve the community, it's now our turn. We have the responsibility of seeing that United Way remains a leader in building a stronger, more caring community for everyone. The community impact model will help us fulfill this important mission.

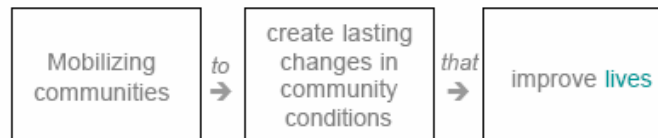
Community impact is a journey ... and a destination. Let's all enjoy the trip.

Appendix 1



The Ogre Story Explaining “lasting changes in community conditions”

For a Community Impact United Way, “community impact” is
“Improving lives by mobilizing communities to create lasting changes in community conditions.”
The relationships among the three parts of this definition can be shown like this:



The meaning of the middle box can be hard to explain.
This story brings the idea of “lasting changes in community conditions” to life.

~~~~~

A villager is walking by the river early one morning. The villager looks out into the water and sees a baby floating down the river. Horrified, the villager races into the water, grabs the baby, and brings the baby to shore. The baby is fine.

Relieved, the villager looks back into the water and sees another baby floating down the water. The villager again dives into the water and rescues this baby as well.

Once more, the villager looks into the water . . . and sees dozens of babies floating down the river. The villager calls out an alarm, and the entire village comes running to the river to rescue as many babies as they can before the water carries them away.

This is a village that is mobilized. Every villager is at the river, trying to save the babies from the water.

This is a village that is improving lives. Many of the babies are being saved.

But the babies keep on coming . . . because no one is going upstream to put a stop to the ogre that is throwing the babies into the water in the first place.

United Way needs to gather a contingent of villagers to go upstream and stop the ogre.

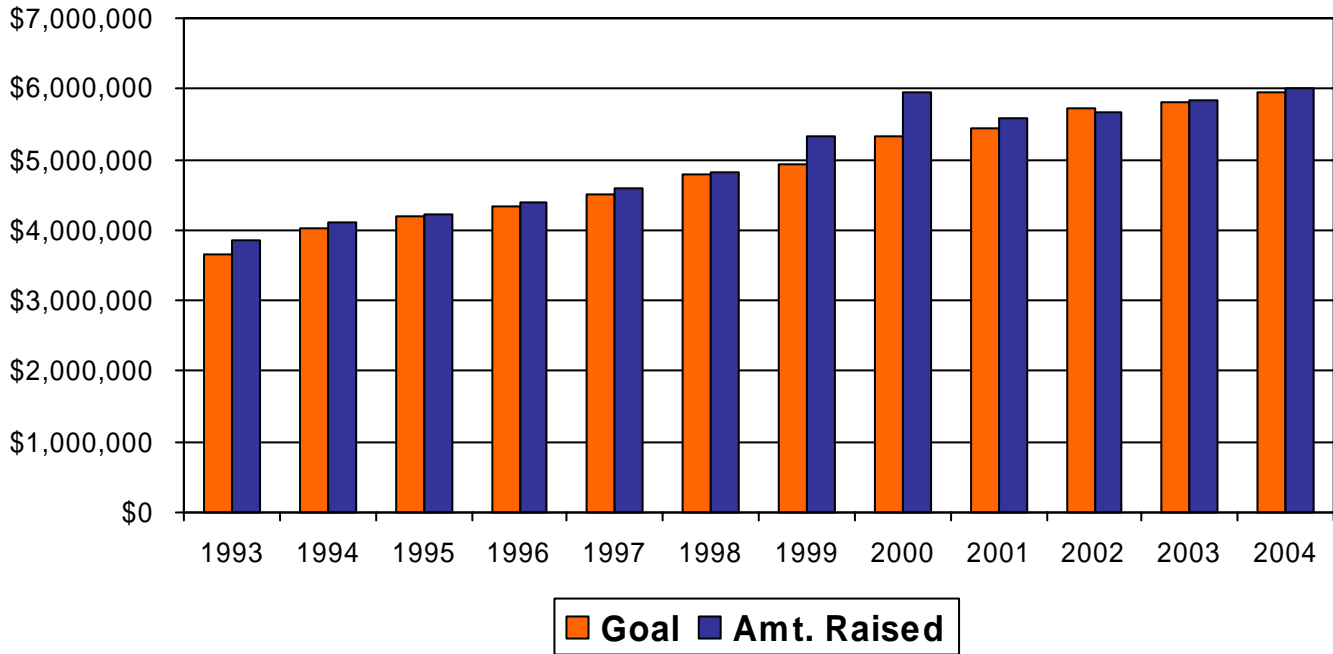
Otherwise, we will be pulling babies out of the water forever.

Pulling babies out of the water is essential. How can we live with ourselves if we don't try? But it is by going upstream — to re-direct the ogre and put its energies to better use — that we create a *lasting* change in the conditions that are causing this nightmare to begin with.

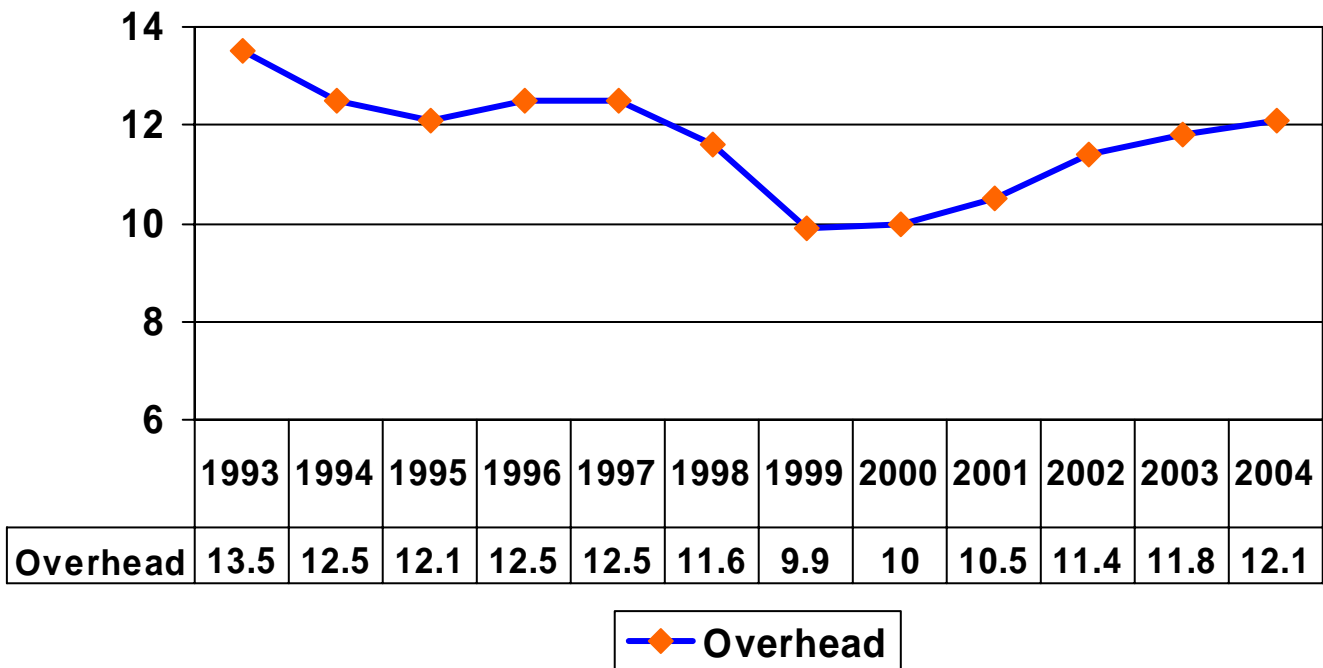
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**Appendix 2**

**United Way Fox Cities  
Campaign History Since Inception**



**United Way Fox Cities  
Overhead Rate Since Inception**



## **Appendix 3**

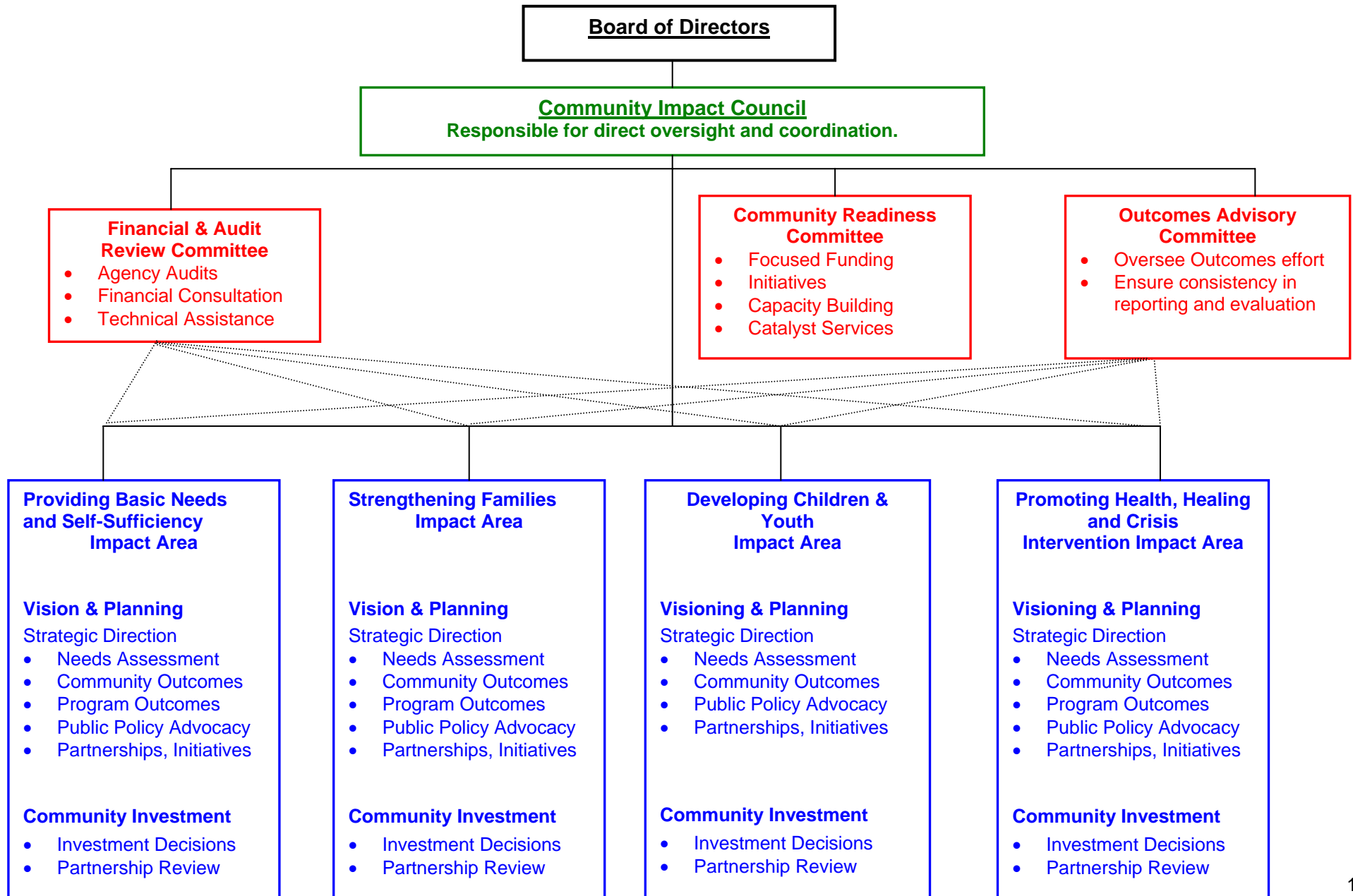
### **Constraints of the Old System – October 2002**

1. **Community volunteers may lack specific knowledge in community needs and the issues being addressed by the funded programs.**
  - a. The allocations volunteers come together for a 7-week period in the spring to make funding decisions. Most are unfamiliar with the needs in the community or the work of the funded programs. As volunteers are assigned to the allocations panels based on their availability, even veteran volunteers may be assigned to new panels where they are unfamiliar with the needs and the work of the funded programs. Much of the allocations process is devoted to educating volunteers.
  - b. Even for the veteran volunteers who are assigned to the same panel year after year, they are immersed in the issues of that panel for only 7 weeks. If issues come up during the remaining part of the year, they have to be re-educated regarding those issues during the next allocations process.
  - c. The current process does not encourage “issue experts” to be on the panels. As the function of the panels is solely fund distribution, some experts may not be interested in participating in that function. In many cases, the experts are employees of funded programs and their membership on a panel would be inappropriate.
2. **The current allocations process lacks flexibility.** The distribution of funds is historically based. That is the expectation of the agencies/programs. It also provides the volunteers with a level of comfort, particularly if they are new to the process and unfamiliar with the issues. As new community needs emerge, only the “new” dollars raised in the community can be directed to address emerging needs. When economic conditions make it difficult to raise “new” money, the only way to address emerging needs is to shift funding from current programs.
3. **The current system is “reactive” in addressing community needs.** The volunteers lack the knowledge and ongoing exposure to issues to identify areas in which United Way could have an impact. Staff is occupied with recruiting and educating volunteers and may not have the time to identify emerging community needs.
4. **While the current allocations panels are grouped by major service delivery categories, panel assignments are made by agency rather than program.** Consequently, an agency with several diverse programs that would otherwise fall under more than one service delivery category is currently reviewed by only one panel. As an example, Valley Packaging Industries is assigned to the Special Needs Panel, which reviews all three of its funded programs. While the Early Intervention Program is appropriate for this panel, the Employment and Literacy Program may be more appropriately reviewed with the other employment and literacy programs. Likewise, the Community 2000 Program, which provides emergency assistance for basic needs, may be better suited to the Crisis Programming panel.
5. **The current process collects a wide range of outcomes from the funded programs but lacks the ability to relate those outcomes to the larger community.** There is no mechanism for identifying community level outcomes.
6. **The current process is focused only on the distribution of funds raised in the fall campaign. It doesn’t easily lend itself to mobilizing the community to create sustained change and thereby improve lives.** There is no mechanism to attract other dollars besides those raised during the campaign. It perpetuates the idea that United Way’s only strategy for addressing community issues is through funding.

### **How will a new model address these constraints?**

- The new model will address the issue of community volunteers lacking specific knowledge in community needs and the work of the funded programs.
  - Volunteers will be recruited for year round participation and will be assigned to impact areas based on their interest/expertise. Through ongoing education, the volunteers will be knowledgeable on the issues associated with the impact area and the funded programs.
  - Issue experts will also be recruited, including agency representatives. Each impact area will have both a planning and a fund distribution committee. This will allow for the participation of agency representatives and other issue experts on the planning committee even though they may not want to serve on fund distribution or it may be inappropriate for them to do so.
- The new model will allow for more flexibility. Volunteers will be more knowledgeable on the issues associated with the impact area and will not need to rely on the comfort historical funding affords them now. The planning committee will establish funding priorities for the impact area, based on identified and emerging needs, apart from the review of specific programs.
- The new model will be more proactive. With a knowledgeable and stable group of volunteers meeting year round, membership will be consistent from year to year. The volunteers in each impact area will be on the “cutting edge” of an issue, so to speak, and, with the participation of issue experts, they will be able to recognize gaps in service and new community needs as they emerge. The planning committee will provide a structure for seeking new partner programs and new initiatives.
- In the new model, all like programs will be reviewed by the same impact area. The volunteers will be in a better position to recognize duplication of services and encourage collaborations.
- In the new model, each impact area will establish desired community level outcomes and indicators. The programs will then align with particular outcome indicators. This will result in a more comprehensive approach to measuring outcomes, one that is more meaningful and directly relates to making an impact in the community.
- The new model increases United Way’s strategies for improving the community.
  - Funding will no longer be the sole strategy for improving the community. With the knowledge gained in each impact area, United Way will be in a better position to raise community awareness of pressing issues, convene a broad range of partners to address a community need, promote collaborations and advocate for public policy changes. Funding will continue to be one strategy for change. However, there may be greater flexibility and creativity in the use of United Way dollars. As an example, United Way funds may be used to leverage federal and state grants and thereby increase the total resources directed toward a particular issue.
  - The dollars raised in the fall campaign will no longer be the only resources available for United Way to use in improving the community. Non-revenue resources will be recognized for their importance and allocated as needed and other revenue opportunities may be explored.

## United Way Fox Cities – Community Impact Model



**UNITED WAY FOX CITIES  
October 2004**

**Vision Statement for Community Impact Council**

The Community Impact Council, as part of United Way Fox Cities, improves lives and creates lasting changes in community conditions by prioritizing needs, providing caring leadership, and partnering well with others to achieve defined outcomes.

**Vision Statements for Impact Areas**

**Providing Basic Needs and Self-Sufficiency Impact Area**

Individuals' and families' basic needs are met in a timely manner through a coordinated system of resources, providing them opportunities to achieve their highest potential.

**Developing Children and Youth Impact Area**

Every child, from birth to adulthood, is valued and supported. Resources are maximized to support the development of our children and youth as contributing members of the community.

**Strengthening Families Impact Area**

Strong, diverse family units are thriving in a caring community committed to the collaborative development and sharing of resources to improve their quality of life.

**Promoting Health, Healing and Crisis Intervention Impact Area**

Every community member has access to quality and innovative health and crisis intervention services, and the opportunity to achieve optimal health and wellness through coordinated care and educational programs.

## Appendix 6

### **United Way Fox Cities Will Play Many Different Roles**

Community impact requires United Ways to act as more than a fundraiser. This is not new for us. For example, United Way Fox Cities has been involved in different initiatives for several years. Our first major commitment in 2000 was *United with Youth*. Since then we have been involved in many others ... in many different roles. Examples include:

- *United with Youth*
  - founder, funder, fiscal agent
- Tri County Community Dental Clinic
  - in part the “needs identifier” through the LIFE Study, funder
- Housing Partnership Project, Peters Street Apartments
  - advocate and funder
- Covering Kids
  - convener
- Fox Cities Housing Coalition
  - advocate and member
- The Childcare Task Force
  - convener and funder
- The Literacy Task Force
  - convener and funder
- The Teen Parent Childcare Fund
  - co-founder and funder
- The Fox Cities Rotary Multicultural Center
  - partner, funder and volunteer
- Capacity building opportunities for non-profit organizations, addressing such topics as board development, fundraising and outcome measurements
  - convener and funder

## Appendix 7

### United Way Fox Cities Change Leadership Team 2005 Identification of Drivers of Change

The names and definitions of the external and internal drivers of change are taken from the Change Leadership Team's study of the Anderson model of transformational change and their book, *"Beyond Change Management"*, Dean Anderson and Linda Ackerman Anderson, Jossey-Bass/Pfeiffer, 2001.

**Environment:** The dynamics of the larger context within which our organization and people operate including social, business and economic, political, governmental, technological, demographic, legal and natural environmental forces.

- Our community is changing
- The community is growing
- More diverse
- Younger workforce
- Fewer manufacturing jobs
- Few management/high wage jobs
- Increased technology
- Government cut backs on funding for health and human services
- Increase in the number of non-profits
- Competition for charitable dollars
- United Way relevancy

**Marketplace Requirements for Success:** The aggregate set of customer requirements that determine what it takes for our business to succeed in its marketplace and meet its customers' needs.

- Donors wanting to give to an organization that makes a difference
- More demands placed on human service organizations with few dollars available to them
- Corporate giving not increasing and possibly more focused on specific issues
- More accountability by United Way and in general – donors wanting results, volunteers looking for results
- Greater use of technology, especially by younger workforce
- More non-profits seeking United Way funding, either through admissions or the grants process
- Increasing designated gifts
- Volunteers wanting a system that is more flexible and able to address emerging needs
- Pressure on volunteer time and competition for volunteers
- Volunteers are asked to deal with more complex community issues
- Factions becoming polarized and more vocal
- "Entitlement" attitude by the funded programs
- Change in the UW system
- Leery donors

**Business Imperatives:** Business imperatives outline what the organization must do *strategically* to be successful, given its customers' changing requirements.

- Step up use of technology
- Develop a more flexible, proactive model for the distribution of funds
- Need to make more difficult funding decisions due to changing needs in the community
- Increase diversity of volunteer corps and staffing
- Changes in marketing / branding
- More results focused
- Revisit mission and guiding principles
- "Old model" of fundraising not sustainable in the future
- Need to measure different things and report "results" to the community
- Necessity to track donor preferences, etc.

**Organizational Imperatives:** Organizational imperatives specify what must change in the organization's structure, systems, processes, technology, resources, skill base, or staffing to implement and achieve its strategic business imperatives successfully.

- Development of the community impact model
- Change work based on overall plan vs. old "calendar"
- Cross functioning collaboration internally
- Need to match donor preferences with specific programs / projects. Track and manage
- Step up technology – better able to track and report results, demographics information
- Different skill sets required of staff – right amount of staff, the correct skills, etc.
- Department titles convey true activities of staff
- Stay focused on all areas needing focus
- Offer education and training opportunities to staff – evaluate what education is needed and develop plan.
- Orientation of new employees to introduce them to new concept (old ways less of an emphasis)
- Communication with all staff
- Communication with partner agencies and volunteers – external communication
- Use of technology in tracking external communication

**Cultural Imperatives:** Cultural imperatives denote how the norms, or collective way of being, working, and relating in the organization must change to support and drive the new design, operations, and strategy.

- More aware of our need to break down internal silos
- Shift focus from individual department goals to broader community outcomes
- Shift from agency focus to community focus – biggest shift and how we communicate
- Broader way of thinking about resource development beyond the annual campaign
- Must look at what we can give up so we can change to do new things
- Re-examine what we do to look for efficiencies, duplication, etc.
- Being open to change
- Volunteers need to change how they look at United Way involvement and the relationship with agencies
- Use the technology effectively

- Greater empowerment, accountability and responsibility at Impact Area level
- Must think broader about the United Way agenda – focus on the community agenda
- Youth involvement in what we do – broader participation from the community including clients of service – all constituents
- Board is more engaged in understanding the work of the Impact Areas
- Volunteers feel a critical part of this and recognize all volunteer opportunities

**Leadership and Employee Behavior:** Leader and employee behavior denotes the ways in which leaders and employees must behave differently to re-create the organization's culture to implement and sustain the new organizational design successfully.

- Share information and communicate openly
- Be more innovative – open to change and taking risks (a progression)
- Be willing to act more quickly even though we don't have a clear picture of where we are going
- Constant evaluation and course correction
- Focus on results not just activities
- More collaboration – big part of our change
- More accountable to the community
- More volunteer involvement on an ongoing basis
- Staff communicating the same message

**Leadership & Employee Mindset:** Mindset encompasses the worldview, assumptions, beliefs, or mental models that cause people to behave and act as they do. It directly impacts our behavior, decisions, actions, and results, and is often the critical first step in building a person's and organization's capacity to transform.

- Employees/leaders are supportive and active in the change process
- Communicate with new employees
- All are involved in the change – not just one department
- Shift from avoiding failure to learning from prudent risk taking
- Could be more aggressive (conscious aggressiveness)
- Greater staff empowerment in decision making
- Shift from: agency focus ---- community focus
- More accountability
- This is an ongoing process with no finish line

## **Appendix 8**

### **Transformation Accomplishments United Way Fox Cities July 2004 – October 2005**

- Change leadership roles defined. Change Leadership Team formed. Responsibilities, deliverables, conditions for success identified. Cross-functional team formed for overarching challenge of establishment of priorities. Drivers of change identified. Study undertaken of Ackerman Anderson transformational change model.
- Cross-functional team formed to support Hmong Literacy Project. Resources raised through grant writing and auction on local community access channel. Project had offshoot of Hmong Youth Literacy Project. The team developed an inventory of resources and decision-making flow-chart.
- Communication about community impact has improved and increased:
  - We are doing a better job of communicating our community impact work, and we are more comfortable talking about it. Communication materials have changed accordingly. Key members of the media, with whom we frequently work, understand community impact.
  - Over 400 people have attended a community impact informational session to learn about how we're changing.
  - Volunteer leadership understands community impact and what UWFC is trying to accomplish. They now talk in different terms reflecting that understanding.
  - Our campaign message is refreshingly different and more effective as we talk about community impact.
- Campaign staff has gained better understanding of the Impact Areas and their work. Each staff member of the Campaign Department is participating as a member of an Impact Area.
- Campaign and Community Services staff has worked together on several corporate gift opportunities in an effort to match donor preferences with our Impact Areas' priorities.
- Campaign and Community Services staff members are making joint calls on campaign accounts when appropriate.
- Cross-functional team formed to support 2-1-1. Focus on resource development, community awareness campaign, and 2-1-1 kick-off activities.
- United Way Fox Cities 2-1-1 to become operational October 27, 2005.
- Impact Area volunteers viewed distribution of United Way funds differently during the spring 2005 process. Process was mainly paper review. Investments were made for a two-year period. Volunteers had more in-depth knowledge of partner programs and were results focused.
- UWFC convened a group of community members to examine the Born Learning initiative and decide if we should implement such an initiative in the Fox Cities. Response has been most positive. There is a desire to move ahead with anticipated kick-off in first half of 2006.
- Framework and related materials were created by Outcomes Advisory Committee for Impact Areas to use in identifying priorities and development of community level intended outcomes.
- Case for Change completed.
- United eWay piloted at major account – ThedaCare.
- ANDAR purchased and installed with future plan to track corporate and individual investor interests in community issues.