

Tools

*For Evaluating Specific Strategies
and Opportunities*



Tuesday January 21, 2014

12:00 - 1:30 pm EST

Welcome to this CBA Series

- Last Week:

Competitive Advantage

- Today: Tools for Strategic Decision Making

- Google Chat with experts on strategy

processes and tools 1/28/14 @ 1:00 ET



Elena Thomas Faulkner

Senior Consultant, John Snow Inc.



Lester Olmstead-Rose

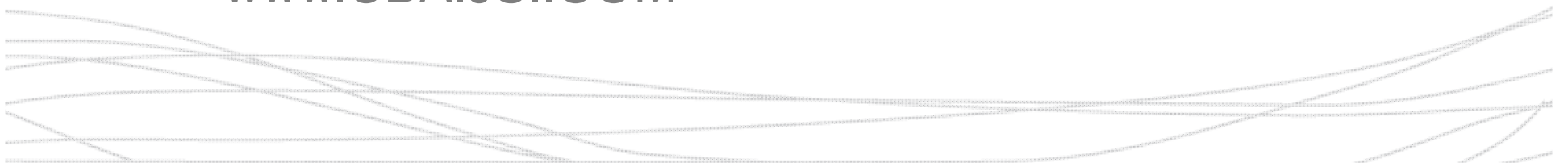
Partner, La Piana Consulting

CBA@JSI

- Public health consulting company
 - Involved in HIV prevention and care since the beginning of the epidemic

Capacity Building Assistance (CBA) provider

- Monitoring and evaluation
- Organizational infrastructure
- Effective Behavioral Interventions
- www.CBA.JSI.COM



La Piana Institute

- www.lapiana.org
- The Nonprofit Strategy Revolution: Real-Time Strategic Planning in a Rapid-Response World

Webinar Basics

- Interactive functions
 - Poll
 - Draw
 - Raise hand
 - Chat (for questions or technical issues)
 - Open phone lines for discussion
 - Watch background noise

Learning Objectives

- Identify the “stages of exploration” when considering opportunities
- Identify four specific processes (tools) that can be used for evaluating opportunities
- Exchange ideas on using the tools in your organization

Poll: What is your gut feeling about pursuing new opportunities?

- Excitement
- Cautious optimism
- Weariness/Change Fatigue
- Uncertainty
- Dread

Why Pursue New Opportunities?

- Respond to evolving environment
- Meet (changing) needs of your target population
- Increase effectiveness

Evaluating Opportunities

Does it fit with your organizational strategy?

Tool: Identity Statement

Tool: Strategy Screen



Does it build on your strengths and add value for your target population?

Tool: Market Research

Tool: TOWS



Does it “have legs”? Will it work?

Tool: Business Planning

Tool: Scenario Planning

Case Study

- *Our Future CBO*
- Roots in addressing stigma and needs of HIV+
- Provides:
 - Empowerment to HIV negative men;
 - Referrals to testing
- Has credibility and relationship with Latino community
- Historically funded by CDC prevention funds, passed through state Health Department

Two Options for Our Future CBO

1. Add testing services (billed to Medicaid)
2. Develop formal relationship with Community Health Center that provides Ryan White services
 - CHC provides primary and HIV care
 - *Our Future* to provide testing and linkage to / retention in care services

Step 1:

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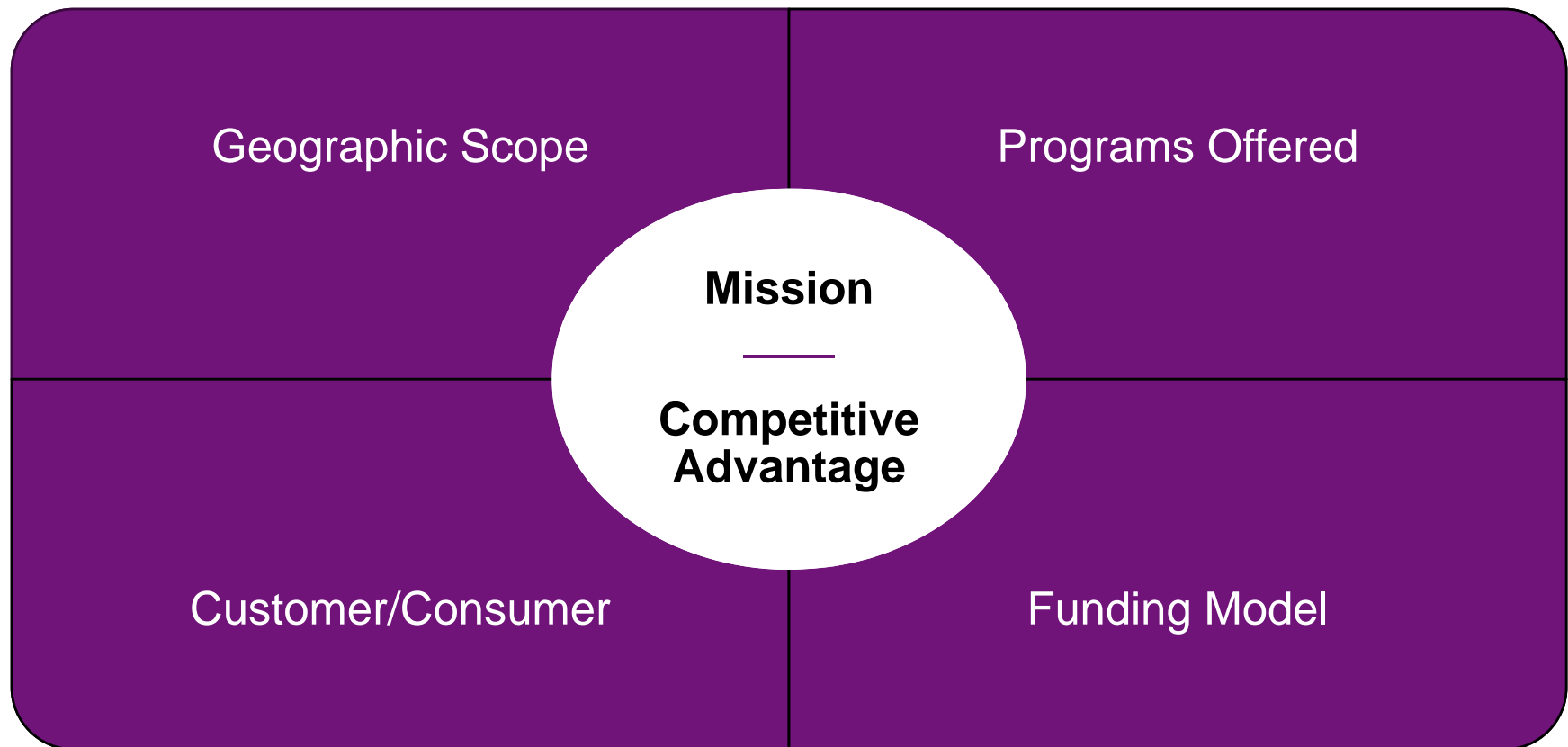
Does it “have legs”? Will it work?

Tool: Business Planning

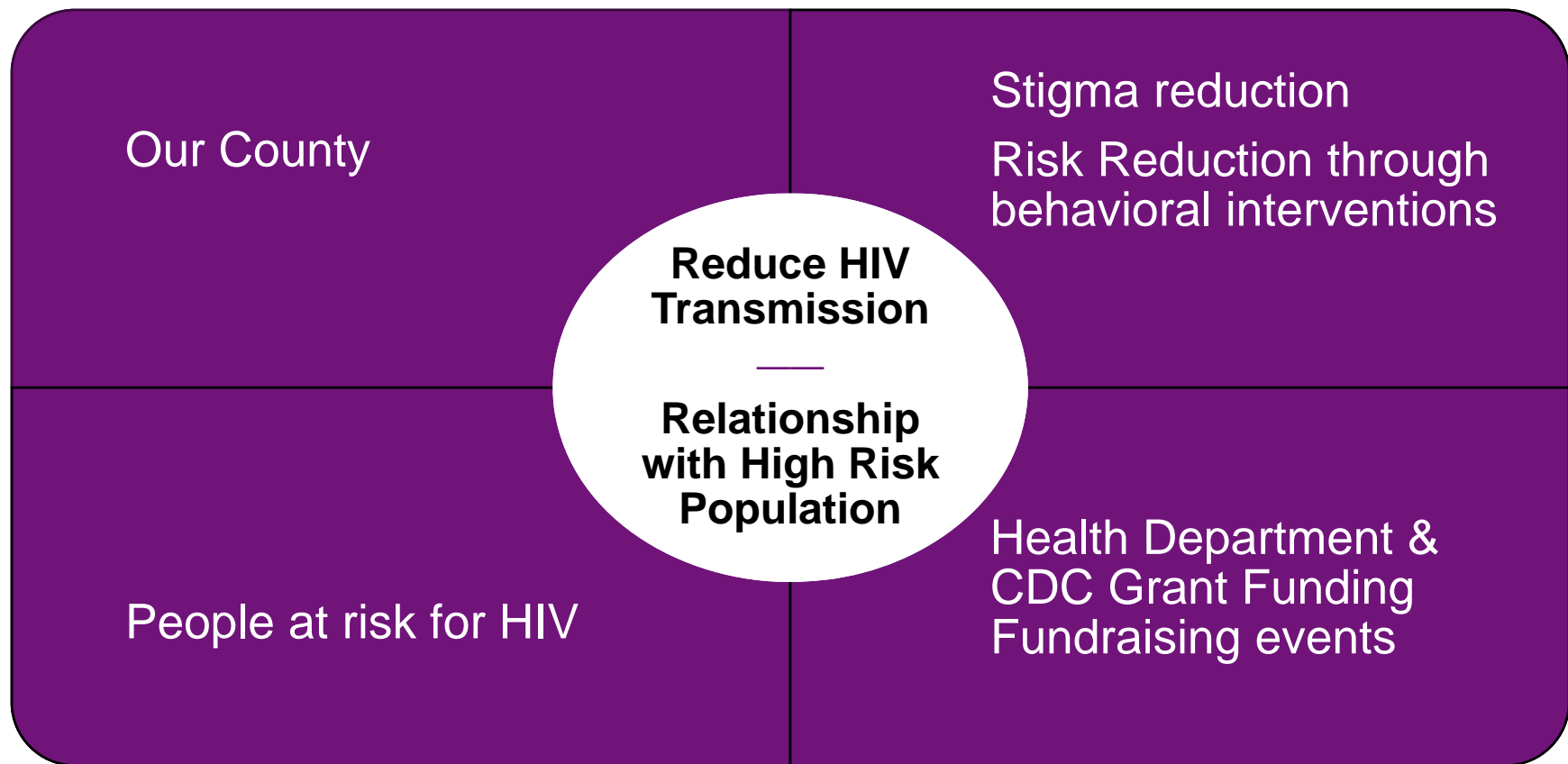
Tool: Scenario Planning

Clarity of Purpose

Tool: Identity Statement



Our Future CBO Identity Statement



Tool: Identity Statement

Identity Statement

Template

An identity statement is an honest description of an organization at a moment in time. It incorporates critical defining elements of an organization related to mission, business model, and organizational strengths. Effective strategic choices are rooted in a firm understanding of "who we are" as an organization.



Mission -

Result/Impact -

Whom we serve -

Where we work -

**How we do this
(programs)** -

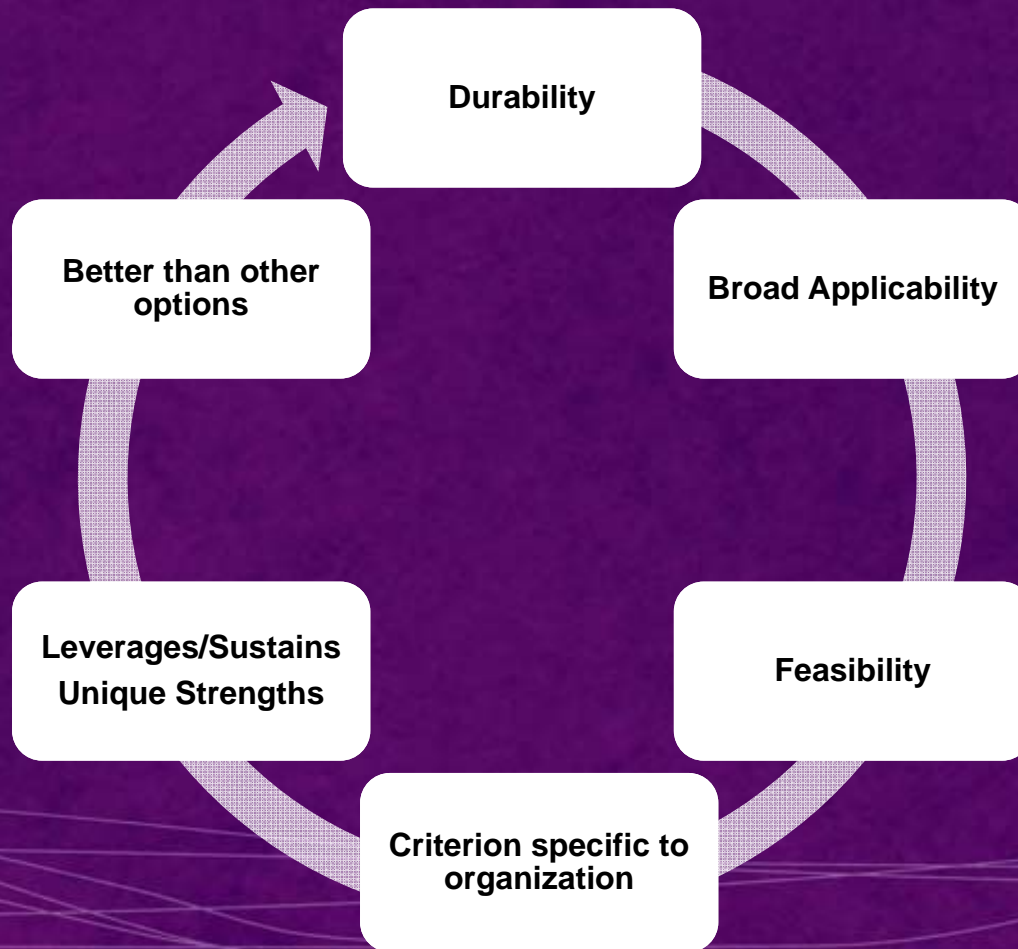
Clarity of Purpose: Opportunity Screen

- Builds shared agreement about what is important
- Promotes transparent decision-making
- Requires human judgment

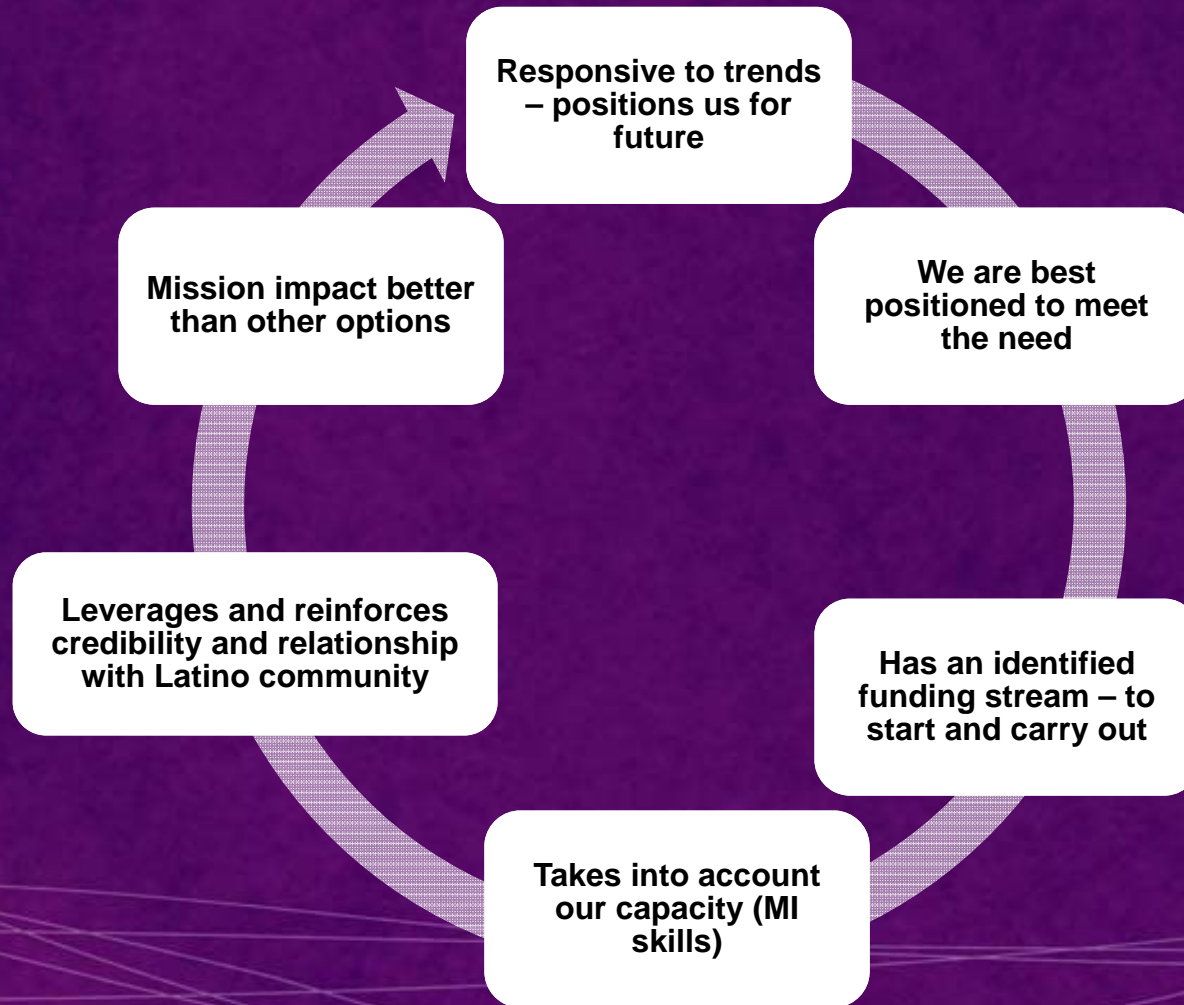
Steps to Screen Creation

- Start with organizational leadership
- Must include mission
- Must include competitive advantage
- Test key elements
 - With stakeholders
 - Through practice

Characteristics of a Good Screen



Our Future Screen



Tool: Opportunity Screen

Opportunity Screen

Worksheet

The purpose of an opportunity screen is to make well-thought-through decisions. An opportunity screen should be good for longer periods of time and should not change based on the question. Develop the screen early in the process of identifying opportunities so that the criterion focuses on organizational needs and not external influences. The screen must include the criteria that the strategy must be a better way to serve your mission compared to other options, and that the opportunity must leverage or sustain your organization's unique strengths. Consider other common criteria such as having adequate organizational capacity and identified sources of funding to support the strategy. Other criteria will be unique to your organization.

Screen Characteristic	Example	Your Screen Element
Feasibility: This opportunity is one that your organization could undertake successfully with current capacity/resources, or for which resources can be readily obtained	<i>The opportunity has a sufficient funding/revenue stream to support it.</i>	
Opportunity Cost (Better than Other Options): Pursuing this opportunity won't negatively impact other priorities. The other options are inferior.	<i>The opportunity is synergistic with our high priority programs, including HIV prevention.</i>	

Step 2:

Does it fit with your organizational strategy?

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Environmental Scan

- Epidemiologic Data
 - Characteristics of Need
- Funding
- Existing Capacity

Our Future CBO: Testing

Research Components	<i>Our Future County</i>
<ul style="list-style-type: none">• Need /Demand	<ul style="list-style-type: none">• # of people overall• HIV prevalence• # of persons at high risk for HIV
<ul style="list-style-type: none">• Demand	<ul style="list-style-type: none">• How many people are accessing this service now?• What are funders paying for?
<ul style="list-style-type: none">• Capacity	<ul style="list-style-type: none">• Programs serving LGBT population• Breadth of services
<ul style="list-style-type: none">• Unmet need	<ul style="list-style-type: none">• Gaps in service and/or capacity
<ul style="list-style-type: none">• Characteristics of need	<ul style="list-style-type: none">• Specific groups with need (IDU, young MSM)
<ul style="list-style-type: none">• Potential Partners/Competitors	<ul style="list-style-type: none">• STD clinic at County• FQHC• Youth-focused prevention program (not HIV specific)

Tool: Market Research Worksheet

Market Research

Template

Complete the worksheet below. If you know your market well, through discussion you and your colleagues should be able to do it off the top of your heads.

For each trend, identify the direction of the trend as it applies to your nonprofit's environment. Is it increasing, decreasing, or staying about the same? In the comments column, include the sources you used, if any, to identify and analyze this trend. How reliable are these sources?

To prepare for the Trend Analysis discussion, consider: How important is this trend to your nonprofit? What do you think your nonprofit needs to do to address this trend?

Type of Trends	Direction of Trend	Description and Comments
Demands for or interest in for your programs/services	Needs/demands are <input type="checkbox"/> Increasing <input type="checkbox"/> Decreasing <input type="checkbox"/> Staying about the same	
Available funding for your programs/services	Funding is <input type="checkbox"/> Increasing <input type="checkbox"/> Decreasing <input type="checkbox"/> Staying about the same	
Other trends impacting your organization. Consider: <ul style="list-style-type: none"> ▪ HIV epidemic trends 	Identified trends are <input type="checkbox"/> Increasing <input type="checkbox"/> Decreasing	

TOWS

- External



- Internal

CHAT: What are Our Future's TOWS?

THREATS

-
-
-

OPPORTUNITIES

-
-
-

WEAKNESSES

-
-
-

STRENGTHS

-
-
-

Our Future TOWS

THREATS

- Loosing funding for existing activities
- Shift in focus could mean shift in relationship with clients

OPPORTUNITIES

- Provide more comprehensive service for HIV+ clients
- Leverage new funding streams (ACA, Prevention funding)
- Contract with medical provider to provide linkage to care

WEAKNESSES

- Staff not trained in testing
- Facility not configured to support provision of test results
- Limited experience “selling” our expertise

STRENGTHS

- Great ability to connect with clients
- High level of teamwork among staff
- Good existing relationship with community health center
- Reputation as a good partner
- Highly skilled at Motivational Interviewing

Tool: Threats, Opportunities, Weaknesses & Strengths

TOWS

Threats, Opportunities, Weaknesses, Strengths

TOWS analysis is a useful technique for identifying both the Threats and Opportunities your organization faces, and for understanding your Strengths and Weaknesses.

By understanding the weaknesses of your organization, you can manage and eliminate threats.

Additionally, by understanding the strengths of your organization, you can start to craft a strategy that helps distinguish you from other organizations.

Threats	Opportunities
.	.
.	.
.	.
.	.
.	.

Step 3:

Does it fit with your organizational strategy?

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Tool: Scenario Planning

Business Planning

- Detailed assessment and planning
- Used for major decisions, risk, or new direction
- Challenges and provides data regarding major assumptions

Business Planning

- Identify critical factors that will define the scope and financials of the endeavor (drivers)
- For each driver, consider the best, worst, and likely cases

Our Future Factors

- Need for services
 - # of tests reasonable to perform
- Program start-up
 - Expertise needed
 - Staff training
 - Policies, procedures & certification
- Financial projections
 - Expenses & Revenue

Revenue Analysis

- Part of business planning
- Revenue sources (grant, billing)
- Capacity needed to secure revenue
- Resources needed to provide the services to be billed
- Assumptions quantified for various categories of reimbursement

Simplified Hypothetical Income Analysis

Category	Number of Visits	Average Charge/ Visit	Gross Charges	Collection Rate	Projected Income
Medicaid	100	\$45	\$4,500	90%	\$4,050
Medicare	62	\$30	\$1,860	95%	\$1,674
Private Insurance	38	\$25	\$950	85%	\$760
Uninsured (Flat rate with health centers)	250	\$20	\$5,000	100%	\$5,000
Subtotal Fee for Service Income					\$17,314

Our Future Scenarios

Best	Likely	Worse
Current staff trained in testing within 2 months	Staff trained at next scheduled opportunity, 4 months out	Staff not interested, hire new staff, trained 6 months from start
Recruit 100 new clients/month for testing	Recruit 50 clients per month for testing	Recruit 20 clients per month for testing
Community embraces new direction immediately, little need to educate community	Mixed support, dedicated efforts needed to bring everyone on board	Existing clients not supportive, Our Future reputation suffers and investment in community education needed
Billing for testing services covers 90% of costs	Billing for testing services covers 30% of costs	Unable to establish billing

Evaluating Opportunities

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Common Pitfalls

- Groupthink
- Skipping steps
- Paralysis by analysis
- Details distract from the mission goal
- When to be cautious, when to take risk

Poll: Which tool will you try this week?

- Identity Statement and/or Opportunity Screen
- Market Research and/or TOWS
- Business Planning and/or Scenario Planning
- All of them
- None of them

Don't forget our Google Chat Opportunity

Tuesday 1/28/14 @ 1:00 ET

- Share your experience using a tool
- Bring your questions for your colleagues and/or La Piana and JSI

Wrap-Up

- Your observations
- Questions
- What additional information/resources on this topic would be helpful?
- Please complete the survey:

<https://www.surveymonkey.com/s/DLWYLP7>

Other Resources

- JSI CBA

cba.jsi.com

- La Piana Consulting

www.lapiana.org

Thank You!

Lester Olmstead-Rose

Olmstead-rose@lapiana.org

Elena Thomas Faulkner

elena_thomas@jsi.com