The High-Performing Non-Profit

"Staying True to Ourselves" Panel Presentation

March 26, 2001 – 5 minutes

Introduction

Our community is blessed with dozens – if not hundreds – of well-run high-performing non-profit organizations. It's a privilege for the YWCA to be asked to participate on this panel. And quite humbling. Any number of you could share equally valuable insights on this subject.

Background

For those of you who are not familiar with the YWCA's work, a bit of background may be in order. The YWCA has been serving women and families in the Seattle area since 1894. Throughout those 107 years, our mission has been the same: to improve the quality of life for women and their families. Last year, we touched the lives of more than 35,000 people in King and Snohomish Counties. Over 20,000 of them received ongoing services related to shelter and housing, employment, childcare, and youth leadership development. We have multiple programs, multiple funders, multiple constituencies, and therefore multiple opportunities to lose our focus.

Transition

It's from this vantage point that I'm speaking to you today. I must start by saying that we do NOT use any of the structured internal accountability systems presented today. We HAVE developed - and continue to hone - practices that promote internal accountability to our values.

Values

If you were to talk with our Board and senior management staff about the YWCA's values, you would hear phrases like <u>mission-driven</u>, <u>client-focused</u>, <u>dedicated</u> to helping women and families left behind during our region's burst of prosperity achieve self-sufficiency, <u>always striving</u> for cultural competency, <u>committed</u> to being a good employer, <u>engaged</u> in the community through coalitions, collaborations, and volunteerism, and <u>good stewards</u> of the community's time and money.

Tools

We use five main tools to help us stay in touch with these values. Four of them exist in most, if not all, large non-profit organizations: The annual financial planning process, funding contracts, the independent audit, and standard human resources reports. We've begun using a fifth one to pull all of these together and relate them to our management performance reviews.

Tools

Financial Planning. In addition to providing for budget-building and financial stewardship oversight, our financial planning process enables Board and community volunteers to review target populations served, the number of clients receiving subsidized services, the fees charged in fee-for-service programs, unit costs, and the amount of unrestricted funds invested in each of our major program areas. This discipline forces us to consider each year whether we are serving the people we intend to serve and whether our investment of time and effort is "in synch" with our mission and with our commitment to serving the women and families who most need our help.

Funding Contracts. Most of our programs have government contracts with performance and outcome requirements. Since we contract to provide only those services that are congruent with our mission, we use these contract outcomes as a fair representation of program performance. Programs with no government grants use other indicators such as pre/post surveys, customer satisfaction surveys, and housing utilization reports.

Independent Audit. No internal measures of accountability matter unless the audit is unqualified! In addition to this obvious benchmark of financial stewardship, we use the audit and the auditor's exit interview to help us improve financial and contract management processes and to educate the Board about big-picture financial issues.

Human Resources Reports. By this I mean, summaries of staff exit interviews, Affirmative Action reports, training records, and periodic staff surveys. We use these to help us see how close we are to being culturally competent and a good employer.

Management Performance Checklist. We created this to be a supporting document for all management performance reviews. It summarizes planned and actual performance in four key management areas: Program outcomes, financial management, community involvement, and human resources management. We designed it to help us answer some key questions consistently and objectively:

<u>Program Outcomes</u>. What did you contract or expect to achieve? Did you meet or exceed it? What programs need to change or be discontinued? What new community needs are emerging?

<u>Financial Management</u>. How close did results match the annual financial plan? Any audit exceptions?

<u>Community Involvement</u>. How many volunteers did you engage? What did they do? What coalitions and collaborations are needed to improve services to clients? How are you participating in them?

<u>Human Resources.</u> Does your program staff reflect the cultural diversity of your client population? What training did your staff receive training this year? What are staff saying about the program and the agency when they leave? What can we learn from their comments?

Conclusion

We certainly have not achieved perfection. We just recently began using the management performance checklist. So far, we believe it provides a crucial link between our values and our assessment of management performance. But I expect we will tweak it many times over the next few years. We are developing, but have not yet implemented, clearer links between program performance and the annual financial planning process. We're eager to learn more about what makes volunteer experiences satisfying for our next generation of donor volunteers.

It has been said that "what gets measured, gets done." It's also been said that not all important things are measurable. As an organization committed to tangible client outcomes and sound stewardship, our challenge is balance those statements: To measure as many important things as accurately as we can. And not to lose sight of the important things that are not so susceptible to measurement.

Steven and Vic, we can use all the help you can give us.