KEEPING OUR PROMISE: *The Use of Modern Quality Assurance Methods in Nonprofit Management*

People enter a nonprofit's doors with hope in their hearts. Hope because the nonprofit's mission statement, proclaimed on its walls and in its literature, promises to help them. This report describes how those entrusted with that hope — the trustees and staff of nonprofit organizations — can use quality control methodology to keep their promises to those they serve.

The Forbes Funds commissioned Robert Bowen and Kate Dewey, technical specialist and project manager for the Youth Standards Project, to describe how and why the guiding principles and processes used by the Youth Standards Project are relevant to the management and governance of human service nonprofits as well as the nonprofit sector generally. The essential finding is this: **Strategy is everyone's job.**

THE YOUTH STANDARDS PROJECT

Tremendous social and demographic changes during the past 30 years have affected family life significantly, creating a need for diverse programs to support and strengthen families and help parents meet their children's needs. Out-of-school-based, youth-serving agencies (including: after-school care; academic enrichment; leadership development; partial hospitalization services; residential care; group homes; mentoring services; youth clubs; sports and recreation programs; and community service activities) contribute to helping youth develop the skills and values necessary to prepare for the challenges of adolescence, as well as the independence and responsibilities of adulthood. Each year, billions of public and private dollars are directed toward providing services to ensure that our young people avoid or overcome unconstructive experiences and, in turn, realize their full potential for success.

And yet, the results have been mixed at best, the services inconsistent, and the agencies difficult to sustain and hold accountable. Despite the hundred-year history of the youth services "industry," little has been done to capture and cross-fertilize best practices and standard methods of quality operations.

By contrast, major industries throughout the world routinely employ quality improvement standards to increase efficiency and, of course, profitability. Business leaders have learned that, when organizations concentrate on improving quality, other problems disappear, and the desired outcomes are achieved, i.e., costs and errors are reduced; services improve; and the bottom line increases.

The Youth Standards Project (YSP) has sought to seize upon, and appropriately adapt, such lessons learned. Launched in January 2000, the YSP enables youth-serving agencies to deliver quality programs and services confidently and consistently to families and youth (ages 12-18) residing in Southwestern Pennsylvania.

The Youth Standards Project is a multi-year initiative designed to:
- Develop clear, basic standards designed by and for youth-serving agencies to improve the consistency and quality of programs for youth ages 12–18;
- Develop a set of tools and technical support to enable agencies to achieve these standards; and
- Create institutional "buy-in" from donors and policymakers to support these standards.

THE FORBES FUNDS

Envisioning Pittsburgh's nonprofit sector as innovative, informed, and engaged, The Forbes Funds advance capacity-building within and among the region's nonprofit organizations.

THE COPELAND FUND FOR NONPROFIT MANAGEMENT

The mission of The Copeland Fund for Nonprofit Management is to strengthen the management and policymaking capacity of nonprofit human service organizations to serve better the needs of their communities.
- Management Enhancement Grants
- Emergency Grants
- Cohort (Professional Development) Grants

THE TROPMAN FUND FOR NONPROFIT RESEARCH

The mission of The Tropman Fund for Nonprofit Research is to support applied research on strategic issues that are likely to have profound effects on nonprofit management and governance, especially among human service and community development organizations.
- Applied Research Projects
- Annual Research Conference

THE WISHART FUND FOR NONPROFIT LEADERSHIP

The mission of The Wishart Fund for Nonprofit Leadership is to encourage pioneering nonprofit leadership by promoting public learning and discussion about issues critical to ethical and effective management, as well as by celebrating exemplary practices.
- Leadership Roundtables
- The Frieda Shapira Medal
- Alfred W. Wishart, Jr., Award for Excellence in Nonprofit Management

Such a transformation in the way nonprofit organizations operate requires: a monumental shift in thinking and functioning; infusion of knowledge and tools; and, importantly, patience.

Initially, eight respected youth leaders (6 local and 2 representing national agencies) served on a Core Team to develop a set of youth standards that would be applicable to the range of agencies providing services. Then, more than 200 representatives from the broader community (e.g., agencies' employees, policymakers, youth development specialists, researchers, and grantmakers) systematically reviewed, and subsequently modified, the draft standards.

> **Core Team members included:** Colleen Fedor, The Mentoring Partnership of Southwestern PA; Saleem Ghubril, The Pittsburgh Project; Leslie Horne, Investing Now; Dennis Floyd Jones, Youth Enrichment Services, Inc.; Dave Madjerich, Boys & Girls Clubs of Western PA; Dirk Matson, Adelphoi Village; Tom Moore, Student Conservation Association, Inc.; and Wendy Wheeler, Innovation Center for Community & Youth Development.

THE YOUTH STANDARDS

Currently, the Youth Standards set forth 20 core requirements that describe a modern quality control system for youth-serving agencies. The Standards are organized into three functional areas. Each Standard represents the best practice for that specific function. When followed consistently, these best practices give the trustees, staff, and key stakeholders greater confidence that the agency is providing quality services.

Our Promise to Youth	Youth Standards (Functional Areas)
SAY WHAT WE DO	Agency Purpose and Relevance
DO WHAT WE SAY	Planning, Program Delivery, and Resource Management
PROVE IT	Documentation and Continuous Improvement

FIELD TESTING THE STANDARDS

In August 2001, youth-serving agencies across southwestern PA were invited to participate in a field test of the Youth Standards. Potential agency participants were identified through a nomination process involving grantmakers, the Core Team, and agencies. More than 36 agencies expressed interest. Applicants were screened according to willingness and readiness to participate. The qualifying agencies met two basic criteria: (1) the executive director had served for at least one year; and (2) no looming or actual financial or programmatic crisis would limit the agency's capacity to commit staff and board time to participate in the field test.

Every effort was made to select ten agencies for participation in the field-test (and four to act as control agencies) that represented a broad cross-section of youth serving providers, including:

residential care; legal advocacy; mental and behavioral health; academic enrichment; career awareness; recreation; and experiential learning. Notably, different organizational models were recruited for the field test, such as multi-site and single site programs, faith-based programs, and programs affiliated with national organizations.

FINDINGS FROM THE FIELD TEST

An independent evaluator conducted a full assessment of the field test and affirmed that the investment of effort in implementing the Youth Standards did, in fact, translate into improved quality of agencies' services and organizational operations. For example:

Agencies meeting the Youth Standards were better able to:
- Define their purpose (i.e., say what they do);
- Evaluate and modify their programs and services (i.e., do what they say); and
- Measure and communicate their impact (i.e., prove it).

Agencies reported achieving *specific* tangible benefits:

"The types of conversations we're having now are different from when we started the pilot. We're more frank with one another about the likelihood of the success or failure of projects and we know each other a lot better and work better as a team — making group decisions seems easier."

"The single greatest benefit is that our energy and critical thought process is not so scattered now."

"The really hidden gem in this whole process is that once you know what your organization's strengths and weaknesses are, YOU become your agency's own strongest advocate — wow…we now have all this information, our own documents, that will serve us in our fund raising efforts. The YSP is really a self-help procedure more than a 'we'll help you' procedure. Agencies learn how to help themselves."

Agencies resoundingly said that the process had improved their capacity to serve. They described specific examples of management and governance growth, reporting that they had, e.g.:
- Focused energy, agency-wide, on key areas of impact;
- Developed useful data from the pilot process for fundraising;
- Developed a strategic plan from the initial baseline assessment;
- Assured less risk and increased safety of youth served through safety/risk assessment and learning about crisis management;
- Used logic models and process mapping to develop program implementation strategies;
- Developed or refined/updated procedures and policy manuals;
- Revised their mission statement;
- Changed staffing patterns and/or job descriptions to fit needs better;
- Developed more systematic hiring and orientation processes;
- Revised bylaws for the board; and/or
- Re-drafted agreements with vendors and contractors.

Each agency involved in the field test reported that the YSP developed permanent infrastructure to help advance its programming in concert with its mission. The bottom line? Agencies involved in the initial pilot created an informed organizational framework, as well as a system of defined performance indicators, that

enhanced their capacity to make more precise adjustments successfully.

CASE STUDIES

Three field test agencies (Wesley Institute, Youth Places, and the Student Conservation Association-Three Rivers Region) participated in intensive field tests so that the YSP could capture best practices. The exact method used to implement the Standards varied depending on the nature and complexity of each agency's operations. The following case studies briefly describe specific issues and approaches used by these organizations.

Case 1: Securing revenue streams. Wesley Institute developed new process maps to secure key revenue sources and clearly understand delivery processes. For example, the "Accounts Receivables Team" developed a process map with explicit measures of timelines and error rates. This mapping process enabled the Wesley Institute to achieve a one-time savings of $70,000, and yielded a $5,000-$10,000 monthly cash flow during the first 12 months of use. In another example, the "Autism Team" developed a series of process maps to capture best strategies for the care of children with autism. This series of maps, for the first time, gathered all vital steps into a single repository. In addition to recording its existing practice, the team developed new services that were lacking in the overall business strategy.

Process maps and logic models demonstrate how current and accurate — yet simple — documentation can yield repositories of information vital to an agency's management.

Case 2: Designing and implementing technology-based solutions. With the benefit of appropriate process maps, Youth Places used technology common in the private sector to achieve better day-to-day management. Youth Places provides services at approximately 20 sites to an estimated 3000 under-served, at-risk youth. Youth Places relies on attendance data as its primary measurement of engagement and impact. Historically, the agency's attendance data proved to be less than 50% accurate; reconciliation of errors and turnaround time for analysis often took 2–3 months. This extraordinary delay in data collection, and routine problems with accuracy, inhibited the ability of staff to manage effectively.

Process mapping and logic models focused the agency's attention to the need for automated data acquisition — using the Internet and wireless transmittals. In changing the way it collects data, Youth Places has set new standards for data accuracy (98%) and turn-around time (24 hours). Such changes allow the agency to respond immediately to what is happening at its sites. Currently, proprietary software is being designed to enable Youth Places to achieve such system automation at all sites. Not only will this software serve as a key control point for Youth Places, but it also may become a revenue source as Youth Places markets its unique methodology and accompanying software.

Significantly, the YSP has yielded unexpected benefits for Youth Places, that is, the introduction of statistical thinking into everyday management. Using simple statistical techniques, common among manufacturing industries, the staff is now establishing tools to allow the agency to focus on significant problems while giving it rationale to ignore "routine background noise" in day-to-day operations.

Statistical process controls make it possible to understand that the key to managing chaos is to comprehend routine variation in day-to-day operations.

Case 3: Increasing quality and safety assurance. Evaluation must begin when program ideas are initially discussed. The Student Conservation Association — Three Rivers Region (SCA), the local affiliate of a national organization, and City Charter High School (City High), a new public high school located in downtown Pittsburgh, decided to use the YSP to design their emerging partnership. The five stages of partnership set forth clear parameters:

Step One: Meet and Get to Know Each Other

Step Two: Develop a Logic Model of the Partnership

Step Three: Create a Memorandum of Understanding

Step Four: Process Map the Partnership

Step Five: Conduct Failure Mode and Effect Analysis of the Resulting Map

At the initial stage of this partnership, staff members met to learn about each other and agreed on some key points:

1. The collaborative relationship must enhance both organizations' ability to fulfill their missions;
2. The principles of the YSP would be applied to the process of developing the new partnership and any programming;
3. Both organizations would seek to sustain this partnership, including committing to minimize programmatic risk by spending time up-front on quality planning; and
4. Staff would openly share knowledge, skills, and expertise by bringing their strengths to the collaborative, enabling each organization to learn new skills from one another.

SCA and City High then jointly developed a logic model. This process built understanding and consensus, clarified underlying rationale and expectations, and identified gaps in logic and uncertain assumptions. As a result, SCA and City High confidently entered into a Memorandum of Understanding after just 6 hours of meeting time.

By deliberately identifying what needs to be done, an agency can quickly build trust and secure its own assurances with key stakeholders.

USING A LOGIC MODEL AND PROCESS MAP

A logic model is a high-level framework designed to show visually the relationship of process inputs and outputs in any given situation. Use the following template to develop logic models:

Logic Model Template

Prepare logic models through dialogue with a team. Know what data the agency has and what data the agency needs. Remember that the logic model describes **WHAT** the agency is trying to achieve in a particular process.

Organization:		Date:	Process:
Input	**Activity**	**Constraints**	**Outcome**
1.			
2.			
3.			
4.			
What we need	*What we do with the inputs*	*Obstacles we must overcome to be successful*	*The final outcomes we would like to see from this process*

Process Mapping

Next, develop the process map. The process map describes **HOW** to achieve success in a particular process. It is instructional and more descriptive than the logic model. A typical process map can be thought of as a recipe card that will allow a new person to execute critical tasks quickly. The process map establishes sequential work steps. When properly used, process maps provide agencies with greater direction than do long, text-based, manuals or documents. Maps better position staff to streamline workflows and reduce paperwork by letting other employees quickly see the important steps for each activity.

Vetting the Process

Request several "outside experts" to review the proposed process map. These experts should not have participated in developing the proposed map. Their task is to ask tough questions. Such critical review will allow the agency to engage in candid discussions before implementing any steps.

LESSONS LEARNED

The field test, especially the benefits achieved by the three focused agencies, further enriched the quality assurance methodology:

THE YOUTH STANDARDS QUALITY ASSURANCE METHODOLOGY

- Identify, improve and document core work processes used to fulfill the mission.
- Ensure the documents are simple, easy to use, and materially contribute to achieving strategic goals.
- Establish a document distribution methodology to ensure that all directors and staff have current and accurate information readily available at point-of-use.
- Set-up service and program measuring systems to ensure that problems are recognized (or predicted) and addressed at the lowest possible levels of the organization.
- Ensure that leadership teams can make important decisions based on timely and readily available data (rather than relying on emotion) in a climate of everyday chaos.
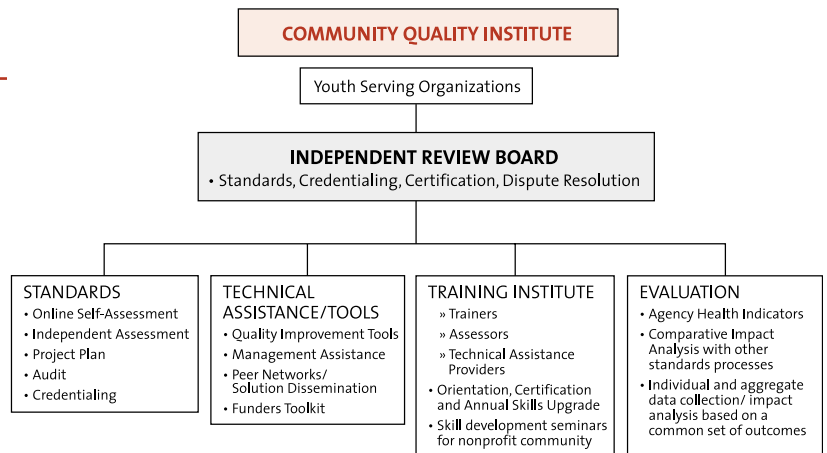
Say what you do, do what you say, and prove it.

In June 2003, the Community Quality Institute (CQI) was established as the new home for the Youth Standards Project. The CQI is designed to be a national resource for standards and quality improvement for youth-serving agencies and other fields of services.

The CQI is an agency-driven initiative, supported by The Forbes Funds, Alcoa Foundation, The Heinz Endowments, Grable Foundation, Hillman Foundation, McCune Foundation, and Richard King Mellon Foundation. Over the next two years, the CQI will:

- Build a scalable and certified network of trainers, assessors, and technical assistance providers;
- Provide training opportunities for nonprofits;
- Enroll and serve 20 youth serving agencies in Southwestern Pennsylvania;
- Create an on-line agency assessment tool that will be available to any youth service organization at no charge;
- Establish a broad-based network to educate agencies, funders, and other key stakeholders about the knowledge accumulated due to the work of participating agencies;
- Broaden its services to at least one additional field of service;
- Establish a commercial marketplace and distribution center for quality improvement products developed by nonprofit organizations; and
- Continue to evaluate and refine the standards and process based on data collection and anecdotal experience.

For more information about the CQI, email a request to **cqi@dkiinc.com**.

COMMUNITY QUALITY INSTITUTE

Youth Serving Organizations

INDEPENDENT REVIEW BOARD
• Standards, Credentialing, Certification, Dispute Resolution

STANDARDS
• Online Self-Assessment
• Independent Assessment
• Project Plan
• Audit
• Credentialing

TECHNICAL ASSISTANCE/TOOLS
• Quality Improvement Tools
• Management Assistance
• Peer Networks/ Solution Dissemination
• Funders Toolkit

TRAINING INSTITUTE
» Trainers
» Assessors
» Technical Assistance Providers
• Orientation, Certification and Annual Skills Upgrade
• Skill development seminars for nonprofit community

EVALUATION
• Agency Health Indicators
• Comparative Impact Analysis with other standards processes
• Individual and aggregate data collection/ impact analysis based on a common set of outcomes

This TROPMAN REPORT is one of a series of briefing papers generated by The Tropman Fund for Nonprofit Research. TROPMAN REPORTS in this 2003 series are: