

# **Translating Strategy into Action at the American Heart Association**

**Dr. Deborah Kerr**  
American Heart Association

**October 10-12, 2006 Washington, D.C.**

# Aligning People, Resources, Mission

- The need
- The environment
- The mission
- The map
- The emerging scorecard
- The challenges



# The need: accountability

...when an individual or an organization recognizes that it has made a **promise** to do something, and has accepted a moral and legal **responsibility** to do its best to fulfill that promise...

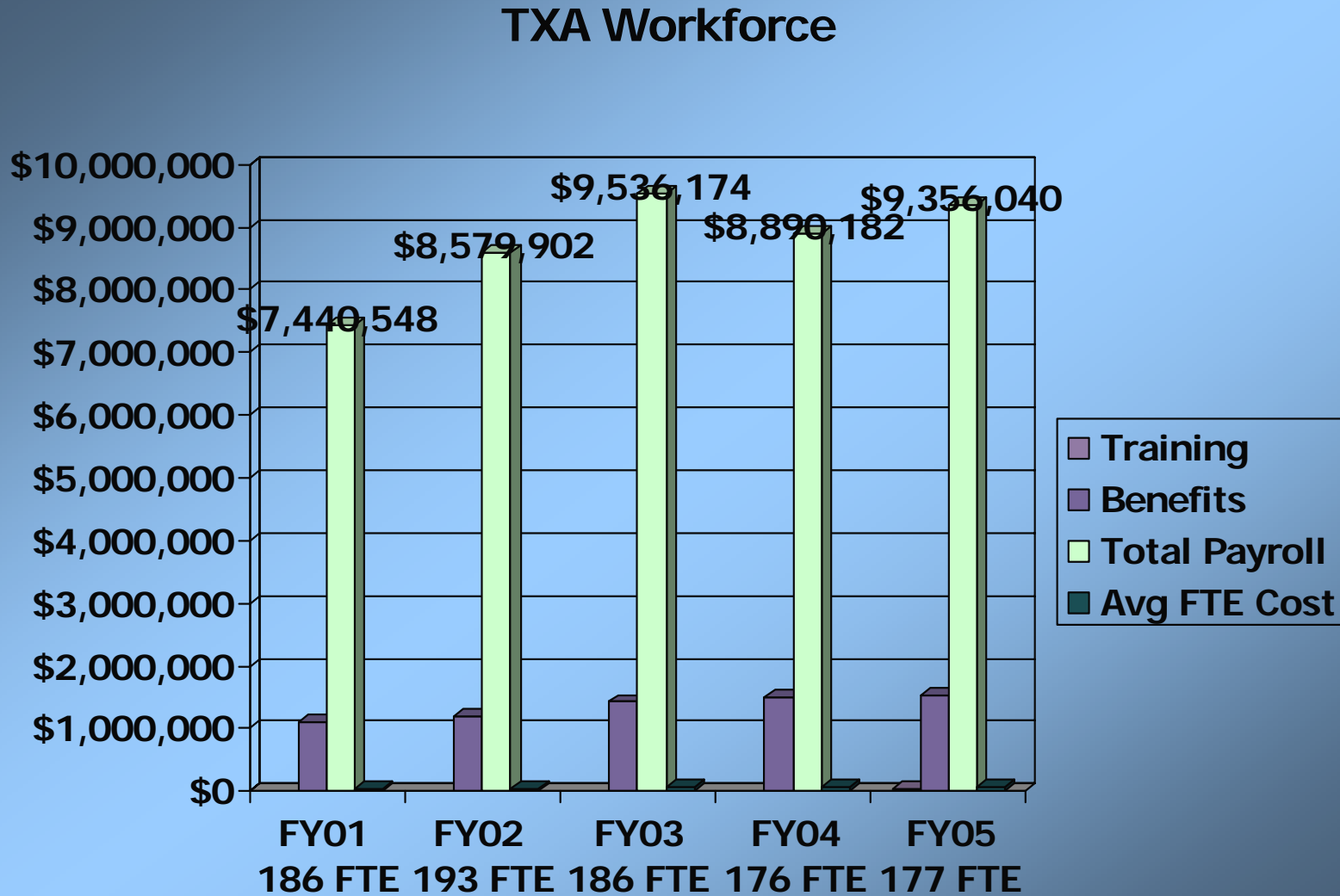
L. David Brown and Mark H. Moore. *Accountability, Strategy, and International Non-Governmental Organizations*, April 2001. The Hauser Center for Nonprofit Organizations, The Kennedy School of Government, Harvard University, Working Paper No. 7.

# Accountability

- Being responsible for results
- Maintaining a secure environment
- Using resources economically and effectively



# TXA Workforce Costs



# The environment

- Number of nonprofits growing
  - 919,300
  - 40% increase from 1999
- 2000
  - \$191.4 billion
- 2004
  - \$188 billion
- Individual giving 04
  - 1.4% increase over 2003



**Truth is truth  
To the end of reckoning.**

William Shakespeare  
*Measure for Measure*, V.i.45

# Panel on the Nonprofit Sector

Created by Intersect:Net

Strengthening  
**Transparency**  
**Governance**  
**Accountability**  
of Charitable Organizations

*a final report to*  
**Congress and**  
**the Nonprofit Sector**  
*June 2005*

# Panel Recommendations

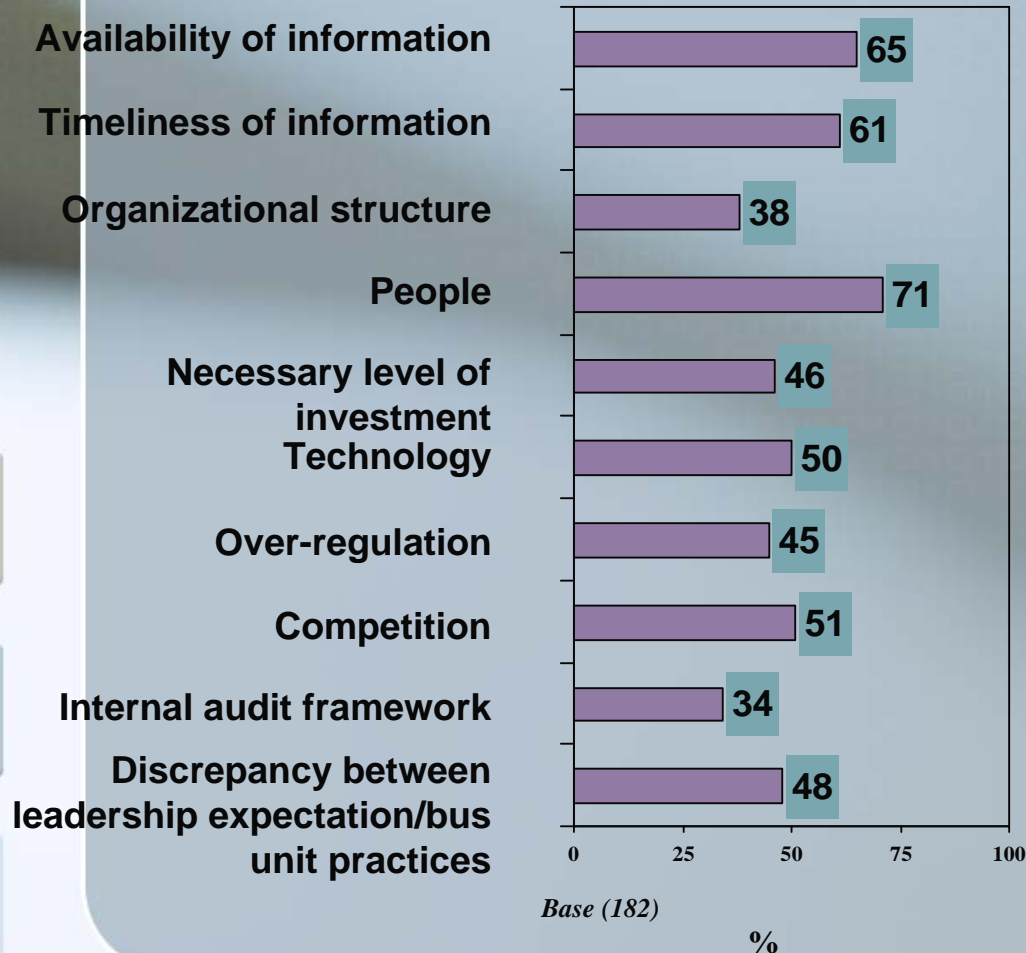
- More IRS oversight
- Use of Generally Accepted Accounting Principles (GAAP)
- Publication of performance data
- Disclosure of executive compensation package (more detail)
- Management of travel expenses
- Bottom line: accountability

# Fiduciary Responsibility

The manager's duty to provide adequate oversight and management of financial, human, and physical assets



# Key Challenges In Managing Enterprise Risk



CEOs in the US consider people (71%) to be the biggest challenge that restricts their organization in managing risk



**Do not mistake activity  
for achievement.**

Mabel Newcomber  
20<sup>th</sup> century academic and writer

# Scorecards and Focus

- Scorecards tell a story
- Scorecards focus attention on critical activity and results
- Goal setting and management lead to focus



# Reticular Formation

- Reticular Activating System - RAS
- Brain's "attention center"
- Filter between conscious and subconscious
- Real events and thoughts are the same



# American Heart Association

Our mission is to reduce disability and death from cardiovascular diseases and stroke.



# Texas Affiliate - AHA

By raising funds and educating people, we create a passion for health in our customers so that they live longer, healthier lives.



# Why don't you write books people can read?

Nora Joyce to her husband James  
1882-1941

# TXA Strategy Map

Draft August 30, 2006

**Mission**

By raising funds and educating people, we create a passion for health in our customers so that they live longer, healthier lives.

Fund Development

Research & Health Solutions

**Customer Focus Perspective**

Educate Diverse Population

Engage donors and volunteers

Expedite Application of New Knowledge

**Internal Processes Perspective**

**Customer Connection Through Value**

Knowledge Transfer Through Multiple Channels

AHA Call Center & Web Site

Partnerships & Health Alliances

Healthcare Provider & Patient Education

**Operational Excellence**

Effective Use of Resources

Sustainable and successful fund raising

Finance, HR, & IT Efficiency, Effectiveness

**Volunteer Performance**

Leverage Staff/Volunteer Partnership

Integrate Diversity of Volunteer Resources

**Learning & Knowledge Perspective**

Increase Staff, Volunteers, Board Member Competency

Nonprofit organization and Employer of Choice

Retention of Top Staff/Volunteers/Board Members

**Financial Perspective**

Highest ROI

Balanced Portfolio

\$XX m. Annual Revenue Generation by 2010

New Business Models

Donor Experience

# TXA Draft Scorecard 1

## Scorecard Worksheet

By raising funds and educating people, we create a passion for health in our customers so that they live longer, healthier lives.

Perspective	Objective	Measure	Target
<b>Mission</b> Why do we exist? Why are we doing this?	generate revenue - \$ 32.8 m		\$ 32.8 m
	\$1.75 m estate settlement		
	\$27.6 m campaign		
	\$3.5 m other revenue (nonpublic support)		
	campaign goal - \$29.6 m		\$29.6 m
	educate people: cause, advocacy, QI, research		
<b>Customer Focus</b> To achieve our mission, what customer needs must we meet and serve? What must we do to satisfy, retain and attract new customers?	customers live longer, healthier lives		
	donors - customer sees us as different from other nonprofits; we need to sell our cause above other causes; communicate our value and impact; having a meaningful experience		
	Deliver on our promises		
	develop good relationships with customers - esp. important with new customers and staff; know about our history with the customer		
	manage customer engagement of our customers to connect with our mission		
	know what customer needs, remember what customer needs, serve their needs		
<b>Internal Processes</b> To satisfy customer needs and to achieve our mission, in what internal business processes must we excel?	Make sure the pipeline is good/ healthy and we can identify new prospects from it		
	Maintain a diverse customer pool: ethnic diversity; skills/knowledge (ex. Medical/nonmedical)		
	grow new customers; grow top customers; retain customers; rank - value new/top customers		
	financial processes provide accurate, timely data and analysis		
	timely acquisition, retention, engaged of knowledgeable, trained staff		
	manage volunteers including succession, systems to track volunteers and their engagement		
<b>Learning &amp; Knowledge</b> To achieve our goals, what must the organization know and learn, and how must we innovate? What must we do to develop employee skills and technology to continue adding value and improving our capabilities?	good performance management		
	good data management systems (including accountability)		
	change management systems that support successful change - flexible organization		
	timely specific customer feedback systems - more frequent, targeted at TXA customers		
	staff need to know volunteer management		
	Identify lead measures; track; act on results		
<b>Financial</b> To satisfy our stakeholders and to meet our mission, how will we allocate our appropriated resources? How will we acquire resources?	Identify best practices - share and learn from each other; determine what really makes a difference		
	become more mktg savvy and consumer focused in Hlth Strat		
	ability to use stories to communicate with all levels of the organization & customers		
	management skills		
	data analysis skills		
	technology systems that leverage knowledge and work		
	account management skills		
	Establish priorities and allocate budget according to priorities		
	Raising more money		
	Developing better relationship with donors, volunteers at the highest levels		

# TXA Draft 2

## TXA Scorecard Planning Worksheet DRAFT

Perspective	Objective	Measure	Target
<b>Mission</b> Why do we exist? Why are we doing this?	create positive impact on health through research and education  Generate the revenue needed to achieve the highest public health impact, meeting HI goals		
		Research dollars awarded	X% resarch dollars awarded
		Revenue targets	% of revenue target achieved
		Quality Improvement goals	(Overall goal needed)
			Smoking legislation proposed and enacted (ratio?)
<b>Customer Focus</b> To achieve our mission, what customer needs must we meet and serve?  What must we do to satisfy, retain and attract new customers?	patient focus: to get them the info they need to improve their health and prevent re-occurrence of cardiac event (secondary prevention)  general public: create awareness of risks and what people can do to manage their risks  public officials: provide them info to help them make the best policy decisions about the health of Texans  volunteers: meet the needs of corporate and individual donors and volunteers		
		Customer Engagement Survey results	
<b>Internal Processes</b> To satisfy customer needs and to achieve our mission, in what internal business processes must we excel?	generate revenue to fund operations that support mission achievement  maintain excellence and efficiency in operational performance  leverage impact through partners that have similar goals (Tx Dept of SHS, for ex)  bring the right volunteers with the right knowledge to the right place at the right time		
		ethnic mix of boards	
<b>Learning &amp; Knowledge</b> To achieve our goals, what must the organization know and learn, and how must we innovate?  What must we do to develop employee skills and technology to continue adding value and improving our capabilities?	being an "employer of choice" (positive view of learning)  retention of competent staff, volunteers, and board members  increase competencies of staff, volunteers, and board members (training)  achieving minimal standard of training for each employee  achieving minimal standard of training for board members and volunteers  reward volunteers who achieve specific levels of training and experience  reward employees for achieving certain objectives	85% of competency needs identified for each job with competencies	
		formalize the competencies and KSAs and assess competency levels for AMT, YMD, CMD	
		80% retention rate	
		% employees who meet the training hour target	
<b>Financial</b> To satisfy our stakeholders and to meet our mission, how will we allocate our appropriated resources?  How will we acquire resources?	generate \$28.3 m annually by 2010  enhance the donor experience and engagement, return donors  Maintain a balanced portfolio which includes explore / enhance cause marketing as well traditional fundraising efforts  grow return on investment for each fund raiser	track annual progress toward goal: increase 30% annually	
		% of total donations by return donors in excess of \$500	
		increase the revenue to funding proportion across sources	
		track progress to revenue target monthly	
		ROI increase of \$X per fund raiser	
	operations budget ≤ 10% of total budget		

# The Challenges: Complex Goals

## Problems with goal complexity

- Interaction with other systems
- Impact on mission
- Use lots of measures
- Collect lots of data

## Measuring in complex environment

- Don't measure mission directly
- Move toward the mission
- Use concrete, tangible measures
- Assess staff and work unit

# The Challenges

- Few success models for nonprofits
- Scorecard failures
- Time is money: walkathon fatigue
- Changing oversight expectations
- Difficult to measure mission

# Contact

- Deborah L. Kerr, Ph.D.  
[deborah.kerr@heart.org](mailto:deborah.kerr@heart.org)  
512.433.7106

