

Translating Strategy into Action at the American Heart Association

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American Heart Association

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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...

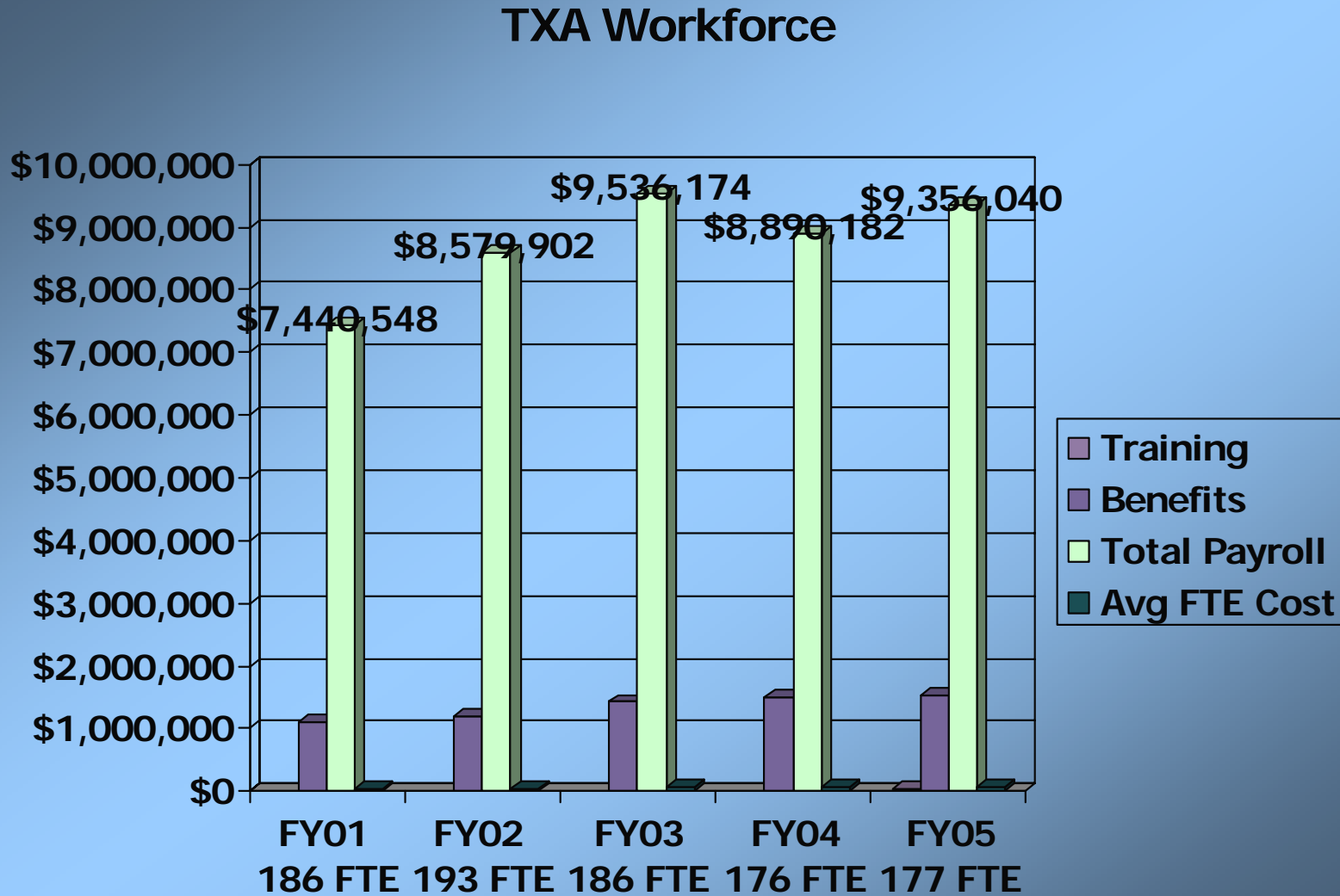
L. David Brown and Mark H. Moore. *Accountability, Strategy, and International Non-Governmental Organizations*, April 2001. The Hauser Center for Nonprofit Organizations, The Kennedy School of Government, Harvard University, Working Paper No. 7.

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.org

Strengthening
Transparency
Governance
Accountability
of Charitable Organizations

a final report to
Congress and
the Nonprofit Sector
June 2005

Panel Recommendations

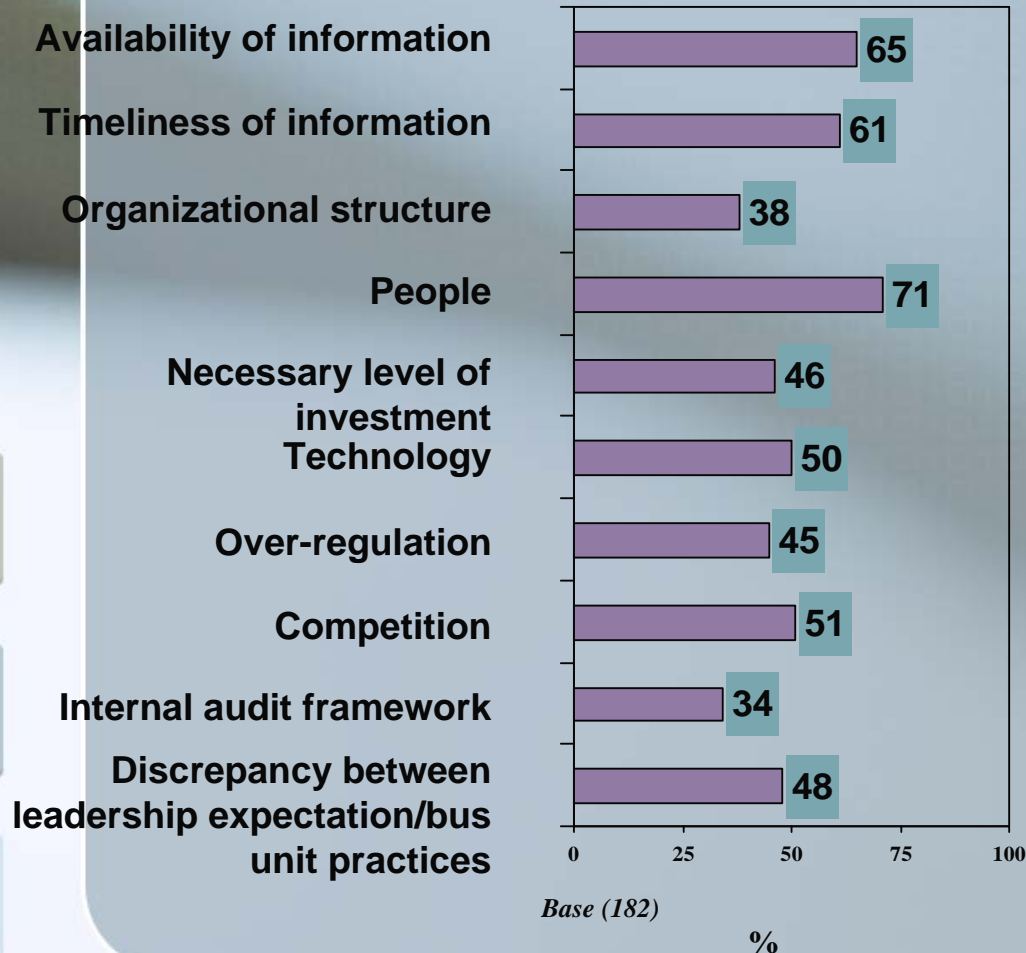
- More IRS oversight
- Use of Generally Accepted Accounting Principles (GAAP)
- Publication of performance data
- Disclosure of executive compensation package (more detail)
- Management of travel expenses
- Bottom line: accountability

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
20th 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.



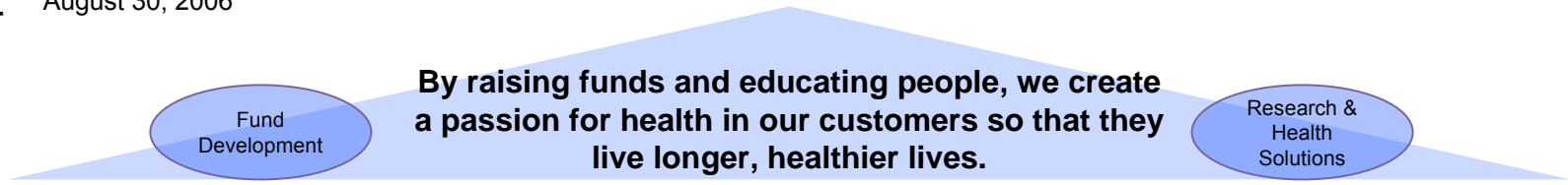
Why don't you write books people can read?

Nora Joyce to her husband James
1882-1941

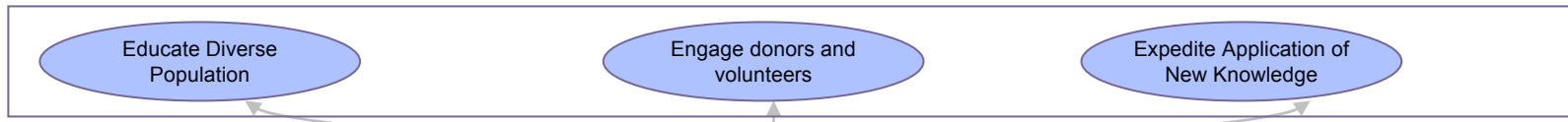
TXA Strategy Map

Draft August 30, 2006

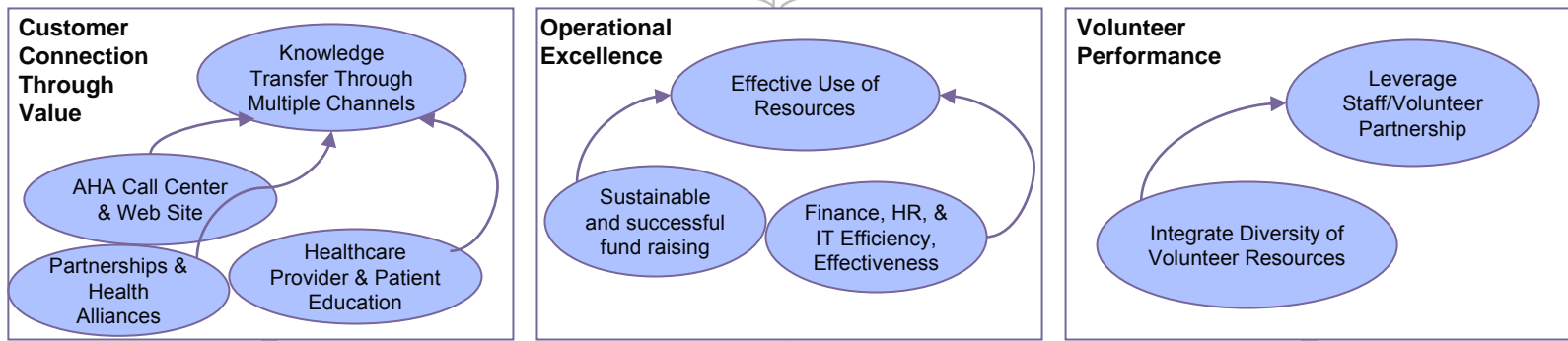
Mission



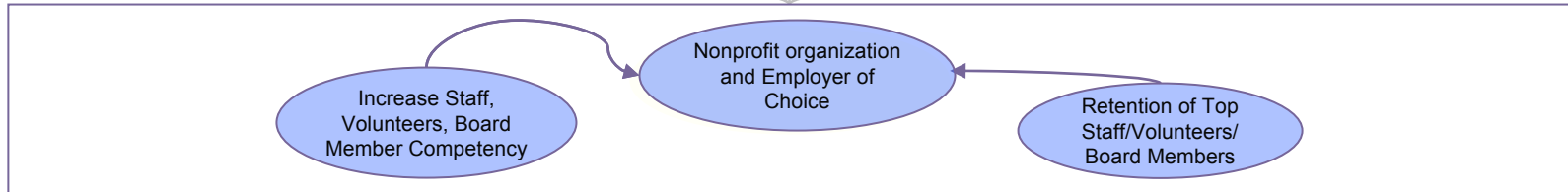
Customer Focus Perspective



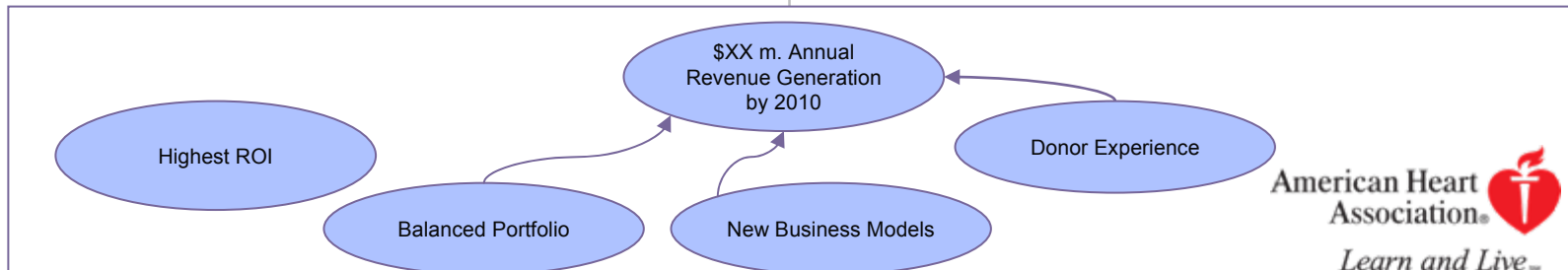
Internal Processes Perspective



Learning & Knowledge Perspective



Financial Perspective



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
Mission 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		
Customer Focus 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		
Internal Processes 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		
Learning & Knowledge 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		
Financial 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
Mission Why do we exist? Why are we doing this?	create positive impact on health through research and education	Research dollars awarded	X% resarch dollars awarded
	Generate the revenue needed to achieve the highest public health impact, meeting HI goals	Revenue targets	% of revenue target achieved
		Quality Improvement goals	(Overall goal needed)
			Smoking legislation proposed and enacted (ratio?)
Customer Focus 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	
Internal Processes 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	
Learning & Knowledge 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	85% of competency needs identified for each job with competencies	
	increase competencies of staff, volunteers, and board members (training)	formalize the competencies and KSAs and assess competency levels for AMT, YMD, CMD	
	achieving minimal standard of training for each employee	80% retention rate	
	achieving minimal standard of training for board members and volunteers	% employees who meet the training hour target	
Financial 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	track annual progress toward goal: increase 30% annually	
	enhance the donor experience and engagement, return donors	% of total donations by return donors in excess of \$500	
	Maintain a balanced portfolio which includes explore / enhance cause marketing as well traditional fundraising efforts	increase the revenue to funding proportion across sources	
	grow return on investment for each fund raiser	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

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