

Community Foundation of Howard County

Strategic Planning Report and Recommendations

April 26, 2017





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I. STRATEGIC PLANNING PROCESS

The strategic planning process for the Community Foundation of Howard County (included the following steps:

- Review of key policy, procedure documents.
- Review of 5-year “lookback” data (Gifts, grants, assets, funds, etc.).
- Interviews with 29 key constituents from February 27 and March 8, 2017.
- Onsite interviews with all staff.
- Presentation to the Board of the Community Foundation of Howard County (“CFHC”) on the 4 operating models of community foundations.
- Facilitated meetings with Clinton & Carroll County Services Committees, which included a presentation on the 4 operating models.
- Online survey of the CFHC Board, and both County Services Committees conducted from
- Key 5-year “lookback” data
- Online surveys of the board and staff that were conducted from March 29-April 7, 2017.
- Board retreat conducted April 19, 2017.

The following report is based on our work throughout the entirety of the process.

II. THE FOUNDATION TODAY

The Community Foundation of Howard County (CFHC), which serves Howard, Clinton and Carroll Counties in North Central Indiana, had nearly \$60-million in assets at the end of 2016, and has been in existence since 1991.

The Community Foundation of Howard County has developed a great reputation in its 25 years of existence. The Foundation was variously described in interviews as “efficient,” “well organized,” “professional,” and caring.” As one interviewee said, “People seem to be well grounded and to be good stewards of the money.” This reputation extends into Carroll and Clinton Counties as well. The interviews, surveys and in-person meetings held with the county services committees in both counties indicate that they feel very well served by central office staff. As one interviewee said, “They don’t put us second.” Constituents say this reputation also encompasses the work the foundation chooses to get involved in the community as well, “When they lend their stature to something, it helps.”

While known as a good steward of funds entrusted to it, the foundation is mainly thought of throughout its service territory as a vehicle for donors and for scholarships. That impression is reinforced by the foundation’s activity over the past five years as it grew by nearly 34% from the 2012 fiscal year to the 2016 fiscal year. At the same time, the relative percentage of each type of fund CFHC has



received over this time has remained virtually unchanged. Just over half of its assets (53%) are held in designated and scholarship funds, while another 23% of its assets are unrestricted in nature. Over this same period, average fund size for the foundation has increased 11%. In addition, CFHC granted almost \$7.9-million to the community during that same five-year period. Of that total, 28% was granted for scholarships, 22% went to community development, while another 48% of its grants went to education, health, religion, human service and youth development.

To date, CFHC has concentrated on providing a variety of structured grant cycles, high quality and responsive service to donors, a variety of structured grant cycles, and some community leadership. While it enjoys a positive reputation and good relationships with grantees and donors, these relationships are mainly “transactional” in nature.

Constituents are generally complementary about the CFHC’s work as a grantmaker. However, there doesn’t appear to be a clear strategy for what the foundation is trying to accomplish with its grants, and several of those interviewed said they felt the foundation didn’t take enough risks in this area. It may be time to revisit what CFHC is attempting to accomplish with its responsive grantmaking program.

Donors appear to be satisfied by the high degree of transactional proficiency exhibited by CFHC. They say they would like to be more engaged in the foundation’s work, but there is no clear role for them beyond the transactional function. Taking the simple step of connecting donors to the foundation’s various grant processes could help generate more current support for CFHC’s work while opening the door for conversations about how the foundation might help donors meet *their* objectives. Each donor has his or her own interests and ideas that grow and evolve as their life unfolds. Uncovering these interests and their underlying motivations takes time, but if the foundation spends this time, it will create a deep reservoir of resources with which to improve the community. The number one challenge created by this work in the short term is the impact it will have on CFHC’s capacity.

Creating more “transformational” relationships with donors should also be at the forefront as CFHC considers its leadership role. The foundation should consider how to align its work with the interests of its donors. This can help CFHC avoid appearing to its donors that its priorities are more important than theirs.

Continuing to build on the trust it currently enjoys with its donors and in the community also means that how CFHC goes about making its decisions is as important as the decision it ultimately makes. Here are two direct quotes from donors which help illustrate this point:

“I’m happy that there are no personal agendas there. It’s all community focused and they look down the road a way.”

“Sometimes I worry that there might be too many people with agendas on the board.”



One issue that is clearly on the minds of all three boards is the movement to become more of a change agent in the communities the foundation serves. This movement depends on two things, not just the willingness to move, but as with the work with donors above, capacity. Each county within CFHC has engaged in some leadership efforts over the years, but it may now be time to consider how these efforts can be coordinated across the region.

Growth – both in the size of CFHC’s assets and the scope of its work, especially as it engages in community leadership – will consistently challenge the foundation’s capacity to do everything it is being asked to do. As it grows, CFHC’s work will continue to become more complex in nature. For example, supporting the work of each county will likely require a wider range of services than is offered today. CFHC already has three very different foundations operating under its umbrella. These differences will only become more pronounced in the future. To date, foundation staff appear to have done an excellent job of recognizing this and providing appropriate levels of service.

The most significant challenge to capacity in the short-term is the move to a new President on July 1. Our work did not reveal any concerns from constituents about this transition. As this shift takes place, maintaining a high standard of transactional excellence will be paramount. The foundation has a high-quality staff, but the reach of the current President can be seen in nearly every process and procedure the foundation runs. There will need to be re-shifting of responsibilities within the organization to ensure that this standard of work can continue to be met.

This transition also likely means that board responsibilities will also need to shift. When the new President takes the helm, it will be incumbent on the board and services committees to take a more active role at the strategic level and in helping to integrate the President into the respective communities. This more strategic view could also help address an ongoing challenge with generating quorum for the “corporate” board.

CFHC is fortunate to have a strong base to build on. Every good community foundation believes that it can do its work better, and CFHC is no different. The foundation does not appear to have any substantial internal or external weaknesses that must be overcome to attain its desired goals. The key will be to manage the balance between its historic role, its expanded leadership responsibilities, its commitment to donors and the new opportunities that are bound to come its way. CFHC’s ability to focus and its capacity to juggle these often-conflicting paths will determine its success in the coming years.



III. Business Landscape

Potential threats/challenges

At the board retreat on April 19, 2017, the Board of Directors of the Community Foundation of Howard County discussed several potential threats and challenges to the foundation's work moving forward:

- Lack of community needs assessments.
- Variety of economic development needs - Kokomo downtown renovation, disappearing small towns. Entrepreneurial programs
- Quality nonprofit partners needed – help with capacity building, eliminate duplicative services, and “connect the dots” in the community.
- Brain drain, keeping graduates in the community. Do we know if scholarship recipients stay in the community after they complete their education? How to incentivize them to come back. CF role in 529 Promise program
- Few funders beyond CF's - North Central Health for capital grants, Smithfield Foundation
- Competition for donor dollars from schools, churches, people giving to causes outside of the community, and the next generation in the transfer of wealth who may not reside in the community.

Potential strengths/opportunities

Also at the retreat, the board identified many potential strengths/ opportunities that CFHC could take advantage of as it looks to the future:

- Tax supported institutions – Comprehensive development plans, connecting to government as resources.
- Education as an economic and community development engine; IUK – 5 county area for economic development.

Consultant's Notes: The lists represent a wide range of issues. It may be worth spending some time at future board meetings discussing each of the items and how they could impact the work of the foundation. For example, does the foundation want to address brain drain? If so, what would it do? What would it need to know to make that decision? What is the foundation's role in building capacity of nonprofits and/or addressing duplication of services? How does it partner with tax supported institutions?

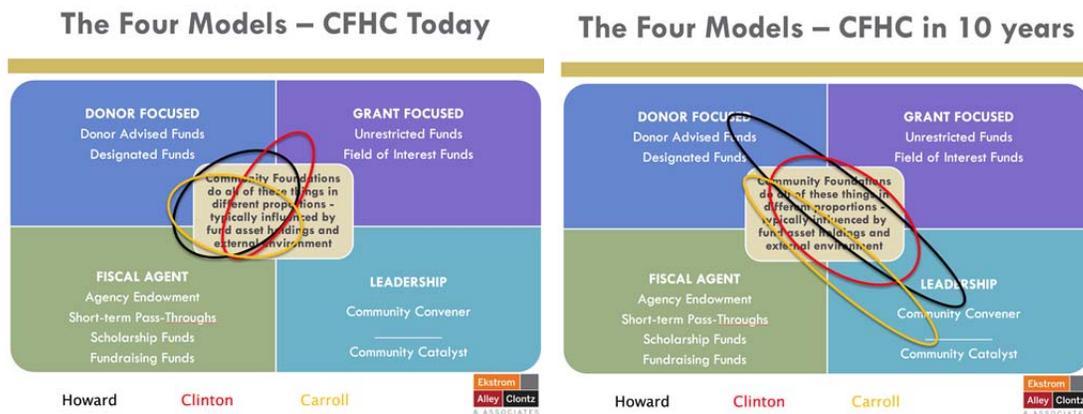
V. Vision

By 2025, CFHC is an organization that is central to transforming and improving the communities it serves by:

- Partnering with donors
- Supporting a diverse set of organizations and programs that make a measurable difference
- Being an initiator and influencer of change

Consultant’s comments: The statement above represents a subtle shift in the foundation’s focus to create more “transformational” change in the communities it serves and with its donors. This is clearly a fit with the graphic that was shared with the board at the retreat that was based on the board and county services committee surveys (see **Figure 1** below). The sweet spot for CFHC today revolves around its work with donors. While that commitment continues, all three counties see themselves moving toward the leadership quadrant. Even with the alignment that appears to be present within the organization, it’s important to keep in mind that this type of shift (from donor focused to a leadership emphasis) is not an easy one to make. It takes diligence, discipline and a commitment from everyone to move away from the “transactional” to the “transformational.” The board should review, make any changes and approve the above vision statement. For context, the notes from the vision discussion are included as Appendix A later in this document.

Figure 1 – What is CFHC’s primary role today and in 10 years?¹



¹ The black oval represents the CFHC board’s view of the primary role today and in 10 years, the red oval is the Clinton County Services Committee view of the primary role today and in 10 years, while the yellow oval is the Carroll County Services Committee view of the primary role today and in 10 years. All ovals are drawn based on survey responses.



VI. Ideal Donor

To reach its vision, CFHC will need to focus its development efforts on attracting its “ideal” donor. The Board described the “ideal” donor as follows:

- Gift of \$1-million to an unrestricted or broadly defined field of interest fund.
- Gift comes from an estate with a value of at least \$5-million.
- Donor has been involved in the foundation’s work.
- Age - 50+, but more likely 70-80 when decision is finally made.
- Donor’s children are either financially self-sufficient or donor has no kids.
- Donor may have made money as an entrepreneur, through family assets, as a farmer or by being frugal.
- Involved in tax, retirement or estate planning. Gift could be made from the sale of business, or by someone looking for a tax deduction.
- Donor loves their community and/or feels they should give back to the community that supported them.
- How to contact: business, tax or estate advisors (attorneys, accountants, CPA’s, financial advisors), Board, current donors, family members.

Consultant Comments: For every community foundation, the three most important referral sources for new funds are professional advisors, current donors and the foundation’s own board. The board should be actively engaged in identifying and contacting those donors and professional advisors who fit the profile described above. Identifying your “A-list” advisors – those that either have been, or are most likely to, recommend that their clients use the Foundation – is particularly important, especially if you wish to get more donors who fit this profile.

VII. Contradictions

The strategy and actions CFHC chooses to undertake lay out the pathway to move forward and achieve its vision. To be effective, these must also take into account current organizational characteristics that may resist forward movement. At the same time, strategy should take into account strengths and advantages, inherent or otherwise, that can be leveraged. The Board identified the following contradictions that should be kept in mind as the Foundation moves forward (**Items in red are potential roadblocks; Items in green are potential assets.**):

- **Inertia of current work.**
- **Communication, or lack thereof, both internal/external.**
- **Connecting successfully with donors.**
- **Stepping out of our comfort zone as board members and starting conversations with others about the foundation. We don’t want to pry into other’s business. What’s the story to be told? What needs do you see? How to address it? Are there others who may be interested?**

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- Uncertainty about impact of CFHC leadership change.
 - Help donors understand variety of approaches to meeting their needs.
 - Good ideas of how this has worked for others.
 - Help board understand opportunities for donors.
 - Need to define “measureable difference.” Metrics conversation – still new, get evaluations.
 - Don’t have applications some grant cycles.
 - Correlation between unrestricted funds and leadership.
 - Need to identify the biggest bang for the buck in our work.
 - What needs to change:
 - Mostly reactive today
 - How/why to initiate leadership?
 - What’s the exit strategy?
 - How do we build capacity?
 - No nonprofit plan for sustainability/operating.
 - Board member participation/focus.
 - Board needs to identify specific deliverables/accountability.
 - Board members need to have a summary of major initiatives.

Consultant’s Comments: Many of the above comments in red could also be seen as potential strengths. For example, connecting donors to CFHC’s work can play huge dividends for the foundation in the long-term. The only way to define the appropriate role for donors in the foundation’s work is to have conversations with them about what they think their role should be. One of the keys to the foundation’s future success will be to understand and act in concert with its donors as they define *their* level of involvement, and what matters most to *them* in how *they* define *their* community.



VIII. Next Steps

Next Step 1 – Identify ideal donors and their advisors and develop plan to contact them.

Responsibility: ? Staff Member (to coordinate/carry out the work)
? (for Board accountability)

Deadline: December 31, 2017

Measurement: Initial 12-15 ideal donors and professional advisors identified.
Initial contacts made and information gathered.

Consultant's Comments: CFHC's ability to carry out this work directly impacts its ability to successfully reach its vision. Not only will these contacts build key relationships for the foundation, they may also help inform the kinds of issues the foundation wishes to address in the community in the future. Finding a way to incorporate the vision(s) of your donors into your work creates a partnership that benefits the donor, the foundation and the community. It has the added benefit of creating donors who are "raving fans" of the foundation. This approach can create the best marketing and sales force that money *can't* buy.

While staff can do the initial legwork by combing through the foundation's database to identify some of these donors, the board will play an important role as well. For example, with current donors who fit the profile, board members can call and say thank you and find out what these donors would like to see the foundation do. Board members can also be instrumental in helping to identify and contact additional prospects and professional advisors who serve these types of donors. And finally, we would highly recommend that the board incorporate some mechanism for reporting on these conversations and discussing potential implications for the foundation into future board meetings.

Next Step 2 – Review the outcomes from the Howard County grants process to begin to define how the foundation is making a "measurable difference" through this work.

Responsibility: Kim Abney (to coordinate/carry out the work)
? (for Board accountability)

Deadline: September 30, 2017

Measurement: Grant outcomes reviewed.
Recommendations made to the board on potential changes to grants process to change/clarify the impact sought by CFHC.

Consultant's Comments: This review will help the foundation begin to understand the impact it is having in the community through its grants process. Since this is the first time that CFHC will be conducting this type of review, it may be difficult to identify specific trends from the data. However, even if that is the result, it will help the foundation begin to think through the question, "Is this the impact we want to encourage?" If it's not, the question then becomes, "What do we want that impact to



be?” This may result in changes to Howard County’s grant process. These changes could then be used as a model for similar work that might need to be done in Clinton and Carroll Counties as well.

Next Step 3 – Create a process to determine CFHC involvement in community leadership initiatives.

- Responsibility:** ? - Staff member to coordinate/carry out the work
? - Board member for Board accountability
- Deadline:** By July 31, 2017
- Measurement:** Process approved by board
Measurable objectives for leadership activities developed
CFHC revenue for leadership increased
Increase in amount of CFHC donor participation in selected opportunities (both time and resources)

Consultant’s comments: As CFHC continues to find success in its leadership role, its capacity will be tested by requests for additional ways to demonstrate its expertise. The foundation needs to have a way that it can decide if it wants to be involved in an issue and what that the nature of that involvement will look like. The process should provide a way for the foundation to examine its potential role, success measures, costs, and exit criteria. Using this type of process will help CFHC build knowledge about what it does well and what it might wish to avoid in the future. A great way to “test” this idea is to apply the process to the foundation’s existing leadership work, e.g., the early childhood initiative.

The review should also consider ways the foundation might approach its donors to fund this work. This is an important step as CFHC seeks to build leadership work that is both “theirs” (the donors) as much as it is “yours.”

One final note about this process. As we discussed during the retreat, how CFHC makes its decisions is at least as important as what its actual decisions may be. Having this type of process in place will enable the foundation to be more transparent with those that are requesting its help, as well as with others in the community who may question why the foundation is involved in the work.

Staff would initially take the lead in drafting the document, while a board task force would review and recommend a draft process to the board. A sample of such documents is included here: [Community Leadership Analysis Frameworks](#).



Next Step 4 (not discussed at the board retreat) - Conduct strategic planning sessions with the Clinton and Carroll County Services Committees.

Responsibility: ? - Staff member to coordinate/carry out the work
County Services Committee chairs for accountability

Deadline: By July 31, 2017

Measurement: Planning sessions held
Next steps identified

Consultant's comments – The planning retreat of April 19 was held with, and mainly focused on, the “corporate” board and work in Howard County. While there was great representation from Clinton and Carroll County, it would be worth CFHC’s time to conduct similar efforts in those two counties as well. This would help Clinton and Carroll Counties focus their work more effectively and help Howard County understand the kinds of services and back office help that will be needed to support that work. Once the plans are developed, we would recommend that they be incorporated into the work of the “corporate board” on an ongoing basis. This would help board members see where connections could be made that add value to the organization beyond just that of the individual county.

We are not suggesting full-blown, all day retreats in Carroll or Clinton Counties. We believe a 2-hour session with each County Services Committee would be sufficient to do this work. While this engagement is outside the scope of our original contract, CFHC staff have already asked the GIFT staff if this could be funded through their technical assistance program.



IX. Strategic Plan At a Glance

Vision:

By 2025, CFHC is an organization that is central to transforming and improving the communities it serves by:

- *Partnering with donors*
- *Supporting a diverse set of organizations and programs that make a measurable difference*
- *Being an initiator and influencer of change*

Next Step 1 – Identify ideal donors and their advisors and develop plan to contact them.

Responsibility: Donor Outreach Taskforce (Steve Currens)

Deadline:

Next Step 2 – Review the outcomes from the Howard County grants process to begin to define how the foundation is making a “measurable difference” through this work.

Responsibility: Grants Taskforce (David Owen)

Deadline:

Next Step 3 – **Create a process to determine CFHC involvement in community leadership initiatives.**

Responsibility: Community Leadership Taskforce (Bob Hickman)

Deadline:

Next Step 4 (not discussed at the board retreat) - Conduct strategic planning sessions with the Clinton and Carroll County Services Committees.

Responsibility: Staff and Service Committee

Deadline:



Appendix A - Notes from Vision Discussion

What does our community need CFHC to be?

What will be changed in 5 years as a result of CFHC's work?

- Make community changing grants
- Initiator/influencer of change
- More proactive than reactive
- CLC – More focused on grants and raising \$ to support community work.
- CF to be understood and recognized
- CF partners w/x for transformational gift/program
- Wouldn't happen without CF
- Not always about funding
- Enrich the community, improve quality of life.
- Established contributor to charities using donor reinvestments and grants
- Partner with financial resources and skills willing to educate and share vision
- CF reaches \$100M, no \$200M goal
- Gates visit CFHC to fund early childhood solutions in Howard County.
- CF helps others i.d. and meet their goals
- Non-political change agent – representative/inclusive
- How to move on leadership without alienating others
- Primary, proactive leader
- Permanent, not one time funder
- Convener
- Right people in the room, get conversation started
- Lead quietly
- Does growth change priorities?
- Bring businesses and people back to the community – create jobs locally
- Help those living in community do their jobs.
- Building community
- Identify other needs, causes for the community.
- Diversity in expansive manner – socio-economic as well
- Donors – We showed them how to really make a difference; W/o CF it would have happened.
- Fund success
- Accountability.