



Management Structure Realignment

Scope of Work
December 15, 2014
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accelerating performance *for* SOCIAL IMPACT

11 Avenue de Lafayette • Boston, MA 02111
t 617.492.2300 e info@rootcause.org
www.rootcause.org



Project Overview

Community Catalyst was founded in 1998 to build a consumer health advocacy movement giving consumers a voice and a seat at the table where the country's health decisions are made. The mission of Community Catalyst is to organize and sustain that consumer voice to ensure that all individuals and communities are able to influence local, state, and national decisions that affect their health. Community Catalyst operates in 40 states and focuses its efforts on five broad issue areas: implementing health reform, improving quality of care, addressing community health needs, making prescription drugs more affordable, and strengthening health access and coverage.

In 2012, Community Catalyst established a strategic plan to guide the organization through 2017. The strategic areas of focus for the organization are to: build a stronger advocacy infrastructure, develop the capacity of state and local partners in organizing constituencies and campaigns, and influence health system policies and practices to be sensitive to consumer needs and interests. In order to acquire the flexible resources required to invest in key priorities, program development, and staff and organizational capacity, Community Catalyst is diversifying its funding sources

To support the implementation of its strategic plan, Community Catalyst is re-examining its management structure. The organization has experienced significant growth in staffing in the past few years, moving from 48 employees in 2011 to approximately 68 staff members today. Currently, the organization is led by two management levels: the Senior Management team and the Program Management team. The eight members of the Senior Management Team (SMT) are the directors of Development, Strategic Policy, Administration & Operation, External Affairs and Communication, as well as the Deputy Director, the Chief Operating Office, and the Executive Director. The twelve members of the Program Management Team (PMT) include the supervisory staff members who manage particular issue-specific program areas as well as the Human Resource Manager and the Manager of Finance & Administration.

Community Catalyst seeks to determine the optimal management structure that will be aligned with the goals of its strategic plan and will allow Community Catalyst to have the staff and organizational capacity to continue to be a high-performing, effective, and evolving organization. This structure will take into account the following factors:

- External environment (both opportunities and challenges)
- Internal resources and capabilities (both strengths and weaknesses)
- Succession planning
- Span of control
- Changes in the size of the organization
- Professional development needs of the SMT and PMT staff
- Funding environment
- Diversity
- Programmatic synergies

Root Cause, a nonprofit management consulting and research firm, has prepared the following scope of work for a process that will help Community Catalyst explore its options and determine the best management structure for the organization:





ANALYSIS

- According to the proven practices Organizational Health framework developed by Root Cause's Research and Assessments Unit, how do the current structures and systems of Community Catalyst's two levels of management perform? Specifically, this assessment will cover:
 - Competencies and Experience
 - Roles, Culture
 - Communication and Workflows
 - Talent Strategy and Professional Development Support
- How has Community Catalyst's rapid growth affected the responsibilities of each functional (e.g. development) and program unit, and what planning is needed to accommodate additional likely growth in the near future?
- What are the external and financial factors (e.g. grant-funded positions) affecting the current management steam structure?
- To what extent does Community Catalyst's management structure support effective implementation of the three priority areas in its five-year strategic plan?

FOCUS FOR RECOMMENDATIONS

- With the context of recent and likely future growth, what are the recommended shifts in the Community Catalyst management structure, and practices in order to best support the successful implementation of the strategic plan?
- How can Community Catalyst ensure that its organizational structure is sufficiently flexible, adaptable, and sustainable during periods of growth and change?
- What can strengthen Community Catalyst's senior-level talent strategy, and what is the role of joint staff partnerships for Community Catalyst as it continues to grow and implement its current strategic plan?





The Planning Process

Root Cause will guide Community Catalyst toward a clear vision and plan for the realignment of the management structure. Our approach will involve Community Catalyst deeply in the planning process to ensure that the work is truly owned by Community Catalyst leadership upon completion. This pragmatic and collaborative approach will develop the capacity needed to implement the restructuring process.

We will facilitate a three-phase process:

1. Environmental Review
2. Develop Multiple Structure Scenarios
3. Finalize Recommendations

The backbone of this process will be a series of working group meetings in which we will lead the Community Catalyst team through discussions of key questions, examination of internal and external research, consideration of competing scenarios, and facilitation of consensus on the decisions that will shape the management structure realignment plan:

The Roles of the Working Group:

- Participate in discussion of key questions and research at meetings, identify key issues, and provide suggestions to resolve key issues;
- Make strategic decisions and set priorities;
- Review all drafts within the given timeline; and
- Give final approval of the management structure realignment plan





TIMELINE AND KEY ACTIVITIES

The timeline and process for the engagement is outlined in the Gantt chart on the following page and in the process description that follows.

<i>Community Catalyst Management Review</i>		Feb	Mar	Apr
Phase 1: Environmental Review				
Document Review:				
• Review existing strategy documents and internal assessment				
• Review organization chart				
• Review key job descriptions				
• Review demographics/tenure of SMT & PMT members				
Root Cause Organizational Health Assessment:				
• Assessment of existing management structure and processes				
• Compare findings to Root Cause clients				
Internal Interviews:				
• Senior Management Team Interviews				
• Program Management Team Interviews				
Working Group Meeting #1				
• Review environmental review findings and discuss implications for plan options				
Phase 2: Scenarios				
Prepare competing plan scenarios that incorporate key considerations:				
• Changes in organization size				
• Diversity				
• Succession planning				
• Financial opportunities and challenges				
• Span of control				
• Programmatic synergies				
• Professional development of SMT and PMT				
Working Group Meeting #2				
Review scenarios and choose one to move forward				
Phase 3: Finalize Recommendations				
Prepare PowerPoint with summary of recommendations				
Create action plan for implementation				
Working Group Meeting #3				
• Review implementation plan with management				



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PHASE 1: ENVIRONMENTAL REVIEW

The process will begin with an environmental review and exploration of the operating model of Community Catalyst with particular focus on the two management teams under review: the Senior Management Team (SMT) and the Program Management Team (PMT). We will review the strategic plan and the human and financial resources that currently exist to support that plan. We will begin by reviewing existing strategy documents as well as the internal assessment conducted by Community Catalyst to identify key assumptions in the existing plan and review progress to date against those key assumptions. We will also review the organizational chart and key job descriptions of the SMT and PMT as well as the demographics and tenure of the SMT and PMT members.

As a part of the environmental review, Root Cause will conduct an assessment of Community Catalyst's overall organizational health using tools that Root Cause has developed through research and our experience with past clients. The organizational health assessment will consider best practices in management and governance and will assess Community Catalyst's structure, capacity, and ability to carry out its mission. To provide additional context around Community Catalyst's organizational strengths and weaknesses, the results of this assessment will be compared to the results of other Root Cause clients as well as any information readily available to Community Catalyst about other organizations' practices..

Root Cause also will conduct interviews with Senior Management Team members and Program Management Team members to better understand roles and responsibilities, as well as internal capacity to meet the goals laid out in the strategic plan. We will also do a limited systems review to examine in greater detail the management systems that are currently in place, including standing meetings, information sharing practices, use of internal practices, and standard internal reporting.

We will also review Community Catalyst's financial history to gain a better understanding of the funding environment that it is operating in. We will review five years of revenue history to understand Community Catalyst's funding environment and analyze what revenue is restricted versus unrestricted to understand the amount of flexible resources that Community Catalyst has available. We will also analyze the funding streams for the current management structure to identify which management staff are funded by restricted grants versus general operating funds.

WORKING GROUP #1

In the first working group session, Root Cause will present its findings from the environmental review and guide the working group in a discussion about implications for the management structure realignment plan. In particular, we will highlight the emerging gaps and opportunities for better aligning the management structure to the strategic plan and engage the group in clarifying key considerations for the project. Through the discussion, we will begin to outline different scenarios for the management structure.

Phase 1 Deliverable:

- PowerPoint summary of findings from internal review

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PHASE 2: SCENARIOS

Based on the discussion that took place during the first working group session, Root Cause will develop 2-3 scenarios that will provide outlines of alternative options for the management structure. Building on the environmental review conducted, we will incorporate key considerations, including: succession planning, span of control, changes in the size of the organization, professional development needs of both the SMT and PMT staff, the funding environment, diversity, and programmatic synergies.

Using the outcomes from the environmental research phase as a guide, we will frame how the different structure options might respond to external challenges and opportunities and outline the resource requirements as well as the structural and financial implications of implementing each scenario.

WORKING GROUP #2

At the second working group session, we will focus on reviewing the scenarios and building consensus on which scenario Community Catalyst will choose to move forward and build out into a final management structure realignment plan.

Phase 2 Deliverable:

- 2-3 scenarios for realigning the management structure

PHASE 3: FINALIZE RECOMMENDATIONS

In the final phase of work, Root Cause will develop final recommendations for realigning Community Catalyst's management structure. These recommendations will highlight areas that need strengthening and improvement, as well as make recommendations on adaptations to structures, processes, and strategies that will help Community Catalyst meet its goals as laid out in its strategic plan.

Root Cause will also prepare an action plan for guiding implementation of the chosen scenario starting in May 2015. In developing the implementation plan, Root Cause will work with Community Catalyst's leadership to identify a timeframe for implementation and define the different components and phases of this work to ensure that the plan is actionable and that there is accountability for executing the plan.

WORKING GROUP #3

In the third working group session, Root Cause will present its final recommendations for review and critique. The discussion in this session will focus on the resources and actions required to achieve the management realignment and build a timeline for implementing the plan.

Phase 3 Deliverables:

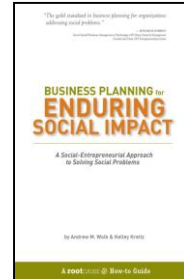
- PowerPoint summary of recommendations
- Excel-based action plan

After the planning process concludes, Root Cause will conduct check-in calls with Community Catalyst over the course of the next year to assess progress on plan implementation and provide implementation coaching.



Why Root Cause

Root Cause is driven by a passion for shaping the future of social problem solving. Our services and programs individually and collectively bring together nonprofits, philanthropy, government, and business together to advance solutions to today's toughest social issues by helping them understand and invest in what works. Our decade of work to accelerate performance shows that sustained change happens when resources flow to organizations committed to organizations committed to continuous improvement to ensure they are maximizing impact.



We are a recognized leader in the field of social innovation and entrepreneurship and since 2003, Root Cause has improved the performance of more than 200 organizations funders in a wide range of social service sectors, including economic empowerment, education and youth development, and health and well-being. We work collaboratively with organizations to move them from working day to day to address social issues to improving their performance towards realizing tangible and sustainable results. Root Cause has developed a unique planning methodology and published a book on the subject: *Business Planning for Enduring Social Impact*.

OUR VALUE PROPOSITIONS

Over the past ten years, we have worked to bring together the best thinking of the social and business sectors in our nonprofit management consulting model. We believe that several qualities set us apart from others engaged in this work:

- **Collaboration:** We recognize that our clients have the resources to judge their circumstances and craft a strategic response. By working collaboratively with board members and staff, we build on these assets, introducing an outside perspective built on over 200 high-impact engagements with innovative nonprofits.
- **Balance:** Our team brings a blend of conceptual skill sets typically found in management consulting firms with pragmatic experience running nonprofit organizations and small businesses.
- **Implementation:** We are far more interested in what our clients accomplish than in what they plan to accomplish. New systems or strategies fall short due to time and resource constraints. We develop detailed and realistic action plans and provide ongoing implementation support to help our clients overcome these constraints.

Root Cause stands out from other consulting firms because of its highly collaborative process and unique perspective. Root Cause has adapted the consulting process to suit the particular needs of our organization and produce the deliverables we needed.

BOB GIANNINO-RACINE
EXECUTIVE DIRECTOR, UASPIRE





RELEVANT PAST EXPERIENCE

Committee to Protect Journalists

Since 1981, the Committee to Protect Journalists (CPJ) has worked to defend press freedom and the rights of journalists around the world. CPJ has experienced significant organizational growth in recent years, increasing its annual budget which has allowed the organization to expand programmatically. However, this expansion put a strain on the internal operations that support these programs particularly because they had remote staff working on five continents.

In 2012, the Board of Directors approved a three-year strategic plan, but recognized a need to analyze the organization's current capacity and how it needed to develop to fully implement the strategic plan. The strategic plan identified targets for operational improvements to help achieve their three-year objectives, including augmenting strategic advocacy and campaigning, increasing fundraising to support its strategic goals, and strengthening management and governance to better administer the increasingly complex and far-reaching organization.

Root Cause worked with CPJ to evaluate the organization's Communications, Fundraising & Development, and Finance & Administration areas and recommend improvements that will enhance CPJ's ability to successfully implement the 2012-2015 strategic plan. This involved conducting an assessment of the current structures and procedures in place for the three departments under review and identifying how implementation of the strategic plan could be further strengthened by adapting the staffing and resources available to each of the departments. The final recommendations included specific ways that CPJ could improve its staff structure by adding or restructuring positions, build systems for better communication and CPJ culture-sharing among remote staff, increase efficiency in administrative processes, and use a core-periphery structure to enhance flexibility in the face of financial uncertainty.

Connecticut Children's Medical Center

Connecticut Children's Medical Center (CT Children's) is the only free-standing children's hospital in the state of Connecticut. It has a wide range of community-oriented programs, addressing issues from asthma management and injury prevention to the establishment of medical "homes" for children with special health care needs.

When Root Cause started working with CT Children's in the spring of 2011, it was clear that while the medical center's community-oriented programs had often produced excellent results, the services and funding they received from the institution were largely determined on a case-by-case basis. There was no medical-center-wide system to ensure that community-oriented programs that showed progress were appropriately supported, and little coordination existed among the programs themselves. This situation hampered individual programs and made it difficult for the medical center to gauge progress, show social impact, and to encourage the development of new and innovative ideas.

Ultimately, our business planning process with CT Children's focused on the structure supporting CT Children's work and resulted in the establishment of the Office for Community Child Health (OCCH), which will implement a clear process through which programs must show progress in order to receive support and resources from the medical center. As part of this project, we worked with the medical center to





develop a clearly articulated vision and plan for the office, a staffing model, a 12-month action plan, and a four-year financial model.

Rosie's Place

Rosie's Place was founded in 1974 by Kip Tiernan, a social justice activist, to address the needs of homeless and poor women in the city of Boston. Growing from an all-volunteer staff at its inception to a \$9 million organization with 72 full- and part-time employees, Rosie's Place has become a full-service community with a healthy financial foundation. With the vast growth that Rosie's Place had seen over recent years, the organization had begun to outgrow the structure of the Board, and Rosie's Place Board and management recognized that the Board needed to reexamine its structure in order to align it to the requirements of much larger and growing organization.

Root Cause assessed the board through interviews and best practices research and found that the board members Rosie's Place had at the time varied broadly in terms of their skill sets and their ability to lead the organization, give to the organization, procure resources for the organization, and participate in Board activities. Root Cause compiled recommendations for changes and improvements in the Board's structure, operations/functions, and eligibility requirements for members. Root Cause facilitated a number of frank discussions based on a customized self-assessment tool that resulted in unqualified board members stepping down to support Rosie's Place through other volunteer means. A year after the work with Rosie's Place had concluded, the executive director wrote, "I continue to appreciate all the help Root Cause provided to Rosie's Place—our board made significant, brave changes and we are in a much better place today."



Project Team

ROOT CAUSE TEAM

When the time for the start of the engagement is clearly known, Root Cause will assemble a team for this effort. The team is currently anticipated to include the following roles and people:

- **Stephen Pratt, Director:** The director will facilitate all meetings with the client and oversee the project team.
- **Biography:** Stephen M. Pratt is the Director of Consulting at Root Cause. He has more than two decades of experience in nonprofit management, having served as CEO of two direct service organizations, two capacity-building intermediaries, and a scholarship foundation. Steve has also had a role in the founding of six nonprofit organizations including Boston After School & Beyond and Bridgespan's Bridgestar Initiative.


One of these start-ups, Eureka-Boston, was a learning community for nonprofit CEOs that developed into the Massachusetts Nonprofit Network, representing over 600 community-based organizations in the Commonwealth. At Eureka, Steve coached 56 CEOs of nonprofits in youth development, housing and homelessness, healthcare, community development, arts, and environment. He has served as a resource for early stage social entrepreneurs and seasoned executives of multi-service agencies.

Steve has led a range of consulting engagements in the areas of education and youth, housing and homelessness, workforce development, civic engagement and advocacy, and health care improvement. As part of this work, Steve led the development of Root Cause Consulting's performance measurement system tool and our framework for financial sustainability planning. His most recent publication is a white paper examining the divergent views of nonprofit leaders and donors on financial sustainability.

Steve has an Ed.M. from the Harvard Graduate School of Education and a B.A. in Government and English from Hamilton College. A cancer survivor, Steve has completed the 192-mile Pan-Mass Challenge bicycle race four times, raising over \$20,000 for cancer research and advocacy.

- **Liana Paris, Lead Consultant:** The lead consultant will report to the Director, participate in all meetings with the client, oversee the research process and preparation for client meetings, and review and revise drafts.

Biography: Liana Paris serves as Root Cause's consulting practice manager, guiding Root Cause in

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improving its consulting service delivery and deploying the talent to deliver those services. Liana contributes project management, research, analysis, and support for client engagements.

Previously, Liana was based in Amman and Baghdad as a project manager with the International Organization for Migration's Iraq Mission, where she managed the strategy and operations for assistance projects for families displaced by the conflict in Iraq. With her passion for effective organizational systems, Liana drove an assessment of the mission's emergency supply chain which brought delivery of customized response kits down from one week to 24 hours to any province in Iraq.

Her experience there also included leading teams of monitors who surveyed the needs of displaced and vulnerable families throughout Iraq. She cut costs and increased quality for a 1.2 million dollar assistance program by moving from sub-contracting to direct implementation through 60 field monitors. She used the improved assessments to advocate for increased support for displaced families from a broad range of stakeholders, including other humanitarian organizations, government, media, and academia. She also managed community assistance projects to help displacement-affected communities improve their lives through economic, health, water and sanitation, and education initiatives.

Liana has a B.A. in International Relations from Brown University, was a Rotary International Ambassadorial Scholar at the University of Jordan in Amman and completed the Programme International at Sciences Po Paris.

- **Research Associate:** The research associate will support research related to all sections of the plan, participate in meetings, develop models (e.g., financial and staffing), and draft sections of the final deliverables.

This scope does include the contracting of outside experts beyond the internal expertise and capacity of Root Cause and the leadership of the project. Root Cause has supported the selection of these external consultants or others, but we do not include them in the scope of work without further clarification of interest and needs in these areas. If appropriate, we are also willing to work with experts that Community Catalyst has in house.

COMMUNITY CATALYST TEAM

Key staff from Community Catalyst will need to allocate time for meetings and phone interviews, and to review materials developed during the course of the planning effort. They will be responsible for gathering operational, financial, and additional data as needed. The following are some key roles and estimated time required:

- **Community Catalyst Lead:** Community Catalyst will need to identify one senior person who will work directly with the Senior Consultant from Root Cause. At a minimum, this person will have

biweekly, one-hour calls with the Senior Consultant, read and review drafts of materials, and attend all working group meetings.

- **Community Catalyst Coordinator:** Community Catalyst will identify one coordinator to work with the Root Cause team to help coordinate schedules, receipt of materials, etc. Time required will be approximately one to two hours per week.
- **Working Group:** Both Community Catalyst staff and board members, and potentially other key stakeholders, will be required to participate in working group meetings, review the plan as it is being developed, and participate on a limited number of phone calls.

Timeline

This project will start no later than February 1, 2015 with a target completion date of April 31, 2015. The length of the engagement is based on the pacing of the process to ensure the full participation of Community Catalyst and selected stakeholders in the development and approval of the plan. Root Cause will do its best to accommodate any funding proposal or other relevant deadlines, and will try to adjust the work plan timeline accordingly.

Fee

The fee for this engagement, including travel expenses, is \$12,500. A mutually agreeable payment schedule will be detailed in the engagement letter.



Fine Print

ACCOUNTABILITIES

Root Cause accountabilities include the following:

- Facilitate the process and ensure progress through all steps
- Develop agendas and facilitate all phone and in-person meetings that lead to the successful completion of the project
- Conduct primary research and secondary research needed to support the project
- Develop all drafts of the deliverables, with the final deliverables to be approved by Community Catalyst
- Regularly seek feedback from Community Catalyst on how the process is going, and how it can be improved
- Cooperate with staff and/or other external consultants working on projects for Community Catalyst as needed
- Respect confidentiality – Root Cause will not represent Community Catalyst to funders, the media, policymakers, or any other external audience without the respective organizations' prior approval

Community Catalyst accountabilities include the following:

- Provide a primary contact for the process and ensure active participation of staff as outlined in the work plan
- Convene partners and provide relevant information as requested
- Review all drafts of deliverables
- Make critical decisions during the process
- Participate actively in meetings
- Communicate regularly with the Root Cause team
- Make payments according to the terms in the engagement letter
- Facilitate communication between external consultants (if applicable)

Joint accountabilities include the following:

- Develop a clear work plan for the project, outlining tasks, deadlines, and responsibilities
- Alert each other of anything learned that may materially affect the success of the project
- Respect the confidentiality and the proprietary materials and approaches of both Community Catalyst and Root Cause
- Determine whether an opportunity exists to develop a knowledge project and provide educational insights for the field

