

BUT WHAT ABOUT THE MEMBER AGENCIES?

REDEFINING AGENCY RELATIONSHIPS FOR COMMUNITY IMPACT

INTRODUCTION

An essential attribute of a community impact United Way is its ability to partner well with others. As the United Way mobilizes the community for impact, new and non-traditional partners will emerge and relationships with existing partners will change. But what about United Way's traditional partners—the “member” agencies? This paper focuses on how those relationships will change in the new community impact model.

In focusing on community impact, United Ways seek to create lasting changes in community conditions that improve people's lives. Addressing community conditions will require United Way to look beyond the traditional relationships with “member agencies” to create new and different relationships with a variety of partners. The transition to a community impact business model almost always calls into question United Way's traditional funding patterns and relationships with member agencies. The notion of change in the historical relationships and ways of doing business can be enormously threatening to member agency staff and volunteer leaders. For agency leaders, the immediate worry is “What does this change mean to my budget and ability to operate programs in the future?” For those with longer relationships, there is anxiety about the disruption of a decades-old pact between United Way and its members – that United Way will serve as the fundraiser for

a group of excellent community providers. “Angst,” “uncertainty,” “heartache” and “tension” are words frequently used by agency leaders in describing their experience with the transition to community impact.

This paper examines how seven United Ways navigated the transition to community impact with member agencies. Although the sample size is small, the “lessons learned” summarize consistent themes that emerged from interviews with eight United Way staff and ten agency executive directors. See page 11 for more information about the methodology and the organizations contacted for this paper.

The good news for agencies is that there can be long-term benefits from United Way's transformation to community impact. Several agencies noted that they are stronger today as a result of their changed relationship with United Way. Agencies who see the need for greater independence from United Way improve their fundraising capacity and strengthen their boards. The work on program outcomes helps agencies improve their programs and make a more compelling case for support based on real results. Finally, agencies that participate on “vision” or “impact” councils share critical expertise and have the opportunity to draw attention to the issues faced by the clients they serve. Increased funding can flow to these newly established priorities and the organizations gain visibility as community leaders.

FEATURED UNITED WAYS

The United Ways featured in this paper are diverse in size and in geographic distribution. Four are Metro I's, one is a Metro II, one is a Metro III and one is a Metro IV. The length of time involved in “community impact” ranged from nine years to 18 months. The chart below shows the most common steps towards community impact taken by the United Ways in order of frequency.

Participants in the agency relations project and steps taken in order of frequency.

Steps taken	Indianapolis, IN	Midland, TX	Nashville, TN	Wichita, KS	San Diego, CA	Charleston, SC	Bristol, CT
Metro Size	Metro 1C	Metro III	Metro IB	Metro IB	Metro IC	Metro II	Metro IV
Year began transition to Community Impact	1999	2001	1997	2002	1994	1998	2001
Ask agencies to measure program outcomes	X	X	X	X	X	X	X
Member agency involvement in implementation	X	X	X	X	X	X	X
Create different funding streams	X	X	X	X	X	X	X
Establish “vision” or “impact” councils	X	X	X		X	X	X
Begin multi-year funding	X		X	X	Began in 1991	X	Will begin in 2005
Identify community and program outcomes to fund	X	X	X		X	X	X
Board appointed committee to consider the move to “community impact”		X	X	X	X	X	X
End agency “membership”		X	X	X		X	
Eliminate/reduce fundraising restrictions		X	X	X	In early 90's	X	
Change in funding patterns	Two new agencies certified for funding; \$700,000 targeted initiatives fund.	15 of 16 original agencies remain. 13 new “program providers” added in two years.	42 of 58 “members” in 1996 remain. Added 42 new partners since 1996. Significant funding shifts.	Won't know till Spring, 2004.	Of 69 funded programs, 25 eliminated and 17 new agencies funded in first cycle	Too soon to say; anticipate 10-20% new partners.	25% of allocable dollars set aside for initiatives.
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GUIDING PRINCIPLES

Seven “guiding principles” for successfully managing agency relationships during the transition to community impact surfaced. While there is no single definition of success in managing agency relationships, characteristics of success include stronger relationships with a broad array of community agencies and a mutual feeling of partnership and shared vision. Successful communities implement meaningful changes to their fund distribution processes to move them towards greater community impact. Where agency relationships are well managed, agencies are less likely to actively resist or sabotage United Way’s efforts to change.

1. Communicate clearly, openly and often. “Communicate more than you think you need to.”

The number one issue mentioned by both United Way staff and agency leaders is the need for clear and open communication throughout the transition period. Initially, agency leaders need to understand why the United Way needs to change. Agency leaders who understood the United Way’s sense of urgency and need for change seemed to be more accepting of the changes. For most United Ways, communication with agencies began immediately after the move to community impact gained board approval. Plans were shared at meetings of agency executives and followed up in writing.

United Ways need to communicate directly with agency volunteer leadership as well as with staff. There are two reasons to be sure to communicate directly with agency volunteer leaders. First, the message about United Way’s need to change can be diluted or distorted by agency staff. The news is more likely to be presented in terms of potential loss to the agency rather than potential benefit to the community. Second, agency board members are likely to be corporate and community leaders with relationships that reach far into the community. These leaders are an important constituency to engage in understanding United Way’s new mission. Some United Ways in the group studied offered to make presentations to agency boards; others

scheduled small-group meetings with the staff and volunteer leaders of key agencies. Ideally, committed United Way board members would assist in making presentations to agency boards.

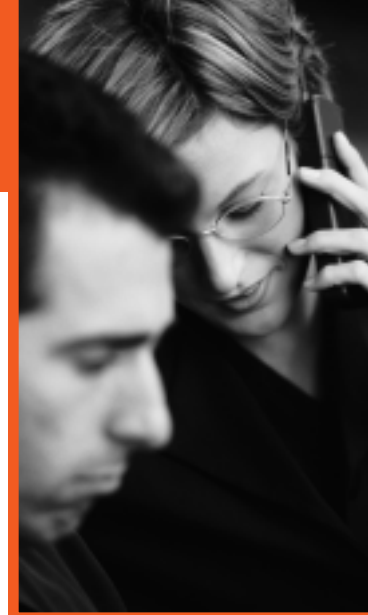
The move to community impact as it affects agency relationships is likely to proceed in stages over several years. Once a United Way’s volunteer leadership has embraced the idea of change, there is typically a period of a year or more for planning and implementation. Key questions during this phase include the following:

- **Which community issues or problems should we address and which program and community outcomes are we looking for?** The answer to this question may impact future roles and relationships with agencies as well as the types of agencies and programs that the United Way engages or disengages.
- **What new processes need to be put in place to invest funds around community or program outcomes?** The answer to this question may change agency behavior, processes and funding.
- **Will there be member agencies?** The answer to this question may affect policies and procedures that have guided the relationship between the United Way and the agencies in the past.

New language and new ways of operating must evolve. It is important for United Way staff to continue communicating with agency staff and volunteers, reporting back at key points and asking for input as needed. Inevitably, there will be setbacks and mistakes. United Ways should solicit feedback from agencies as they go along, and should be willing to admit when something isn’t working. This openness calls for a new tone in the relationship between United Way and community agencies.

Without clear and frequent communication, agency staff might perceive that the United Way has some kind of hidden agenda. Agency staff indicated greater levels of tension and frustration when their associated United Ways were less open and communicative. One agency director noted “agencies need to know that the intent is not to punish them or slash their funding.” In the words of another agency director “the less mystery, the better.” Operating with openness and transparency are keys to a smoother transition.

Know that agency staff may have difficulty hearing about proposed changes, and that this difficulty can lead to misunderstandings and misinterpretations. Said Alice Freidline of United Way of Midland,



Ways agencies can be involved in the transition to community impact.

- Select a number of agency leaders to sit on an implementation committee.
- Allow agency leaders to select representatives to sit on an implementation committee.
- Hold focus groups to which all agency leaders are invited to design new criteria and processes. Edit and bring back suggestions to a planning committee.
- Meet periodically with agency leaders during the transition. Share work in progress and ask for feedback.
- Invite representatives to sit on Vision or Impact Councils (with attention to balance between agency and non-agency participation).
- Invite agency leaders to make presentations to impact councils about research or best practices in their field, community issues, or emerging trends.

“you have to say it, say it again, clarify it, give it a month or two, and then actually make the change before some program providers will truly understand what you're trying to do.” Both United Way and agency staff noted a tendency for agency staff to adopt a “wait and see” approach. Agencies may not believe that the United Way really intends to change until the United Way demonstrates its commitment through action.

Finally, both agency and United Way leaders commented on the need for continued dialogue between United Way and the leaders in the nonprofit community. In a number of communities “agency councils” dissolved along with the concept of “member agencies.” On reflection, United Way staff noted that it was a mistake to let the agency councils die, as they provide a forum for dialogue with and among nonprofit leaders. Forums that bring together a variety of agencies are important for building relationships, sharing knowledge of community issues, and collaboration.

SUGGESTED STRATEGIES

- Prepare a power point presentation that makes the case for change to be used with agency leaders, agency boards, and other groups.
- Script the presentation so that it can be delivered by board members or key staff.
- Develop an ongoing communications plan for key audiences (i.e. agency leaders, media).
- Consider meeting with a few trusted and influential agency leaders in advance to brief them about the changes and gain their support.
- Plan for ways to continue dialogue with and among nonprofit leaders.

2. Involve and respect the participation of agency partners.

Even though the traditional “member agency” relationship may change, agencies remain an important constituency for United Way. One United Way staff member advised, “Recognize that the agencies have things to offer and that the relationships are key...we need to have that constituency on our side.”

The most typical path to transformation among these seven United Ways involves a board-approved decision to change based on the work of a board-level committee or “transformation task force.” While these board-level committees did not generally include agency representation, most United Ways chose to involve agency representatives in the implementation phase.

The extent to which the seven United Ways involved agencies in implementation varied. Some United Ways simply informed agencies of the changes. In some cases a small number of agency representatives were invited to sit on a planning committee charged with determining how community impact would be implemented. The agency representatives were charged with reporting back to the group of agency executive directors. Other United Ways held focus groups and planning sessions with agency directors to gain their input on process issues. United Way of the Plains held focus groups where agency directors became architects of the new fund distribution procedures. Agency directors designed a letter of intent process that placed high value on collaboration and outcomes.

The inclusion of agency representatives in the implementation phase is critical to maintaining good will and positive relationships. Noted one agency representative “...if it feels like it is being done without concern for impact to members there will be much more damage done. Communicate concern, respect, and listening.” An opportunity to have meaningful input can increase agency leaders’ comfort level with the changes. This input must be balanced, however, with input from other stakeholders, such as United Way volunteers and other nonprofit leaders.

Agency inclusion also allows for better decision making. One United Way representative noted, “Agencies are one tool for accomplishing community outcomes, so they must play a role in planning and implementation.” An agency representative noted “agencies have different insights and represent a perspective that United Way decision-makers need.” This is especially true on vision or impact councils, where agency representatives have subject matter expertise that is critical to planning how to address community issues. United Way of Central Indiana established impact councils that were chaired by Board or community members. Agency leaders who had expertise in a specific area were invited to serve as vice chairs for the councils.

A long-time agency director commented on the inclusion of agency representatives on impact councils, “For the first time we became participants in the process.” Instead of coming in as an outside organization presenting to a committee that would judge her application for funding, she became part of the group looking at solutions to community issues. A new relationship with United Way was born.

SUGGESTED STRATEGIES

- Develop a strategy for including agencies in planning and implementation. Decide which issues are “givens” and which are issues on which agencies can have meaningful input.
- Balance the input of traditional partners (“members”) with input from other stakeholders – volunteers, board members, and other leaders in the nonprofit sector who may not have a traditional affiliation with United Way.
- Plan for keeping agencies informed and involved throughout the process.

3. Help agencies see the bigger picture by focusing on the “greater good.”

United Ways were more successful in building support for the change if they took their case directly to the community. United Ways successfully used one on one or small group meetings with business/corporate leaders, presentations to key associations and civic groups to build community wide support and understanding of the changes. By reaching out broadly, United Ways can engage the broader community in the vision – making it “non-negotiable.” Having a clear community vision rather than a United Way vision is particularly helpful when agencies begin to resist to the changes. Among agency staff interviewed for this report, those who had a good understanding/buy in to the broader purpose of community impact had much more positive attitudes about the changes. United Ways that were able to communicate a sense of urgency and need for the change, as well as the benefit to the whole community seemed to obtain a greater degree of buy in from their agency partners. Communications to agencies should focus more on the broad vision and less on specific changes that will impact agencies. Focusing on what makes sense for the community is a message delivery

strategy that works. Terry Brown, Vice President for Community Investments at Trident United Way noted that “getting people to focus on total community benefit rather than how change might affect individual agencies helped motivate them to buy in and participate.”

FOR A BROADER VIEW OF THE FIRST STEPS INVOLVED IN UNITED WAY’S TRANSFORMATION SEE “SETTING THE STAGE.” THIS RESOURCE DESCRIBES FUNDED AGENCIES AS ONE OF SEVERAL STAKEHOLDER GROUPS WITH WHICH UNITED WAY MUST COMMUNICATE DURING ITS TRANSFORMATION TO A COMMUNITY IMPACT ORGANIZATION.

SUGGESTED STRATEGIES

- Plan a communications strategy about the proposed changes to include the media, community groups, key community leaders, etc.
- Engage other funding organizations (community foundations, state and local government, private philanthropists) in the new community impact vision.
- Be sure to keep presentations to agency staff and volunteer leaders focused on the big picture of the vision for community impact and why United Way needs to change.

4. Prepare the Board to respond to resistance.

Inevitably, the disruption of traditional United Way agency relationships will elicit strong reactions among agencies. Be prepared for agencies to mobilize and attempt to stop changes from taking place. Agencies may set up their own agency councils or may mount campaigns among their board members to lobby against the changes. **A critical success factor noted by a number of United Way staff is a United Way Board that is firmly committed to the change.** United Way staff spoke of the need to have the Board behind the change “150%” so that if agencies begin to bring pressure there is no hope offered them by United Way Board members – no “handhold of resistance.” Board members must not only be firmly committed to change, but they must also be able to clearly articulate the case for change and the new mission when colleagues and community members approach them.



SUGGESTED STRATEGIES

- Thoroughly engage the board in the new vision.
- Provide Board members with talking points and short easy to deliver messages.
- Provide Board members opportunities to rehearse delivery of the key messages.

5. There is no “one size fits all.” Customize the changes to agency relationships to community values and conditions.

According to Cindy Benson, Executive Director of the United Way of Midland, “There is no one size fits all- you’ve got to figure out who you are as a community, what your values are, and tailor the impact model to fit your climate and community.” The nature of past relationships with agencies, the extent to which key community agencies are already part of United Way, and the economic climate all determine what makes sense for a particular community at a particular point in time.

This principle extends to the issue of agency membership. Four out of seven United Ways interviewed for this project ended the traditional concept of agency “membership.” Because of the United Way’s reach into the nonprofit community and relationships with agencies, three United Ways did not see the need to turn away from the concept of “membership.” The elimination of agency membership is not a prerequisite to moving towards greater community impact. The Transformation Task Force at the United Way of West Central Connecticut began by asking “should we stay with the traditional way of doing business, or change to something new?” After much soul searching, the task force concluded that the answer was not OR, but AND– that is, they will continue to fund some programs through an allocations process and allocate dollars to community initiatives.

Political and economic considerations are also key to a United Way’s decisions about agency relationships. One community was heavily reliant on the aircraft industry, and the economy suffered greatly after September 11, 2001. The United Way leadership acknowledged the “angst” and increased demands for services as it made the transition with its agencies. Other United Ways noted the difficul-

ty of making changes to agency relationships at a time when there is less money available.

SUGGESTED STRATEGIES

- Carefully consider the United Way’s current relationships with member agencies in making the change. Are agencies seen as colleagues or vendors? Is there currently a strong feeling of loyalty and partnership?
- Consider United Way’s current reach into the nonprofit community. Does the United Way include most significant agencies in its geographic area? Has the United Way added new programs and members to keep up with changing community conditions? Are there new fields of service (such as housing) that are not addressed by the current United Way mix of agencies?

6. Be aware of the fear factor, but be honest.

When agency leaders were asked, “what do you most want to know” about the move to community impact the number one response was “how does this affect my funding?” “Know that understandably money is a big deal to agencies,” says Cary Dupont of the United Way of West Central Connecticut. “Even after a year of working together on the Youth Community Solutions Council volunteers and nontraditional partners are talking about issues and services and agencies are talking about money.”

Agency leaders asked for assurance that their programs would still be considered for funding, and that United Way would hold to the idea that “if you’re still doing a good job, you can still count on funding.” Unfortunately, this is one message that the United Way cannot deliver, if funding is to be about targeted community changes and not historical patterns. If certain areas are chosen for focus, other programs will become less of a priority.

United Way staff may be reluctant to tell programs that they may no longer fit, but agencies asked for clear communication (or, as one agency executive director put it, “United Way should be brutally honest.”) One of agency leaders’ top requests was for honesty and clarity up front – even if the news was bad (i.e. the United Way will no longer consider funding a particular type of program). In the words of one executive director “don’t make me

jump through hoops if you have no intention of funding my program....”

Agency directors asked for clear information, both in terms of process and in ultimate community outcomes. Said one agency leader “most United Ways are working around five to seven key issues.

Agencies need a clear description of the issue statement and definition around what’s worked, what’s working and where they see the shortfall on each issue....a clear statement of what United Way is trying to achieve in each impact area, what will be different.” While a common sentiment, this statement represents “old-style” thinking – that United Way dictates the terms and the agencies comply to receive the funding. Moving to community impact requires both parties to shift roles from funder/grantee to partners. In a community impact United Way, the specific issues may be defined through a partnership between United Way and nonprofit and community stakeholders.

For example, the United Way of West Central Connecticut chose “youth” as priority area of focus. The United Way convened a Youth Community Services Council that brought together diverse stakeholders including youth service bureau staff, school officials, and nonprofit providers. The Community Services Council began a planning process to determine an area of focus. After an open request for collaborative proposals, the Council chose an initiative to help middle school youth navigate the transition from childhood to young adulthood. Once the area of focus was chosen, the Council expanded its membership to include other stakeholders who had expertise or an interest in middle school youth. The council will also seek the input of youth in developing a specific strategy. United Way’s youth-serving member agencies played a role in the planning process and are now working as members of the Council to further define strategies for the youth initiative.

SUGGESTED STRATEGIES

- Be as honest as possible with agency leaders, even if you must tell them that their programs may no longer fit with the new priorities.
- It’s acceptable to say “We don’t know right now, but here’s how we are working on addressing that question.” Where practical, invite agency leaders to help think through process issues.

- Invite a variety of knowledgeable individuals to participate in the development of strategies for addressing community issues.

7. Find ways to ease the pain of transition.

The United Ways involved in this study used a variety of techniques to build goodwill with agencies and ease the pain of changes (see specific strategies listed below). The implementation of major changes to a United Way’s methods of distributing funds provides a perfect opportunity to streamline and update funding requirements, applications and decision-making processes. Agency leaders, who must consider time invested in applying against dollar return, were very vocal in asking for streamlined applications and processes.

Streamlining applications and processes also benefits United Way staff and volunteers by freeing up time and refocusing their work. Staff who are freed from annual funding cycles and from enforcing outdated policies will have more time to focus on broader community issues.

Sometimes an effort to ease the transition for member agencies can backfire. For example, in its first funding cycle without member agencies one United Way guaranteed that the former members would retain 80% of the funding pool. This proved to be a mistake, as many agencies interpreted this to mean that each agency would hold onto 80% of its funding. The need to backtrack and clear up this misperception was distracting and put the United Way in a defensive position. In the end, the guarantee proved to be unnecessary and counterproductive. The United Way staff concluded, “We wish we’d never said that.”

Agencies may be able to look to their national associations for support and information about the transition to community impact and the implementation of program outcomes measurement. The Girl Scout executive interviewed for this report noted that her national association provided information and case studies from other communities that helped her know what to expect. For more information on what national organizations are doing to help their members with outcomes measurement, see United Way of America’s report “Outcome Measurement in National Health and Human Service and Accrediting Organizations.” This



report can be downloaded from the United Way of America web site.

SUGGESTED STRATEGIES

- Extend funding cycles during the transition period (i.e. holding agencies at current funding levels and skipping a formal process for a year or two while the United Way planned for changes).
- Implement multi-year funding with two to three year funding cycles to ease the annual burden on agencies and volunteers
- Reduce or eliminate fundraising restrictions
- Hire consultants to coach agencies through the process of learning to measure program outcomes.
- Streamline applications and reporting requirements.
- Use an outside evaluator to evaluate new processes.

WHAT NOT TO DO....

Don't rush the process

Several United Ways tried to make all of the changes in one year – asking agencies to measure program outcomes, creating vision councils, revising the relationships with agencies and changing the way funds are distributed. Noted one veteran of the quick-but-painful approach “the one year timeline was clearly a mistake.”

Don't let the process go on too long.

On the other hand, one United Way announced that changes would be made in the future, but that there would be two full funding cycles before any changes took place. That United Way's Vice President for Community Impact thought, in retrospect, this was too much time and prolonged the angst and uncertainty experienced by the agencies.

In another case, a lengthy planning period required an unrealistic time commitment for vision council members. The councils, which originally included community, corporate, government and agency representation suffered major attrition from the private

sector members. A report by an outside evaluator noted that “many private sector committee members were unable to fulfill their commitment due to time constraints or impatience with the process.” When the time came to make funding decisions the committees had a disproportionate number of agency representatives. The result was a major issue with conflicts of interest.

Don't make it too complicated.

One United Way came out of its planning period with seven impact councils funding 310 programs for 52 “impact targets” and a total of 1200 program outcomes. With seven councils it was impossible to assure that each followed funding guidelines in the same way. Agency leaders protested that the process was inconsistent and questioned its legitimacy. The United Way Board ultimately reversed the decisions of the councils and returned 75% of each agency's original funding level.

Fortunately, this United Way recognized the problem and hired an outside evaluator to determine what went wrong. The evaluator interviewed 170 agency and United Way representatives and concluded that “the process was so complex, time consuming and focused on programs that the big picture of community needs and impact was lost.” The evaluation concluded that there were process problems, including a lack of consistency between vision councils and conflicts of interest with council members. In addition, there was staff turnover and the confusion that resulted from implementing a system as they were designing it or “building the bicycle as they rode it.” The results of the evaluation were shared openly with agency leaders and a committee was established to act on the recommendations. The United Way's openness in both evaluating the process and sharing the results of that evaluation helped restore credibility and faith in the process.

AGENCY ADVICE FOR AGENCIES:

“find a way to participate
and contribute.”

It is probably inevitable that changes at United Way will cause fear and uncertainty among the leadership of traditional member agencies. Most agency leaders interviewed for this report talked about the “angst” experienced by their colleagues. Agency leaders fear the loss of a stable funding source on which they may have relied for many years. Five of the ten agencies interviewed experienced a loss of funding and an increased need to raise funds on their own as a result of United Way’s changes. Others talked about an increasingly strained relationship with United Way. In the words of one agency leader, “We feel that the long-standing relationship that we had with the United Way is not valued at this point...Does United Way know what it is giving up?”

A number of agency leaders mentioned that the fear in anticipation of United Way’s changes was worse than the changes themselves. Noted one agency director, “Not knowing (the extent of the impact) is the most difficult thing.” As mentioned previously, clear communication and involving agencies in dialogue about new processes and procedures can help alleviate agency fears.

When asked: what advice would you give agency leaders in other communities (who are about to go through this change)” this is what agency leaders had to say:

Get involved! Agencies have a lot to contribute to United Way in terms of their perspective and knowledge. Find a way to participate and contribute. United Way can still be a stable and meaningful source of funding, and United Way involvement also helps the agency “brand” in the community.

– *Mary Bufwack, United Neighborhood Health Services*

Give your feelings up front, step back for a year, and when they decide what they want to do, then get involved.

– *Jim Trucio, Bristol Boys & Girls Club*

Take advantage of opportunities to be informed and accept the responsibility to inform yourself. It is a partnership and communication works both ways. Ask for information, and provide information....if you’re looking to sit back and let United Way provide for you, you’re in for a rude awakening. Responsibility for partnership is on both sides.”

– *Sandy Tisdale, Big Brothers/Big Sisters of Midland, TX*

Try to be comfortable with ambiguity. Decide from the beginning to be a partner in it. Make it your business to be a part of the change instead of resisting the change.

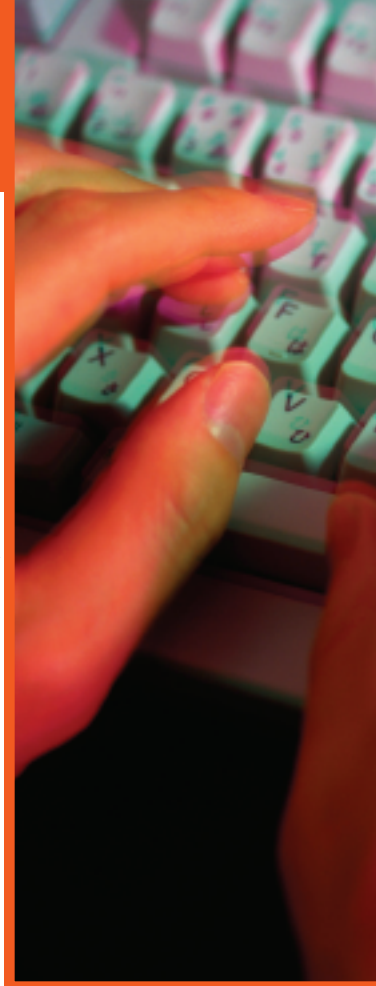
– *Susan Rutherford, Girl Scouts of the Permian Basin*

Pay attention...there is no need to be an obstructionist, but ask good questions. Make sure your board is involved. Going to war isn’t going to make anybody happy. There are a lot of good things (about impact) to be shared—so learn what the new rules are and play the game effectively. Get on with it.

– *John Lyter, American Red Cross of Greater Indianapolis*

The good news for agencies is that there can be long term benefits to a changed relationship with United Way. Several agencies and United Way staff noted that the agencies are stronger today as a result of their changed relationship with United Way. Agency leaders report that the change has forced them to build their fundraising skills and capacity. In the process they have paid more attention to the development of a strong board. A Red Cross executive noted “the paternalism that existed between agencies and the United Way ended. We realized we had to stand on our own and be independent. We became more mature as organizations.”

The work on program outcomes helps agencies improve their programs and make a more compelling case for support based on real results. This can strengthen an agency’s ability to tell its story. A Girl Scout executive noted that “outcomes have made us much stronger...I’m telling our story so much better now! Instead of talking about camp and badges, I can say ‘here is what happens to a girl.’ Changes at the United Way forced us to do it, and I am grateful!”



Benefits of United Way changes for agencies

- Agencies gain a partner in advocating for broader community change.
- Increased resources (United Way and other) are focused on priority issues and programs.
- The relationship between United Way and agency goes from paternal to partner.
- Agencies become more independent, strengthening fundraising capacity and board leadership.
- Agencies gain new opportunities for collaboration and partnership as United Way draws varied community stakeholders together to address issues.
- Working with United Way becomes less time consuming as reporting requirements are streamlined.
- Agencies working in partnership with United Way gain increased visibility in the community.
- Programs become more effective and agencies increase the ability to communicate results due to outcome measurement.

Agencies that participate on “vision” or “impact” councils share critical expertise and have the opportunity to draw attention to the issues faced by their clients. Increased funding can flow to these newly established priorities and the organizations become more visible as community leaders. For example, though the Bristol, Connecticut Boys and Girls Club initially lost money, the organization’s leaders believe that it will ultimately gain from a changed relationship with United Way. The Boys and Girls Club executive is serving on an impact council focusing on youth. The result is greater visibility for the organization and for youth issues in general. At another United Way, a vision council on children and youth established a subcommittee on childcare. Greater attention was focused on the issue of childcare, opening the door for a local childcare provider to make a case for funding. Because the issue became a priority, more dollars flowed.

A WORD ABOUT COMPETITION

Competition between United Way and agencies was a concern mentioned by one United Way staff person and several agency directors. The concerns seemed to be mostly regarding competition around fundraising in a climate with limited fiscal resources. In one case agency staff noted the United Way was competing for a “more direct connection with the community.” This United Way was raising dollars and visibility through community wide events. The United Way was targeting corporations for sponsorship dollars which had been seen as belonging to the agencies.

The perception of competition may also be due to United Way’s new message strategies, which are more focused on the difference that the United Way makes, rather than promoting the achievements of agencies through individual “success stories.”

Some agency concerns about competition stem from a perception that the United Way intends to become a direct service provider. These concerns can be addressed by correcting this surprisingly common misperception and continuing to articulate and act on the new community impact mission.

From the United Way point of view, increased competition from agencies for corporate and other dollars is seen as a byproduct of stronger, less

dependent agencies. It seems that the down side of agencies with more fundraising capacity and stronger boards is agencies with more fundraising capacity and stronger boards. Donor designation was also noted as an inadvertent source of competition for funds.

It is difficult to say at this point whether competition for resources between United Way and the agencies is a fear or a reality. Competition may be a non-issue considering that a community impact United Way’s product is community change and community outcomes and an agency’s product is services and program outcomes.

In reality, a United Way carrying out a community impact mission can strengthen the community (and its position) by attracting outside resources that could not be garnered by an individual agency, such as state, federal and foundation grants. For example, in Nashville the United Way in its role as the convening organization for 13 family resource centers obtains \$359,000 a year in city funding and \$25,000 in foundation grants for the programs. This type of fundraising calls for a different set of skills and a different allocation of staff time. Incorporating these skills will be essential for the success of the community impact United Way.

CONCLUSION

Moving from funder to partner in addressing community issues requires a considerable shift in mindset for both United Way and agency staff. United Way staff and volunteers must first acknowledge to agency partners that they don’t know everything, that the path is likely to be rocky, the outcomes uncertain, and that relationships with member agencies will change in ways that may make people unhappy.

The move to community impact calls on United Ways to give up power and control and to move to shared decision-making with knowledgeable groups that include agency representatives. A different relationship between agencies and United Way – a partnership - must evolve. Discussion with agency leaders shows that agencies are beginning to see the United Way in a new light, but that a new relationship is slow to develop.

The way in which a United Way manages the transition to community impact can set the stage for

a greater partnership with nonprofit providers. Best practices include clear and consistent communication and respect for the knowledge and experience of nonprofit leaders. Inclusion of agency leaders (including those not traditionally associated with United Way) in planning processes and on impact councils is critical to success. If agency relationships are managed with respect and integrity, agencies will move beyond resisting United Way's changes to become indispensable allies in the quest for community impact.

PROJECT BACKGROUND AND METHODOLOGY

This research was commissioned by United Way of America in 2003. The goal of the project was to build a knowledge base about how relationships with member agencies have changed in United Ways that are moving to community impact.

The project sought to talk to United Ways that

- have implemented a significant change in their way of doing business
- are far enough into change to have seen impact on relationships with member agencies and
- are diverse in metro size and geographic area.

In conjunction with United Way of America staff the consultant developed a list of United Ways that fit the above criteria. Telephone interviews with seven United Ways were conducted in November and December, 2003 (see appendix one for the list of United Way questions). Six of the staff interviewed are the lead staff of the "community impact" division, two are Chief Professional Officers.

Each United Way was asked to provide contact information for two or three agency executive directors to be interviewed about how they experienced the change. United Ways were asked to recommend agencies that are supportive of the change as well as those that are less supportive.

Representatives from the following agencies were interviewed for the project (appendix 2 contains the agency interview questions, appendix 3 contains the names of the agency representatives):

- American Red Cross of Greater Indianapolis
- American Red Cross, Nashville
- Association for Retarded Citizens of Dorchester County
- Big Brothers/Big Sisters of Midland, Texas
- Bristol Boys & Girls Club
- Day Nursery Association
- Girl Scouts of the Permian Basin
- Charleston Jewish Community Center
- United Neighborhood Health Services
- Wichita Area Sexual Assault Center

The staff interviewed were all Executive Directors. The average length of time in their current position was 9.5 years. Six had been in their position less than ten years, four more than ten years. The least experienced had been in her position for four years, the most experienced had served for eighteen years.

This report was prepared by Lesley McDonald. For questions or comments, please contact Katie Pritchard at katie.pritchard@uwa.unitedway.org



APPENDIX ONE

INTERVIEW QUESTIONS FOR UNITED WAYS

INTRODUCTION

A key concern for United Way's that are transitioning to Community Impact is what happens to relationships with traditional "member" agencies. United Way of America is seeking to create tools to help local United Ways explain and manage that transition. As a representative of a United Way that is involved in the move to Community Impact, you have been asked to participate in a short telephone survey. The interview will focus on what changed in agency relationships as a result of the move to Community Impact and how your United Way handled the relationships with agencies during the transition.

You are encouraged to answer the following questions freely and honestly. Answers will not be attributed to individuals without your permission.

INTERVIEW QUESTIONS

1. On a scale of one to four, with one being "tense and strained" and four being "positive and collaborative" how would you describe the quality of your relationships with member agencies prior to the change?
2. When did the United Way begin the process of changing to community impact?
3. When and how did the United Way inform member agencies about the changes?
4. What role did UW member agencies play in planning and implementation?
5. What role did other community non profits play in planning and implementation?
6. At this point in time, what has been the actual extent of the change
 - on the mix of agencies
 - on the types of relationships with agencies (i.e. grants, contracts, etc.)
 - in dollars distributed to "members" vs. other partners
 - in fund distribution processes
7. What lessons were learned:
 - what was the best thing that you did with regard to member agencies?
 - what was the worst thing that you did with regard to member agencies?
8. What advice would you have for other UW's in handling agency relations prior to and during the transition to Community Impact?
9. Looking at your relationship with community agencies on a continuum from funder to partner, how would you describe the nature of United Way's relationships with community agencies?
10. Anything else you'd like to add?
11. Please provide the names and contact information for three agency directors to be interviewed about the changes at UW (appropriate agencies would be those that fall into the new priorities as well as those that don't, agencies that are likely to be funded by many UW's across the country (Scouts, Red Cross, Salvation Army, etc.), new partners, etc.).

APPENDIX TWO

INTERVIEW QUESTIONS FOR AGENCIES

Introduction

Many United Ways around the country are undergoing a change in the ways in which they do business. United Ways are seeking to move beyond their traditional role as a funder to playing a more active role in addressing community issues. A key concern for United Ways that are undergoing this transition is what happens to relationships with traditional “member” agencies. United Way of America is seeking to create tools to help local United Ways explain and manage that transition. The United Way in your community is involved with this change. As the leader of an associated agency, we are interested in your perspective on the changes at your United Way. This interview will focus on what changed in agency relationships and how your United Way managed the relationships with agencies during the transition.

You are encouraged to answer the following questions freely and honestly. Answers will not be attributed to individuals without your permission.

INTERVIEW QUESTIONS

1. On a scale of one to four, with one being “tense and strained” and four being “positive and collaborative” how would you describe the quality of agency relationships with United Way prior to the change?
2. When and how did you first become aware that United Way was undergoing a change?
3. Have you had the opportunity to shape or participate in the new direction of UW?
4. How has the change affected your agency? How has it affected your relationship with the UW?
5. What do agencies most want to know about the CI United Way?
6. What do you wish you had known?
7. On a scale of one to four, with one being “I view UW primarily as a funder” and four being “I view UW as a collaborative partner” how would you rate your current view of the UW? Is this different?
8. Is there anything you wish your UW had done differently?
9. What advice would you give agencies in other communities?
10. What advice would you give other UW’s about to embark on this transition?



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Jim Trucio

Chief Professional Officer,
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