

## Strategic Return-on-Investment: Putting the Horse before the Cart

Public human services agency training directors are seeking ways to more positively influence and impact their organizations, towards improved performance and outcomes for the children, families, and communities that they serve. Many of them are no longer satisfied with designing exceptional training programs that are received with high evaluation scores but unclear transfer to practice and little or no measurable impact on outcomes. Rather, they are seeking to attain and make the best use of their seat at the senior leadership table.

Accordingly, APHSA has been developing a set of frameworks and tools to share with its National Staff Development and Training Association (NSDTA) members at their annual conference in November. These tools are being designed to define and put into practice the principles of *organizational effectiveness (OE)*, an approach to aligning and advancing an organization's strategic direction, available resources, relationships, practices and accountabilities.

APHSA's OE frameworks and tools begin with a unified model for understanding the work of senior leadership, containing four sequential, interrelated levels of consideration and inquiry: *strategy, system, process, and content*. Within this approach, development and training priorities (content) flow from an understanding of the strategy they are intended to support, the systems gaps they are intended to close, and the key processes that they are a part of and not separate from, thereby "putting the horse before the cart."

In this article I will address the elements of the most macro level of inquiry: *Strategic Return-on-Investment (ROI)*. The six interrelated elements of ROI are: *vision, values and mission; strategic customer analysis; key initiatives; performance capacity; outputs; and outcomes*. These elements are highly dynamic and iterative: an organization may begin work on more than one, and advances on any will likely impact all of the others. They collectively provide an agency with a sound assessment of their current ROI and "set the direction" for the organization's game plan for improving its effectiveness and performance, consistent with APHSA's *Leadership for High Performance* curriculum.

**Vision, Values, and Mission.** Defining and being guided by the "true north" direction of the agency and its work is especially critical for ongoing staff and stakeholder support. Many organizations have done the "visioning thing" over the last few years, yet too often it is a one-time, feel-good activity and work product that is hung on a wall or placed on a shelf. If this is the case an agency risks striving for and achieving objectives that may, for example, save money and time, but do not serve clients and communities as originally and most deeply intended. "Doing the wrong thing well" is a surefire proscriptio for a poor ROI. Let's not imitate Enron in our attempts to improve stakeholder returns.

**Strategic Customer Analysis.** This element and work product answers the question: *Who are our customers and stakeholders, and what compelling, differentiating value do we intend to provide to them?* Agencies that do not clearly understand their customers and stakeholders in this manner, even with the best of intentions, are more likely to serve the wrong people, or serve the right people with the wrong products and services. Could the lack of clear strategic customer analysis in our sector be the cause of relatively over managed compliance-related efforts, coupled with relatively weak community-level partnership efforts?

**Key Initiatives.** These exist in nearly all human services agencies, under the heading of key innovations, key priorities, big hairy projects, and the like. Yet many are essentially proscribed by legislators or regulators, and many others are piled on top of existing priorities, creating confusion and a flavor-of-the-month quality. Agencies operating in the ROI mode work to limit and target such priorities and initiatives to the most critical gaps against either their strategic customer analysis or their performance capacity.

**Performance Capacity.** We at APHSA continue to be struck by how most Program Improvement Plans for improving child welfare do not contain a related plan for building the performance capacity required to implement any PIP innovations. *Performance capacity* is the way an organization uses its people and other resources, striving for the structure, culture, staffing levels, skill sets, processes, methods, and policies specifically needed to carry out both its key initiatives and its basic business activities. This is an emerging field of inquiry in both academic and business periodicals.

**Outputs.** While most agencies define and track performance against a set of indicators for what the agency does with its clients, there are two problems that frequently exist. First, the data that agencies use to track outputs is often flawed; many agency-specific and general approaches do not truly capture client-specific experiences and longitudinal trends adequately and with the appropriate frequency. Second, outputs- what an organization does with clients, is far different from outcomes- how clients lives are different. Many organizations blur and cloud these two elements, yet ROI is ultimately only meaningful in regard to outcomes.

**Outcomes.** Once an outcomes mentality is truly embraced, it almost necessitates that an agency works and partners with all of its relevant and expert community partners, better insuring the proper defining and tracking of community-based outcomes that reach far beyond a single agency's reach and scope. Indeed, an agency working within an ROI-driven model will often lead such an effort in their local and state-level settings, gathering or developing the required skill sets and building the required culture and practices to do so. And this is where an agency's organizational training and development plans are ultimately anchored if they are to yield a high ROI.

Working from these six interrelated elements for OE and ROI, an agency's senior leaders are well-equipped to assess their organization's readiness for strategic improvements, establish their related framework and plans for key innovations and changes, and make highly targeted investments in their performance capacity, including staff skills and abilities through a range of development and training initiatives. "Putting the horse before the cart" in this manner is much more likely to improve transfer of learning into practice and organizational performance to desired outcomes.

In closing, APHSA's Leadership Practice and Development unit sees the development and training function as critical to the effectiveness of human services agencies, first by assisting senior leaders to move into an organizational effectiveness approach, and then by delivering high-quality content: products and services that address the organization's most critical needs. We hope that our work with and through the NSDTA will assist these professionals as they continue to move into a most organizationally effective and value-added ROI approach in their own right.