mctac
THE MANAGED CARE TECHNICAL ASSISTANCE CENTER OF NEW YORK

ctac
THE COMMUNITY TECHNICAL ASSISTANCE CENTER OF NEW YORK

Key Operational Functions
Executive Leadership

Fern Aaron Zagor, LCSW-R

Rose Marie Belfini

February 19, 2020

Agenda

An introduction to business practices

- The Role of Leadership
- What's a business plan?
- Relationship between the business plan and the strategic plan
- Developing a business plan that reflects the agency mission, vision and culture
- Who needs to know?

Operational processes and workflows

- Internal controls, risk mitigation, efficiencies

The Role of Leadership

Leadership in the nonprofit sector means facing challenges unique and different from for-profit industries.

- Leaders are charged with directing day-to-day operations, establishing goals and objectives, and building an internal organizational structure
- Leaders must generate staff, Board, and community stakeholder buy-in
- They must also align their business and strategic plans with a fundraising plan reflecting the organization's mission and its need for sustainability and growth

Leadership Styles

According to a recent survey*, there are 4 types of leadership styles:

- Servant leadership
- Transformational leadership
- Charismatic leadership
- Transactional leadership

* "A Study of Nonprofit Leadership in the US and Its Impending Crisis."
Adrian Sargent, PhD, and Harriet Day. 2018

Servant leadership

- Not a “top of the pyramid” style. Servant leaders look to share power, desiring to put the needs of others first. They are motivated by the well being of people, by creating value for communities, and by empowering others—especially subordinates—to grow and succeed
- 53% of those surveyed identified themselves as servant leaders

Transformational leadership

- Transformational leaders are often characterized by acting with high levels of morality, optimism, and confidence while moving towards the future. But they also walk-the-talk by both emphasizing and embodying values that are important to their internal colleagues as well as their external members and contributors
- Transformational leaders are motivated by the nonprofit's vision and its ideal future—they are the dreamers that can envision what's possible and then bring it to life. They make sure their organization and its stakeholders understand not just what they are doing, but WHY they are doing it and how it's related to the nonprofit's mission
- 35% of those surveyed identified themselves as Transformational Leaders

Charismatic leadership

- Charismatic leaders focus on drumming up excitement and enthusiasm for a vision or goal. They motivate certain behaviors through force of personality or persuasion and are usually very effective communicators. Rather than pulling team members and contributors into the vision, these leaders use their own convictions and confidence to benefit the nonprofit's mission
- Leaders who fall into this category often create higher levels of self-assurance and job satisfaction for team members, helping them to see that they're providing meaningful work. However, they can develop a high need for power which can lead to narcissism and a tendency to exaggerate their own abilities. These types of leaders are known to take high risks, which can damage long-term sustainability. These tendencies demonstrate why a strong surrounding team is important
- 30% surveyed identified themselves as Charismatic Leaders

Transactional leadership

- These types of leaders find motivation through goal setting and achievement—not all that dissimilar to a commission-based sales executive. Defined, transactional leadership is "an exchange process based on the fulfilment of contractual obligations and is typically represented as setting objectives and monitoring and controlling outcomes"
- Some research argues that providing tangible rewards for individuals within the organization can motivate them to perform. Others have found that it can create an unhealthy level of organizational competitiveness
- 5.1% surveyed identified themselves as Transactional Leaders

Leadership and Business Planning

- Regardless of style, nonprofit leaders need high-level organization and technological vision to achieve their nonprofit's goals and vision
- Understanding the style of how each leader operates—as well as what type of team they need to be surrounded by—can help determine how they should manage time and resources, how their style is impacting the nonprofit
- Developing a Business Plan is an essential tool!

What’s a Business Plan?

- A written document that describes in detail how a business is going to achieve its goals
- Lays out a written plan from a need, program, marketing, financial, and operational viewpoint
- Lays out a plan of operation that identifies how an organization will reach its goals and objectives
- It’s flexible and should change as the organization matures
- In the healthcare sector, the plan should align with the triple aim:
  - Improve the patient care experience,
  - Improve the **health** of patient populations, and;
  - Reduce the per capita cost of **health care**.

Business Plan or Strategic Plan

You need both!

- Business Plan – Its an action plan identifying the tasks, milestones, and goals and the potential for success and potential risks ahead.
- Explains:
  - <u>Who</u> are the non-profit's customers
  - <u>What</u> is the geographic area
  - <u>What</u> services are unique
- Strategic Plan – Takes what the business plan has identified and answers how the desired results will be achieved. Ex:
  - How will goals be accomplished with limited resources
  - What will be prioritized
  - What needs to happen and when to achieve success
  - How will success be measured

Elements of A Business Plan

A single document (one page or multiple pages) with the following components:

- Executive Summary
  - Includes an overview of the agency including a description of the mission, history, unique strengths, and assets, services, leadership, location, etc.
- Needs Assessment
  - Discuss why services are important. Identify gaps/needs/opportunities
- Funding and Marketing Strategy
  - How will services be funded? Who will know and how?
- Budget

Important!!!!!

The Business Plan must reflect the organization's

Mission, Vision, and Culture

Who Needs to Know

- Executive Leadership
- All agency departments:
  - Program Managers and Supervisors
  - Contract Managers, Fiscal staff, HR
  - IT and compliance staff
- Board Members
- Program Staff
- Grantors
- Legislators and Local Government Units
- Regulators
- Community Stakeholders

Why

- Business Planning and Budgeting is not in a vacuum
- Everyone of the stakeholders has skin “in the game”
- Your success is measured against deliverables, expectations, and outcomes – are we really making a difference?
- Board has fiduciary responsibility – they have a need and a right to know
- Funders want to know what they are paying for and what outcomes to expect – Return on Investment (ROI)
- Staff needs to know what they are doing and why, and what are the expectations: Transparency and communication from senior leaders increase staff buy-in and decreases resistance to change

Plan Coordination

The Business plan should be coordinated with:

- Program Operations
- Service Outcome Expectations
- Staff Performance Expectations
- Client Satisfaction
- What do we need to know:
  - Tracking outcomes: Client, staff, and financial
  - ROI: Are we really making a difference? Is funding well-spent?
  - Financial status – Are we spending within budget and accomplishing what we planned?

What is a Workflow and What does it provide?

- A workflow is the sequence of tasks that occur from start to finish. It can involve multiple individuals, departments and organizations. It's a tool that should provide the who, what, where, why, when and how of the function you are describing
- There are various workflows that should be developed to document client, service, operation, and financial processes and perspectives
- Completed workflows facilitate:
  - Development of policies and procedures
  - Job Descriptions
  - interdepartmental and community relationships
  - Communication
  - Compliance
  - Automation

Workflows from a Client Perspective – Client Tracking*

- Understanding the initial and on-going experience of the client is a key part of the service you provide and the goals/outcomes you intend to reach
- The workflows you develop should, at minimum, answer the following questions:
  - Who will be the client's initial contact?
  - How long is the admission process?
  - Who will evaluate the client to determine the appropriate service?
  - Does the client require financial assistance?
  - How does the medical record and documentation relate to the billing process?
  - What safeguards (checks and balances) are built into the entire process?
  - How do you identify waste, fraud, and abuse?

*Many auditors (OMH, Joint Commission) use a Tracer Methodology

Summary

Today we reviewed:

- The role of leadership and leadership styles
- The development and use of a business plan
- Relationship between the business plan and the strategic plan
- Communication and coordination of the business plan with stakeholders – internally and externally
- The importance of developing a workflow

At our next session, we will focus on Finance, Billing, Administrative, and Audit functions

Feel Free to Contact Us

Fern Aaron Zagor, LCSW-R

- Fern Zagor Consulting LLC
- Zagor.consulting@gmail.com

Rose Marie Belfini

- Roebelfini@aol.com