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Organizational Assessment: Pathway To Improvement For Teen Challenge Of The Rocky Mountains

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Running Head: ORGANIZATIONAL ASSESSMENT: PATHWAY TO IMPROVEMENT

Organizational Assessment:
Pathway to Improvement for
Teen Challenge of the Rocky Mountains

Kenneth G. Summers

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Abstract

This professional project examines the growing focus on organizational evaluation and the use of assessment tools that contribute to organizational development and capacity-building. An extensive literature review addresses the background, framework and various approaches to organizational assessment. Three assessment tools reviewed in this project provided the basis for an organizational assessment of Teen Challenge of The Rocky Mountains. These tools along with interviews and an examination of records and organizational documents resulted in a wide spectrum of recommendations. The core recommendations address the need for sufficient and sustainable assets, deep and broad leadership, and a commitment to learning and self-reflection.

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Introduction

Publicly supported nonprofit organizations face critical questions that demand answers. They face questions like these: “What outcomes are being achieved?” “Is this a responsible organization worthy of my support?” and “What differences are being made in the lives of individuals?” Successful nonprofits hold themselves accountable for performance inside the organization and for program results (Drucker, n.d. ¶6). Through organizational assessments, nonprofits strengthen their effectiveness, efficiency and functional capacity. This demonstrates accountability and builds trust in the eyes of funders, stakeholders and the public. The result is more clients served with greater rates of success (effectiveness) and a greater percent of the budget devoted to programs (efficiency). This professional project reviews the need for organizational assessment, examines literature on organizational assessments, evaluates a variety of tools, and applies an assessment tool to a nonprofit organization.

The focus of application for concepts and selected measurement tools of this professional project is Teen Challenge of the Rocky Mountains (TCRM), a 501(c)(3) nonprofit organization in Denver, Colorado. This faith-based drug and alcohol residential rehabilitation program contains a strong Christian discipleship foundation for all program therapies. Teen Challenge of the Rocky Mountains operates three centers: the Denver Men’s Teen Challenge Center, New Hope House in Tooele, Utah and House of Promise, a new center to open in 2005 located in Olathe, Colorado. The project’s recommendations will form a basis for strategic planning and organizational capacity-building for this nonprofit.

This project fulfills the professional project requirement for the degree of Master of Nonprofit Management. The author approaches the work with the selected nonprofit organization in the role of a consultant. When necessary the author will refer to himself as “the consultant.”

Statement of the Problem

Teen Challenge of the Rocky Mountains (TCRM) is a 35-year-old organization in need of greater financial stability and expanded organizational capacity. The organization is in the process of taking an inward look and developing a plan for future effectiveness. In the past year, a cash flow crisis resulted in the loss of the Associate Director, whose focus was resource development. This event precipitated the resignation of three board members recruited by the Associate Director. At the same time, the successful renovation of a facility for a new ministry in Olathe, Colorado has received wide support with \$22,000 raised at a recent District Council, the sponsoring organization's annual conference, to pave the way for its grand opening and admitting the first students.

As this third center prepares to open, the board of the Rocky Mountain District Council of the Assemblies of God (the sponsoring organization for Teen Challenge), approved a request to deed the property of the Denver Men's Center to Teen Challenge. The leadership of the Rocky Mountain District Council in granting this request asked the organization to create a business plan that will provide future direction and stability for the organization. Charles Hefton, a life coach and consultant who is an executive officer of the Rocky Mountain District, has started working with the board on mission, vision, values and board development.

As Teen Challenge plans for the future, it faces a continuing cash flow challenge. The 2004 income was \$614,674 with 50 percent from church and individual contributions, 23 percent from fundraisers, 26 percent from support for staff and students and one percent from interest and other income. Program costs accounted for 55 percent, Management and General 35 percent and Fundraising 10 percent of the expenses. The organization employs 18 paid staff members, 15 full-time, one part-time and two interns.

In addition to cash flow concerns, the organizations faces the need for an expanded men's facility and the need to develop the programs of its three ministry centers.

Background of Teen Challenge of the Rocky Mountains

Origin and Affiliation

Started in 1958 in New York City by Rev. David Wilkerson, the mission of Teen Challenge International, USA is for youth and adults with life-controlling problems to be mentally sound, emotionally balanced, socially adjusted, physically well and spiritually alive (About Teen Challenge ¶1).

Teen Challenge of the Rocky Mountains (TCRM), is a 501(c)(3) entity that operates as one of 170 centers affiliated with Teen Challenge International, USA. TCRM is a faith-based residential program that targets three diverse groups impacted by the drug and alcohol epidemic affecting our nation. It serves clients in Colorado and Utah. In addition to its accreditation by Teen Challenge International, USA, it also operates in affiliation with The Rocky Mountain District Council of the Assemblies of God. This relationship provides a support base of over 150 churches in Colorado and Utah.

Philosophy and Therapeutic Approach

Teen Challenge has a philosophy that no addict is without help. Every student committed to and serious about life change is accepted into the program. The average cost for the men's program is just under \$1,800 per month. This cost compares to secular programs that charge \$7,500 or more per month (Bicknese, 1999). Donations from individuals, churches, family members and friends of students cover the cost of the program.

The foundation of the program contains a strong Christian discipleship element that teaches biblical principles that apply to all aspects of life. Teen Challenge International provides

and approves the curriculum used in affiliate centers. The life change process of the year-long program focuses on therapeutic support and spiritual formation through five approaches: work therapy, group therapy, individual therapy, music therapy and recreation therapy.

The definition of success for rehabilitation programs is remaining drug free and sober for a period of one year after leaving the program (Bicknese, 1999). The success of the Teen Challenge program nation wide has been the subject of several studies over the years. A 1994 study by Dr. Roger Thompson of the University of Tennessee and reviewed by Dr. Aaron Bicknese of Northwestern University found as many as 86 percent of Teen Challenge graduates abstaining from drugs after seven years following graduation (Bicknese,1999, p. 2).

Teen Challenge is summarized as more effective than government funded programs in rebuilding shattered lives. This is attributed to the forming of productive societal relationships through staff, the “social contract” of the program stipulating acceptable values and behavior, the fundraising structure giving a sense of being privileged to be in the program, a focus on empowering character and confidence, developing productive citizenship and the priority of spiritual formation and biblical faith (Bicknese,1999).

Establishment of Teen Challenge of the Rocky Mountains

Established in the early 1970’s as a Christian ministry serving adult men, the organization now operates centers in three different geographical locations. The Denver Men’s Center, the serves adults 18 and older has a capacity for sixteen. New Hope House, in Tooele, Utah, is a juvenile girl’s center, serving students 12-17 years old with a capacity for six. House of Promise, in Olathe, Colorado, targets women with preschool children and can house eight women and up to 16 children.

The timeline of key events for Teen Challenge of the Rocky Mountains reveals a history of change and facility relocation (see appendix A). The founding executive director had a strong personality and served the organization for 20 years. He was highly entrepreneurial, purchasing property and developing programs without extensive planning or evaluation. The result was significant changes, financial challenges and the absence of a facility in Denver for over ten years (Rowe, R. personal communication, May 18, 2005). Through the years, programs maintained financial support and many lives were changed. However, the financial stability and development of the organization lagged behind its years of operation.

After the founding executive director resigned, the organization experienced some years of transition and instability. After a year without an executive director, the current executive director was selected in 2000. This new executive director had a number of years of Teen Challenge experience and a long tenure in his previous assignment.

In 2001, New Hope House in Tooele, Utah became a part of Teen Challenge of the Rocky Mountains. Shortly after this, an Associate Director was hired to focus on resource development. Over the next three years, financial deficits eroded any surplus funds creating a financial crisis, and causing the elimination of the Associate Director position.

In 2004, renovation began on an abandoned facility in Olathe, Colorado to establish a new ministry center to young women with preschool children. House of Promise was established in a partnership between Teen Challenge and the Women's Ministry Department of the Rocky Mountain District Assemblies of God. House of Promise is one of three Teen Challenge facilities in the country that serve this population. In 18 months, over \$500,000 in donations of cash, furnishings, materials and labor allowed the project to be completed.

Organizational Structure

The Board of Directors consists of 13 members that include the Executive Director, Business Administrator/Treasurer and three ex-officio members. Board members serve three-year consecutive terms. The current governance structure establishes a Resource Committee to support each of the ministry centers. The organizational chart visually demonstrates the concepts that leaders serve those closest to program services (see appendix B). This inverted pyramid structure symbolizes the biblical and modern management theory of servant-leadership. One of the basic tenets of an inverted pyramid structure is the only reason for staff is because there are people to serve. The only reason for managers is because the staff doing the service needs support. This model delineates the difference between “power” and “importance” in the organization (Brinckerhoff, 2000). The challenge with this type of structure is to live it out as part of the culture of the organization.

Management Team

Charles Redger, Executive Director, has one of the longest tenures of any Teen Challenge executive director in the United States. His involvement with Teen Challenge dates to 1962. With the exception of two years of pastoral ministry, he has devoted his entire career to the work of Teen Challenge. He has served Rocky Mountain Teen Challenge since 2000.

Allen Turley is the director the Denver Men’s Center. He has served in this position since 1997. His entire career since 1984 has been in Teen Challenge. He served as the executive director of Teen Challenge in Calgary, Canada before joining the staff in Denver. He oversees a staff of six that includes four full and part time staff members and two interns.

Mary Bondi is the director of New Hope House, in Tooele, Utah. She joined Teen Challenge in 2001 after 23 years in corporate recruiting and training. She established the center

within her first year. This included a new name, renovating a facility, hiring and training a staff and enrolling the first students into the program. Ms. Bondi oversees a staff of four.

Vicki Proffit, is the director of House of Promise in Olathe, Colorado. She has served churches as a pastor's wife, staff member and as a women's ministry leader in the Rocky Mountain District. She was part of the "imagine and inspire" stage for House of Promise. This is her first Teen Challenge position; she will oversee a staff of six when all positions are filled.

Norman Wolff serves as the business administrator and the board treasurer. Mr. Wolff has been with Teen Challenge since 1991 and holds a graduate degree in accounting. He is the only business office employee.

Literature Review

The nonprofit sector is the fastest growing segment of the United States economy. In the United States, over 1.4 million nonprofit organizations generate over 750 billion dollars each year and employ an average of 10 percent of the workforce (Male, 2004). In Colorado between 1996 and 2004, 501(c)(3) public charities grew by 52 percent and represent 61.4 percent of all nonprofit organizations (National Center for Charitable Statistics, 2005). Seventy-five percent of the nonprofits in Colorado report expenditures under \$500,000 and 66 percent registered with the IRS are too small to be required to report (The Colorado Nonprofit Report, n.d.). All of this takes place at a time when confidence in nonprofit organizations is at the lowest level in two decades (Are Charity Boards Asleep at the Wheel? ¶1)

These dynamics cause various segments of society to ask questions such as: Are there too many nonprofits? Are nonprofits organizations demonstrating accountability for the fulfillment of their mission? Are greater government regulations necessary to guard against abuses? Should an accreditation process apply to all nonprofits? What makes the difference between nonprofits

that barely survive and those that thrive? These types of questions have caused funders to require organizational assessments. They have also driven the boards of financially challenged nonprofits to evaluate themselves. Further, these questions have created a focus on capacity-building as part of the assistance for federally funded grassroots organizations.

What is Organizational Assessment?

Organizational assessment is at the heart of organizational development and effectiveness. Organizational development is defined as, the practice of changing people and organizations for positive growth (Hartley, n.d). Effective organizational assessment is a process that identifies gaps in skills, knowledge, behavior, and competencies. Essentially, it is the process for identifying change opportunities (McClelland, 1995). Effective nonprofits are those that periodically step back and assess where they are, where they want to go and what problems they may encounter on the path toward healthy organizational life (Myers, 1997). Bernstein (1997) observes that the strongest nonprofit organizations are not satisfied with what they have achieved. They are continually concerned with whether they are doing what is most important and whether they are doing it as well as they might. These high performing nonprofits continuously evaluate their goals, priorities, and programs.

Evaluation of programs or performance measurement of human resource elements are common concepts. However, the organizational assessment process examines a wide variety of processes and systems and has a focus on the state of the organization as a whole. The purpose of assessment is to assist decisions for organizational improvement, including creating and implementing effective action plans and solutions to achieve organizational objectives (Male, 2004; Murray, 2005). Assessment is best understood as the collection and evaluation of information to identify strengths and weaknesses in an organization. The results provide insight

into an organization through identifying causes of existing problems and anticipating consequences. This information provides a baseline for tracking change and evaluating progress (Rothwell, Sullivan & McLean, 1995, p. 140).

Organizational assessments evaluate the operations, systems, and culture of the nonprofit. These include: the mission statement and its alignment to programs and decisions, leadership effectiveness, board development, resource development, program development and evaluation, marketing, financial management and systems, volunteer management, strategic alliances, program outcome measurements and evaluation (Male, 2004). Brinckerhoff (2000) views effective nonprofits as characterized by: a viable mission, a business-like board of directors, a strong well-educated staff, as technologically savvy, as social entrepreneurs, a bias for marketing, as financially empowered, a vision for where they are going and a tight set of controls.

Critical Issues Related to Organizational Assessment

The landscape of organizational assessment has changed significantly in the past ten years due to an increase in demand for evaluation, new research, new tools, a focus on best practices and a growing accountability movement (Murray, 2005). Yet with all of that, few nonprofits incorporate evaluation into their organizational culture.

The motivation for assessment is often reactionary in nature and driven by requirements of funders, an accreditation process or an internal crisis usually related to finances. Many nonprofits find they do not know how to approach the issue. Additionally, the process can be intimidating. There is fear of an approach that is judgmental, and threatens on-going funding as opposed to one that is supportive with a focus on capacity-building (R. Male, personal communication, May 27, 2005). These issues are compounded by nonprofits that find themselves

understaffed and faced with demands that discourage the time and effort to look inward and attend to the development of the organization (Paul, 1993).

The focus on evaluation is also discouraged by varying approaches to and definitions of effectiveness. Forbes (1998) highlights a number of approaches to effectiveness including: the goal attainment approach, the system resource approach, the reputational approach, the multidimensional approach and the emergent approach. Evaluations also attempt to link results with causes, which can be difficult in nonprofits focused on human needs and services. Measuring results requires both quantitative and qualitative approaches. While qualitative assessments pose obstacles, leading organizations are not deterred from making evaluations. Instead, they create a definition of success related to their context, as opposed to using generalizations (Bernstein, 1997; Connolly & York, 2002).

In examining terms such as “effectiveness,” “efficiency” and “quality” Lohmann (1999), observes that it remains to be seen, whether anything as complex as an organization can be reduced to a single evaluative criterion or judgment (p. 99). When asking the question, “What does an ‘effective organization’ look like?” Peter York, a senior consultant with The Conservation Group (TCC), asserts that there is no “one” definition of organizational effectiveness. Some define effectiveness based on key functions operating at predetermined levels (e.g. accounting, technology, governance, fundraising, etc). Others define effectiveness in terms of how well an organization establishes and acts upon mission-based priorities (P. York, personal communication, May 23, 2005). A study of evaluations of capacity-building efforts conducted by the Alliance for Nonprofit Management asks, “Does capacity-building work?” Their response is, “We think so, but don’t really know for sure” (as cited in Buckley, 2003).

As the call for more and better evaluation steadily grows, along with tools to assist the process, three important questions arise:

1. Have these developments led to more evaluations actually taking place?
2. To what extent is information from evaluations being used to improve nonprofit performance?
3. To the extent that it is being used, are nonprofits improved as a result? (Murray, 2005)

The organizational development that takes place from assessments is dependent upon utilizing information for decision-making, strategic planning and organizational change. In theory, formal evaluations of what has worked and how efficient a nonprofit organization has been should play a prominent role in making major decisions. The question is, do they? (Murray, 2005)

Formal assessment can be time consuming and costly (Heitler, 1999). This can either discourage its use or make a lack of implementation a case of poor management and stewardship. Heitler (1999) found that consultants who conduct assessments confirm that many nonprofits leave the results of the assessment on a shelf unimplemented. Assessment is only an initial step in organizational development or a capacity-building process. However, experts in the field confirm that the greatest challenge of the process is implementation and follow through with specific action steps (R. Male, personal communication, May 27, 2005; G. Meissen, & P. York, personal communication, May 23, 2005).

The Challenge

The need for accountability and organizational development is an on-going issue faced by the nonprofit sector. At present, it appears that there is a long way to go before there will be a tried and tested, standard evaluation system that will provide a valid picture of how well an

organization is performing (Murray, 2005, p. 362). However, effective nonprofits understand that “what gets measured gets done” (Poister, 2003, p. 4). This calls nonprofit leaders and boards to view their stewardship and leadership responsibilities as including some type of periodic assessment of broad organizational capacities. Whether driven by outside forces or motivated by internal crisis or organizational culture, nonprofits owe it to their donors, clients and the public, to maximize available resources to accomplish a stated mission in the most efficient and effective manner. Healthy organizations require effective leadership and a culture of learning. When leaders stop learning, they stop leading (R. Warren, as cited in Maxwell, 1994, p. 48). This results in organizations that focus more on survival than service and mission fulfillment.

Nonprofits face dual needs for accountability and viability. As a result, the focus and development of organizational assessment continues to grow. Murray (2005) summarizes the trend in recent years by observing, “We have seen the demand for more and better evaluation has continued to grow, and although there has been ongoing research into the reality of evaluation processes, it has served mainly to confirm the conclusion of past research regarding its essentially subjective and political nature” (p. 346). The political nature of assessments relates to the fact that everyone is accountable in one fashion or another and thus has an interest or agenda to protect (Empowerment Evaluation ¶7). This perhaps accounts for both the hesitation of organizations to utilize evaluations and for the failure to implement findings in some productive manner.

Regardless of the nature and challenges in assessment, the expansion of evaluation from programs and personnel performance to the organization as a whole is important to nonprofits. Levinson (2002) underscores the need for assessors to approach their task from a posture of reassurance and support and to remind clients that the task of the assessor is to help the

organization function optimally. The literature and tools developed in recent years reveal a trend toward the ability of organizations to make evaluation a part of the organizational culture through self-evaluation and capacity-building assistance. This promotes a positive atmosphere of support as part of a group process.

It is helpful to view the value of organizational assessment as a fundamental practice by comparing it to an individual going to a doctor for a physical. Accurate medical tests can reveal problems before they become larger and more difficult to cure. The same benefit can occur for organizations through the assessment process. Further, many individuals self-diagnose their physical problems based on prevailing symptoms. Many organizations do the same when it comes to pinpointing effectiveness and efficiency issues. However, medical tests often reveal underlying issues that relate to the symptoms. At other times, tests uncover hidden issues. The same thing happens when organizations undergo an assessment process. The results often confirm symptomatic issues and at other times reveal deeper issues that contribute to prevailing symptoms. However, many assessments leave organizations with the equivalent of a medical diagnosis that prescribes a treatment that is never utilized (Heitler, 1999, ¶2).

One response to this dilemma, proposed by Heitler (1999), is the development of a process called “Real Time Change.” The approach attempts to solve two problems with many assessments: too much time and too little focus. The process begins with the premise that the point of the assessment is not the document, but organizational improvement. The result of this intense, highly participatory approach in one case study was 92 percent of the first 25 organizations assessed implemented at least one improvement process and documented the results.

The Assessment Process

Murray (2005) identifies four distinct stages the evaluation process goes through. These include the design stage, the implementation stage, the interpretation stage and the application stage. In the design stage, the key question is, “what is the purpose of the evaluation?” The implementation stage addresses the question, “How will the information the evaluation calls for be gathered?” The interpretation stage asks, “How will the data collected be interpreted” and “will there be “success” and “failure” assigned to certain areas?” Additionally, “Will there be an attempt to draw conclusions as to why the conditions are what they are?” The application stage relates to how the findings are used in making decisions and guiding changes (pp. 349-350).

Once the focus of the assessment is determined, it is a process of (1) evaluating the current situation (2) giving feedback (3) planning change and (4) tracking change (Rothwell, Sullivan and McLean, 1995).

Approaches to Assessment

Literature on assessment reveals the use of a variety of approaches. Forbes (1998) identifies the following:

- The goal-attainment approach defines effectiveness as the extent to which an organization succeeds in meeting goals and assumes that organization goals are identifiable and unambiguous.
- The system resource approach defines effectiveness as viability or survival. The focus is on the ability to exploit resources to sustain their own functioning.
- Multidimensional approaches measure effectiveness in several different ways simultaneously incorporating measures based on both goal attainment and system

resource approaches. One variant of this approach incorporates three value dimensions central to most definitions of effectiveness – organizational focus, organizational structure and organizational means and ends.

- The perception-based or reputational approach measures effectiveness according to the self-reported opinions of some set of persons, usually clients, staff, or outside professionals familiar with the organization (pp. 185-186).

A variety of specific systems reflects these general approaches in one way or another.

Outside of customized processes developed for individual organizations, some standard approaches include:

1. Peter Drucker's "The Five Most Important Questions You Will Ever Ask About Your Nonprofit Organization." This approach appears most useful for strategic planning evaluation and includes: focusing on mission, identifying customers, determining what the customer considers valuable, evaluating results and determining a plan (Drucker, 1993).

2. The Balanced Scorecard originally developed for the business community has been recently adapted to nonprofits. The Balanced Scorecard utilizes a logic model applied to the organization around four perspectives: the financial perspective, the customer perspective, the internal business perspective, and the innovation and learning perspective. For the nonprofit, the mission statement becomes the bottom line sought through these perspectives (Murray, 2005; Poister, 2003).

3. Benchmarking is the continuous process of measuring the quality of the organization against acknowledged leading competitors. Benchmarking seeks to explore and identify areas for improvement (McClelland, 1995). This can include best practice models from other organizations recognized as attaining a level of proficiency or statistical benchmarking where

data is collected for the same set of performance measures from a number of similar organizations or programs (Poister, 2003).

Whereas, benchmarking is external to the organization, baseline assessments are internal to the organization. This process evaluates the progress in key areas of operational and program proficiency against either past performance or goals and objectives (Poister, 2003).

4. Capacity-building is a set of strategies for increasing an organization's ability to fulfill its mission or any activities aimed at enabling individuals to do their job more effectively (Buckley, 2003). Most capacity-building focuses on management and technical capacities that relate to effective and efficient use of resources and the ability to implement key organizational and programmatic functions (York, P. n.d.) In the context of organizational evaluation, capacity-building is the aim of the assessment process.

5. Appreciative Inquiry (AI) is an innovative approach to conducting open dialogues and addressing targeted issues for evaluation and improvement utilizing key stakeholders. It presents an alternative to the conventional problem solving approach that lies at the base of traditional evaluation methods (Murray, 2005, p. 367). Appreciative Inquiry has been utilized by a variety of organizations and governmental entities. According to one AI consultant, "problems get replaced with innovation as conversations shift toward uncovering the organizations positive core" (What is Appreciative Inquiry ¶1). Murray (2005) views AI as having the potential to make evaluation less threatening. However, the approach has not been evaluated beyond numerous case studies.

6. Rating and Accreditation Standards intend to give confidence to funders and the public concerning a nonprofit's effectiveness and credibility. Standards developed by the Better Business Bureaus' Wise Giving Alliance, the American Institute for Philanthropy Charity Rating

Guide and the Charities Review Council of Minnesota are examples of standards (Murray, 2005). The Maryland Association of Nonprofits awards a “Seal of Excellence” to nonprofits that comply with an ethics and accountability code. A set of 22 packets covering 55 standards assist nonprofits in implementing specific standards required to earn the recognition (Standards for Excellence Implementation Tools, n.d).

Organizational Framework

Comprehensive organizational evaluations determine proficiencies in a number of areas related to generally accepted characteristics of highly effective organizations. Reviewing literature and assessment tools brings several key issues to the top of the list. These are mission, leadership, governance structure, resource development and program effectiveness. These areas are enhanced by financial systems, marketing, volunteer management, collaborations and technology. The model developed by Dr. Peter York, Director of Evaluation and Senior Consultant for the TCC Group, pictures the relationship of a nonprofit organization and its four capacities to key resources and the external environment in a comprehensive model (see appendix C).

This model identifies four organizational capacities: (a) Adaptive Capacity, which relates to the monitoring, assessing and responding to internal and external changes; (b) Management Capacity, includes ensuring effective and efficient use of organizational resources; (c) Technical Capacity, involves “doing” the work of the organization, delivering programs and services; and (d) Leadership Capacity, includes the range of leadership skills such as visioning, inspiring, prioritizing, decision-making, directing, innovating and modeling (York, P. n.d.).

In Dr. York’s opinion if leadership and adaptive capacity are not in place, the other two don’t matter. He believes the majority of capacity-building efforts focus on management and

technical capacities, but all four are important for organizational assessment (York, P. n.d. & P. York, personal communication, May 23, 2005).

Forces Affecting Assessment and Organizational Development

Capacity-building assessments that focus on a checklist of systems and structures may require input from two or three key staff members. However, comprehensive evaluations require the input of key staff and leadership (Drucker, 1993; Forbes, 1998; Levinson, 2003; Male, 2004). This may include volunteers and other stakeholders as well. An outside evaluator or moderator is helpful, even when using self-assessment tools. Murray (2005) states that the basic secret for creating openness is the creation of an atmosphere of trust among interested parties. This a process established through showing concern for others, fully communicating reasons for actions, allowing others to have a voice in decisions that affect the process and following through on promised actions.

Recommendations for establishing the best foundation for an organizational assessment include the following:

- Establish buy-in to the assessment process up front
- Create a plan and schedule
- Include strategies for staff, board and volunteers to contribute to the process
- Look carefully at potential risk factors that may arise during the process
- Form a Strategic Assessment Committee
- Develop a Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis as one of the first components
- Include an examination of the political, economic and social environments affecting the organization

- Engage the services of a neutral party to assist with the assessment
- Engage in a strategic planning process when the assessment is complete

(Reder, 2004).

A review of literature and interviews reveal several key factors that relate to organizational assessment and development. These include the leadership component, not just from the executive director but also from the board, the ability to plan and manage change and awareness of organizational life cycles.

The leadership component of an organization affects all that takes place. However, for most nonprofits, the board is too passive as opposed to being too active. Many boards do not take their position seriously and as a result shirk their oversight responsibility (Are Charity Boards Asleep, ¶2). Eadie (1997) observes that being well informed is not the same as being influential (p. 76). The passive board fails to exert a leadership influence by taking an active role in strategic planning. This results in a misplaced focus on administrative details (Eadie, 1997). Forbes (1998) reports that while variations exist between various parties who subjectively evaluate an organization's effectiveness, the board may be widely perceived to be influential in determining the effectiveness of nonprofit organizations (p. 194). When it comes to attaining goals, effective organizations have boards heavily involved in policy formation, strategic planning, program review, board development, resource development, financial planning and control and dispute resolution (Forbes, 1998). This indicates that the board of an effective organization does more than approve a few policies, review financial statements and depend on the executive director for everything else. The board provides direction to the executive director and the executive director helps the board understand its role.

The board has the responsibility to represent the organization to the community and the community (and other key stakeholders) to the organization (Paul, 1993). Three functions are the focus of a board's responsibility: (a) preserving the integrity of trust, (b) setting policy, (c) supporting and promoting the organization (Brinckerhoff, 2003).

The board, along with the executive director, has the responsibility to set the tone for the organization as a learning organization. A learning organization has the ability to gain insight and understanding from experience through experimentation, observation, analysis and a willingness to examine both successes and failures (Malhotra, 1996). A commitment to ask the right questions, the hard questions enables a board to exercise their fiduciary responsibilities. A commitment to self-assessment is the first step in a commitment to leadership development (The Self-Assessment Process, n.d. ¶17). Incorporating these values into an organization enables ongoing and effective assessment of organizational capacity. When it comes to dealing with organizational effectiveness, leaders are willing to rethink their understanding of critical issues at every level and in doing so reaffirm some existing practices and in other cases look for new ways of doing things (Forbes, 1998). This creates the need for change.

Change is a fact of life and impacts organizations as well as people. Since change cannot be avoided, it is best to make change as intentional as possible (Paul, 1993). The ability to manage change is vital to organizational development and implementing plans that arise from assessments. Five keys to implementing change based on assessments include: (a) The changes should be based on a strategic plan and needs. (b) The change must balance planning with flexibility. (c) The change should not rely exclusively on outside expertise. (d) The change should be the center of attention and (e) the change must be strategy driven rather than project driven (Rothwell, Sullivan, McLean, 1995, p. 373).

Bridges (1991) asserts that it is not the changes, but the transitions that create the problems. Change is situational, but transitions are psychological processes people go through in adjusting to a new situation. Managing the change process is critical as organizations move through various stages of growth.

A fair process in change incorporates engagement, explanation and expectation clarity. Engagement is asking for and receiving input from those impacted by change. Explanation is everyone understanding why a decision was made as it was. Finally, expectation clarity requires once a decision is made, new rules are clearly stated (Kim & Mauborgne, 1997). When it comes to change, a “one-size-fits-all” approach does not work. Each change impacts and means something different to each group when it occurs. However, a common methodology built on situational awareness and customization allows the organization to move forward (Prosci, 2004). Effective leaders will continually study and become proficient in leading and managing change.

Another important aspect of organizational development is awareness of organizational life cycles. It is important when evaluating the results of assessments to keep in mind the life cycle of the organization. Actions steps from the assessment must be in line with the needs of the organization based on its life cycle (P. York, personal communication, May 23, 2005). At the same time, the ability to recognize and address critical junctures in the life of the organization is vital to its success (Simon, 2001). Organizational life cycle models can be helpful in a variety of ways. They primarily help determine the operating stage of the organization as a whole. Knowing the stage can help in managing transitions, developing healthy strategies and anticipating future challenges (Myers, 1997). As an organization examines its life stage, the ideal is alignment in all areas. Three important questions to ask in evaluating life stages are:

(a) At which developmental stage is the organization in for each functional area?; (b) At what stage does it want to be?; and (c) What needs to be done in order to get to that stage

(Myers, 1997, ¶9)?

The life stages vary based on the model. The Wilder Foundation model uses the following five stages:

Stage 1 – Imagine and Inspire, which describes an organization in the planning or dream stage; Stage 2 – Found and Frame, describes the start-up phase when it receives its official nonprofit status; Stage 3 – Ground and Grow, faces the question “How can we build this to be viable?”; Stage 4 – Produce and Sustain, describes an organization at its peak and is concerned about sustaining momentum; and Stage 5 – Review and Renew, is an organization that is reinventing itself in some way through a process of review and renewal. The Decline and Dissolution stage is not considered a viable stage because it describes an organization forced to shut down.

The functional areas described for each of the stages include governance, staff leadership, financing, administrative systems, staffing, products and services, marketing, obstacles and opportunities. A key question characterizes each stage of the Wilder Model (Simon, 2001).

The Conservation Company (TCC), Organizational Life Cycle Matrix, includes five stages as follows: start-up, adolescent, mature, stagnant and ready to shutdown. The functional areas described under each stage include: program, management, board, administrative systems and finances (Myers, 1997).

Another model based on Richard Draft’s book *Organizational Theory and Design*, identifies four stages as: (a) birth, (b) youth, (c) midlife and (c) maturity. Each stage of development is characterized by size, level of bureaucracy, division of labor, centralization,

formalization, administrative intensity, internal systems and task forces for coordination (as cited in Organizational Life Cycles and Corresponding Features (n.d.). Life stage evaluation enables an organization to track the maturation process of the entire organization. They also provide a context for assessing the needs and effectiveness of the organization in view of the results of other assessments.

Methodology

In researching current trends and in preparation to conduct an organizational assessment on Teen Challenge of the Rocky Mountains, the consultant utilized a number of data collection methods. These included reviewing a cross-section of literature, soliciting responses from professionals in the field, reviewing organizational assessment tools, interviews, site visits, the administering of selected assessments and reviewing organizational records and documents. The consultant also visited the Denver Men's Center and House of Promise in Olathe, Colorado.

Listserv Request

As the project began, the following inquiry posted to the ARNOVA listserv received three helpful responses:

“I am conducting an organizational assessment for a faith-based drug and alcohol recovery program as part of capstone project for a Master's degree of Nonprofit Management. I would appreciate feedback on any or all of the following regarding organizational assessments:

1. Are there tools/approaches that have been found most helpful?
2. In your experience, what motivated the assessment?

(Board request, staff planning, organizational need, etc.? Is an assessment conducted on a regular basis, e.g., every three to five years?)

3. Did the assessment result in changes that addressed key issues, expanded organizational capacity, etc.? (Are there studies/stats on the follow through from assessments?)
4. What are keys to successful implementation of recommendations/findings from an assessment?
5. Finally, any other comments or resources regarding organizational assessments and/or their impact on organizational development?"

The three responses provided information on sources for assessments, shared tools utilized in the respondent's work and some very helpful observations about keys to successful assessments.

Review of Assessment Tools

The consultant reviewed several assessment tools. Most of these are available for organizations to use as self-assessments, even though some were created to apply to specific types of organizations for capacity-building purposes. Ten assessments were reviewed for this project (see appendix D). Each varied in length and the type of response called for. Some only required a "yes" or "no" response, others utilized a Likert Scale, others a descriptive scale related to the capacity (see appendix E). The ten assessments reviewed included:

1. Brinckerhoff's Organizational Stewardship Assessment
2. The Colorado Trust Organizational Assessment Process
3. The Colorado Compassion Initiative Comprehensive Organizational Assessment
4. The McKinsey Capacity Assessment Grid
5. The Organizational Planning and Assessment Tool
6. The Marguerite Casey Foundation Organizational Capacity Assessment Tool
7. The Southern Minnesota Initiative Foundation Self-Assessment Tool

8. The Southwest Michigan Faith & Community-Based Training Institute
Organizational Assessment Checklist
9. The United Way Organizational Assessment Tool (OAT)
10. The Wilder Nonprofit Life Stage Assessment

The Colorado Compassion Initiative Comprehensive Assessment is utilized with smaller nonprofits in Colorado receiving sub awards through federal faith-based, community initiative funding. JVA Consulting in Denver granted special permission for its use in this project.

The evaluation process applied to Teen Challenge of the Rocky Mountains utilized three assessments. The main assessment tool selected was the Southern Minnesota Initiative Foundation Self-Assessment Tool for Nonprofit Organizations. Also utilized were the CCI Organizational Assessment and the Wilder Organizational Life Stage Assessment.

The Southern Minnesota Initiative Foundation tool entitled, Understanding Organizational Success, is unique in its use of a house as a metaphor in presenting key areas of operational proficiency. It also contained an attitudinal and change scale applied to various questions.

The evaluation process also included the CCI Comprehensive Organizational Assessment. TCRM's budget is larger than the target group for this tool. However, this tool afforded a different approach for examining key areas of organizational capacity relevant to TCRM. The executive director and the business administrator were interviewed for this process.

The third approach utilized the Wilder Nonprofit Life Stage Assessment. The executive director completed the assessment on-line during an interview session with the consultant. The consultant and executive director then discussed the process and results. This tool was selected because it is the most comprehensive tool available that measures the life stage of an organization.

Interviews

To gain insights from professionals on the evaluation process, and in conducting the organizational assessment on Teen Challenge of the Rocky Mountains, the consultant conducted fourteen interviews by phone or in person. Eighteen individuals participated in these individual or group interviews including board members, nonprofit executive directors, Teen Challenge staff and consultants. The interviews with board members and staff from Teen Challenge were unstructured interviews discussing history, programs, and perception of needs and touring facilities. The executive director, the business administrator, the three center directors and five board members all participated in interviews.

Four interviews with consultants, specializing in organizational assessment, were formal following an outline of questions. All of these took place in May and early June of 2005. These interviews discussing an overview of organizational effectiveness, focused on the same basic outline of questions. These questions framed the interviews:

1. What is the value of an organizational assessment?
2. What forces drive the need for organizational assessment?
3. What is the best process for an organizational assessment? (Who should be involved, when and in what ways?)
4. How is the focus of the assessment determined? (What tools? How long does the assessment take? What does the process look like?)
5. What is the most effective way to implement recommendations? (Presentations to board and staff, specific objectives with timelines?)
6. What are the keys to effective implementation of recommended changes?

These questions framed the interviews with the following individuals: Dr. Greg Meissen is Professor of Psychology Wichita State University and Director of Self-Help Network: Center for Community Support and Research; Dr. Peter York is Director of Evaluation and Senior Consultant for the TCC Group in Philadelphia, PA.; Richard Male is President of Richard Male and Associates a consulting firm in Denver, CO and adjunct faculty member of Regis University in the Masters of Nonprofit Management degree program; Rev. Steve Pike, is Director of Church Planting and Development for the Rocky Mountain District Council of the Assemblies of God.

Additional unstructured interviews with the following individuals covered a variety of areas including: (a) Teen Challenge history, (b) an executive director's reflections on an evaluation process and (c) feedback on the development and administration of an assessment tool. These interviews included: Dr. Randy Rowe, the Executive Director of Teen Challenge of Northern California and Nevada; Damon McLeese, the Executive Director of VSA Arts of Colorado, a nonprofit organization that utilizes the arts to enhance the lives of individuals with disabilities; and Sara Guillaume, a consultant and associate in the evaluation department for JVA Consulting in Denver.

Records and Document Review

As part of the evaluation process the consultant reviewed several organizational documents and records. This included budgets and financial reports, director's monthly reports to the board, board minutes, bylaws, policies and accreditation standards. The consultant also reviewed a nineteen-page Teen Challenge information packet, grant proposals, evaluations, and student enrollment and graduation data for the Men's Center.

Discussion

The interviews with professionals provided valuable information on the need, scope and process of organizational assessments. Much of the information confirmed and complemented the review of literature.

All nonprofits face the challenge of developing broad and deep capacity through systematic evaluation and assessment. For many nonprofits, evaluation is not a priority or they don't know where to begin or lack the direction and strategic plan for the evaluation to be as effective as it can. If an organization does not know where it is going and what it is attempting to achieve, it is difficult to determine effectiveness. Even organizations that go through an evaluation process often do not use it effectively or fail to utilize the process enough.

The motivation for assessment in the majority of situations is a requirement from a funding source or some type of internal crisis usually related to finances. The sector as a whole from churches to social service organizations, fails to incorporate any type of assessment or capacity-building activity on a regular basis to strengthen effectiveness.

One of the greatest contributions to organizational development in recent years is the capacity-building requirement for grassroots organizations that provide sub-awards as part of compassion capital funding through the federal government. This requirement demonstrates that the greatest contribution to smaller organizations is not just funding but providing assistance to develop core organizational capacities.

JVA Consulting in Denver operates the Colorado Compassion Initiative providing sub-awards and capacity-building for faith-based and community nonprofits. The assessment tool for measuring capacity has a strong emphasis on resource development and specifically writing grants. The philosophy is that principles and concepts related to grant writing form a basis for

other types of fundraising activities. They also place a strong emphasis on well-documented plans and strategies. While small nonprofits often avoid this discipline, establishing the practice in the early stages of development, provides the structure and stability for change and growth.

The JVA Comprehensive Organizational Assessment tool provides an excellent checklist for core capacities, but the focus is primarily on technical aspects of the organization.

Organizations larger than the intended target group for this assessment can benefit from this approach. However, the lack of focus on the leadership, and management and adaptive capacities make it more of a supplemental tool in a comprehensive organizational evaluation for larger and more established nonprofits.

There are a variety of assessment tools and approaches widely available. This makes it possible for any size nonprofit to take deliberate steps in conducting some type of periodic evaluation. The challenge is for organizations to take the initial steps, to develop plans for improvement and to measure the results. As organizations establish a practice of using assessments it is important to avoid *measurement churn*. Measurement churn is the tendency to change tools so frequently that it is difficult to gather the same data over long periods, undermining performance comparisons (Murray, 2005).

Several factors make the evaluation process effective. These include the extent that buy-in is present, the involvement of a cross-section of individuals in the organization and a supportive approach with a focus on capacity-building. Even in a supportive environment the process is intimidating, especially when it involves an outside evaluator.

(D. McLeese, personal communication, May 18, 2005). As challenging as it is for organizations to “look at themselves in the mirror,” high performance nonprofits build self-evaluation and reflection into their culture.

Some consultants have found that the process can be as important as the assessment tool. Garth Nowland-Foreman, a consultant from New Zealand (personal communication, May 12, 2005), observed that in his experience, any assessment process is effective when it involves self-evaluation and reflection. The self-evaluation/reflection process must pass the 3-T test that includes: (a) time, (b) thinking and (c) together. It takes time to stop our hectic activities to know if we are fulfilling our mission. It is important to focus time on thinking; reflecting on what is happening and what is not happening, what is working and what is not, and whether the activities taking place are still the best way to achieve mission, vision and values. The benefits of this awkward process are multiplied and only effective when done together with key stakeholders of the organization.

The interpretation and implementation stage of evaluation is a universal challenge in the evaluation process. The greatest lack in organizational development is execution, not planning. If there is no implementation, there is no change (R. Male, personal communication, May 27, 2005). This creates the need for “next steps” planning. A process that includes determining what will be done, by whom and when (G. Meissen, personal communication, May 23, 2005).

Leadership is crucial in organizational development. As a result, the process requires highly motivated executive directors and boards. Change requires leadership, and the more challenging the change, the greater the need for strong leadership (R. Male, personal communication, May 27, 2005).

Effective implementation planning connects assessment results to the organization’s mission, stage of development and priorities. Important questions for nonprofits to ask themselves include:

1. What does effectiveness (success) look like for us in light of our mission?

2. How do the results relate to our organization in terms of relevance to outcomes (mission) as opposed to just benchmarking criteria?
3. What do the results mean in view of our organizational life stage?
4. Is this capacity (area of need) important to our mission, and if so, what does that look like in our organization? (P. York, personal communication, May 23, 2005)

Teen Challenge of the Rocky Mountains is affiliated with a church denomination. This creates an interesting interplay between church and social service nonprofit dynamics. While churches represent a significant portion of the nonprofit sector, the culture of the church environment is different from a social service nonprofit. However, many characteristics are the same when it comes to evaluating effectiveness. In both contexts, evaluation does not take place on a routine basis. In addition, the motivation for evaluation in churches, like other nonprofits, is from perceived problems or a failure to achieve anticipated progress. Both contexts also face a challenge implementing change and finding common agreement about what constitutes effectiveness.

Only a few assessment tools apply specifically to churches. Compared to assessment tools reviewed in this project, the scope of these tools varies significantly. One of these tools is the Natural Church Development Survey (NCD), developed by Christian Schwartz. A scientifically based survey utilizes 30 respondents that provide feedback on the overall quality of the church. These areas evaluated include leadership, spirituality, ministry, structures, evangelism, relationship, small groups and worship services.

The concept of this tool, like other assessment tools, is to provide an objective focus for improvement. However, this takes place through subjective responses by a larger sampling of respondents than used in other assessments. Additionally, the focus is on a unique criterion of

items. The NCD tool has been the subject of numerous studies. However, assessing organizational effectiveness between various types of nonprofits is an area for further research.

The interviews with those within Teen Challenge of the Rocky Mountains provided valuable insights into the organization's history and needs. The interview process would have been enhanced by structured questions, not developed within the time constraints of the project. Helpful questions would be those that focus on specific responses about perceptions of the image of the organization, one-word responses about how respondents view the organization in the present, its posture for the future and specific needs and issues to address for organizational improvement. This type of approach can still be valuable for on-going assessment.

The assessment tools reveal Teen Challenge of the Rocky Mountains as an average organization demonstrating a trend toward improvement. The greatest needs relate to the development of its financial and leadership assets and a commitment to learning and self-reflection. Grant writing and management, community collaborations and program evaluation are the greatest areas for capacity-building. This does not indicate that these are the only areas or the most important. They simply indicate the least degree of capacity at this time. The organization does desire to strengthen its ability to write and manage grants to secure funds for programs and special projects. TCRM's life stage development is between stage 3 (ground and grow) and stage 4 (produce and sustain). This indicates that it is an organization in transition with keys in varying stages of development.

The greatest needs can be addressed through a commitment to strategic planning and developing a fundraising and governance plan to guide the organization. Developing proficiencies in grant writing and grant management and program evaluation will stretch the present staff. Hiring a new staff member to focus on some of these core issues is recommended.

Until that is possible, it will be important to utilize volunteers and resource committee members and help build these proficiencies. The budget should anticipate additional costs for books, materials and conferences to address these needs.

The interviews and other assessment methods provided the basis of additional recommendations to support and add to those from assessment tools.

Explanation of Assessment Tools and Results

Southern Minnesota Initiative Self-Assessment Tool

Seven individuals completed this assessment including the executive director, the three center directors, the treasurer and two board members. The Southern Minnesota Initiative Foundation assessment tool evaluates seven areas of organizational capacity. The structure of the tool utilizes the metaphor of a house. The entire building supports the roof that represents the lives positively impacted by the work of the organization.

The foundation of the high performance nonprofit consists of “four corner footings:”

1. A driving mission relevant to community needs
2. Leadership that is deep and broad
3. Resilient organizational systems
4. Access to sufficient and sustainable assets

The framework that rises from the foundation and ultimately supports the roof include:

5. Relevant, mission-driven programming for walls
6. A floor created through learning and self-reflection
7. Integrity from developmental alignment and organizational culture

The tool utilizes two five-point scales. One is an attitudinal scale in which respondents evaluate items described based on disagree, tend to disagree, tend to agree, agree and unsure.

The other is a change scale that asks respondents to judge an item based on its current status. The range and definitions are as follows:

- Absent = has never been true or was true at one time but is no longer true
- Declining = is currently true but will not continue unless something changes
- Improving = Actions currently being taken so that will be true in the future
- Regained = Currently true and will continue in the future
- Stable = True in the past, currently true, and will continue to be true in the future

These two scales provide coordinates for mapping the results on a graph (see appendix F).

The average of all responses for the two scales is plotted on the grid revealing the highest priority and lowest priority for improvement. The individual assessments were calculated, and then a composite score was calculated through an averaging of the seven assessments.

The results reveal the priority need for improvement is in access to “sufficient and sustainable assets,” the next is “deep and broad leadership” and a third area is “learning and self-reflection.” This consultant would describe the organization based on an average of the attitude and status scores of the seven assessments in all areas as an average organization that is showing signs of improvement.

Several respondents commented that the assessment challenged them to think about some areas that had not been on their mind before completing the assessment. The assessment itself had some technical errors in numbering and layout that created some initial confusion. This did not seem to affect the integrity of the instrument or the process.

The Southern Minnesota Initiative Assessment defines “sufficient and sustainable assets” as access to: (1) “internal and external stakeholder support,” (2) “financial and physical resources” and (3) “technical expertise.” Maximum impact occurs through assets that are

sustainable and sufficient. Sustainability reduces disruption over time. Sufficient means assets meet all the needs and dreams of the organization. Sufficient also suggests that assets are suitable to the mission, age and life cycle of the organization (Understanding Organizational Success, 2003).

Seven questions focus on the size, function and adequacy of board, staff and volunteers. Nine questions focus on fundraising, cash flow and budget management. Eight questions deal with physical resources, use of technology and technical expertise.

High performing nonprofits possess deep and broad leadership that spans four major functions. Guidance (vision) relates to visionary leadership and keeping the mission in focus and avoiding stagnation as the organization matures. Governance relates to the leadership of the board and the establishment of clear plans, policies and oversight. Management enables the organization to acquire and direct resources and activities as needed. Implementation allows the organization to deliver quality programs to the community (Understanding Organizational Success, 2003). The 23 questions in this section deal with the leadership of the board and executive director. The majority of the questions focus on the role and function of the board.

The third focus from the assessment is learning and self-reflection. High performance organizations are those who consistently learn and translate learning into improved practices. This involves self-reflection or evaluation. The questions in this area focus on planning, evaluation of programs and processes including those that relate to the board, professional development and feedback from stakeholders (Understanding Organizational Success, 2003). This area relates to how the organization functions in its approach to fulfilling its mission. When an organization incorporates learning and self-reflection into its culture it provides the vital link to all aspects of high performance. For this reason, the house metaphor of this assessment relates

learning and self-reflection to the floor that connects the corner-footings and forms the base for walls.

CCI Comprehensive Organizational Assessment

This tool measures nineteen outcomes categorized under twelve areas of capacity. There are 172 questions in a checklist of items that respondents answer either “yes” or “no.” These include board development, fundraising, grant writing, grant management, community collaborations, marketing and public relations, financial management, program development, program evaluation, information technology, personnel management and volunteer management.

The executive director and treasurer participate in this assessment. The conversational approach utilized in administering the assessment provides the answers to many of the questions. This approach avoids working through the tool in a methodical manner and adds additional information for technical assistance planning. The assessment is scored through calculating the percent of positive responses and plotting the results on a graph (see appendix G).

The results of the assessment for Teen Challenge reveals grant management, program evaluation, community collaborations and grant writing as the top areas for technical assistance. In the interview, the executive director listed the key areas for technical assistance as board development (5th on the assessment), fundraising (7th on the assessment), marketing and public relations (6th on the assessment) and personnel management (11th on the assessment). The executive director selected personnel management because of an interest in coaching and leadership development. However, the assessment tool does not address this particular need.

Life Stage Development

The organizational development of Teen Challenge was evaluated utilizing the Wilder Nonprofit Life Stage Assessment. This assessment defines the following stages: (1) imagine and

inspire; (2) found and frame; (3) ground and grow; (4) produce and sustain; and (5) review and renew.

The home stage for Teen Challenge of the Rocky Mountains is stage three and the results place the organizational life stage between stage 3 and 4. These results indicate that TCRM is in a place of transition between stages. The rating for governance splits between stages 2 and 4, leadership is in stage 3, financing splits between stages 3 and 5, administration is in stage 3, staffing is in stage 4, products and services are in stage 2 and marketing is in stage 4.

The Organizational Life Cycle Matrix developed by TCC group, utilizes the following five categories: (a) start-up: (b) adolescent, (c) mature, (d) stagnant and (e) ready to shut-down. Based on interviews and personal experience with the organization, the consultant determined that programs, management and administrative systems fit the mature stage; board and finances fit the adolescent stage. This model defines finances as consistent and adequate financial resources.

These two different approaches reveal similar results about the organizational life stage of Teen Challenge. Considering the relocations of the first 20 years of existence and the events of recent years, these two assessments appear to accurately reflect the life stage of the organization. This places the organization in a positive position to implement changes and strengthen the development of the organization as a whole.

SWOT Analysis

An analysis of organizational strengths, weaknesses, opportunities and threats (SWOT) is a fundamental exercise for strategic planning and resource development (see appendix H). Strengths and weaknesses are internal to the organization and opportunities and threats are

external to the organization. Developing a SWOT analysis is best carried out as part of a group process that includes board members, staff, or a strategic planning team (Weinstein, 2002).

The SWOT Analysis of Rocky Mountain Teen Challenge reveals an organization with a record of accomplishment but suffers from an image of instability and ineffective operation. The experience of the current Executive Director is an asset, but program growth has challenged his leadership capacity. The chronic cash flow problem affects morale and vision and undermines the ability of the organization to position itself in a positive light.

A strategic marketing and development plan can address the issue of branding and create a coordinated fundraising strategy. The development of the governance structure will assist the formation and implementation of a concrete business plan.

Volunteers from churches, community and businesses are strong in number but not fully maximized. Leveraging resources of knowledge and finances from volunteers including board members and advisory board members for the three centers is critical.

Recommendations

The following recommendations utilize feedback from assessment tools, interviews and a review of the organization's documents and practices. These recommendations range from those that are broad (including structure and approaches) to those that are specific (dealing with procedures and practices). Not all recommendations will include specific solutions. The key of the evaluation process is to address areas for further study, evaluation and action steps. The consultant will first share the results with the executive director and board chair or executive committee. The next step is a planning session with board and staff to share and discuss results and plan the next steps.

Governance

The sufficient and sustainable assets and deep and broad leadership categories from the Southern Minnesota Assessment tool focus on board leadership and the adequacy of financial resources. The board development category in the CCI Assessment tool has a strong focus on board recruitment, oversight and strategic planning. The life stage evaluation places key proficiencies of board operation in early stages of development. A review of all three assessments and feedback from interviews reveals governance as a key area for capacity-building. Boards have the responsibility to set policies and monitor the financial health of the organization. However, organizational effectiveness requires skills and involvement beyond these tasks.

At present, the board is of sufficient size with ten members and three ex-officio members. While expanding the size of the board is a consideration, evaluating the composition of the board is the first priority. The bylaws and Teen Challenge accreditation require the board to have a majority of Assemblies of God ministers and laypersons but does not stipulate the size of the board. Presently four board members who are not ministers serve on the 13-member board. The board includes the executive director, the business administrator, who serves as the treasurer, four pastors, four laypersons and three ex-officio members. It is important for present board members to understand their role and responsibilities and for fundamental systems and processes to be in place before expanding the board. Following the advice of Dr. Peter York, the size of the board must be a function of the mission and stage of development. The board's stage of development would make expansion unadvisable at this time. Recommendations in this area include the following:

1. *The creation of a governance review committee.* This group will evaluate the governance structure and operation of the board of directors. The activities will include the development of a governance plan including clarifying the roles and responsibilities of the board, priorities and processes for recruiting new board members, an examination of term limits, the development of a board manual, board self-evaluation and board training. This group should evaluate the size and make up of the board, including a review of the bylaws related to board structure.

2. *Strategic plan development.* An important area for board oversight is the development and review of a strategic planning process. The history of Teen Challenge does not reveal a formal strategic planning process. A strategic plan is one of the first steps in developing an overall business plan for the organization. To fulfill its fiduciary responsibility to the organization the board needs to evaluate progress toward objectives established through a strategic planning process.

3. *Executive Director evaluation.* A primary function of the board is to hire and evaluate the executive director. This activity should take place on an annual basis as the board's commitment to contributing to the executive director's success. The absence of this discipline creates evaluations motivated by perceived problems, as has been the case for Teen Challenge. The executive director invites and has requested an evaluation, but one has not taken place. The Executive Committee or a subcommittee of this group should complete this task before the fall board meeting.

4. *Selection of a Treasurer from the Board.* Presently the business administrator serves as the board treasurer. Teen Challenge, with a business office in Olathe and limited staff, faces some challenges following recommended internal control procedures. Selecting a member of the

board to serve as treasurer is highly recommended for alignment with generally accepted governance practices.

5. *Structure of board meetings.* The board's quarterly meetings involving members throughout Colorado create some logistical problems. Members from western Colorado, including the business administrator, monitor meetings taking place in Denver over a speakerphone. This system is inadequate for all members to freely participate in the meeting. The board needs to address this issue and create a location and forum that allows for full participation of all board members. This may include the entire board meeting by conference call, or a convenient meeting location all board members. These steps will call for a greater commitment of time to allow for travel. It is important to ensure the full participation of all board members in the governance process.

Resource Development

Stable and sustainable assets involve the adequacy of funding for programs and organizational expansion and cash flow. Teen Challenge faces ongoing cash flow shortages. At present, the Denver Men's Center is the most financially stable part of the organization. In addition, a significant portion of the organization's cash is designated for the House of Promise. As House of Promise begins operation, the cash flow demands will increase.

The results from the CCI Assessment revealed grant writing and grant management as areas for development. Teen Challenge has a solid foundation of support through local church and individual donors. There is a need to expand support from businesses, major donors and foundations. The grant proposals reviewed in this evaluation found that they do not meet the requirements for the Colorado common grant guidelines. Recommendations for this area include the following:

1. *Development of a fundraising committee and plan.* This group would consist of board members, resource committee members and individuals from local churches with special expertise in fundraising or marketing. The plan should include an analysis of current income and fundraising activities. A plan for establishing an endowment is recommended as part of this process. The key elements in the plan include a SWOT analysis, case statement, funding opportunities, funding goals and strategies. A fundraising calendar is a critical tool that provides focus and coordination for key events.

2. *Fundraising software.* Currently Teen Challenge operates with accounting software designed for churches and other religious organizations. While it provides the opportunity to track receipts for donations, it does not provide the components required for donor tracking and follow up. An evaluation and selection of suitable software is advisable for resource development purposes. This software is a vital tool for developing and tracking fundraising activities. This is an opportunity to evaluate the overall needs of the organization for both accounting and fundraising and grant management purposes.

3. *Develop grant-writing competencies.* The components of an effective grant proposal serve as the foundation for other fundraising activities. Some individuals have offered to provide assistance in this area, but it requires time and the development of expertise. Two grants awarded Teen Challenge in 2004 provide a foundation on which to build. A number of foundations support faith-based organizations. Many funders do not require a full grant proposal, and like to fund programs that focus on women, youth and rehabilitation. The Denver Men's Center is in need of funding for specialized tests for incoming students. This need affords an excellent opportunity for a grant proposal.

4. *Board and local resource committees.* Ensuring adequate funding is a board responsibility. This is an area of development and growth in the Teen Challenge governance structure. A local resource committee serves each of the Teen Challenge centers. These are important groups for making contacts, developing and implementing fundraising plans as well as assisting the local centers with facility and program needs. Each center director should have a committee to develop a fundraising plan that is included in the overall organizational strategy.

5. *Local church ministry.* A significant portion of support for Teen Challenge comes from local churches. Presently, the executive director schedules services on the front range of Colorado and the center directors schedule services in their respective geographic areas. Any center director may accept an invitation from a church in any geographic area. While this strategy makes sense from a logistics viewpoint, it may limit the exposure and overall support for Teen Challenge. For public relations purposes, it is advisable for the executive director to be in supporting churches throughout Colorado and Utah. This is an area for further study and evaluation.

Learning and Self-Reflection

The greatest asset an organization possesses is the leadership and staff. The executive director, center directors and staff of Teen Challenge are dedicated to the mission of the organization. The staff appears genuine in their openness to learn and to grow in effectiveness and efficiency. This area includes the need to set personal, yearly goals, self and formal evaluation, professional development activities and clarifying ministry vision and focus. The assessment results reveal a trend toward growth in this area, which is encouraging. An aspect of learning and self-reflection is the willingness to change and adapt to new ideas. Self-reflection cannot simply be an exercise for the organization. It is only meaningful if it results in appropriate

change (Understanding Organizational Success, 2003). Recommendations in this area include the following:

1. *Individual growth plans.* All staff members should establish individual goals for growth and development, and these should become part of an annual evaluation. Budget and even grant proposals to fund staff training should be included in implementing this recommendation.

2. *Leadership team development.* The executive director has one of the longest tenures in the Teen Challenge organization. His ability to support and equip center directors and staff is an asset that needs to be maximized. This is an area of study for the board to discuss. The staff should utilize various tools such as the DISC inventory or other instruments to develop an understanding of their personality and leadership style. The executive leadership team should arrange a conference call at least twice a month, for communication, team building and prayer. This would provide additional contact between face-to-face meetings.

3. *Strategic planning and program evaluation.* Each center director should develop strategic and program planning competencies. An self-assessment tool such as, Peter Drucker's "The Five Most Important Questions You Will Ever Ask About Your Nonprofit Organization" (Drucker, 1993) is a valuable resource. The internet affords valuable resources to keep up-to-date about developments in the nonprofit sector. This includes nonprofit websites and listservs. Developing a system and practice of evaluating program results is an important practice for ongoing program improvement. This is a challenging process, and a good opportunity the assistance of the local resource committees.

4. *Make evaluation a part of the organizational culture.* Several assessment tools available have application to individual programs or centers for Teen Challenge. Each center

should conduct an appropriate assessment. An assessment of the entire organization should take place every two years, with ongoing reviews to measure progress on action plans and objectives.

Business Planning, Marketing, Public Relations and Community Collaborations

Business planning, marketing, public relations and fundraising are interrelated components. Teen Challenge tends to view marketing and public relations primarily as a fundraising activity. This is an area for growth. These interrelated components provide the foundation for understanding the business planning process. The following recommendations for review and consideration are grouped under this heading.

1. *Develop marketing and public relations plan.* The present marketing plan lists some activities and strategies but is incomplete. Marketing has as its bottom line the goal of influencing behavior. It is the process of planning and executing programs designed to influence the behavior of target audiences by creating and maintaining beneficial exchanges for the purposes of satisfying individual and organizational objectives (Andreasen & Kotler, 2003). Public relations provide a well-planned and purposeful approach to build good will and enhance the image of an organization with both those outside and inside of the organization. Public relations relates to a cross section of publics that may not involve clients who use services, or volunteers who make services available. However, as an organization that solicits financial support from the public, the brand name in the community is of great value and can never be underestimated (Wilcox & Cameron, 2003). It is important to know the primary purpose of each activity and the anticipated outcome. This provides a basis for evaluation, determining what is and what is not important.

2. *Develop organization-wide brochures and a press kit.* A brochure is needed that highlights all of the Teen Challenge ministries. Additionally, a public relations crisis plan is vital, considering the populations that TCRM serves.

3. *A name for the Men's Center.* This is a topic under consideration. Teen Challenge currently has New Hope House for girls, House of Promise and the Men's Training Center. A name that fits with the other two is advisable. These individual centers can develop a brand identity around their name and still benefit from the Teen Challenge brand where needed. A timeline for this process to be completed is important.

4. *Develop business plans for centers.* Business plans are an important part of an organization's operational strategy. Each center should have a comprehensive and up-to-date business plan. Presently, the individual centers have a form of a business plan but they are not fully developed. Some training may be necessary to complete this process. It is important for each new program to undergo a business planning process. Individual business plans for the centers are foundational to an overall business plan for Teen Challenge.

5. *Community Collaborations.* An important aspect of business planning is knowledge of other organizations that offer the same or similar services. This knowledge includes how they operate, who they target, and what they charge for services. This not only enables an organization to understand its uniqueness, but also to establish collaborations to supplement and enhance services to clients. Community collaborations are helpful in applying for large grants as well.

6. *Prepare an Annual Report.* Teen Challenge currently does not produce an annual report. It is recommended that beginning in 2005 that Teen Challenge develop an annual report that highlights the accomplishments of the year. Annual reports are vital marketing and public

relations tools. They communicate accountability to donors and are requested as attachments to grant proposals. This should be a professional looking document and could even include sponsorship ads from local businesses.

7. Volunteer Recognition. Volunteers are the most generous donors in an organization, both in time and dollars. Teen Challenge benefits from many volunteers that serve on boards and committees and donate hours of time working on facilities and in various other capacities. Volunteer recognition is an important aspect of keeping volunteers connected to the organization. An annual appreciation event held at a center, a local church or special venue is an important way to honor volunteers. Often those who have worked on a facility enjoy bringing friends or family members to see the results of their efforts. An open house following a major renovation provides an opportunity for celebration and recognition. In addition to special events, good leaders recognize their volunteers from the minute they join a program by treating them as individuals with talents and interests who need to be matched to the right task. Leaders also understand the value of praising effective work at the time it takes place and treating volunteers as important members of the team (Brander, n.d., ¶2).

Financial Management

Financial management is one of the stronger areas of competency for Teen Challenge of the Rocky Mountains. The business administrator has served in this position since 1991 and has a graduate degree in accounting. The business office is located in Olathe, Colorado, which presents some challenges regarding logistics and internal controls. A CPA firm from Grand Junction, Colorado audits the books annually. An annual budget is prepared and reviewed at quarterly board meetings along with the financial reports. Board members receive by email, weekly cash flow reports and monthly financial reports. The chart of accounts contains a more

extensive breakdown than normal. This provides analytical details but presents a challenge in presenting reports to the board in an easy to understand format. The business administrator does structure summary reports to offset this problem. Acceptable procedures are in place to compensate for the lack of customary internal controls. The auditor has not addressed the lack of internal controls in any management letter. It is important to remember that internal controls demonstrate integrity to donors and are a matter of ethics. Recommendations regarding financial policies and procedures include the following.

1. *Internal control issues.* Review internal control policies on an annual basis. Train a volunteer or staff member at the House of Promise to create a log of incoming receipts. A local board member near Olathe should be an authorized signer on the checking account and sign checks during the payroll week. A dollar amount should be established for checks that require two signatures. Establish internal controls for each center with a focus on separation of duties. A different person should reconcile the checking account than the one who writes the checks. The local centers should complete the reconciliation before it is sent to the business administrator for verification.

2. *Chart of accounts and financial reports.* The current format allows tracking of income and expenses for the individual centers, but there is a need for a clearer format. This can be as simple as subheadings in the income and expense categories that separate the line items for the individual centers. It is suggested that the chart of accounts include all contribution income under, “administrative,” and the respective center name. A full chart of accounts with an explanation of the numbering systems should be a part of each board notebook.

3. *Establish a finance committee.* The bylaws or financial policies do not call for a finance committee. A standing finance committee should be appointed to establish the budget,

review and monitor financial policies. A member of the finance committee should serve on the resource development committee. The board-appointed treasurer and the business administrator should be separate positions, and each should serve on the committee.

4. *Establish accounts at a statewide bank.* Teen Challenge is a regional ministry and its banking relationships should reflect that posture. The availability of transacting business at one of several branches in a variety of communities will enhance internal controls and open up options for procedures not presently available. This is an issue under consideration and is worthy of implementation.

5. *Administrative and indirect costs to centers.* The present practice of Teen Challenge is for the executive director to raise funds for administrative costs through church offerings or other fundraising efforts. The individual centers receive donations that cover direct costs but do not share in indirect costs for the operation of their programs or centers. This practice does not align with generally accepted procedures for nonprofit organizations with multiple costs centers. This is an important area for study and evaluation for a finance committee.

6. *Breakdown of Net Assets.* Financial Accounting Standards Board (FASB) ruling 117, requires nonprofit organizations to categorize “net assets” (net worth) on a Statement of Financial Condition as “unrestricted,” “temporarily restricted” and “permanently restricted” (Analysis of FASB 117, n.d. ¶1). Teen Challenge does not breakdown the net assets on its Statement of Financial Condition (Balance Sheet) and the audit refers to all net assets as “unrestricted.” However, cash reserves for House of Promise are temporarily restricted funds and should be noted as such on the balance sheet. The recommendation is to breakdown the net assets according to FASB guidelines. This will assist the board in evaluating the financial status of the organization in relationship to cash and non-cash unrestricted assets.

Additional Recommendations

The following recommendations are general in nature arising from interviews, records review and assessments not covered under other categories.

1. *Bylaws and policy review.* The bylaws and policies for the local resource committees should be reviewed. This practice should take place annually, at least by a subcommittee of the board. This is a good practice for clarification, editing and updating purposes. Presently the bylaws do not comply with the number of board meetings required annually by accreditation standards and present practice. The bylaws also do not state explicitly who the chair of the executive committee is. A review of the minutes did not reveal the board's approval of the resource committee policies. Since the board has the responsibility to establish all policies, the minutes need to reflect this action. Please note that the bylaws require the approval of changes by the District Presbytery of the Rocky Mountain District Council of the Assemblies of God.

2. *Legal structure for risk management purposes.* Teen Challenge carries on an effective ministry to high-risk populations. This includes centers that serve teens or preschool children. The center in Tooele, Utah already operates as a subsidiary under incorporation in the state of Utah. Incorporating each center under its own incorporation would limit the liability of the entire organization in case of legal action. Another consideration would be establishing a nonprofit real estate holding company, a 501(c)2, for all Teen Challenge properties. It would be advisable to seek legal counsel and to survey the practices of other Teen Challenge organizations with multiple centers on their legal structure.

3. *Technology.* Nonprofits need to utilize technology in an efficient manner for effective program delivery and high performance operation. This includes the availability of equipment, training of staff, utilizing the expertise of volunteers and staying current on software that

promotes best practices. The nature of Teen Challenge requires extensive student records and documentation of program progress and effectiveness. It is advisable to establish a technology committee with volunteers from local churches, which could assess the needs of each center and the entire Teen Challenge operation.

The use of the Internet is a valuable tool for marketing, fundraising and serving the community with resources. The website is up and running (see www.teenchallengerm.com). The challenge is to keep the site current and to develop this tool for maximized effectiveness. A technology committee could serve this purpose as well.

4. Mission development. Teen Challenge of the Rocky Mountains has a firm direction in understanding the overall purpose that it serves. Over the years regardless of the struggles, challenges and shortcomings of the organization, lives have been changed. The challenge for Teen Challenge of the Rocky Mountains in the present is to clarify and refine what mission fulfillment “looks like” in their local context. Specifically crafted and tailored mission, vision and values statements serve as a valuable tool for the organization as whole and individual centers. These core documents serve as a guide for strategic planning, decision-making and evaluation. A process is underway to address this need. As these documents are created, they should serve as a guide for management and decision-making and should be reviewed on an annual basis.

Conclusion

This evaluation reveals that Teen Challenge faces issues that are familiar to the nonprofit sector. A recent GuideStar reader's survey revealed the greatest challenges faced by nonprofit organizations are: finding money to accomplish their mission, issues related to the board's role, function and operation, and getting the word out about who they are and what they do (Nonprofits' Three Greatest Challenges, 2005 ¶2).

These key issues are among those that face Teen Challenge of the Rocky Mountains. What is not clearly seen is the "why" behind these issues. This calls for ongoing evaluation and a willingness to ask the right questions and search for the answers.

The presence of ambiguity indicates that organizational effectiveness evaluation is in many ways a subjective, political process involving a negotiated interpretation of reality by all interested parties (Murray, 2005). That is the reason a comprehensive evaluation that includes the perspective of stakeholders as it assesses systems and organizational capacity is important. One process or perspective does not create ultimate change. However, it can address critical issues of capacity and stimulate a process that creates the energy and focus needed to move an organization toward greater effectiveness and efficiency in fulfilling its mission.

Grassroots nonprofit organizations are growing in number, characterized by passionate people who desire to make a difference in society. Driven by mission over the bottom line of profit, they face a challenge in operational priorities and demonstrating to the public the difference in people because of their efforts. Assessment tools developed in recent years through capacity-building initiatives and other endeavors serve as a valuable resource for organizations of various size and focus. The area of organizational evaluation and assessment will continue to

develop, and the focus on capacity-building with grassroots organizations may very well instill a culture of self-reflection and learning into a core group of nonprofits.

The outlook for the future reveals that the following will continue to be true:

- The people who make decisions affecting an organization will continue to make them, and will often desire more information.
- An organization, motivated by either external or internal forces to assess its effectiveness and efficiency, needs a process that is thorough, fair and as objective as possible.
- Professional evaluators are always looking for more useful and valid assessment tools to offer clients (Murray, 2005).

Added to the list can be the fact that the needs of society will continue to be met by nonprofit organizations energized more by passion and mission than organizational knowledge or expertise. These organizations need a commitment, tools and a process that will guide them in fulfilling their mission as high performing, effective and efficient nonprofit organization.

Teen Challenge of the Rocky Mountains has the opportunity to be a high performing nonprofit organization. It has a rich history and excellent opportunities to move forward with vision and purpose. The challenge is to leverage assets in the organization, and resources from local churches and the business community to fortify strengths and minimize weaknesses.

The Board of Directors face a major challenge in developing its own leadership as well as ensuring the effectiveness of the staff. The board holds ultimate responsibility for the strength and viability of the organization. While positive results take place, program results lag behind the national average for Teen Challenge. The adequacy of cash flow is a critical issue affecting program results and organizational effectiveness. This area needs to be addressed through

planning, capacity-building, and on-going evaluation of organizational systems and any underlying issues.

Teen Challenge International is a proven “best-practices” program in changing the lives of people impacted by the drug and alcohol epidemic. The recommendations in this report if implemented will strengthen Teen Challenge of the Rocky Mountain’s effectiveness and efficiency in fulfilling its mission.

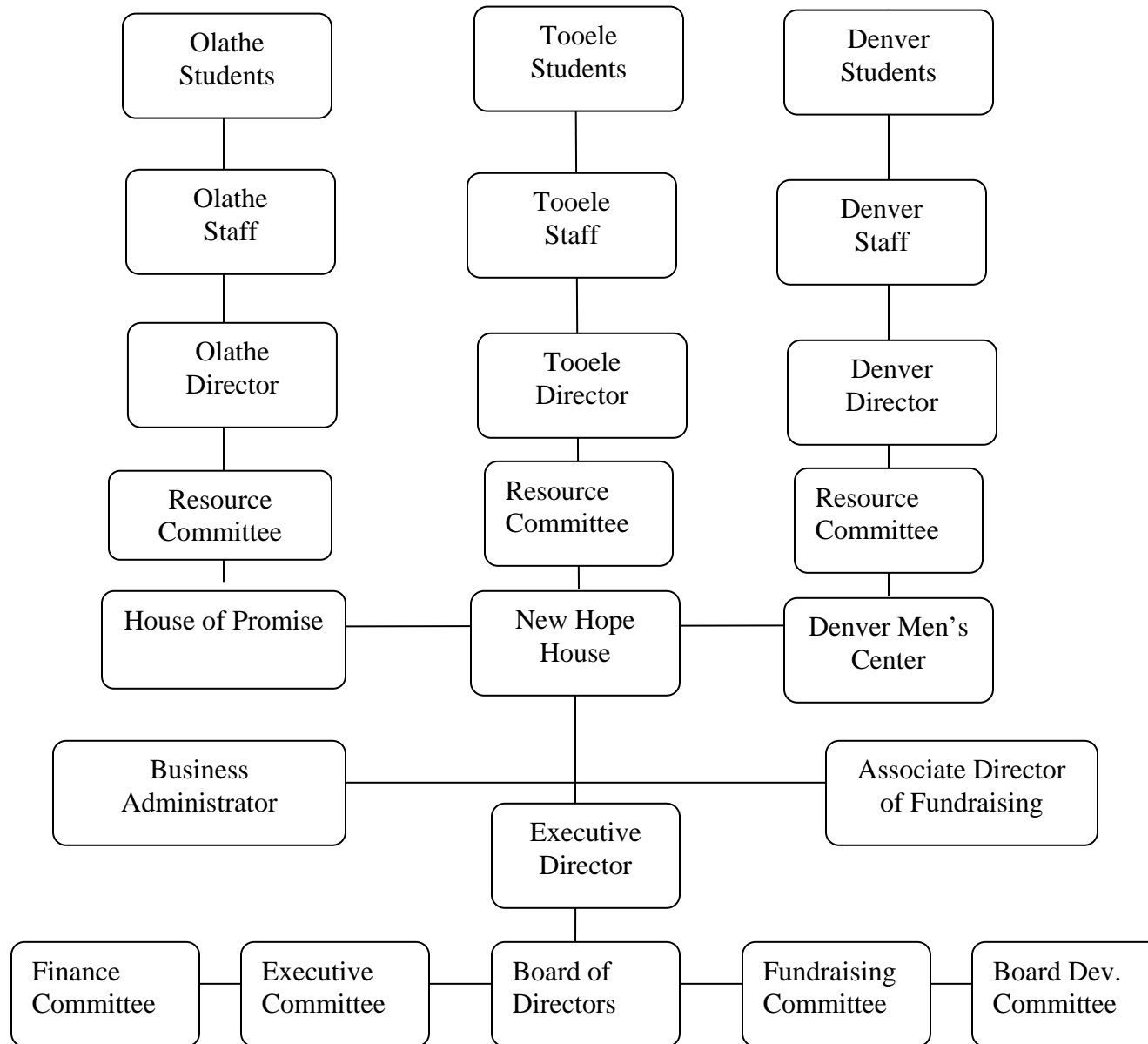
This evaluation provides a starting point for planning and action steps that lead to progress. There are challenges to face and tasks to accomplish for the improvement needed. However, the opportunities are encouraging and the potential rewards are great. The next step is to prioritize, strategize and implement (see appendix I). As Teen Challenge of the Rocky Mountains commits itself to learn, grow and celebrate each step forward, the end result will be the lives of people changed forever.

Appendix A

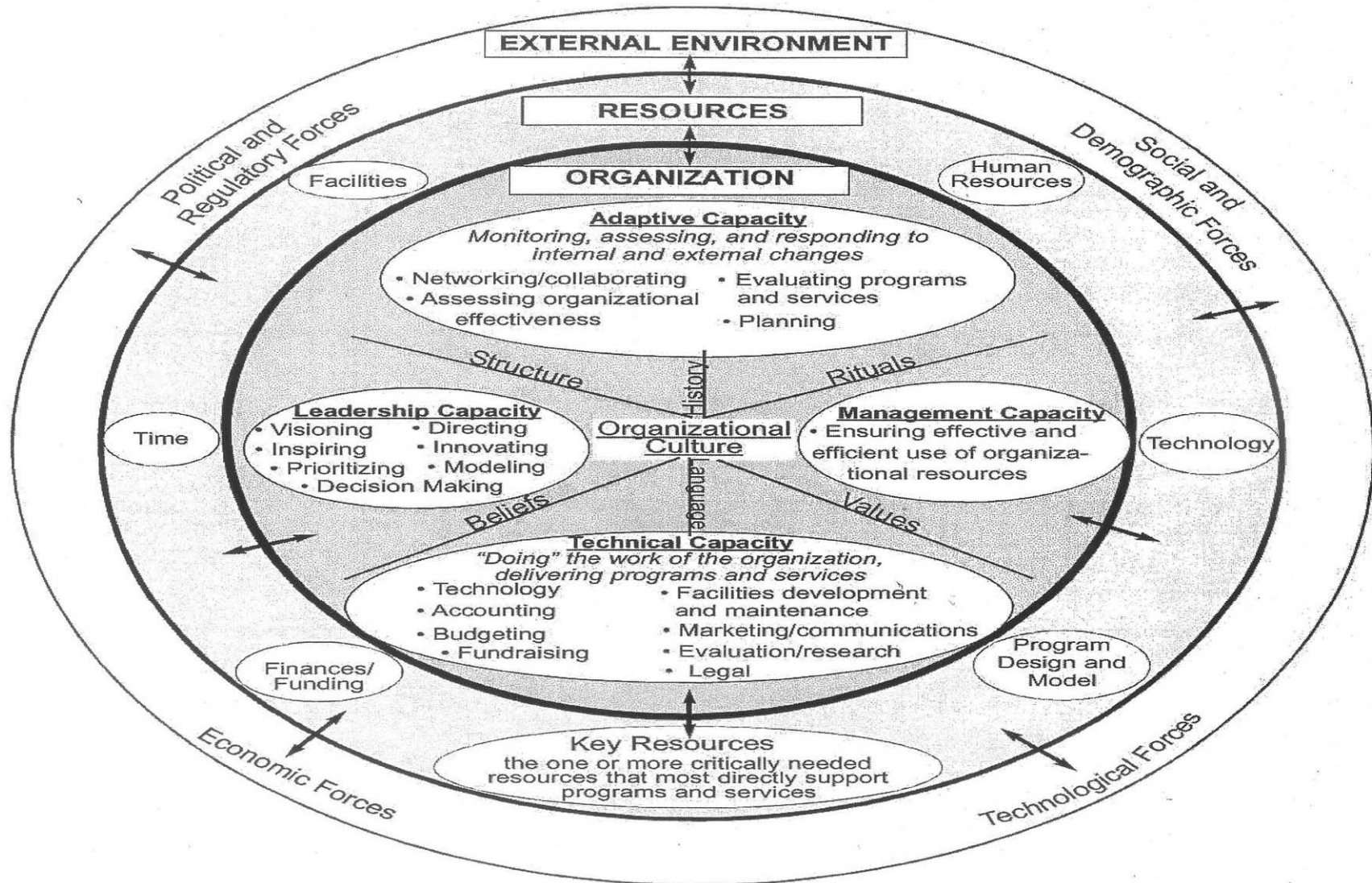
Teen Challenge of the Rocky Mountains Timeline

Date	Key Events
1965-1969	Coffee house ministry and outreach home established by Full Gospel Chapel
1970	Royce Nimmons moves from Austin, TX to become Teen Challenge Exec. Dir.
1970-1979	Denver Center moves 3-4 times during these years
1976	Center opened in Buffalo Creek on donated property
1978	Emerson Home purchased and Randy Rowe becomes Director of Denver Center
1980	Woodland Park property donated. Buffalo Creek Property sold - headquarters moved to Woodland Park
1980-1984	Denver Center and Woodland Park both in operation
1985	Denver Center sold
1984-1991	Teen Challenge Christian Academy established in Sundance, Wyoming serving as an adolescent residential school for boys and girls
1982-1986	Salt Lake City, Utah outreach center in operation – Teen Challenge expands to centers in three states
1985	Property in Crestone Colorado donated to Teen Challenge
1987-1989	Training Center in Collbran, CO operates in relationship with Job Corps – Randy Hall Center Director
1989	Woodland Park property sold
1991	Wyoming District assumes oversight of Sundance, Wyoming Center
1991	Royce Nimmons resigns as Executive Director (taking medical retirement) – Three distinct entities emerge: Wyoming Teen Challenge, Utah Teen Challenge, Colorado Teen Challenge
1991	Crestone property vacated and facility purchased in Olathe, Colorado (at half asking price) Norm Wolff become Business Administrator
1992	Mark Garner served as ED, begins remodel of Olathe building
1992	Randy Hall serves as ED, Dale Davis becomes Director of Olathe Center (1993) and plans begin to relocate re-entry center back in Denver
1997	Allen Turley become director of the Denver Men's Training Center
1999	Randy Hall resigns, ED position vacate for a year
2000	Chuck Redger becomes ED of Teen Challenge of the Rocky Mountains, Utah Teen Challenge becomes a part of TCRM
2001	Utah Center becomes a part of Teen Challenge of the Rocky Mountains, Mary Bondi appointed as Center Director of New Hope House
2002	Olathe Center closed and ministry center located in Denver
2003	Idea for a Women's Center is birthed at District Women's Retreat in Oct.
2004	Remodeling of Olathe facility begins for a new ministry center to women and their children called House of Hope, Vicki Proffit selected as director

Appendix B – Teen Challenge of the Rocky Mountains - Organizational Chart



Appendix C – TCC Group Organizational Effectiveness Chart – Dr. Peter York (Used by Permission)



Appendix D
Organizational Assessment Tool Chart

Tool	Areas Measured (No. of items in each area)	Types of Responses/Comments
Brinckerhoff's Organizational Stewardship Assessment www.wilder.org	Mission Stewardship (6) Board of Directors Stewardship (9) Staff Stewardship (9) Technology Stewardship (8) Staffing (7) Marketing Stewardship (8) Financial Stewardship (11) Vision and Planning Stewardship (8) Controls Stewardship (9)	This self-assessment is available online Each person of the management team should complete the assessment individually. Each of the assessment questions in the various areas receive a "yes" or "no" response. Point values vary for each assessment question.
Colorado Trust Organizational Assessment Process (OAP) www.coloradotrust.org	Governance (14) Management (10) Human Resources (16) External Relations (11) Strategic Planning (11) Financial Resource Management (12) Service Delivery (10) Evaluation and Organizational Learning (10) Community Organizing (10) Coalition Management (10)	This assessment is administered to a group of leaders. Each of the 10 categories contain three dialogue questions, that precede the assessment questions. Responses to each question ranges from: 1-Strongly Disagree; 2-Disagree; 3-Neutral; 4-Agree; 5-Strongly Agree Last two categories considered optional
Colorado Compassion Initiative (CCI) Comprehensive Organizational Assessment (JVA Consulting, Denver, CO) http://www.jvaconsulting.com/	Board Development (26) Fundraising (13) Grant Writing (12) Grant Management (9) Community Collaborations (12) Marketing and Public Relations (16) Financial Management (24) Program Development (12) Program Evaluation (24) Information Technology (9) Personnel Management (15) Volunteer Management (8)	Designed to establish a baseline assessment for capacity-building technical assist these checklists of items under each area contain 19 outcomes. A consultant who takes notes and receives additional qualitative feedback from respondents administers the tool. Note: This tool is for the exclusive use of CCI Clients and referenced for comparative purposes.

Organizational Assessment Tool Chart (p. 2)

Tools	Areas Measured (No. of items in each area)	Types of Responses/Comments
McKinsey Capacity Assessment Grid http://www.emcf.org/evaluation/mckinsey_assessment_tool.htm	Aspirations (4) Strategy (6) Organizational skills (10) Human Resources (14) Systems and Infrastructure (12) Organizational Structure (4) Culture (3)	This assessment includes four possible responses based on a narrative description of capacity under the following categories: 1 – Clear need for increased capacity 2 – Basic level of capacity in place 3 – Moderate level of capacity in place 4 – High level of capacity in place
Organizational Planning and Assessment Tool (The Capacity-building Initiative: Immigrant and Refugee Organizations – Columbus, OH www.uwcentralohio.org/cbi.asp	Vision and Planning (9) Board Governance and Structure (25) Financial Management and Operations (24) Management and Human Resources (27) Fundraising and Resource Development (17) Programs and Evaluation (8) Public Relations and Community Collaboration (16)	Respondents using this assessment rate the organization's execution on a scale of 1-5 defined as follows: 1 – No; not in place (Beginning) 2 – Not yet; Under development at present (Developing) 3 – Sometimes; sporadically implemented (Operational) 4 – Most of the Time; help needed to reach full potential (Advancing) 5 – Yes, always true; well-designed, efficient and effective (Excelling) Assessments have questions for organizations in different stages, (small, intermediate)
Marguerite Casey Foundation Organizational Capacity Assessment Tool http://www.caseygrants.org/pages/resources/resources_downloadassessment.asp	Leadership Capacity (14) Adaptive Capacity (14) Management Capacity (18) Operational Capacity (13)	This assessment contains four levels of descriptive responses (1-4) to select from for each of the items listed under the four capacities. Averages for each capacity are plotted on a graph. Responses were adapted from McKinsey tool.
Southern Minnesota Initiative Foundation Self-Assessment Tool http://www.smifoundation.org/NPAssessmentTool.pdf	Driven by Relevant Mission (17) Deep and Broad Leadership (22) Resilient Organizational Systems (26) Access to Sufficient and Sustainable Assets (24) Mission-Drive Programming (13) Learning and Self-Reflection (14) Integrity (12)	Responses to this assessment include a mix of a 5-point attitudinal scale and 5-point change scale. <i>Attitudinal responses valued as follows:</i> 1-Disagree 2-Tend to Disagree 4-Tend to Agree 5-Agree 0 = Unsure <i>Change Scale responses:</i> 1-Absent 2-Declining 3-Improving 4-Regained 5-Stable (definitions provided for each response)

Organizational Assessment Chart (P. 3)

Tools	Area Measured (No. of items in each area)	Types of Responses/Comments
Southwest Michigan Faith & Community-Based Training Institute Organizational Assessment Checklist http://www.swtraininginstitute.org/NMApage.html	Governance and the Board (25) Financial Management Practices (20) Bookkeeping and Accounting Practices (21) Human Resources (11) Program Management (6) Technology/Information Management (19)	This assessment is designed for smaller nonprofits; each item is rated as: E= Essential, R=Recommended, A=Additional to Strengthen organizational activities Responses to each item described includes checking the appropriate box for: "Meet" "Needs Improvement" "N/A" A column is included for "Action Steps/Comments"
United Way Organizational Assessment Tool (OAT) – Drucker process http://www.unitedwaypittsburgh.org/uwac/searchforservices/excellence.jhtml	How Our Agency is Organized (27) How We Plan for the Future (8) How We Serve and Relate to Clients (14) How We Operate (16) How Our Human Resources are Managed (27) How Our Agency Manages its Finances (25) How We Let People Know About Us (8)	Each area of the assessment contains several subcategories. Respond by checking a box for three possible responses: [Y]Yes; [N] No; [P] Partial
Wilder Nonprofit Life Stage Assessment www.wilder.org	Governance (15) Staff Leadership (15) Financing (15) Administrative Systems (15) Staffing (15) Products and Services (15) Marketing (15)	This self-assessment tool is available online Each statement is evaluated on a scale of 1-5 with 1= least like us to 5=Most like us

Additional Assessment Tool Chart available at: <http://www.upstatealliancencp.org/assessmenttools/>

Appendix E
Sample Questions from Assessment Tools

Topic: Governance

Organizational Assessment Tool

Yes	No	Partial	We have a process to identify and recruit new board members
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Capacity-building Initiative

Board members help recruit and prepare new members for their position	1-No	2- Not Yet	3-Sometimes	4-Most of the time	5-Yes, Always
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McKinsey Assessment Grid

Human Resources	1 Clear need for increased capacity	2 Basic level of capacity in place	3 Moderate level of capacity in place	4 High level of capacity in place
Board - composition and commitment	Membership with limited diversity of fields of practice and expertise drawn from a narrow spectrum of constituencies (nonprofit, academia, corporate, government, etc); little or no relevant experience; low commitment to organization's success, vision and mission; meetings infrequent and/or poor attendance	Some diversity in place; membership represents a few different constituencies (nonprofit, academia, corporate, government, etc); moderate commitment to organization's success, vision and mission; regular purposeful meetings are well-planned and attendance is good	Good diversity in fields of practice and expertise; ; membership represents a most different constituencies (nonprofit, academia, corporate, government, etc); good commitment to organization's success, vision and mission; regular purposeful meetings are well-planned and attendance is good, occasional subcommittee meetings	Membership with broad variety of practice and expertise, and drawn from full spectrum of constituencies (nonprofit, academia, corporate, government, etc); Includes functional and program content-related expertise, as well as high-profile names; high willingness and proven track record of investing in learning about the organization and addressing issues; outstanding commitment to organization's success, vision and mission; good attendance, frequent meetings of focused subcommittees.

Sample Questions from Assessment Tools (Page 2)

Southern Minnesota Self-Assessment Tool

Governance	Disagree	Tend to Disagree	Tend to Agree	Agree	Unsure	
The board exhibits appropriate leadership in – Recruiting/orienting members with needed skills and talents	1	2	4	5	X	
Leadership shown by the board in the following is	Absent	Declining	Improving	Regained	Stable	Unsure
<ul style="list-style-type: none"> Setting policies to guide operations and programs 	1	2	3	4	5	X

Colorado Trust Technical Assistance to Build Organizational Capacity

Category – Governance (Board)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
It is clear what the role of the board is in the organization and how that differs from the staff	1	2	3	4	5

Peter Brinckerhoff’s Organizational Stewardship Assessment

B. Board of Directors Stewardship

Does the board have a written list of responsibilities? Yes (3) No (-4)

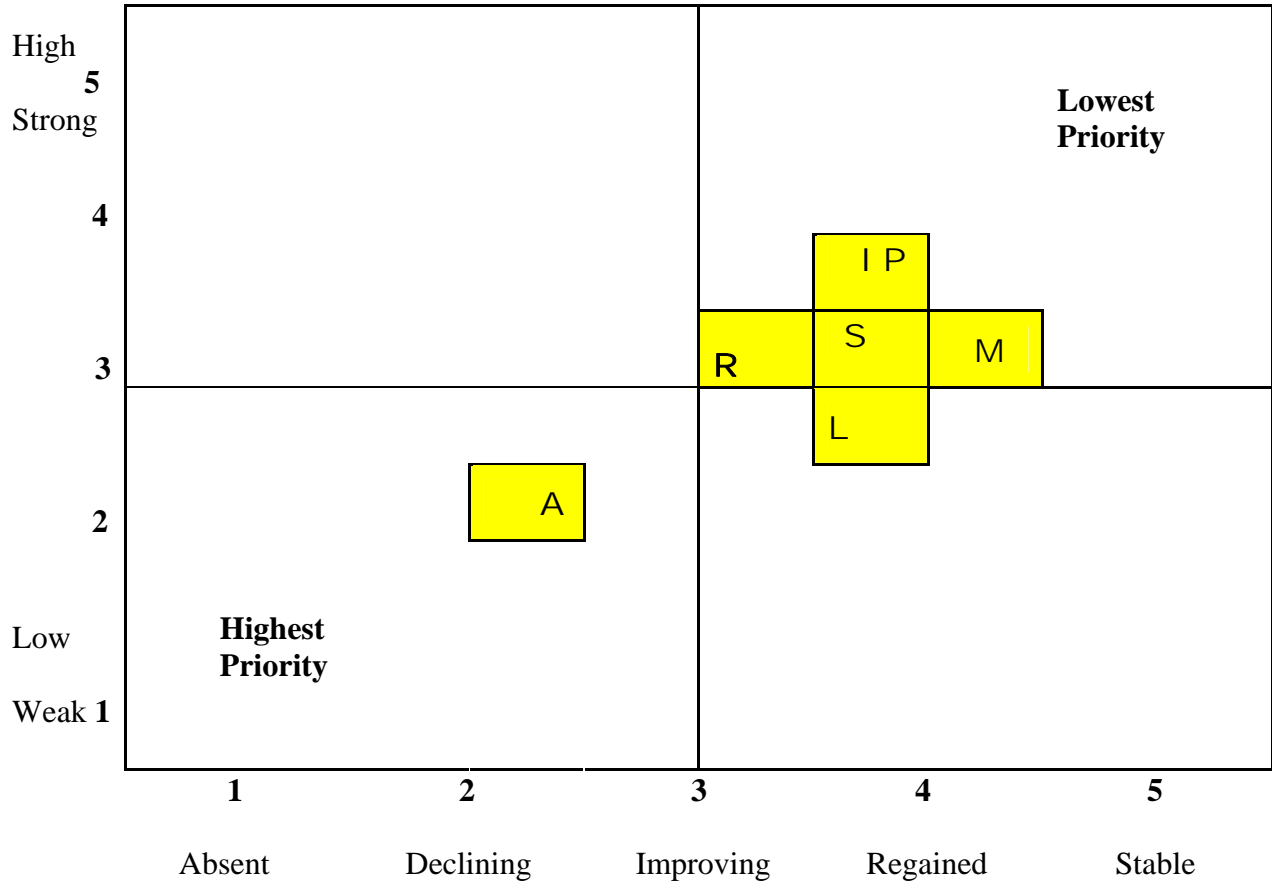
Is there a current, written board manual? Yes (1) No (-1)

Southwest Michigan Faith & Community-Based Training Institute – Organizational Assessment Checklist

Rating	Indicator	Meet	Needs Improvement	N/A	Actions Steps/Comments
R	The board meets regularly for ongoing communication and control and almost always has a quorum				
E	The board participates in ongoing training				

Indicator ratings: E = essential; R = recommended; A = additional to strengthen organizational activities

Appendix F- Organizational MAP (Composite of all seven scores)



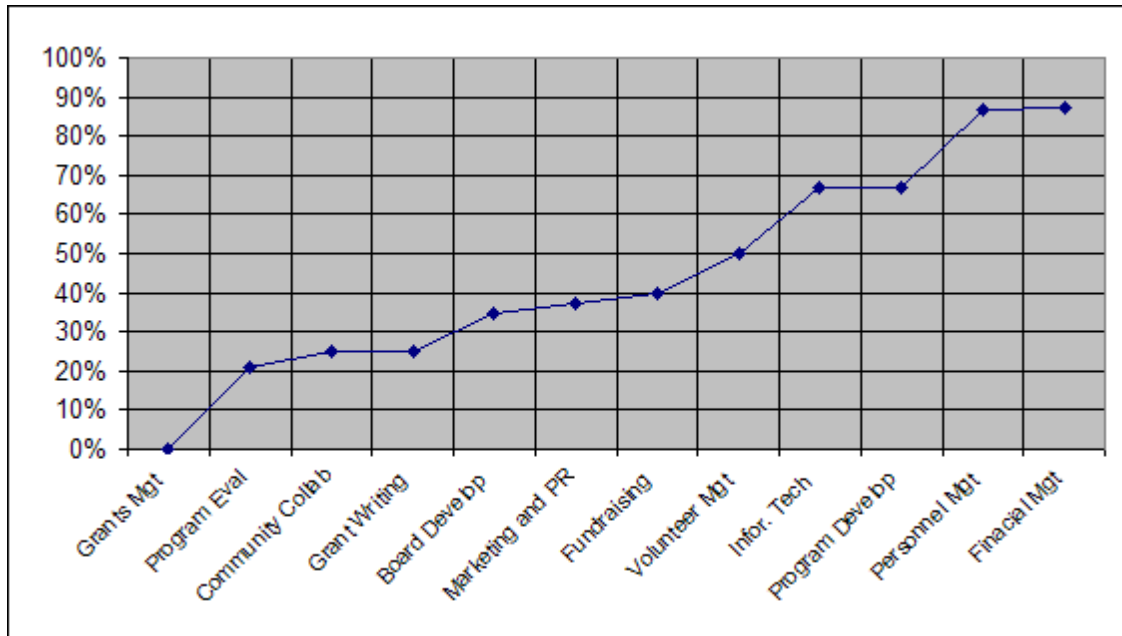
Area	Status	Change
M – Relevant Mission	3.10	4.37
L - Deep and Broad Leadership	2.63	3.56
S - Resilient Systems	3.44	3.64
A – Sufficient & Sustainable Assets	2.27	2.43
P – Mission-Driven Programs	3.76	3.68
R – Learning & Self-Reflection	3.21	3.18
I – Structural Integrity	3.70	3.69

Appendix G

CCI Comprehensive Organizational Assessment Summary

Teen Challenge of the Rocky Mountains 501(3)c
Founded: 1970 **Yrs of Operation:** 35
Current Operating Budget: \$732,000
Examiner: Ken Summers

Area of Capacity	Raw Score	percent of items obtained
Grants Management	0 out of 9	0percent
Program Evaluation	5 out of 24	20.80percent
Community Collaboration	3 out of 12	25percent
Grant Writing	3 out of 12	25percent
Board Development	9 out of 26	34.60percent
Marketing and PR	6 out of 16	37.50percent
Fundraising	2 out of 5	40percent
Volunteer Management	4 out of 8	50percent
Inform Technology	6 out of 9	66.67percent
Program Develop	8 out of 12	66.67percent
Personnel Mgt	13 out of 15	86.67percent
Financial Mgt	21 out of 24	87.50percent
Composite Score	80 out of 172	46.50percent



Appendix H

SWOT Analysis for Teen Challenge of the Rocky Mountains**STRENGTHS**

- Teen Challenge has effective programs with proven results
- Chuck Redger, Executive Director has 40 years experience in the field
- The directors of the three centers have a solid commitment, an eagerness to lean and demonstrate effectiveness in their responsibilities
- House of Hope has energized volunteers to renovate an abandon facility and secured strong financial commitments to establish this new program
- The Men's Center staff members are program graduates who know the impact of Teen Challenge and are committed to helping others achieve life goals
- Large numbers of volunteers have been involved in the various centers donating time, abilities and money
- TC connects with local churches to build financial and volunteer support
- Strong support from the Women's Ministries Department of RMDC
- The Board and Resource Committees for various centers represent a cross-section of individuals who are supportive of the mission.
- Executive Director communicates monthly with supporting churches and individuals through direct-mail letter or newsletter
- Denver Men's Center and New Hope House is near capacity

WEAKNESSES

- The Board of Directors lacks the composition and leadership needed for effectiveness
- Strategic and resource development planning is lacking or ineffective
- TC has a negative cash flow and suffers from chronic financial instability
- Denver Men's Center has no place to expand. The facilities are inadequate for reentry and recreation.
- RMTC has an image of being in continual crisis and financial need, creating questions about long-term stability
- The Executive Director's management abilities are stretched with three centers in three diverse geographic areas and lack of expertise in fundraising
- Need for staff training, development and credibility
- Lacking or insufficient marketing, fundraising and business plans
- Organizational structure complicates communication and coordination of fundraising
- "Teen Challenge" is a recognized brand in faith-based circles for drug and alcohol treatment, but does not reflect the current focus of target markets served
- The three treatment centers find themselves "competing" for funds from the same target group
- The "Men's Center" lacks adequate and accurate branding
- Web site newly launched and needs further development

SWOT Analysis – Page 2

OPPORTUNITIES

- Utilize the internet effectively as a marketing and fundraising tool
- Actively pursue collaboration with other organizations
- Build stronger financial commitments among board members and volunteers
- Maximize the relationship with the national TC association for capacity-building
- Develop relationships with a greater cross-section of the faith community
- Pursue funding through faith-based/community initiative for specific education and work-skills related programs
- Leverage the support for House of Promise into greater support for the entire organization
- Strengthen ties to the business community for funding and board development
- The pervasive problems of drugs and alcohol will provide continuing opportunities for growth
- Funding through foundation grants
- Building strong collaborative relationships

THREATS

- Residential treatment limits the market served
- State regulations regarding childcare for House of Promise
- State regulations about types of programs that require specialized license for House of Hope
- Building code issues for various centers
- Zoning requirements for new property to expand Men's Center
- Changes in the economy or stability/commitment of supporting churches that affect donations
- Liability/Risk Management issues for programs involving juvenile girls and children

Appendix I

Action Steps Planning Guide

Instructions: For each recommendation, assign a priority number (1, 2, 3), a projected completion date and who is responsible. Recommendations are in order they appear in the evaluation report.

Recommendation	Priority	Target Date	Responsibility
Create Governance Review Committee			
Strategic Plan Development			
Executive Director Evaluation			
Select Treasurer from Board			
Board meeting strategy			
Fundraising Committee			
Fundraising Plan			
Select fundraising software			
Develop grant writing skills			
Resource committee training and plan			
Evaluate local church ministry plan			
Director growth plans			
Leadership assessment			
Strategic and program evaluation plans			
Assessment plan			
Marketing and PR plan			
Develop brochures and press kit			
Name for Men's Center			
Business plan for centers			
Evaluate community collaborations			
Annual Report			
Volunteer Recognition			
Internal controls policy			
Format for chart of accounts & Reports			
Establish a Finance Committee			
Select a Statewide bank			
Evaluate cost center policy			
Breakdown net assets			
Bylaws and policy review			
Study legal structure			
Establish a technology task force			
Mission development & evaluation plan			

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