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Clients at the Center:

Realizing the Potential of Multi-Service Organizations

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Jared is 15 years old. He doesn't know who his father is; his mother is a heroin addict who bounces in and out of temporary recovery. For four months last year, Jared lived in a dorm for homeless teens.

Now he is back in an apartment with his mother, three younger brothers and a pregnant older sister, but he is thinking of moving out because there is only one bedroom and his mother has started using again. He doesn't want to go back to the shelter though, because it's too restrictive. For the moment, Jared is in summer school, trying to make up classes he failed during the school year. But he's not sure he is going to go back in the fall; he's been held back twice, and at 15, he's embarrassed about starting eighth grade again.

Jared is on an anti-depressant, and visits a psychiatrist each week, taking a 40-minute bus ride to get there. His social worker's office is a short walk from his mother's apartment and he sees her regularly also. Through the social worker, Jared received referrals to see a dentist and a doctor, but their offices are also more than 40 minutes away by public transportation, and since he doesn't live in the group home anymore, he doesn't have a ride and keeps cancelling appointments.

Jared's teachers and the other professionals he sees try to talk to him about the future, and make it sound as if he can someday go to college and become independent. Jared knows they are all trying to help him, but he doesn't see how that bright future they all talk about can happen for him.[1]

Many people, like Jared, face complex and interrelated challenges. To overcome those challenges, they require sustained support over time that addresses both the individual problems with which they struggle and their connection to one another. This type of integrated, extended support is becoming more common in the health care arena. There is also a small, but growing body of literature about its application in human services, and emerging evidence that it is a more effective approach to helping individuals facing multiple challenges achieve significant, long-term outcomes.[2]

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[1] This story is a fictitious representation of many of the situations we have heard about in the course of talking to the leaders of a variety of multi-service organizations about their clients. We used this representative story to protect the privacy of the organizations' beneficiaries.

[2] See Northwest Institute for Children and Families, University of Washington School of Social Work (2008), *A Comprehensive Evaluation of the Sound Families Initiative.*; Proscio (2006), *More Roof than Walls: Why Resident Services are an Indispensable Part of Affordable Housing.* Enterprise Community Partners; Martinson et. al. (2009), *The Minnesota Integrated Service Project: Final Report on an Initiative to Improve Outcomes for Hard-to-Employ Welfare Recipients.* The Urban Institute Center on Labor, Human Services, and Population (2009).

Multi-service organizations (MSOs)—nonprofits that provide services across multiple categories such as substance abuse, housing, and education—are uniquely positioned to provide this kind of holistic help.[3] While nonprofits that provide a single service (from mentoring to job training) often draw more media attention, perhaps because they are easier to profile, MSOs have tremendous potential to help people struggling with complex problems transform their lives. Delivering on this potential *should* be an MSO's comparative advantage. Should be, but too seldom is.

The problem is that many MSOs tend to be organized around the services they deliver, not the needs of the clients they serve. Clients receive the service they were referred to, not the full set that they need in order to improve their lives. Staff are focused on providing a high-quality service and achieving a narrow, short- term outcome, which isn't a bad thing, but they don't have authority or accountability for helping the client achieve long-term, life-changing outcomes. We call this "service-centric" strategy.

To realize their full potential, MSOs have to shift from being service-centric to being "client-centric." Being client-centric means working with a client to set long-term goals, understanding what services the client will need to reach those outcomes, providing those services in a coordinated way, and following up to make sure the client achieves their goals.

Why haven't more MSOs made the shift to being client-centric? A set of reinforcing strategic, financial, and operational barriers stand in the way. Overcoming those barriers requires a tremendous act of leadership. As one nonprofit CEO who has made this journey commented, "Nonprofit leaders who try to run client-centric, multi-service organizations are paddling upstream all the way, against a strong current of funding trends and the tendency of services to become insular, not to mention all the attention that single-service organizations have been getting."

Through our client engagements and related research, we have been privileged to encounter a number of MSOs that are tackling this problem head on, including Our Piece of the Pie® (Hartford), Congreso de Latinos Unidos (Philadelphia), Crittenton Women's Union (Boston), Latin American Youth Center

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[3] There is no agreed-upon name for a nonprofit that delivers multiple services, but the handiest one may be simply "multi-service organization." For the purposes of this paper, we are using "MSO" to refer to any organization that targets a population (or populations) that is defined demographically (e.g., children, youth, young adults, single mothers, etc.), or geographically, rather than by "problem" (e.g., drug addiction or poor school performance), and seeks to provide multiple services that would be appropriate for each of those populations.

(Washington, DC), and Four Oaks (Iowa).[4] We wrote this paper to share what these pioneers are doing to achieve better outcomes for their clients, and to encourage more research and discussion about the full potential of MSOs, not only on the part of their leadership and boards, but also among the public officials, philanthropists, and policy makers who control their funding.

Historically, MSOs Have Been Sources of Community Strength…

Multi-service nonprofits have been a prominent feature of the U.S. social welfare landscape for more than a century. Many began as settlement houses for immigrants, such as Stanton Coit's University Settlement, founded in 1886 on New York City's Lower East Side. Some MSOs are community action agencies (more than 1,000 nationwide) with their roots in the 1960s War on Poverty. Others started out offering a single service and added more services as additional needs of the community became evident. Among the fields that MSOs' services typically span, health, work-force training and employment, education, and housing figure prominently.

Taken together, MSOs represent a huge portion of the country's human services capacity. In a Bridgespan analysis of three major cities (Charlotte, Milwaukee, and Portland, OR), for example, MSOs received one-third of the more than $2.2 billion flowing to human services organizations and 16 percent of the total $6.6 billion total nonprofit revenue in those cities.

Due to their history, broad range of services, and size, MSOs tend to be deeply connected to the communities they serve. They are a trusted source not only for residents in need of help, but also for public officials in need of organizations they know they can count on to administer new or existing services in their cities. When other local nonprofits fail to perform satisfactorily, or federal or state agencies make funds available for new services, it is common for MSOs to be asked to take on activities outside their original field or fields. In many communities, MSOs even carry enough institutional clout to play a lead role in effecting broader community change. For example, one Brooklyn-based MSO that provides family counseling, foster care, employment, and school-based programs was instrumental in getting the city to open a much-needed high school in its neighborhood.

At their best, MSOs understand the context and circumstances of their clients' lives, and know the bundle of supports their clients are likely to require over time. In addition, MSOs are creative at providing the

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[4] Note: This article is the first in a two-part series; the second article will follow the steps that Four Oaks, an Iowa-based MSO specializing in child welfare, juvenile justice, and behavioral health, has taken in moving to a client-outcomes centered approach.

services a client needs; if an MSO cannot deliver one or more key services itself, its leadership usually has the connections and local knowledge to collaborate effectively with other organizations that can.

…But They Are Driven to Focus on Services, Not on Higher-Order Client Outcomes

Given their strengths, why do so few MSOs adopt a client-centric approach? The answer lies in the funding, strategic, and organizational barriers they face.

The funding model for a typical MSO can be summed up in one word—government. Whether city, county, state, or federal—perhaps all of those—it was government funding that helped these organizations grow, and it is government funding that keeps them alive. However, government funding streams typically pay for only one service. An organization's substance abuse treatment work is likely to be funded by a government substance abuse agency, its housing services by a housing agency, its job training and HIV prevention work by other specialized government agencies. Not only does this make it hard to move a client from one service to another, but also it puts a huge administrative burden on the organization. One MSO we know manages more than 40 contracts across several state and local government agencies to serve about 3,600 individuals annually through 12 services. The time and money spent on managing contracts are resources that could be spent on integrating and extending services. Additionally, government funding tends to measure results annually, a practice that may make it difficult for MSOs to focus on (or demonstrate progress) on broad and longer-term client outcomes.

Private funders tend to be similarly blinkered, in that they often focus on specific service models and a comparatively narrow set of activities and outcomes they are willing to fund. Relatively few are prepared to support funding for integrative processes (like care coordination) that can be used to connect funding silos or to provide general operating support, which gives the organization's senior leaders the freedom to use the funds as they see fit.

Not surprisingly, therefore, the organizations themselves are prone to be service-centric as well: Goals are set and strategies developed on a service-by-service basis. Progress is measured the same way, in part to ensure compliance with the specific requirements of multiple funders, many (if not all) of whom tend to have their own specific data systems. In addition, most MSOs lack an integrated database that would allow them to see all of their clients and services at once. As a result, few MSOs know whether their clients are taking advantage of all the services that could meet their needs. In the worst-case scenario, staff members become so trapped in their silos that they do not even know the other services the organization provides. This is especially common when services operate in different locations.

The First Step to Overcoming the Barriers: Defining a Client-Centered Strategy

In light of the role that funding plays in driving this vicious cycle, it seems obvious that changing the flow of funds would be the first step in reversing it. Obvious, perhaps, but not realistic, without a strategy to knit together the entire organization and demonstrate progress, nonprofit leaders will inevitably struggle to make a compelling case to their funders for the kind of flexible support that can break down silos. This is why the leaders we have seen make this shift start, not with their funders, but with their own organizations and with the hard work of developing a strategy that spells out what they will—and will not—do, for whom.

Defining a sound strategy—making tough choices about whom to serve, agreeing on the outcomes that will constitute success, identifying the services and processes that are essential to achieving these outcomes—is challenging for any organization. But it may be particularly hard for MSOs that are recognized as community leaders and expected to take on any and all major issues that affect local residents.

Consider the evolution of Our Piece of the Pie® (formerly Southend Community Services, SCS), which was founded in 1975 to serve residents in one of Hartford's most disadvantaged neighborhoods.[5] The organization began by employing youth to provide services to the elderly, but over time, as it established a strong track-record, local government agencies sought it out to provide more services. In response, SCS expanded across the city, in terms of both the number of services it operated and the ages of the citizens it served. And by the 1990s, the organization was providing a range of services for three distinct groups of Hartford residents: young children, youth ages 14 to 24, and the elderly.

In many ways, SCS was a "classic" MSO, growing at the behest of funders, according to the needs they perceived and were willing to support. But Bob Rath, who became the organization's president and CEO in 1994, wanted to do more for the youth that SCS served. Prior to joining SCS, Rath had spent 20 years working in the corrections world, and, as he put it, "I had seen too many young people of color falling into the corrections net."

In 2000, Rath was instrumental in helping Hartford obtain a multi-million dollar Youth Opportunities (YO!) grant from the U.S. Department of Labor, and the city named SCS as the key contractor to implement

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[5] For the full story of OPP's transformation, please see the Bridgespan case study, "Our Piece of the Pie® (formerly Southend Community Services): Making the Biggest Difference in Hartford" by Alex Cortez and Alan Tuck.

the service. YO! was designed to keep in-school youth on track, lead out-of-school youth back to school or to alternative pathways to a diploma, and help older youth make transitions to college or full-time employment. To achieve these goals, the model blended case management services with educational support and job-readiness training. Rath saw the grant as a major opportunity for SCS to learn much more about the type, combination, and sequence of services that would best help the most at-risk young people.

YO! was a five-year grant, however, and in 2004, with a year left in the funding and no chance of renewal, Rath had to step back and assess SCS's contributions to Hartford. "The hardest leadership job was to distill the primary purpose of the organization," Rath recalled. "My own aspirations aside, we had to ask the question 'Where are we a leader?' and we had to follow what the data told us."

Research soon revealed that SCS was the city's third largest out-of-school youth-service provider at a time when 40 percent of its youth were failing to earn a high-school diploma by age 25, and the unemployment rate for 16 to 24 year olds was 14.5 percent. In contrast, the organization was a minor player in elder services and an even smaller player in the childcare arena.

Given those facts, Rath and his colleagues articulated a new mission: "Helping urban youth become successful adults." They set two clear goals: helping over-age, under-credited youth gain post-secondary credentials; and helping them attain full-time work. And they incorporated the central elements of the YO! model into a multi-service program called Pathways, which includes educational services, workforce development, career development, and life counseling. (The organization was renamed Our Piece of the Pie$^®$ (OPP) at that time.)

Looking back, Rath reflects on the challenge—and importance—of remaining disciplined about who you're serving, what you're doing, and what the outcomes will be. "People ask me all the time, to 'go younger, go younger,' and I do think about it, as we continue to learn more about the population we're serving. But we're being extremely careful, because we know that in order to keep making a difference you have to define your population, define your outcomes, and hold steady."

Rath acknowledges that holding steady in the current funding environment is difficult, and that it can be tempting to follow promising funding streams that aren't aligned with its services. But as OPP has learned more about the needs of the youth it seeks to serve, it has also been able to expand its funder base without losing focus. For example, Rath has been able to attract public funding to make the Pathways service available in one Hartford public school, with expansion plans underway. Several city and state agencies have now invested in a multi-year approach to helping youth in Hartford. Their contributions are focused on a single slice of the OPP population, in keeping with their own particular foci. But with Rath's

eyes on the big picture, the puzzle pieces fit together—even if "in this world, it can never be as perfect as you want it to be."

Breaking Down Organizational Silos

History and culture are the most powerful influences on "how things get done" in many organizations. In the case of MSOs, that history often encompasses decades of evolutionary growth, driven by the acquisition of dedicated funding streams for specific, single-purpose services. The result, not surprisingly, is both an organization in which people and information are isolated in their own silos, and a culture in which working in isolation is a norm—albeit not usually a welcome or satisfying one.

For a client-centric strategy to work, therefore, it needs to be supported by an organization design that knits various services together and helps them "talk" to one another. Such a design will likely include **new staff** *roles*, with responsibility for monitoring the big picture and serving as a liaison between services; **new** *processes* that formally establish and maintain communications among various services; and **new** *performance measurement systems* that give staff the information they need to track clients' progress and improve their own practices.

The Latin American Youth Center (LAYC) based in Washington, DC, offers a good example. LAYC provides residential, child welfare, and youth development services to young people and their families. In 2007, the organization's leadership launched a client-centered program called Promotor Pathway, focused on youth in crisis. One of its lynchpins was the creation of a new role called Promotor—a single LAYC staff member assigned to each participant. Promotores serve as care coordinators, working alongside an individual young person through every service or activity he or she receives—a process that can last four years or more—to ensure that all his or her major needs are addressed through the agency's own services or those of a partner. (One Promotor may serve between 10 and 15 participants.) The program's goal is to help each client make a successful transition to adulthood.

To support the work of the Promotores, LAYC instituted new processes and performance measures. An initial risk assessment is completed for every youth referred to the Promotores Pathway to determine program eligibility. Once accepted into the program, an in-depth assessment is conducted to determine their needs and strengths, and to identify potential interventions. To assess client progress, and to identify any additional needs that might arise, LAYC regularly tracks 21 different outcome areas for each client. (The in-depth needs assessment is repeated every six months.) The organization has hired additional staff members whose jobs center on learning and evaluation. And, it has set up cross-service teams,

called advisories, to ensure that the knowledge captured through the new measurement systems is spread throughout the organization.

"We're really changing the environment around the use of measurement and data and how we use it for our work," reflected Executive Director Lori Kaplan. "There is no quick fix out of the gate for our kids. We look at progress over 30-month periods … We might get some low-hanging fruit up front, but this is a long-term model, and that's what our systems are supporting."

The Career Family Opportunity initiative (CFO), a pilot program offered by Boston-based Crittenton Women's Union (CWU) to help very low-income women, provides another good illustration. The goal of CFO is to help clients achieve financial independence, which it defines as an annual income of $45,000 to $50,000, with at least $10,000 in savings within five years. In addition, CWU seeks to demonstrate that the cost of its intervention over the five years is less than the public subsidies these women would otherwise receive.

CFO services include an integrated set of supports: incentive payments linked to the achievement of pre-established goals, matched savings, and peer support. Importantly, CWU also created a new role, the Mobility Mentor. With the help of her Mobility Mentor, each client develops her own customized development plan, based on where she is starting from, her interests, and her personal goals.

CWU also created new screening and checkpoint processes to minimize failure and help the organization respond to each individual's strengths and weaknesses. "Take a hypothetical client who might be setting five-year goals for herself," explains CWU President and CEO Beth Babcock. "We know there will be things that will make it especially challenging for her to achieve them. If she has a history of substance abuse, for example, then maintaining sobriety during a stressful period of growth and change may be difficult. If she has problems with her children, stabilizing that situation may be an issue. The Mentor needs to have a clear understanding of the client's challenges at the beginning of her journey, in order to integrate resources in the most helpful way possible."

In order to monitor participants' progress toward achieving financial self sufficiency, CWU developed a new measurement system that tracks data across five dimensions of its theory of change: family stability (housing, child care); well being (physical and mental health, social supports); education (academic or vocational achievement in an area that leads to employment); financial management (financial literacy and money management); and career (marketable skills, understanding workplace culture). Early results are promising: More than two-thirds of the initial participants achieved their educational attainment goals, completed their financial literacy training, and opened savings accounts.

In addition to tracking each participant's progress, staff regularly review data showing which services are being used most and why, and assesses whether clients and services are being matched appropriately. CWU also has an advisory group charged with overseeing the evolution of the program in order to increase its impact, while the leadership team looks at what CFO is learning to see how this knowledge can be exported to other programs within the organization.

Finding Flexible Funding

As we mentioned earlier, most funders currently support individual programs, not allowing for movement of clients from one service to another and not paying for integration roles, processes, and performance measurement. One strategy some MSOs use to get around these funding silos is what leaders we've spoken with often call "contract wizardry"—meaning the ability to figure out exactly what is allowable through each funding stream and then pressing against those limits, taking pieces of funding from various streams to develop services or initiatives that are effectively integrated at the client level, even if the results are still reported to funders silo by silo. While this approach can help get the job done, organizations could find themselves in an uncomfortable position with their financial auditors; plus, it inevitably adds administrative burden and cost.

Other MSOs have been able to make real inroads on acquiring more flexible funding from private sources. For example, while CWU still obtains the lion's share of its programmatic funding from separate government agencies, it has also been able to attract private philanthropic funding to cover the "overlay" organizational structure, roles, and processes required for the integration of its CFO programs. In doing so, programs that might only have been accessible to clients deemed entitled by a particular government funding source can be made available to other clients, such as those in the CFO program. Similarly, OPP has attracted private money to cover the cost of an outcomes-centered measurement system.

Another strategy is to persuade government funders to adopt a more integrated approach. The experience of Congreso de Latinos Unidos (Congreso), which was able to bring three separate public agencies together for a short time to fund a client-centered initiative, offers a good, if sobering, illustration of the magnitude of taking on this challenge—and the fragility of nascent efforts to get independent funding streams to work together instead of alongside one another.

Congreso got its start in the 1970s, with a small program focused on substance abuse and HIV prevention in North Philadelphia. Today, it is a $17-million nonprofit with a staff of 200, offering 50 services through four divisions, Children and Youth, Workforce Development, Health Promotion and Wellness, and Neighborhood and Family Development Services, reaching 15,000 mostly low-income individuals each year. Seventy-nine percent of Congreso's funding comes from the government (heavily

concentrated in city funding), 18 percent comes through foundations and corporations, and 3 percent is realized through events and individual fundraising.

In 2007, Congreso leaders analyzed the organization's client data and found that despite the fact that staff believed 50 to 60 percent of its clients needed multiple services, only 14 percent were participating in more than one service, and fewer than 4 percent were enrolled in more than two. As a result, they created One Family One Plan, an integrated model designed to streamline the organization's support systems and help participating families climb the economic ladder out of poverty into a life of self-sufficiency and stability. The challenge was finding the funding. As Nick Torres (Congreso's president from 2001 – 2010) noted, "Many funders will drink the Kool-Aid around the benefits of integration, but they don't know how to fund it or act in a way that makes it easy to make integration a reality."

After 18 months of intensive negotiation with Torres, Board President Kenneth Trujillo and other members of Congreso's senior leadership team and three public agencies (the city's Departments of Human Services and Community Behavioral Health and the state's Department of Public Welfare) agreed to fund a pilot of One Family One Plan for 50 families, for one year, and to share their data about the families with Congreso. While each agency had its own stipulations for how the money was to be accessed and used (whether Congreso would bill for services, for example, or whether the funding was to cover a client liaison position), they were unanimously supportive of the initiative.

In convincing the funders to try the new approach, three aspects of Congreso's arguments were especially critical: (1) They presented the new integrated approach as a solution to a problem that was already on the funders' radar—the agencies' hardest-to-serve clients (in this case, 1,500 families who were not in compliance with Temporary Assistance for Needy Families (TANF) and other service requirements). (2) They spelled out the potential cost efficiencies that could result from the coordinated service (in this case, one case manager instead of three) and lower rates of TANF enrollment. (3) They made the case that the new approach could improve service quality and client outcomes. What all three of these arguments had in common was that they addressed the government funders' own agendas and respected their particular concerns and initiatives.

Nonetheless, at the end of the initial funding period, the agencies did not re-up, although they are continuing to fund Congreso's work within their own parameters. "This is the reality of the challenge," Torres pointed out. "At least in our case, they came to the table to attempt it. The vision is there, but it's a matter of figuring out how governmental agencies can gain enough traction to change the way they do things. One factor is clearly the economic environment; in difficult times, individual agencies' budget constraints are necessarily going to cast a pall on services that may look highly promising but are hard-pressed to demonstrate short-term results that match individual agency goals. Another factor is the

struggle for dominance. It's hard to come to the table as equal partners. If one government agency takes the lead, nobody else wants to take second place, and that dynamic makes the joint relationship difficult to manage." Torres's hope, he says, is that as MSOs become able to show that programs like One Family, One Plan can "get a client from here to there, and do it with less money than it would cost traditionally, government will begin to pay for them."

Realizing the Potential of MSOs

Multi-service organizations have a long and proud tradition. Over the decades, they have built trust within their communities through the ongoing relationships that come from being woven into the fabric of community life. They play a vital role in the social safety net and have helped launch thousands of individuals on the path to success.

At the same time, traditional, service-centric MSOs also face serious challenges to delivering social impact—challenges that bold agency leaders (including those whose work is described here) are taking on. The table on the next page, "The Past and Future for Multi-Service Organizations," summarizes how we believe MSOs will need to change if they are to improve the odds of helping clients with complex problems significantly improve their own lives and hence the fabric of their communities.

But MSOs cannot make these changes alone. As we have seen, government and private funders also have an important role to play in helping these organizations increase their social impact. Among the steps that funders could take, three that we believe would be especially useful are focusing as much effort on the outcomes they desire to see as on adherence to a specific service model; providing longer-term support; and investing in the integration roles, processes, and performance measurement systems that too often are considered overhead.

MSOs have the potential to utilize a unique vantage point: As the providers and coordinators of a range of services, they can develop a deep and comprehensive understanding of their clients' needs, context, and community. With a concerted effort to become client-centric, and critical help from forward-thinking funders, MSOs can realize their full potential to turn that vantage point into real and lasting social change.

The Past and Future for Multi-Service Organizations

Multi-service organization of the past	Multi-service organization of the future
Service-centric	Client-centric
Holds itself accountable for short-term, service-specific outcomes	Holds itself accountable for long-term, holistic outcomes
Clients receive the single service that they were referred to	Clients receive multiple services (if needed), based on a plan that they create with staff
"Discharges" clients after completing one service	Maintains an extended relationship with clients to ensure they achieve and maintain long-term outcomes
Program staff are siloed	Roles and processes in place to deliver multiple coordinated services
Reports data for compliance with funders	Uses data to continually improve service delivery

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