

Operational Health Checkup For Not-for-Profit Organizations

Introduction

Periodically, organizations need to take time to review their health. Organizational health considers the effectiveness of the organization in delivering on its mission where effectiveness is determined through the composite views of internal and external stakeholders.

Elements of organizational health include capacity, morale, program performance, and finances. The constituent parts of an organization that impact on these elements usually include:

- ✓ Governance
- ✓ Marketing and Promotion
- ✓ Program Delivery
- ✓ Human Resources and Management
- ✓ Finances, and
- ✓ Stakeholder Relations.



Following is the process which Booker & Associates follows to conduct an operational review to determine an organization's health.

DESCRIPTION OF METHODOLOGY

Conducting the Review

Our approach and methodology to conducting an operational health checkup is based on the fundamental that a high performance organization requires strong alignment of strategy, structure, processes, people and culture to deliver on the organization's mission. In keeping with this, the methodology begins with a clear understanding of the organization's mission, goals and priorities and concludes with recommendations to ensure that significant structural, process or human resource barriers to the successful achievement of goals are removed.

The process is organized around a six-phase work plan as follows.

Phase 1: Initial Planning and Orientation

This phase is an initial meeting to review with management and the Board the following:

- Confirm the work plan, project timing, and scope
- Outline the relevant existing documents needed
- Identify participants and contacts for interviews both within and outside the organization
- Agree to a project management protocol for reporting and monitoring of project progress
- Confirm deadlines and critical timing to ensure the efficient conduct of the review.

Examples of relevant information and documentation required include the following:

- Organizational: mission, vision, strategic plan, business plan, financial statements
- Governance: Board membership, outline of Board duties, outline of Board committees
- Program: types of programs, means of delivering, number of individuals, access to programs
- Staff: organization charts, staff backgrounds, performance procedures, job descriptions.

Phase 2: Setting Evaluative Measures

It is important to determine the expectations or criteria that current operations will be evaluated against. Following are examples of criteria for performance:

Governance:

The Board is effective in providing oversight to the operations of the organization.

A subset of this criteria would include:

- The Board has an effective structure for the execution of its duties.

Program Delivery:

The organization offers and effectively delivers programs consistent with its mission and vision and which meet the expectations of the stakeholders.

A subset of this criteria would include:

- Clear descriptions of program goals and objectives are in place and understood by staff and key stakeholders and are monitored by executive.

Human Resources:

The organization has management practices in place to provide for a positive working environment and which respects the rights of staff.

A subset of this criteria would include:

- The management structure is appropriate for the responsibilities of the organization.

Once the criteria are established and agreed with the organization, they will be used to design surveys and interview questions for stakeholders and participants.

Phase 3: Data Gathering within and outside the Organizations

In this phase, we conduct interviews or surveys of persons within the organization. This will include staff, Board members, and volunteers if applicable.

For interviews/surveys conducted, we use specifically tailored tools to ensure that questions are relevant to the individual's level and responsibility. Questions deal with such issues as challenges faced by the organization, inner challenges to progress for the organization, strengths of the organization, roles and responsibilities, perception by the community, trends relevant to the programs of the organization, and feedback from those served. We probe interviewees in certain areas using our knowledge of the organization's mission, vision, objectives and operational needs. The intent is to gather information and to provoke thought about how the processes and people can best serve the mission and purpose of the organization and its stakeholders. We also use focus groups as an effective tool depending on the situation.

The next step is to gather information from those outside of the organization. These external stakeholders most often include recipients of the service, collaborators, funders, but can also include others such as representatives of other related organizations.

Phase 4: Compilation of Benchmarking Relevant to the Organization

In this phase, we compile information on benchmark information from other like organizations. This includes information on items such as numbers of staff, customers, volunteers, organization structure, delivery statistics, and financial structure. We use this information to search for practices that would be useful for adoption in the organization under review.

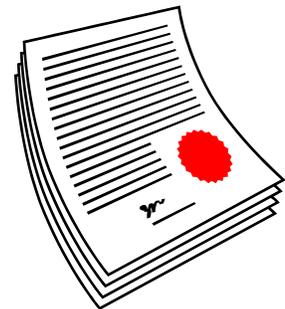
Phase 5: Analysis of Information Gathered and Development of Recommendations

The evaluation of the organization's structure and processes is then conducted. This evaluation considers the information gathered from the interviews/surveys of people within and outside the organization, review of material, the inner workings of the organization, and information gleaned from benchmarking. The evaluation will determine if current structure, processes, and operations are effective in meeting the criteria set for the success of the organization. Following the evaluation, we outline recommendations that provide for improvement to the effectiveness of the organization with a long-term perspective.

The recommendations are given within the challenges and restraints faced by the organization. Cost implications will be important, as will be the mission of the organization and accountability to stakeholders.

Phase 6: Reporting and Presentations

In the final phase, we prepare a report which outlines the scope of our work; the research and interviews carried out, the principal findings, as well as our recommendations and proposed next steps.



SUMMARY

An organizational health checkup is a prudent step for any organization wishing to ensure that it remains viable and relevant for today and the future in continuing its mission. This is an investment in the long-term sustainability of the organization with rewards to be gained by the community served.

Booker & Associates promotes excellence in Corporate Governance, Risk Management and Operational Effectiveness. Since 2004, we have worked with organizations across Canada to provide solutions that lead to substantial results.

Booker & Associates provides services to support Boards in exercising good governance including governance education programs, governance coaching, Board and Director evaluation processes, governance policy writing, and strategic planning facilitation. We provide training on Enterprise Risk Management, facilitate risk workshops, and assist organizations in building risk frameworks, accountabilities, and measurements.

Visit our website at www.BookerandAssociates.com