



Nonprofit Digest

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ON THE COVER

Amanda Coker, one of the thousands of people served by Lutheran Services in America.

Photo by Lutheran Services in America

From the Editor

Welcome to the Fall 2013 edition of *Nonprofit Digest: The Journal of Innovation for Nonprofit Leaders and Scholars*.



In this issue, we begin with a commentary by **Charlotte Haberaecker**, President and CEO of Lutheran Services in America—one of the largest social service nonprofits in the U.S. Ms. Haberaecker describes the innovative changes she is bringing to LSA in order to make it more effective, efficient, and impactful.

We are also very pleased to present a compelling piece on corporate versus public governance by Gérard Hirigoyen and Radhoine Laouer, both of the University of Bordeaux. The authors compare and contrast the two governance structures and nuances, and make recommendations for future leadership challenges.

Next is an article by **Marilyn L. Donnellan**, president of Nonprofit Management Services, LLC. In this first of a two-part series on simplified strategic planning, Ms. Donnellan makes the case that many NPOs' strategic planning needs are met without going through lengthy and costly processes.

We conclude this issue with a faith-based accountability mechanism typology presented by **Sherrie Steiner, PhD**, of the University of Winnipeg.

I am confident you will find this issue most useful.

A handwritten signature in dark ink, appearing to read "Michael D. Call". The signature is fluid and cursive.

Michael D. Call, MSM, APR, CFRE
Editor

We Serve All: How One of the Nation’s Largest Faith-based Health Care and Social Services Networks is Renewing Its Mission, Its Relevancy and Its Future

Charlotte Haberaecker

President & CEO, Lutheran Services in America

One of the best-kept secrets in the US today is the wide reach and impact of Lutheran social ministry. The work of Lutheran health care and social services organizations is hidden in plain sight, in communities across the country, in rural areas and urban city centers alike. The story of these organizations is woven into the very history of our great nation, and Lutheran nonprofits are on the leading edge of innovation in health care and social services.

What are Lutheran Services in America and Lutheran social ministry?

Lutheran Services in America (LSA) is one of the largest health care and social services networks in the United States. Our members – more than 300 nonprofit organizations – serve 1 in every 50 Americans every year – with an impressive array of services that span the spectrum from prenatal care to senior care, and every age and stage in between.

This is the story of a committed group of people who have heard the call to love and serve our neighbor. For more than 150 years, Lutheran social ministry organizations have been trailblazers in the establishment and delivery of health care and social services in this country. More than just providers of care and services, our members are a part of the fabric of the communities and the lives they are transforming across the country.



About the Author

Charlotte Haberaecker is the President and CEO of Lutheran Services in America (LSA), a network of more than 300 Lutheran health and human services organizations across the

country that serve 1 in 50 Americans each year. LSA is ranked #25 on the Philanthropy 400 and provides over \$21 billion in services annually. LSA members serve a broad range of people from children and youth to veterans and people with disabilities and seniors.

Prior to joining LSA in 2012, Charlotte was the #2 Executive at Global Impact, a \$110 million non-profit organization that provides funding for critical humanitarian needs at home and around the world where she led two of the world's largest fundraising campaigns raising over \$80 million a year. Previously, she held senior leadership positions at Price Waterhouse where she helped strengthen organizations providing children and family services and health care and Fannie Mae where she led an industry transformation initiative.

LSA itself was formed in 1997 in partnership with the Evangelical Lutheran Church in America and The Lutheran Church-Missouri Synod to support this vibrant network of providers and their efforts in a variety of ways. LSA works to strengthen our members' organizations, facilitates work that is best done together rather than as individual organizations, trains leaders, connects social ministry organizations to one another and with partners of many types, and advocates on behalf of our members.

Indeed, today's opportunities and challenges are setting the stage for Lutheran social ministry's greatest

The Diversity of LSA

The member organizations of Lutheran Services in America are diverse in many ways; in the people they serve, the services they provide and the communities they serve. With the help of LSA, members are able to learn from each other's examples and best practices, amplify their strengths and reach more people. Following are just a few examples of our members' diversity of care:

Lutheran HealthCare

Founded in 1883 by a Lutheran deaconess nurse to serve the Norwegian immigrant populations, Lutheran HealthCare now serves a diverse Brooklyn community including Latino, Chinese, Arabic, and Russian neighbors. Today Lutheran HealthCare is one of the nation's most fully integrated health care systems that includes a large hospital with one of the busiest emergency rooms and level 1 trauma center in the borough, one of the largest federally qualified health center networks, specialized surgical centers, home care, senior housing and a wide variety of out-patient health care and social support services. To best serve its multicultural array of neighbors, Lutheran Healthcare has strongly focused on "cultural competency" to ensure that staff members are also representative of the many cultures and religions it serves. Community liaisons are in place to better culturally connect with the Orthodox Jewish, Chinese and Arabic communities, in addition to signage and materials printed in several languages. Translators (interpreters) provide language and communications assistance to patients. Every innovation they make is connected to their mission and cultural competency standards.

innovation yet: its reinvention in rapidly changing and uncertain times.

We Serve All

As a faith-based network, LSA and its members have always focused on one core mission: answering God's call to love

Care Comes Full Circle

Lutheran Social Service of Minnesota is part of a unique collaboration of several major Lutheran organizations in Minneapolis, including Augsburg College, Fairview Health Services, Luther Seminary, Lutheran Social Service of Minnesota and Thrivent Financial for Lutherans. By combining their collective resources and expertise, they can better solve community problems for the common good. The program is called "Faith in the City." While the organizations have been working together for the better part of 15 years to enhance the quality of life for their neighbors, a community needs assessment led to the creation of a new service to provide leadership mentoring to Somali-led nonprofits in the Cedar-Riverside area of Minneapolis. It is the ultimate example of the legacy of Lutheran care coming full circle. Often, it was immigrants who founded many of the Lutheran social ministry organizations, as newcomers to the United States. Some of their charitable outreach efforts grew into large, established organizations, just as the immigrants themselves became more integrated into the community. Now, decades later, LSS of Minnesota is focused on helping these "New Americans."

and serve our neighbors. It is an organization of members each founded in the Lutheran church, but open to all – every neighbor in need, everywhere, every age, across the spectrum of care, regardless of faith.

Overall, the work of LSA and its members has a significant reach. Our network is comprised of more than 300 members, who employ nearly a quarter of a million people with combined annual revenues of \$21 billion. By the numbers, Lutheran social ministry is a force, but its real strength lies not only in its size, but also in its

connectedness. For 16 years under the umbrella of LSA, our members have enjoyed a spirit of collaboration and fellowship. Our members are focused on the greater good, with a mission to reach the most people to help them transform their lives, including working across organizational and state lines to help one another. It is a trust that is tangible when members come together peer-to-peer to share best practices so they can replicate and scale successful models and approaches

Our members span the spectrum of care with services designed to help individuals and communities facing a wide array of life's challenges transform and live abundant lives. They are working in rural and urban communities and are serving neighbors of every age from a wide variety of faiths, languages and cultures. We truly serve all.

The Language Bank

Lutheran Social Services of New England has been active in refugee resettlement since 1997. By 2001, the growing need for interpretation services in the community and for the people they were helping to resettle, coupled with funding challenges, drove a creative solution: the Language Bank. With grants from the state and the Endowment for Health, LSS of New England established the Language Bank, a service that provides interpreters for the healthcare and legal system. The program not only trains and employs many of the refugees the agency resettles as interpreters, providing them with income and job training; it also generates revenue to reinvest in the program by securing interpreter services contracts with clients like the New Hampshire Department of Health and Human Services. Today the Language Bank is the largest interpretation and translation provider in the state. It is overseen by a former Bosnian refugee resettled by LSS of New England and who now manages a staff of eight employees and 150 interpreters who speak approximately 70 languages and provide interpreter services more than 2000 times a month.

Challenges: A Time of Great Change and Great Opportunity

LSA is facing significant transformation on several fronts. Not only are our members experiencing a sea change in how health care and social services are administered and supported in this country, the organization itself is rapidly evolving to serve our members and further strengthen our network during this time of change.

Collective Action Toward a Shared Goal

The Lutheran Services in America Disability Network (LSA-DN) is a nationwide network of Lutheran social ministry organizations that are part of LSA and provide support to people with intellectual and developmental disabilities and related conditions. LSA-DN includes 22 LSA members that provide support to more than 23,000 individuals in 33 states and the Caribbean.

The network is a prime example of the trusted sharing environment that is the hallmark of LSA. Members of the Disability Network share best practices and innovative solutions and reach across organizational and state lines to help other members replicate and establish effective programs.

The Host Home: LSA members were among the first organizations to embrace the 'Host Home' concept, and the LSA-DN has helped to spread this model to more organizations, transforming the way care is delivered on a much larger scale. As an alternative to a group home or institutional facility, a Host Home places people with intellectual and developmental disabilities with a qualified independent caregiver who provides services in his/her home. People who are able to live as part of a community in a home, as opposed to a group care situation, have been shown to have better outcomes. As a business model the Host Home is a win-win. It saves money when compared to a group home with a traditional staffing method, and can create more stability through lower caregiver turnover.

Mission to Expand Services: Lutheran Family Services of Virginia was able to expand their reach within their community by working through the LSA-DN to start serving people with disabilities and provide programs to people they had not yet been able to serve. Within the trusted sharing of the peer network, organizations shared business cases, financials, experiences, and resources to support LFS Virginia's entry into disability services.

New CEO, New Strategy

As the new CEO of LSA, with a background in both nonprofit and corporate leadership, my charge has been to build on the great work of my predecessors who worked tirelessly to serve our members in the 16 years since our organization was created.

I became CEO in August of 2012, and it was very clear that significant changes were affecting our members. It became essential that LSA refocus first on our mission and set our sights squarely on a vibrant future, including recrafting our vision – to help our members to not only survive in these changing times, but to thrive and continue to answer the call to serve for generations to come.

We were at a pivot point. As a network, we witnessed our members transforming and adapting to changes in their environment, legislation, funding, the economy and their neighborhoods. LSA would have to evolve along with our members to meet their needs. This was the beginning of a journey, a process, an ongoing transformation that will never really end, for as our members continue to adapt to changing times, so will LSA.

This meant listening – really listening – to our members' needs. What were our CEOs most concerned about? What were their greatest needs? And, most importantly, what did they need from us? The answers to these questions would be the key to our relevancy and value to our members going forward. We immediately embarked on an extensive grassroots listening tour to hear from our member CEOs through round-table discussions, a CEO survey, and more than 90 one-on-one meetings. As a result, in a short period of time we learned a great deal about the challenges our members were facing. The dimensions of the role

we needed to play at the national level going forward began to emerge.

The New LSA Vision

LSA envisions a network of connected, strong and thriving Lutheran social ministries that transform the lives of people and communities.

The New LSA Mission

LSA champions Lutheran social ministry by building valuable connections, amplifying our voices and empowering our members in their mission to answer God's call to love and serve our neighbor.

The New LSA Core Values

- We are guided by God's call to love and serve our neighbors.
- We honor all with dignity and respect, recognizing the diversity of people, communities and ideas.
- We are responsible stewards of resources and relationships.
- We pursue innovative solutions to complex problems facing members and society.
- We are committed to the power of faith, fellowship and collaboration.

As part of our exploration, we also looked outside LSA to other national non-profit networks, some faith-based and some not. We took a thoughtful look at best practices and other models to find clues to help us better hone ours.

Defining Purpose and Values

By establishing a Strategic Planning Task Force comprised of leaders within our Board of Directors and membership, we were able to chart two concurrent courses – one short term and one for the long term. We started by deeply looking at “who we are.” This led to recasting our vision, renewing our mission, and declaring our values. With newly minted mission and vision statements, we are laser focused on the true north guiding our every step on this journey of transformation. With such a diverse membership – both from a services and geographic perspective – clarifying our purpose with a vision and mission has been critical.

Key in helping our members to secure a strong future was also ensuring our organization's financial future was secure. As our members' business models change, we too must evolve our financial framework to endure. By carefully understanding our financial position we are not only acting as good stewards of our resources and investing in our future, but we are able to plan the critical near-term activities that will best serve our members when and where they need us most.

We are now positioned for continued success in more ways than one. During this time it also became evident that LSA had to be strategically located to most effectively advocate on behalf of our members at the national level. Previously our team was split between Baltimore, MD and Washington, D.C. – we made the decision to consolidate our national headquarters in Washington, where the entire team serving our members now works just steps from the U.S. Capitol Building, further refocusing our efforts on raising the “national voice” of Lutheran social ministry. In fact, many members consider LSA to be their “DC Office” giving them a seat at the national table. As individual organizations with limited time and resources, our members appropriately focus their advocacy efforts at the state and local level, and look to LSA for federal connections.

Advocating for our Members

The range of LSA's member organizations – by service line, by geography, and by size – can make it challenging to craft a focused policy agenda. An advantage of that diversity is that LSA can sit at many national tables and have a voice in a variety of settings. Sometimes LSA is invited to the table because we are faith-based, because we are service providers, because we are nonprofits, or because we serve vulnerable populations. The array of services provided by LSA members also opens doors to a

variety of national issue-based coalitions: seniors, children, housing, disability, and more. In all of those national settings, our credibility comes from our practice-based approach to advocacy. LSA's advocacy rests on the practical experiences of our members, working in thousands of communities around the country. We are building on the important LSA advocacy work that has been done in the past, and the coalitions formed and led over the years. By expanding our presence in Washington, D.C., we are deepening these opportunities and bringing advocacy into the heart of LSA's mission.

Meet Amanda: The New Face of Lutheran Health Care and Social Services

Amanda Coker loves to sing.

Although she was born blind and at the age of five had a two word vocabulary, with the love and support of her family, she has not only found her voice, but her audience (and a fan following!). She now performs regularly for packed houses, sings the National Anthem at sporting events, and has even sung for members of Congress on Capitol Hill and was a featured vocalist at the LSA Annual Conference in Washington, DC, in April of 2013.

Amanda is one of the thousands of people served by the Mosaic organization, where she takes part in day services and recreational and social activities, and even reads to children in her spare time. Amanda is a beautiful representation of the changing face of Lutheran health and social services, which embraces and encourages a person's talents and gifts in order to support them in leading a more abundant life.

Telling the LSA Story

Lutheran health care and social services providers excel at caring for people. They typically do not seek to shine a light on their good works. So sometimes the effect is that the light of the LSA network is "hidden under a bushel," so to speak. To effectively leverage the power of the network to serve its members in their time of need, the story of LSA needs to be told.

Our membership has a multitude of wonderful stories, a legacy of innovation and steadfast service. Individually, each

member has incredible stories of transformation within the communities they serve. Together, LSA members are a credible voice in the national health care and social services discourse. Our goal at LSA is to bring that voice – and the LSA story - to the table. Positioned appropriately and armed with a strong story and a clear voice, we can advocate for our members and the people they serve.

Building Connections Inside and Out

With our story, our voice, and our mission and vision we can strengthen our existing connections and pursue new connections. At LSA we are working to build strategic, fruitful connections for our members inside and outside the network. We look outside to identify critical funding sources and key partnerships for our members. At the same time, we need to reinforce the strength of our network by fostering the unique bond of trust our members have developed through fellowship within our strong community of faith and our shared call to serve.

A Transformation in Health and Human Services

A survey of LSA CEOs revealed the three top issues and trends they are facing in the next three to five years: funding, regulatory and legal changes, and technology innovation. These issues are a reflection of the unprecedented changes and challenges facing our members.

The ongoing tectonic shifts in health and human services in the United States are resulting in a major transformation in the way people are served, affecting all non-profits in this sector. The shift is toward more at-home care and away from institutionalized care.

The emergence of changing reimbursement patterns is one example of a major model change. For instance, instead of

Using Technology to Innovate Care: Restoring Independence

Devoted to helping seniors live an abundant life, Lutheran SeniorLife in Pennsylvania operates a number of residential and assisted living communities and also provides a comprehensive array of health and wellness services for seniors, including home health care. As part of a strategic initiative to leverage technology to improve everyday living for its clients, Lutheran SeniorLife started utilizing a digital mobile care monitor. The watch-like device is restoring independence and dignity to seniors who once lived in nursing homes by allowing them to live independently again as they moved from a nursing home to a residential apartment with the support of technology. The monitor is an advanced mobile health monitoring service that provides an electronic safety net for seniors at all levels of care by monitoring an individual's activity, location, and even skin temperature. It is personalized for each user, can detect impacts or falls, and includes an emergency call button.

The availability of staff to support technology applications to resolve issues in a timely manner is the key to success – this technology is partnered with caregivers who monitor the data and respond quickly when necessary. Technology affords the senior the opportunity to live independently, but it is the people who complete the circle and make the opportunity a reality.

paying a provider for a specific service, incentives reward better coordination, communication and continuity of care for people. For some organizations, this creates uncertainty around the funding and forces them to change their behavior and approach care in a different way.

With this changing government role, a key funding source for Lutheran social ministry is also changing. Health care reform affects our members both as employers of almost a quarter of a million people and as providers of services to the most vulnerable among us.

Consider, for example, that almost 20% of senior residential units of the top 100 nonprofit providers are Lutheran-run and one can easily see the massive impact on our

members as services are moving to more in-home care and independent living. As the services are changing, so is the funding structure. It's an accelerating trend we are seeing across the board. As a result, funding is the number one issue member CEOs see themselves facing in the next three to five years.

Another issue is technology, which can be seen as both an opportunity and a challenge. On the one hand, finding resources to invest in technology can be an uphill climb. On the flip side, advances in technology such as digital monitoring devices are helping to drive changes in how our members are able to deliver care outside of traditional, institutional settings.

Transforming for Growth

Lutheran Services Florida (LSF) has diversified its funding by partnering with the state to provide services that were previously delivered by government agencies and by competing with other organizations through competitive procurement. LSF has secured several large contracts with Florida to provide services, including: providing substance abuse and mental health services to indigent populations in Northeast and North Central Florida; providing child welfare case management for children in foster care and protective supervision in Pinellas County; running Head Start/Early Head Start programs in Pinellas County; and opening a charter school, with plans to open a second school.

By seeking new opportunities, LSF has seen enormous growth – from serving 37,000 people in FY 2010 to serving an estimated 120,000 in FY 2014 – more than quadrupling their budget from \$33 million to \$148 million over the same period. By securing contracts for services once provided by the state and through competitive procurement, LSF has transformed its business model into one that serves more people, employs more people and creates more stability in these changing times.

This innovative and proactive approach to transformation, growth and change is being shared throughout the network by LSA. Faced head on with creative solutions and sharing of best practices in a trusted, mission-focused environment, change can be seen and realized as a growth opportunity. Through the work of LSA we support members in sharing, replicating and scaling these innovative funding solutions.

In addition, our members are facing increased competition in the profitable niches of the health and human service marketplace, which translates to increased competition for funding and clients. The result can be consolidation, further impacting our members and their ability to serve.

PACE-ing Ourselves

PACE -- Program of All-Inclusive Care for the Elderly -- is a national model of coordinated, comprehensive care financed through Medicare and Medicaid that helps people 55 and older who are certified for nursing home-level care live in their communities for as long as possible. At the heart of PACE is a team of interdisciplinary providers -- rather than one case manager, each individual served has the benefit of a team that conducts continuous assessment, treatment planning and monitoring.

The model is centered on the belief that it is better for the well-being of seniors with chronic care needs and their families to be served in the community whenever possible.

In response to the desire to provide comprehensive, community-based care to seniors with complex health care needs, including those who could not otherwise afford such services, LSA members have been at the forefront of PACE, including these member organizations who are well underway in their PACE programs: Lutheran SeniorLife in Pennsylvania, Lutheran Social Ministries of New Jersey, Lutheran Services Carolinas, Immanuel Medical Center in Nebraska and Lutheran Social Services of South Central Pennsylvania.

New Funding Opportunities

We need only look to our members to see the ingenuity of reinvention at work already. Innovative models are emerging to generate new revenue streams while still providing critical services in the community. The creative problem solving approach our members are taking is truly inspirational.

At a Crossroads

In many ways Lutheran social ministry is standing at a crossroads. Our call to serve is our mandate to

move forward despite the uncertain path. But with a strong network, a long legacy and an abiding faith, we find our certainty

in each other and the promise of a bright future. Our challenge is to chart this course together using our best practices, our shared resources and our innovative approaches to shape our future. How we face obstacles and collectively adapt to health care reform, funding challenges, competition and consolidation will determine our success.

LSA is in a unique position to help our membership to stay connected – internally and externally – as we make this unprecedented transformation to a new reality.

Looking Ahead to Leadership

Another layer of change in Lutheran health care and social services organizations is the face of leadership. The challenge lies in helping our members identify the next generation of leaders during a time of evolution and transformation while staying true to their missions to serve as many as possible with high quality services.

LSA's efforts in this area are well underway. Our CEO Academy, Leadership Academy and Annual Conference provide training, webinars and peer-to-peer sharing and networking opportunities in a trusted non-competitive environment. At the same time, multiple active networks create strong connections, sharing valuable insights and strategies with these leaders and emerging leaders.

Renewing Our Relevancy, Our Mission and Our Future

On paper the challenge is great, but in practice our promise is great -- through the innovative approaches of our members, the shared resources and influence of our network, and the strength of our bond in faith and mission. What has been true from day one is still true today.



We'll continue to focus on innovation and reinvention so that our members and their programs can be more effective and more integrated in the regions they serve. We'll continue to support our members in building their resilience in a fast-changing environment. In short, we will continue to work to transform lives and communities.

Almost every facet of how we serve is changing, but why we do what we do—answering God's call to love and serve our neighbor—will never change. As our models evolve our values endure, perhaps more relevant now than ever before. With careful and deliberate steps Lutheran Services in America and Lutheran health and social services are charting a course to serve our neighbors for generations to come.

And so the secret is out. What a wonderful privilege to tell the story of Lutheran social ministry and to serve the members who are writing its next chapters.



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