

CHAPTER 5



Crafting Alliances

Regardless of how successful a social enterprise is at mobilizing funds, most organizations will inevitably face resource and capacity constraints as a limiting factor to achieving their mission. The resources that any single organization brings to bear on a social problem are often dwarfed by the magnitude and complexity of most social problems. Thus, social entrepreneurs often pursue alliance approaches as a means to mobilizing resources, financial and nonfinancial, from the larger context and beyond their own organizational boundaries, to achieve increased mission impact. Social enterprise alliances among nonprofits, nonprofits and business, nonprofits and government, and even across all sectors in the form of tripartite alliances between nonprofit, government, and business have become increasingly common in recent years. Because alliances capitalize on the resources and capacities of more than one organization and capture synergies that would otherwise often go unrealized, they have the potential to generate mission impact far beyond what the individual contributors could achieve independently. This chapter first describes some alliance trends in the social sector and illustrates them with case examples. Next, we introduce a conceptual framework that can be helpful for developing an alliance strategy. Finally, we briefly introduce the chapter's two case studies, which offer readers an opportunity for in-depth analysis of a range of alliance approaches.

ALLIANCE TRENDS

Increased Competition

Increased competition due to a growing number of nonprofits coupled with recent overall declines in social sector funding have contributed to a dramatic

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increase in the number and form of social enterprise alliances. In the United States alone, the number of nonprofits doubled in number between 1982 and 1997,¹ and in the last decade, the number has increased an additional 64%.² Additionally, government funding, which makes up nearly one-third of nonprofit revenues, has remained stagnant or declined over this same period,³ while total giving has also declined. Beyond increased competition for funding, changes in public policy to foster competition such as vouchers for social services have also intensified competition among many social sector organizations.⁴ Additionally, in many social sector industries in which private sector competition has been growing, such as in education and healthcare, nonprofit organizations may seek to partner with each other in order to compete with their well-financed corporate competitors.⁵ For example, The Health Services Partnership, a management service organization, was founded through an alliance between two independent community health centers located just a few miles from each other in Dorchester, Massachusetts. In response to the increasingly competitive healthcare environment, the growth in managed care, and other Boston-area healthcare organizations joining forces and becoming more formidable competitors, Codman Square Health Center and Dorchester House Multi-Service Center established an alliance in 1998 to manage selected services, such as information technology, care coordination, and managed care contracting and member services for both centers, and to help each of them meet the various challenges that they faced. The alliance is focused on building an infrastructure to improve managed care participation and clinical performance, while at the same time supporting the public health and community missions of each health center.

Demand for Efficiency

Alliances are also being pursued as a way to achieve a range of efficiency gains, from achieving more with fewer resources to increasing the speed at which outcomes can be achieved. In recent years, there have been calls by many stakeholders for greater coordination in many social sector activities. Many donors have noted that there are too many organizations doing similar things, leading to a waste of resources and duplication of effort. Thus, many funders have come to view partnerships as a key way of achieving greater impact with their resources. Some funders have even stipulated specific partnerships among grantees as a requirement for receiving funding. A 2003 Urban Institute study on foundation attitudes and practices of 1,192 grantmaking foundations in the United States found that 69% reported that they actively encouraged collaboration amongst grantees, and 42% of these said that they sometimes required partnering as a condition for funding.⁶ Alliance approaches are often pursued

by social enterprises that seek to tap into these funding sources. Although efficiency gains from alliances can vary from basic reductions in administrative costs, to more significant gains such as increasing the resource flows and awareness of a social issue through coordination among network members, to mobilizing and deploying resources and expertise more optimally across network members through specialization, many nonprofits fail to realize the full potential of alliances because they pursue them in an opportunistic or ad hoc manner, often in an effort to secure funding. Such alliances often focus on a specific program or a peripheral organizational activity. The alliances themselves are not treated as an integral and strategic part of the organization's activities, and therefore the engagement and outcomes of such alliances can be limited. Indeed, alliance partners are often disappointed with the results of an alliance, feeling as if the collaboration did not adequately meet either of the partners' needs.⁷ Outcomes of this type lie on one extreme of the outcome continuum.

In contrast, alliances that are viewed as core to the organization's strategy for achieving mission impact have much greater potential, including limiting redundancy, spreading costs across network members, drawing on expertise across the network, and attracting greater visibility and funding to the network members. These alliance outcomes can enable partners to generate greater mission impact than the individual entities acting alone. Alliances also have the potential to enable a social enterprise to achieve significant mission impact more quickly by mobilizing existing resources, infrastructure, and expertise than if organizations had to develop these assets independently from the ground up. Alliances are often viewed as a way to increase efficiency by spreading the costs for developing infrastructure such as performance measurement systems, and even leadership or employees, across more than one entity. For example, Women's World Banking (WWB) is a microfinance NGO whose goal is to increase the economic participation of as many of the 500 million low-income women worldwide as possible by building performance standards and financial systems to serve their needs. WWB's strategy relies almost entirely on developing alliance networks of various organizations to expand services and coordinate microfinance services across the globe. Rather than seeking to offer microfinance services directly through a traditional hub-and-spoke model, WWB built a network of alliances among existing local microfinance organizations by providing and organizing support to network members to do their work more efficiently and effectively. Members of the WWB network have benefited from the availability of support that would have been cost prohibitive for NGOs working independently. While WWB affiliates focus on providing direct services, WWB staff concentrates on activities for which scale is beneficial and generates collective cost savings. This includes technical and financial services such as microfinance operations, market research and loan guarantees, and advocacy on microfinance policy and

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regulatory change. WWB staff also manages “learning networks,” which diffuse best practices through meetings and exchange visits among members, reinforce network performance standards, and coordinate interactions among network members and policy makers. WWB achieves impact not only by supporting network members to get what they need to succeed but also by helping to shape financial systems and industry standards so that regulatory and legal structures continually evolve in favor of the microfinance industry. While individual NGOs could not easily justify these investments, network members invest collectively in order to learn from each other to improve their services and realize significant benefits because these scalable activities are performed on their behalf by WWB. For WWB itself, building alliances with and among other microfinance providers has made possible a greater increase in poor women’s access to finance, knowledge, and markets, and enabled the organization to deliver on its goal of having a “major impact on expanding the economic assets, participation, and power of low-income women as entrepreneurs and economic agents” at a relatively low cost and in a timely manner.

Heightened Concerns About Effectiveness

In recent years, changes in both private and public funders’ expectations have contributed to heightened concerns about accountability and effectiveness, which in turn have also contributed to an increased interest in alliance approaches. Alliances can offer a way to approach social problems in a more holistic and systematic way. Nonprofits can often identify complementary, or even competing, programs that could potentially increase the mission impact of their own programs or services. Working in alliance with such partners might enable nonprofits to offer more and better services to their beneficiaries, without causing mission drift or spreading resources too thinly across many activities for the organization. By generating synergies among collaborating programs and investing to build collective capacity to solve systemic problems, alliances have the potential to achieve not only greater efficiency and speed but also more sustainable mission impact. For example, Pratham, a nonprofit education organization in India, exemplifies how an alliance approach with other nonprofits, government, and business can be developed to achieve efficient, large-scale change and sustainable impact. The organization’s goal to provide universal education to every child in India led it to work in close partnership with corporations, business, and other nonprofits to deliver early childhood education. By mobilizing various resources from its alliance partners, Pratham has been able to roll out educational programs across India with very little of its own capital and infrastructure. The organization is skilled at recruiting, training, and retaining local teachers directly from the communities in which they work.

Additionally, Pratham works with several prominent corporate partners, such as Industrial Credit and Investment Corporation of India and Hindustan Petroleum, that provide not only office space and equipment but also management talent for the organization's executive team. Alliances with municipal governments give Pratham classroom space and access to municipal schools to offer its remedial programs for children at risk of dropping out of school as well as those who have dropped out of or never enrolled in school. The organization also works with other nonprofits, such as a community-based health service organization, that work through Pratham's school network to deliver healthcare services and address some of the most common and pressing healthcare issues of Pratham students. Pratham has found that this health service alliance helps them achieve better educational outcomes with their students because, not surprisingly, students can concentrate better on their studies when their basic health issues have been addressed. Pratham's alliance approach to delivering its education programs draws on resources from all sectors through a series of alliances and enables Pratham to achieve scalable impact efficiently, effectively, and sustainably.⁸

ALLIANCE STRATEGY

Clearly, the fact that alliances can be a powerful mechanism to mobilize more resources, create synergies, and, ultimately, to achieve greater social impact has led to increased interest and involvement in alliance opportunities of all types. However, despite their tremendous potential, the pursuit of alliance approaches is not something that should be undertaken without due consideration. Working via an alliance entails significant initial and ongoing investments of resources and time. Many challenges can arise as partners try to develop consensus, coordinate their activities, and adapt their cultures to achieving a shared vision. Indeed, working through an alliance can initially require more resources, effort, and patience than operating independently. Furthermore, because alliances often involve significant adaptations, development, and investments, the benefits realized from an alliance may play out over a long period of time. Alliance partners must be patient and committed to seeing the partnership through to the point where outcomes can be realized. In order to achieve greater mission impact through alliances, organizations must not only engage in individual alliances effectively but also actively manage their ongoing development and evolution, and, perhaps most importantly, create an overarching alliance strategy that guides individual alliance investments and decision making. Ultimately, the goal of the broader alliance strategy should be to construct individual alliances that together enable the most effective, efficient, and sustainable creation of social impact. The number and range of potential alliance

opportunities available to a social enterprise are often far greater than can or should be pursued. Each alliance opportunity also entails opportunity costs and risks. Social entrepreneurs not only must analyze whether a particular alliance is worth engaging in at the moment but also must think strategically when deciding which alliance investments provide the greatest leverage and enable them to achieve the greatest impact relative to cost. Furthermore, organizations vary in the degree to which they engage in alliance approaches. On one end of the continuum are organizations for which alliances are peripheral activities that are not integrated into the organization's core operations. For example, alliances can be pursued at the program or project level to create efficiencies and synergies on a relatively narrow aspect of the organization's activities. Such alliances may require a relatively low investment of resources—the outcomes of these alliances will likely be commensurate with the investment. At the other end of the continuum are organizations for which alliances are integral to the way in which the organization generates value. In this case, a nonprofit seeks to develop a portfolio of alliances that when taken together enable a systemic, integrated approach to social value creation among network members. These types of alliances will require significantly greater investments but will also offer the potential of much more significant returns. Regardless of where along this continuum an organization may lie, a social enterprise must be clear on the role that alliances can play in achieving the organization's mission. While there is no single optimal position in which to be on the continuum, investment in an alliance strategy will help to guide individual alliance decisions and will enable the development of a portfolio of approaches that amounts to more than the sum of the individual parts.⁹ Many organizations are so busy trying to manage their own day-to-day operations that when they pursue alliances, they tend to engage in a rather limited, transactional manner. Without a doubt, allocating the resources to building alliances is already a significant undertaking, and investing the time and effort to formulate a deliberate alliance strategy is even more resource intensive. However, if deliberate analysis and planning of a coherent alliance strategy can enable an organization to achieve the full potential of its alliances, it will more than justify the costs. Below are some of the key factors to think about in developing a comprehensive alliance strategy.

Focus on Mission and Vision

To engage successfully in any type of alliance, an organization must be clear about its own vision and mission and how the organization's overall strategy and programs serve to achieve these ends. By focusing on the vision and mission, and the role that their organization plays in moving society closer toward that vision,

the organization can begin to identify other potential alliance partners that exist in the broader context, whether in the nonprofit, government, or business sector, and that can bring critical resources and capabilities to achieving the vision. The key objective to focus on in evaluating virtually all of the organization's alliance activities is mission impact, even before short-term organizational benefits. This requires an evaluation of whether the potential alliance will enable the nonprofit to achieve mission impact more efficiently, effectively, or more sustainably over the long term. The more adequately the alliance meets each of the three criteria, the more likely it will be worth the investment. Alliances may offer the potential to significantly enhance the organization's own activities in a number of ways. For example, in some cases, the organization's existing activities might be enhanced by working through alliances that enable efficiency or effectiveness gains through a combined effort, whereas in other cases, an alliance might fill a critical gap in the organization's own programs by contributing significantly to achieving the broader mission and vision. In still other cases, it may enable the organization to develop capacity in its partners to generate social value, thereby scaling social impact. Regardless of the specific alliances that are pursued, organizations should assess whether and how alliances might enable them to achieve greater mission impact. The work of Habitat for Humanity (HFH) in Egypt illustrates this unwavering focus on mission impact. HFH is known worldwide for its organizational model of mobilizing volunteers and donors to build or rehabilitate homes for homeowners with interest-free mortgages through thousands of affiliate organizations worldwide. The organization's mission is to eliminate poverty housing by building and rehabilitating houses in partnership with homeowner families. The organization traditionally invested in and built affiliate organizations as the primary means of delivering on its mission. In Egypt, the national director, Yousry Makar, remained focused on the *vision and mission* first and foremost, rather than the specific *means* by which to achieve mission impact. The country's overwhelming need for housing (approximately 20 million of the country's 70 million people live in substandard housing or are homeless) led Makar to pursue an innovative approach to delivering on the organization's mission. He established as the vision of HFH Egypt to directly empower communities to house 10% of those in need over 20 years, with an approach that could be spread independently to other local organizations, which in turn could begin to serve the remaining 90% *independent of HFH Egypt*. Although HFH brought considerable expertise for developing housing programs, and could commit a significant amount of financial and human resources toward this vision, Makar also noted that there were also tremendous resource constraints that limited HFH Egypt's ability to achieve its vision independently. Limitations ranged from the enormous administrative and organizational capacity that would be required, to the organization's limited knowledge of the local communities and lack of relationships that would facilitate homeowner selection, to the

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need to establish credibility and relationships in the community to mobilize volunteers, among other resources. In light of these tangible and intangible resource constraints in the Egyptian context, Makar believed that the feasibility of achieving this goal through the traditional HFH affiliate model was limited. Makar sought to achieve mission impact by building a series of alliances with existing national NGOs and local community development organizations, rather than seeking to build his own organizational infrastructure from the ground up and competing for scarce resources with other established community organizations. In Makar's view, investing in and mobilizing local community organizations to address the issue of poverty housing was the only way HFH Egypt could ever achieve significant and sustained mission impact.

Clarify Roles

In formulating an alliance strategy, it is critical for the organization to assess its own contributions as an alliance partner in order to be able to identify potential partners. Each organization must be clear on its own focus, competencies, and capabilities in order to identify what roles alliance partners can play in moving closer toward the vision. Habitat for Humanity in Egypt illustrates how clarity about the organization's vision, key competencies, and the potential role to be played by alliance partners are critical to formulating a comprehensive alliance strategy. Makar developed a series of partnerships with established community development associations to mobilize the resources necessary to deliver on HFH's mission. HFH Egypt and its partners brought complementary skills and resources. The partnerships enabled HFH Egypt to build on their partners' established knowledge, credibility, and community development experience in the community. In turn, local partners recognized the tremendous housing need in their communities and wanted to leverage HFH's expertise and support to serve this need.

With each of its local partners, HFH Egypt sought to tailor the housing programs to each community to achieve efficiencies and enhanced impact by developing and leveraging existing local resources and expertise. HFH Egypt performed extensive due diligence of its partners' strengths and capacities, not only to ensure value alignment but also to be able to partner in a way that provided additional support only where it was needed. In some communities, issues of health or education already absorbed local leadership. Since it did not make sense for HFH Egypt to enter the community and attempt to compete for these resources in order to build its own infrastructure to address the housing need, HFH Egypt sought to work together with these leaders and their community organizations on their mutual interests, while at the same time adhering

to the core principles of HFH's model. Makar estimated that HFH Egypt realized overhead savings of about \$250,000 due to the cash and in-kind contributions from partners in the form of office space, staff, and training.

By developing a clear understanding of what their organization is capable of contributing to the cause and of what other critical assets potential alliance partners can provide, organizations can formulate a coherent alliance strategy that enables more productive movement toward the vision. The process of taking stock of the organization's role and key roles that can be played by others helps to identify potential alliance partners.

Define Values

While many might meet the criteria for an alliance partner from an operational and strategic perspective, not all of these entities would qualify on the basis of vision and values alignment. Clarity about the organization's values helps to define the key expectations, methodologies, and norms that will guide not only the organization's own activities but also its alliance activities. Values are the key guiding principle that defines what is negotiable and nonnegotiable in an alliance engagement. This is especially important because there is increased pressure to pursue alliances, and organizations may be drawn into forming them for the wrong reasons. Even if an alliance may appear to add value, if the potential risk of values incompatibility is high, then the chances of subsequent costly conflict increase and the partner's desirability decreases. Engagement in one alliance may often preclude the opportunity or ability to engage in others due to the opportunity costs of management and staff time. Although shared vision is fundamental, equally as important is a commitment among alliance partners to adhere to a shared set of values that will guide the activity of the alliance. While a shared vision is what motivates the partners to engage in an alliance, it is shared values that help to govern the relationship in formal and informal ways. Because it is virtually impossible to lay out every contingency and dictate every process for how work should be done in an alliance, shared values play a fundamental role in holding the alliance together and enabling it to function. To assess a potential partner's alignment on vision and values requires extensive due diligence on the part of each alliance partner. This includes investigating everything from alignment on vision, ability and willingness to commit resources and competencies to the alliance, and a proven track record for impact on key constituents and in the community. For example, in implementing its alliance strategy, HFH Egypt did extensive due diligence over a period of several months on potential partners. Most of their community partners were selected based on a successful track record in complementary

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community development areas such as microfinance, education, and health. In addition to their demonstrated performance, their work had been done in a way that was consistent with HFH Egypt core values, which included integrity as demonstrated by following through on commitments; diversity, as demonstrated by nondiscriminatory practices in providing services; and equity, as demonstrated by serving the needs of the community where they were greatest. To assess their potential partners' commitment to these values, HFH Egypt interviewed local leaders, local beneficiaries, and local NGOs to learn more about how their potential partner operated and what their impact was on the community. Before engaging in any alliances, an organization must commit the time and resources necessary to assess and evaluate whether there is sufficient common ground on which to build an alliance.

Invest for Impact

Alliance approaches require a willingness among nonprofit leaders, board members, and funders to broaden the ways in which they seek to deliver on the organization's mission and vision. Rather than viewing their own organization as the key mechanism for value creation, they must conceive of their organization's role within a larger constellation of other actors, as the engine for creating social value. Building such alliances not only requires significant initial and ongoing resource investments but also involves ceding control and sharing recognition for mission impact achieved with and through its network partners. Enhancing the organization's mission impact by working with and through other complementary and competitive entities is likely to be beneficial to a nonprofit over the long term; however, successful alliances require *more* than self-interest to endure and thrive. Although organizational benefits are a common outgrowth of alliances, a narrow focus on advancing individual or organizational agendas can undermine the trust necessary for an alliance to function productively. Instead, alliance partners must be committed to social impact as the key measure of an alliance's success. With this commitment, alliance members relate to each other as peers and equal contributors to achieving mission impact, each bringing critical resources and investing in a reservoir of goodwill that enables joint action. For example, HFH Egypt invested heavily in local entities to support not only the development of local capacity to deliver housing programs but also the development of a shared vision to address the root causes of poverty in their partners' communities. Even though HFH Egypt provided a large share of the initial financial capital, it acknowledges the equally valuable contributions of its partners in the form of staff, network relationships, and local expertise. HFH Egypt sought to work as peers with alliance partners, even

forgoing some of the traditional organizational benefits an organization would typically gain, such as direct control over every aspect of the services, increased funding for HFH Egypt itself, and increased recognition and prestige associated with HFH Egypt. As a result, HFH Egypt built trust among its alliance partners that catalyzed the development and delivery of joint solutions that enabled them to effectively deliver on their shared vision, which was the ultimate goal. Makar viewed these relationships as going beyond transactional and opportunistic partnerships geared toward advancing HFH organizational interests. It was more important that the housing programs were delivered efficiently and effectively, in concert with other community development activities, than which organization controlled, managed, and received recognition for the outcomes. What he sought to do instead was to make significant investments in local capacity to drive the maximum creation of social value through HFH Egypt's network of alliance partners over the long term. With the goal of bringing the local community partners to the point of self-sufficiency, HFH Egypt could expand its mission impact by phasing out of successful partnerships in order to reallocate its resources into new communities. In effect, HFH Egypt played an enabling role through these collaborations, thereby leveraging its resources and creating a multiplier effect. In some communities, these partnerships were so successful that within certain villages, HFH's alliance partners began sharing their housing program expertise with their counterparts in other communities with little or no involvement from HFH Egypt, thereby achieving even greater mission impact for HFH Egypt. Indeed, some might question whether HFH Egypt gained sufficient organizational benefits or recognition for investing so much in building its alliance network. However, since HFH Egypt's leadership considered mission impact as the key measure of return on its investment, then the outcomes more than justified the cost. The alliances mobilized and coordinated a vast array of resources, expertise, and infrastructure to achieve mission impact far beyond what was possible by HFH Egypt acting alone.

CASE STUDIES

The case studies that follow expose the reader to a wide range of innovative alliances in action. The first case, Guide Dogs for the Blind Association (GDBA), profiles the newly appointed CEO and social entrepreneur Geraldine Peacock as she seeks to deliver on her organization's mission to improve the lives for the visually impaired by relentlessly striving for collaboration and alliance building within and across sector boundaries. This approach enables her to better serve her organization's mission by leveraging resources from outside GDBA. The GDBA case demonstrates the opportunity for generating

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enhanced social impact through the creation of new forms of social enterprise alliances, while at the same time illustrating the accompanying leadership and management challenges that must be overcome. As you read the case, think about the following questions.

1. What is your assessment of the hotel and holiday partnerships?
2. What are the critical elements of the Guide Dogs Mobility Service (GDMS) partnership? What is your assessment of this partnership?
3. What role should GDBA play in the visually impaired sector's umbrella organization?
4. What do you think of Geraldine Peacock's leadership? Why?

KaBOOM! is a nonprofit organization that builds and rehabilitates community playgrounds. The organization relies mostly on crafting corporate alliances to support and finance the construction of community playgrounds. The organization has undergone a period of rapid expansion through building a network of corporate partners. This case also serves to illustrate another dimension of the blending of social and commercial approaches and the mutual social and commercial value creation that can be realized through social enterprise collaborations. As you read the case, consider the following questions:

1. What is your evaluation of KaBOOM!'s use of corporate partnerships?
2. What are some of the benefits and risks that KaBOOM! and its partners get from working in partnership?
3. What should KaBOOM! do to deal with the increased competition?
4. In formulating its future strategy, how much weight should KaBOOM! give to the impact of this change on its corporate partners?
5. Based on the case, what are some key lessons on how and why partnering relationships evolve?

NOTES

1. The Independent Sector. (2001). *The nonprofit almanac*. New York: Jossey-Bass.
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6. Ostrower, F. (2004, September). *Attitudes and practices concerning effective philanthropy*. Retrieved April 6, 2006, from the Urban Institute Web site: http://www.urban.org/UploadedPDF/310986_attitudes_practices_ES.pdf.
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9. Austin, J. E. (2003, Summer). Strategic alliances: Managing the collaboration portfolio. *Stanford Social Innovation Review*. 1(2).

Case Study 5.1

Guide Dogs for the Blind Association

Allen Grossman

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Geraldine Peacock, chief executive officer of Guide Dogs for the Blind Association (GDBA), the recognized world leader in the breeding and training of guide dogs, reviewed her organization's mission statement: "Our mission is to provide guide dogs, mobility, and other rehabilitation services that meet the needs of blind and partially sighted people." GDBA had made substantial progress during her five years as CEO. The organization's reach had been considerably broadened, and costly losses from noncore activities had been contained or eliminated. Nevertheless, Peacock was concerned that systemic problems, including competition among organizations serving the visually impaired, program redundancy, and lack of optimum resource utilization in the sector, still prevented

services from being delivered to many visually impaired people who needed such services. How these challenges could be addressed and what role GDBA and Peacock should play were not clear.

Peacock reflected on her past leadership experiences in the nonprofit sector and saw the potential to develop a broad, varied network of organizations that would cooperate in serving visually impaired people and leverage resources beyond traditional organizational boundaries. Peacock picked up the phone and called a kindred spirit, Stephen Remington, chief executive officer of Action for Blind People, who shared her concerns about the lack of cooperation in the sector, to discuss the idea of broad-based, pragmatic collaboration.

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Peacock was aware that proposing that service providers work together was considered out-of-the-box thinking and was difficult in this insular sector of the nonprofit world and at GDBA itself. However, there had been a number of promising innovations in the sector over the past five years to support the possibility that this new approach might have merit. Despite this, convincing trustees, competitors, employees, and clients of the worth of a strategy to collaborate with organizations delivering many of the same services as GDBA would be a long, complicated process.

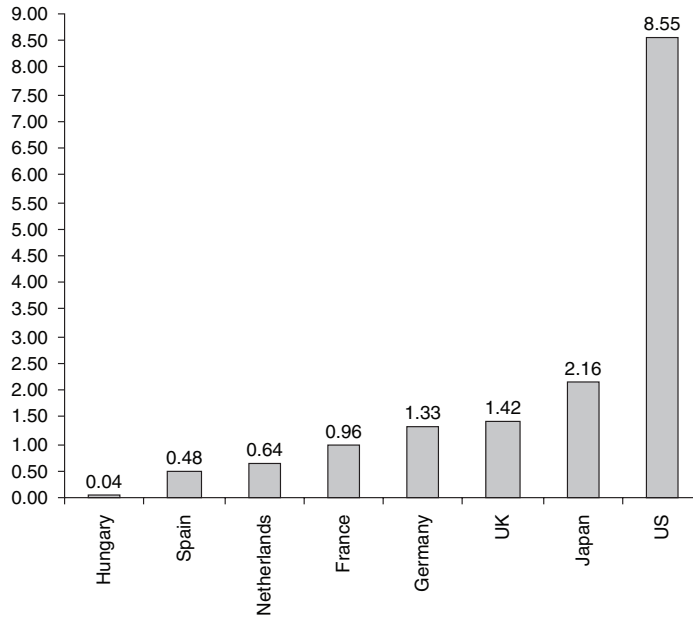
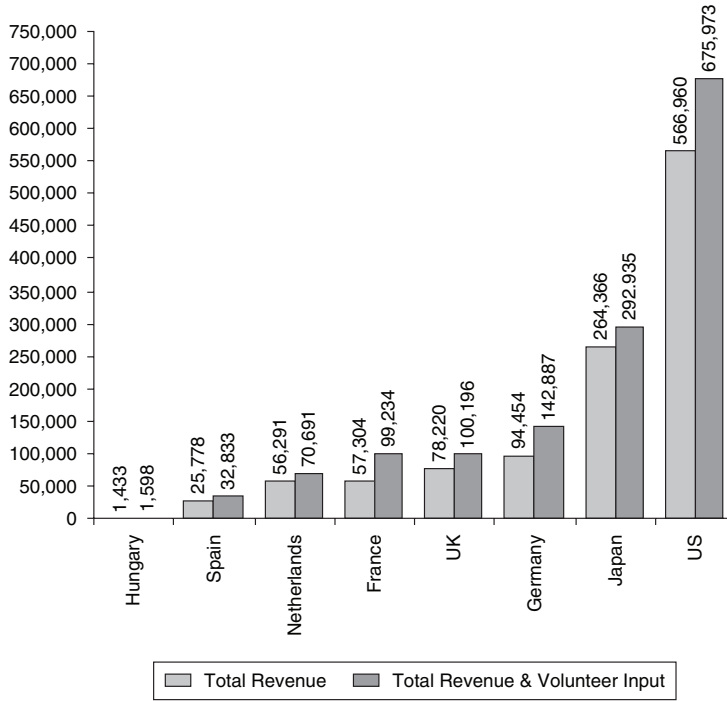
GDBA BACKGROUND

Guide Dogs for the Blind, a nonprofit organization in the United Kingdom (see **Exhibit 5.1.1** for cross-national comparisons of the nonprofit sector) with an annual budget of over £40 million¹ (see **Exhibit 5.1.2** for GDBA financials), had provided guide dogs to visually impaired people since its founding in 1931. Each year, GDBA bred and placed over 1,000 guide dog puppies and created over 800 new guide dog partnerships. As of 2002, GDBA had enabled over 21,000 people to experience greater mobility via guide dog assistance. A guide dog was given at no cost to any visually impaired person in the country who needed one. Each guide dog cost the organization £35,000 (breeding, feeding, veterinary care, etc.) over the animal's lifetime. The average dog could perform its duties for seven years. Upon retirement, a guide dog's owner, the owner's relative, or an individual on a waiting list would adopt the dog.

For many years, GDBA had been a highly successful organization by most measures. That changed during the early and mid-1990s with the introduction of increasingly noncore, complex, and varied service offerings, such as holiday and hotel programs for the visually impaired. By 1997, the organization was experiencing serious financial problems. In response to these difficulties, the trustees recruited Peacock, a seasoned nonprofit manager, to join the organization and change the way GDBA conducted its business. The board-mandated instructions were clear: "Focus the organization without shutting down services, stop the organization from bleeding at the jugular, maintain the quality and output of the core guide dog service, and work in partnership wherever possible."

Prior to joining GDBA, Peacock had been the first paid CEO of the U.K. National Autistic Society, where she had served from 1988–1997. Before that, she was deputy director of the London Boroughs Training Committee. At the time she was hired, she was serving as a trustee of the National Council of Voluntary Organizations, a member of the Council of the Industrial Society, and a member (and past chairman) of the executive committee of the Association of Chief Executives of Voluntary Organizations (ACEVO). She also served on the U.K. government's Treasury Task Force on Social Investment and the strategy unit's Review of Charitable Law and Regulation. In these capacities, and as part of her lobbying efforts for the interests of the fast-growing voluntary sector, Peacock met with politicians and members of key government departments.

Nonprofit Revenues (with and without volunteer input), 1995 (millions US\$)



Case Study

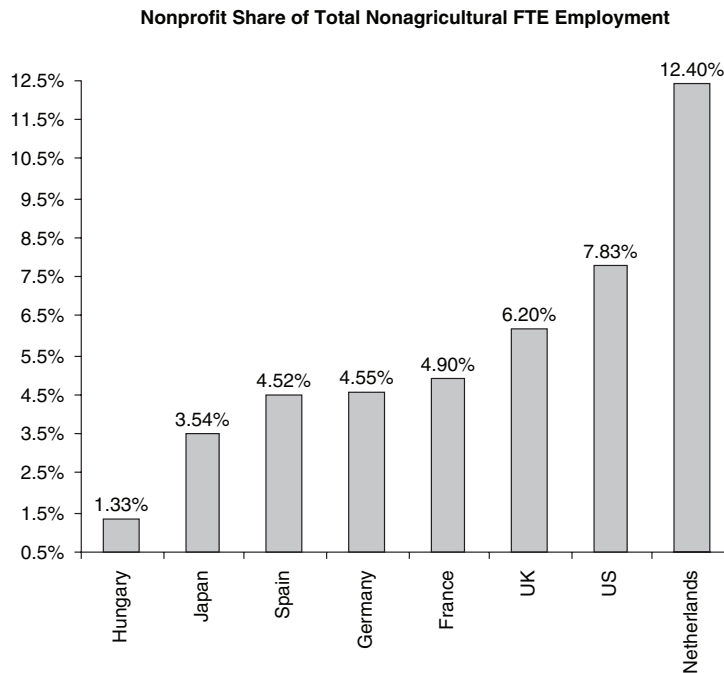


Exhibit 5.1.1 Cross-National Comparisons of the Nonprofit Sector, 1995

SOURCE: Salamon, L., & Anheier, H. *The Emerging Sector Revisited: A Summary*. Baltimore, MD: Johns Hopkins University Institute for Policy Studies, 1998.

Within GDBA, Peacock faced daily challenges associated with working for an extremely cautious board (see **Exhibit 5.1.3** for GDBA Board of Trustees) in an organization that had undergone little organizational change for decades and where 70% of the employees had worked their entire working lives. Peacock knew she had to disturb “the temple of the dog” in order to truly serve guide dog owners, who increasingly were wanting more than “the perfect guide dog.” “We needed to go from ‘we do dogs, now who wants one?’ to thinking more broadly about how to best serve the mobility needs of our clients,” Peacock said. This reorientation was achieved through a wide and inclusive

consultation process with all of the organization’s stakeholders. While Peacock reorganized the structure and invested in staff empowerment changes to realign GDBA internally, she sought to build alliances outside the organization that would help her enhance GDBA’s impact.

At the time of Peacock’s arrival, GDBA had annual revenues of £37 million and 4,610 clients, or guide dog owners. GDBA received 85% of its revenues from direct bequests and investment returns on its endowment. The remaining 15% of annual revenue came from branch fundraising, corporate sponsorships, and other donations. GDBA received no

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	2001 (£000)	2000 (£000)
Fixed assets		
Tangible assets	23,729	23,702
Investments	129,960	167,326
	153,689	190,398
Current assets		
Stocks	477	452
Debtors	7,094	7,875
Money market deposits	3,107	1,543
Cash at bank and in hand	1,497	726
	12,175	10,596
Creditors: Amounts falling due within one year		
Taxation and social security	256	517
Due to subsidiary companies	—	170
Other creditors	9,409	9,640
Accruals	52	56
	9,717	9,383
Net current assets	2,458	1,213
Total assets less current liabilities	156,147	191,611
Funds:		
General funds—Guide Dog Services	82,110	110,842
Designated funds		
Fixed assets	23,729	23,072
Guide Dogs Mobility Service development	28,319	31,323
New initiatives	18,865	19,736
Ophthalmic research	3,124	3,706
Hotels and holidays	—	2,932
	74,037	80,769
Total unrestricted funds		
<i>Including a revaluation deficit of £8,044,000 in 2001 and revaluation reserves of £9,883,000 in 2000</i>	156,147	191,611
Restricted funds	—	—
Total funds	156,147	191,611

Exhibit 5.1.2 Balance Sheet, December 31, 2001

SOURCE: GDBA documents.

Case Study 5.1: Guide Dogs for the Blind Association

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	<i>General Funds (£000)</i>	<i>Designated Funds (£000)</i>	<i>Restricted Funds (£000)</i>	<i>TOTAL 2001 (£000)</i>	<i>As Restated Total 2000 (£000)</i>
Incoming resources					
Voluntary	32,179	—	2,921	35,100	31,853
Activities in furtherance of the charity's objects:					
Continuing operations	442	243	—	685	752
Discontinued operations—Leisure services	—	353	—	353	536
Investment Income	4,434	—	—	4,434	5,334
Total incoming resources	37,055	596	2,921	40,572	38,475
Resources expended					
Cost of generating funds:					
Fund-raising and legacy marketing	5,866	158	—	6,024	5,272
Development of new fund-raising initiatives	1,823	—	—	1,623	1,342
Publicity	1,181	581	—	1,762	1,075
Investment management fees	386	—	—	366	290
	9,256	739	—	9,995	7,979
Net incoming resources available for charitable application	27,799	(143)	2,921	30,577	30,496
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects					
Provision of guide dogs	29,600	1,368	1,313	32,281	32,108
Provision of visual-impairment support services	3,698	965	1,608	6,259	5,164
Training of visual-impairment support workers	1,817	146	—	1,963	2,069
New initiatives	—	749	—	749	135
Leisure services					
—Discontinued operations	—	3,894	—	3,894	1,883
<i>Support costs included above:</i>					
2001 £5,521,000					
(2000 £4,912,000)					
Grants payable in furtherance of the charity's objects	274	704	—	976	1,549
Management and administration of the charity	239	29	—	288	212

Exhibit 5.1.2 (Continued)

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	<i>General Funds (£000)</i>	<i>Designated Funds (£000)</i>	<i>Restricted Funds (£000)</i>	<i>TOTAL 2001 (£000)</i>	<i>As Restated Total 2000 (£000)</i>
Total charitable expenditure	35,616	7,855	2,921	46,392	43,120
Total resources expended	44,872	8,594	2,921	56,387	51,099
Net resources expended before transfers					
Continuing operations	(7,817)	(4,457)	—	(12,274)	(11,277)
Discontinued operations—Leisure services	—	(3,541)	—	(3,541)	(1,347)
Transfer between funds	(1,266)	1,266	—	—	—
Net resources expended	(9,083)	(6,732)	—	(15,815)	(12,624)
Net realized losses on investments	(7,874)	—	—	(7,874)	(4,459)
Net expenditure for the financial year	(16,957)	(6,732)	—	(23,689)	(17,063)
Net unrealized losses on investments	(11,775)	—	—	(11,775)	(4,909)
Net decrease in funds	(28,732)	(6,732)	—	(35,464)	(21,992)
Fund balances brought forward at January 1	110,842	80,769	—	191,611	213,603
Fund balances carried forward at December 31	82,110	74,037	—	156,147	191,611

Exhibit 5.1.2 Cash Flow Statement for the Year Ended December 31, 2001 (incorporating an income and expenditure account).

SOURCE: GDBA documents.

NOTE: The net expenditure for the financial year under the historical cost accounting convention is £25,845,000 (2000, £19,108,000).

funding from the central or local governments to fund its guide dog service. GDBA had 1,240 employees and 27 offices throughout the United Kingdom, which were broken into seven regions, each with its own manager, who reported to two central client service managers. Peacock remembered:

The seven regions were like fiefdoms, and I had to try to remove barriers,

both physically and mentally, and create a truly national organization. This meant changing the culture from one of command and control to one of empowerment and creating new, cross-functional divisions and teams who worked together, supported each other, shared knowledge, and were accountable at the local level. We had to draw things into the center initially, invest in developing good staff and

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Donations and fund-raising	7,789	5,685	5,385	4,236	6,174	5,823	6,673	6,396	6,833	7,633	7,649
Legacies	17,439	20,187	20,092	17,318	19,733	24,967	29,487	26,381	24,799	27,442	26,000
Investment income	6,297	6,414	6,111	6,522	7,063	6,035	6,391	6,468	5,334	4,434	4,375
Trading sub	419	248		624	505	503	639	335	221	25	
Rehab contracts									240	398	0
Funding for training rehab									512	287	
Leisure service income									536	353	0
Total income	31,944	32,534	31,588	28,700	33,475	37,328	43,190	39,580	38,475	40,572	38,024

Exhibit 5.1.2 Revenue Table

SOURCE: GDBA documents.

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Geraldine Bounds	Date joined board: 1998
Bounds is Chair of the Board of Trustees of Liverpool Voluntary Society for the Blind. Geraldine has been a guide dog owner since 1956.	
Tony Chignell	Date joined board: 1989
Chignell was Deputy Chairman for 2000 to 2002 Emeritus Consultant in Ophthalmology, teaching and advising in ophthalmology.	
Sir Nick Fenn	Date joined board: 2002
Fenn spent 37 years in the diplomatic service as ambassador in Burma and Ireland and High Commissioner in India. He is blind for the early part of each day.	
Bruce Gordon (Honorary Treasurer)	Date joined board: 1997
Bruce Gordon joined the board in 1997. Gordon is a chartered accountant and has been a partner for 10 years. He leads the Thames Valley practice of Deloitte & Touche in Reading and works with a number of large public companies and the U.K. operations of some of the worldwide firm's largest clients.	
Nic Harper	Date joined board: 1989
Harper is a Fellow of the Royal Institution of Chartered Surveyors and the Central Association of Agricultural Valuers, and a member of the Lord Chancellor's panel of agricultural arbitrators. Since 1971 he has been with the London firm of Langley-Taylor and is currently Managing Partner of the practice.	
Neal King (Deputy Chairman)	Date joined board: 1996
King has been a member of the British Veterinary Association Council since 1972 and of the Royal College of Veterinary Surgeons (RCVS) Council since 1988.	
Richard Lane	Date joined board: 2001
Lane is currently working as Press and PR Manager for the <i>Lancet</i> medical journal. Richard became registered blind in 1992 and trained with his first guide dog in 1993.	
Ken McFarlane	Date joined board: 2002
McFarlane, a chartered accountant, is a partner at Deloitte & Touche, in charge of the corporate tax practice for the firm.	
Elaine Noad	Date joined board: 1998
Noad has worked in local government in Scotland since 1980 and is now Director of Social Work Housing and Health with South Ayrshire Council where she has worked since 1995. Elaine has been a guide dog owner since 1980.	
Jean-Clare Schaw Miller	Date joined board: 1992
Schaw Miller was, until 1992, Scottish Chief Commissioner of the Girl Guides Association, an organization with which she has been involved since 1963. She is presently Chairman of the Guide Association (U.K.) Awards Committee.	
Barry Weatherill (Chairman)	Date joined board: 1975
Weatherill has been Chairman since 2000. Weatherill was Senior Partner of Wedlake Bell Solicitors from 1984 to 1994 and until 2001 was head of his firm's Media and Intellectual Property team. He continues to practice as a corporate and IP lawyer.	
Igal Yawetz	Date joined board: 1997
Yawetz is a chartered architect and planner by profession. He has been responsible for many major architectural projects including reconstruction of The Grand Hotel in Brighton, Metropole Hotels in London and Birmingham NEC, and conversion of the former KGB Headquarters in St. Petersburg to an International Business Center.	

Exhibit 5.1.3 GDBA Board of Trustees

SOURCE: GDBA documents.

information systems, and then let go with trust. I decentralized the structure down to 32 linked district teams that delivered services locally to the service users in the most flexible, appropriate manner possible.

When Peacock arrived at GDBA, the organization only had several unnetworked computers in its head office. A network provider was contracted to place a computer with Internet access in all locations across the United Kingdom to foster better communication and collaboration among staff members in different offices and functions. The network included a logistics system, to better match people with dogs, and computerized veterinary records and genetic profiles, to better monitor dog health. For example, in the past, GDBA would not have known that an ideal dog for a person in England might be available in Scotland. With a new technology infrastructure in place, employees were able to make this type of match easily. In addition, the new technology enabled users to access video briefings, leadership development programs, and learning networks.

PATH TO PARTNERSHIP

Outsourcing Hotel Management

In 1990, GDBA's investments had performed so well that management was looking to broaden the range of services offered by the organization. Members of GDBA polled guide dog owners about what kinds of new services would be most valued. Guide

dog owners said they wanted access to special hotels that would accommodate their needs. A staff member remembered: "Some guide dog owners did not like going to mainstream hotels because they didn't feel that they were properly cared for or attended to. They wanted to go to a hotel that was their hotel, where they were known, where they felt comfortable, unthreatened, et cetera. Guide Dogs had money to spare, so they started a new program."

GDBA bought two hotels in excellent locations. Cliffden (21 rooms) was a small converted retirement home located in Devon, an area by the sea in the southern part of the country. The other hotel, Windemere Manor (18 rooms), was north of London in the more mountainous heart of the Lake District. Under GDBA management, each of the hotels was run independently and therefore did not benefit from any overhead sharing or other economies of scale. Although one of the first things that Peacock did was merge the appropriate functions of the hotels, they were still too small to ever become profitable. This was true even if both hotels were booked to capacity every night. In 1997, the hotels were losing £1.4 million annually.

There were four nonprofit organizations running hotels for visually impaired people in the United Kingdom—Action for Blind People (AFBP), GDBA, Royal National Institute for the Blind (RNIB), and Henshaw's. GDBA proposed a three-way partnership among itself, AFBP, and RNIB. AFBP agreed, but RNIB would not commit to the deal in the time frame GDBA and AFBP proposed. Henshaw's had only one hotel, in North Wales, but it

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wished to retain its hotel as part of its range of local services.

AFBP, also with two properties, was having similar difficulties with GDBA. However, while Peacock wanted to gracefully bow out of the hotel business without alienating constituents, Remington, CEO of AFBP, wanted to scale the hotel business to the point of profitability, as leisure was part of its core business. Both executives believed that they would get further by collaborating rather than competing, so in 2000, they structured a mutually beneficial deal. Peacock noted:

Managerially, we could see that the partnership made sense. It rationalized two businesses that were struggling and made one business that was profitable. Action for Blind People competed with us, but, in fact, the competition wasn't very intense because we still had more demand for beds than supply. The costing and the management structure were the real problems. Our hotels were running at a large deficit. So, we tried to think of how we could structure a partnership with another organization in the private or the voluntary sector that would keep the hotels open but make them cost-effective. People in the non-profit sector had done wholehearted mergers before, but people hadn't done strategic partnerships that left both companies alive and separate. We knew there was a good fit with AFBP because the provision of leisure facilities for visually impaired people was part of its core purpose.

AFBP managers would have to demonstrate to GDBA in a comprehensive business plan that running four hotels as a group was a sustainable business model. AFBP had experienced hotel management and was actively fund-raising to rebuild its Bognor Regis hotel. GDBA would invest in that project to accelerate its completion, as well as pay to expand its Cliffden hotel to provide more beds to enhance the hotel's financial viability. (When the hotel reopened, GDBA staff would be given first option on applying for new jobs.) GDBA would charge a "peppercorn"² rent to AFBP for the Cliffden and Windemere Manor properties to avoid giving up the title of its assets to the partnership. Also, by retaining ownership, GDBA would continue to influence the quality of services provided at the hotels. Ultimately, GDBA gave AFBP a 40-year lease for approximately £1 per year. GDBA would not receive any annual revenue, either from rent or potential profits; likewise, GDBA would not be responsible for any losses.

Outside authorities monitored quality standards at the hotels in areas such as customer care and dog care and issued quality ratings to the hotels. If the hotels received below a 70% rating, AFBP would have to agree to a plan of action with GDBA about how to improve. If improvements were not made within a specified time frame, GDBA could give AFBP a year's notice and then withdraw the lease and replace AFBP with another provider.

But Peacock was sure it would never come to that:

Two of the hotels were completely overhauled, upgraded, and expanded,

Case Study 5.1: Guide Dogs for the Blind Association

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so they now have much better facilities and are much more modern. We invested about £6 million in rebuilding and eliminating redundancy costs to make the project viable. The thinking of the trustees was that this was a one-off cost to the organization that would avoid a potential worst-case drain of nearly £2 million a year. When we handed the hotels over in 2000, the actual annual loss on the hotels had been reduced to £671,000.

When the deal was formalized, a small but vocal minority of guide dog owners began to register their discontent over the partnership. Some guide dog owners who were visitors at GDBA's hotels organized a sit-in in the bar of one of the hotels and called in the media to cover the event. Peacock herself received hate mail from angry guide dog owners. The controversy went on for some time, but GDBA and its partner forged ahead with the implementation of the partnership. Peacock explained: "There were a few difficult dog owners who didn't want to share their hotels with people who used canes. Most of all, they felt that they would be safe in hotels only if GDBA ran them. I knew this wouldn't be the case, but it required a leap of faith for the protesters."

Shortly after the new arrangement was put in place, gains in the hotels' quality of service as well as operational and financial performance were quickly realized. Most of the protesting guide dog owners were rapidly swayed by these outcomes. Some of the former objectors even wrote letters to GDBA, praising the move and questioning

why these changes had not been implemented sooner.

An additional outgrowth of the hotel partnership program was the beginning of a dialogue with the Automobile Association (AA), the grading authority for mainstream hotels. After several discussions, GDBA, AFBP, and AA began to contemplate ways in which they might develop a standard for rating other hotels' accessibility for visually impaired guests. Peacock said:

Since The Disability Discrimination Act has been passed in this country, all sorts of businesses have to look at how they make their premises accessible to people with different kinds of disabilities. We are going to do some market testing to see whether hotels would pay to be inspected as user-friendly to visually impaired people and guide dog owners. If they would, in addition to getting rosettes for the quality of hotel service, they would also get marks for their user-friendliness for guide dog owners.

By 2001, the hotels had ceased losing money. By 2002, only two years after the deal was completed, the four-hotel chain was turning a small profit. It was planned that profits would be reinvested into the development of the business. Remington credited the hotel program with starting a wider dialogue among hotel providers toward people with a range of other disabilities. Based on the organization's strong track record, charities were now approaching AFBP about running their facilities.

The Holidays Partnership

GDBA's Holiday Program, established in 1990, formalized what had previously been its informal volunteer holiday club, The Guide Dog Owners Adventure Group. This group participated in and sponsored a variety of adventures—from tandem bicycle riding to rambling, a structured but leisurely walking that is less strenuous than hiking. As the program evolved, GDBA provided even more adventurous trips by supplying sighted guides and developing comprehensive safety protocols. Guide dog owners paid membership fees and travel costs, while sighted people paid to travel on the adventure holidays as guides. Over the years, the range of travel options available grew, and GDBA became a substantial travel agency in its own right, packaging flights, organizing ground transportation, and arranging hotel bookings.

By 1997, the year Peacock joined the organization, GDBA was running 140 group holidays per year. The holiday offerings were very broad. People could opt for adventure trips including skiing, hiking near Everest, and rafting the Limpopo River. Guide dog owners and other visually impaired people loved the service, but GDBA was losing £761,000 per year providing it. Peacock sought to find a partner with expertise in the travel industry in order to stem the losses from GDBA's holiday operations. Peacock recalled the process of canvassing for appropriate partners: "We didn't really compete with anyone in adventure trips for the visually impaired because we had a unique service offering in that we were the only organization providing sighted guides. AFBP and RNIB did a little, but

nobody was doing what we were doing. It was quite an ambitious business, actually."

Peacock had discussions with several potential partners, but ultimately the best of a limited number of offers came from a nonprofit organization, The Winged Fellowship (TWF). While TWF was not a charity serving the visually impaired per se, its core business was providing holidays for people with a range of disabilities. One major challenge was that TWF had few reserves in the bank.

Peacock remembered:

TWF was a very small organization and going through quite a difficult time. They had just hired a new CEO, and he was looking at ways of securing their "market share." By taking on our holiday business, they could actually merge our respective infrastructures and be in a position to grow their business considerably.

It wasn't as easy or obvious as the hotel move. But TWF was clearly the most expert of the few companies we considered, so they were our choice. Also, I think, the trustees wanted this ongoing liability off our books. We found a pragmatic solution. Because we were partnering with another charity, which shared common values and had secured its positioning in the disability holiday market, the arrangement felt safe to visually impaired people, our core constituency.

TWF chief executive Pat Wallace agreed, and the two boards of trustees signed the deal in 2001. Wallace transferred the bulk

of TWF's holiday office to the GDBA operation and hired GDBA's manager of hotels and holidays as the director of operations. Peacock and GDBA trustees felt there was a benefit to maintaining the Guide Dog Holidays brand, which was more established than the TWF brand, for a three- to five-year transition period. The outcome was that TWF's business was in effect integrated into that of GDBA's, and the new business was a considerably larger entity.

GDBA also provided financial support. "In essence, we gave them a front-loaded dowry for the first few years, because we wanted to support them while they developed their infrastructure and fund-raising capabilities," Peacock said. "We felt it was worth investing in making them secure because although the deal had no revenue-generating value, it stopped us from losing £761,000 the first year." By 2001, GDBA had created an annual subsidy schedule whereby it would pay out £2.9 million over five years. In 2001, GDBA gave TWF £565,000 and a £250,000 loan (to renew IT infrastructure). By 2002, when TWF offered 100 trips, the annual subsidy from GDBA had dropped to £484,000, and no loans were made.

GUIDE DOG MOBILITY SERVICE (GDMS) PROGRAM WITH LOCAL AUTHORITIES

Local Authorities in the United Kingdom

There were approximately 500 local authorities (local governments) in England and Wales, though Wales accounted for

just 22 of the total. Because of its high population density, there were 33 local authorities in the city of London alone. Surrey, a large local authority that had a population of just over 1 million people, had a budget of £770 million a year. In contrast, the smaller Allerdale local authority had a population of 96,000 and a budget of £9.5 million per year. Local authorities raised money through local household property and business taxes. The taxes were set to meet the local budget in the area, and the national government approved the local government's budget. Local authorities were then responsible for providing a range of services, including education, fire, economic development, social services, and services for the visually impaired.

The central government provided financial support for all local authorities with cash payments intended to "top off" locally raised taxes. The emergency, primary, and secondary healthcare was provided and funded by the National Health Service and was not included in local authority budgets. Central government funding was also available for specific initiatives, such as environmental projects or road projects, that fit the political priorities of the government in power.

Changing the Course of Service Delivery

In most cases, a visually impaired person would receive a diagnosis to determine her condition, and if services were needed, she would go to the local hospital for treatment. She would then be advised to contact the social services department of the local

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authority in which she resided. The local authority would then assess the visually impaired person's condition, decide which services were needed, and build a care plan. The local authority would then most often issue contracts to nonprofit service providers for the required services or, much less frequently, provide the services itself. Services for the visually impaired fell into three categories: mobility services (guide dogs, long-cane training, orientation devices), communications skills (languages such as Braille and Moon), and independent living skills (learning to cook, clean, and shop).

Peacock said this process worked better in theory than in reality and explained why:

Because local authorities have limited budgets, which are capped by the central government, they have to prioritize what's most important, which often means long waiting lists for the visually impaired. They typically don't have enough money to provide everything they're supposed to statutorily. So the local authorities tend to concentrate on crisis intervention like child protection. And visual impairment is often low down in the pecking order. A person might wait ages for an assessment of need. Once he finally gets his assessment, the local authority might not have, or be able to afford, the right services to meet that need.

GDBA had actually been one of the organizations receiving contracts to provide mobility services, and much less frequently communication and independent living skills, for a number of local authorities. In

addition, GDBA independently provided mobility services directly to visually impaired individuals who were entitled to receive them from local authorities but in fact had not been receiving them for some reason. The various GDBA locations had no coherent strategy for pricing the mobility services provided to the local authorities, and prices varied considerably from office to office. Historically, it was speculated within GDBA that the real reason for providing mobility services in the first place was to increase the number of guide dog placements. Consequently, the true costs of the service and the management required to effectively deliver the service did not garner significant organizational attention prior to Peacock's arrival. Other charitable organizations around the country, many of which competed with GDBA for service contracts, came to resent GDBA for its ad hoc approach to pricing, which was often below the actual cost of providing the services.

Peacock knew that the current system was not efficiently or effectively serving the needs of the United Kingdom's visually impaired population. In her view, the prime consideration for GDBA should be to ensure that mobility services were provided to as many people as possible, regardless of which organization ultimately provided the services. Peacock summed up her strategy for accomplishing this (see **Exhibit 5.1.4** for GDMS overview):

By surveying visually impaired people in the United Kingdom, we learned that a lot of people were not getting either assessments or services from local authorities in their area. We

Focusing the Vision

In 1997, The Guide Dogs for the Blind Association carried out the charity's most extensive review to establish what services blind and partially sighted people need to become more independent.

Its findings were startling, revealing that 25% of visually impaired adults never leave home alone and 88% of visually impaired adults have never received mobility training.

Putting our extensive expertise and resources to use in totally new ways, we have established the Guide Dogs Mobility Service to help thousands more blind and partially sighted people in the United Kingdom get the most out of life in the 21st century.

The Guide Dogs Mobility Service—Your Essential Questions Answered*What Is the GDMS?*

The GDMS is a new service with a single point of access to maximize the mobility of blind and partially sighted people, helping them to make the most of their remaining vision.

There are currently 200,000 blind and partially sighted people in the United Kingdom who could benefit from this service. While it would be impossible and inappropriate to provide them all with guide dogs, we can help them in many other ways.

An older person whose sight has deteriorated with age may want advice on low-tech aids like a long cane, while a young professional may be interested in the latest mobile phone technology that can help blind people. Our aim is to help them both. The service is designed to respond to people's needs making sure they have access to the best possible support and services.

How Will It Work?

The GDMS will establish an easily accessible, "single point of entry" for people in their local communities where they will be assessed to find out which services they would most benefit from.

It will be delivered locally, in partnership with local authorities, free to the individual user. As part of their commitment, local authorities will have to safeguard the money they currently allocate to visual impairment services for the duration of the partnership.

By working with other providers like the Royal National Institute for the Blind and local associations for the blind, we can coordinate these services under one umbrella, avoid duplication, and ensure that we focus our work where unmet need is greatest.

Where Will the Money Come From?

The new service is being set up with funds from designated reserves, although once up and running, it will be paid for entirely by voluntary income.

When Will It Happen?

Pilot projects are already established across the United Kingdom, and these are being reviewed annually. It will take between three and five years to assess demand for the service and to plan the training and development needs of mobility/rehabilitation workers.

How Will Guide Dogs Change to Deliver This Service?

To be effective, we have to bring our services closer to blind and partially sighted people in their own communities. We are restructuring our offices so we can provide mobility training from an extended number of small service bases across the United Kingdom.

Exhibit 5.1.4 GDMS Overview

SOURCE: GDBA Annual Report, 1999.

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thought about how we might do a better job for the visually impaired in the face of competing interests at the local authority level.

Our proposition to the local authorities was, GDBA is a vision-impairment organization whose clients are telling us that they're not getting the services they need, or that they are getting good services from you but you're strapped for cash and can't do as much as you would like. Would you like to try a new partnership where together we could extend our collective reach?

We proposed that GDBA would deliver and fund the mobility component of a local authority's portfolio of services. In return, the local authority would contractually agree to reallocate the money it would save by not providing mobility services to the visually impaired to communications and independent living skills for the same population. The combined effect would be that the local authorities, by working with us, could improve and expand their overall services to the visually impaired without having to find more money in a cash-strapped environment.

The idea was that GDBA, working with a local authority, would establish a mobility budget that the authority would agree to assume for the upcoming year. Through a negotiated process, GDBA and the local authority would write a contract saying that GDBA would provide, or pay for, mobility services for X number of people at a cost of Y during the forthcoming year. In

return, the local authority agreed to use the money saved by GDBA's assumption of the cost and delivery of mobility services to provide people on the waiting lists with other vision-impairment services. Under the terms of the contract, GDBA had the right to audit the local authorities to ensure that they lived up to their end of the bargain.

From Peacock's perspective, GDBA had been providing below-cost services to the local authorities all along, so the impact of this program to the organization was in essence not that different from an overall cost perspective. Additionally, by removing the mobility service component from their responsibilities, the local authorities could provide better-quality and broader communication and living services to the visually impaired through other visual-impairment nonprofit organizations that specialized in these particular services. This served Peacock's other agenda within GDMS, to build the capacity of voluntary sector organizations serving the visually impaired population of the country.

GDBA deal makers began approaching local authorities with the proposal but learned quickly that each local authority operated differently and that the negotiations for contracts would be more difficult than first assumed. Due to haphazard record keeping and variations in how local authorities conducted their affairs, the development of mobility budgets was time-consuming and far from uniform. For example, some local authorities used the number of past requests for service as the basis for developing a budget, while others used the number of people on a waiting list for service as a basis for establishing a budget.

Local authorities were not used to being approached in such a proactive fashion by a voluntary organization, and many were wary of an offer that seemed so unorthodox. Additionally, GDBA was still perceived by many in the sector as a provider of a simple service—guide dogs. Recognizing the organization as a significant provider of a broader range of mobility services and as a partner to the local authorities was a challenge.

Funding the GDMS Program

GDBA met with an unexpected economic obstacle, caused in large part by September 11 and the subsequent stock market crash. Peacock estimated that GDBA lost £27 million from its investment portfolio and £3 million more in lost fund-raising opportunities due to an outbreak of “foot and mouth” disease in the country. As a result, the £35-million budget the GDBA trustees had allocated for the rollout of the GDMS project in 1999 was under strain. This considerably slowed the national rollout of the GDMS partnership program. However, the pilot program, which involved 12 test sites, remained untouched, and even with a drastically reduced budget, working with the interest on the £35 million, GDMS was on track to sign an additional 43 partnerships by the end of 2002. Peacock noted: “With the initial £35-million budget, we were going to fundamentally change the delivery of services for visually impaired people in the United Kingdom. This was going to be Guide Dogs’ gift to the nation. In three years, we could have rolled it out to every local authority in the country.”

GDBA spent about £600,000 on the GDMS program in 2001, and it anticipated spending £1.3 million in 2002. GDMS was written into the GDBA core budget for 2003 at a guaranteed £2 million per year for the next three years.

Wider Implications for the GDMS Program

Peacock called the GDMS program the “most creative thing” she had done to date and wanted to explore further uses for her model. She wanted local authorities to think more creatively about the connections among the government, the voluntary sector, and the private sector. Peacock reflected on the implications of GDMS:

This could have a real impact in a short time frame. If we can develop a model of how service provision can be enhanced through new, cross-sector alliances that more effectively use private, public, and voluntary sector money, there’s a win for everyone. It’s really about working smarter and thinking laterally. There are always two maxims in the back of my mind—“less is more,” and “together everyone achieves more [TEAM].”

This also shows how the culture and reputation of GDBA are changing—we’ve repositioned ourselves to be taken much more seriously by government and other agencies. This, in turn, allows us to fund-raise in new ways, because now different aspects of

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our work appeal to different segments of the public.

The U.K. Treasury, which was responsible for the national funding framework for welfare services in the United Kingdom, recently had committed £125 million over the next three years to build infrastructure and capacity for the delivery of public services by the country's voluntary sector. The Treasury had also introduced investment tax credits to encourage private investment. GDBA's management hoped that the GDMS program helped change people's minds about how the voluntary sector operated.

VISUAL-IMPAIRMENT SECTOR IN THE UNITED KINGDOM

GDBA was a "monopoly supplier" of guide dogs in the United Kingdom, but in the growing area of other mobility services, the organization coexisted alongside organizations such as the Royal National Institute for the Blind (RNIB), the largest national charity in the visual-impairment sector, and numerous large local associations for the blind. These organizations did not provide guide dogs but did offer a range of other rehabilitation services such as mobility services (long-cane orientation, electronic aids, etc.), independent living skills (cooking, cleaning, and shopping), and communications skills (languages such as Braille and Moon).

Each of these nonprofit organizations served many of the same client bases as GDBA and had unique funding models as well as distinct management and

service-delivery approaches. Whatever their similarities and differences, all of the organizations were struggling to become sustainable. The question beginning to be asked by some in the sector was whether there were ways in which like-minded organizations might reduce redundancies, leverage their individual core competencies, and work collaboratively to enhance the services offered to the visual-impairment community as a whole. There was little precedent for nonprofits that competed in the same pool of funding and served the same constituencies to work together in a meaningful way.

Visual-Impairment Umbrella Organizations

In the mid-1990s, there were two umbrella organizations that represented the interests of the visually impaired population. One was the Visual Handicap Group (VHG), which was composed of the "of and for the blind" voluntary organizations. Members included GDBA, RNIB, AFBP, and numerous local associations for the blind. The goal of this umbrella organization was to foster collaboration among participants. Peacock described the organization itself as a "talking shop," where issues were discussed but nothing ever happened. The other umbrella organization was the United Kingdom Council for the Prevention of Visual Impairment (UKCPVI), which focused more on prevention of eye problems and diseases and was composed of the professional bodies from the eye care and eye health professions.

As one member observed: “The two umbrella groups, VHG and UKCPVI, didn’t have a real dialogue between them. So you had the volunteer organizations [VHG] on one side, and the professionals [UKCPVI] on the other. There was talk of collaboration, but no one really seemed to have the appetite to do it.”

Eventually, the Nuffield Trust was persuaded by Peacock, Remington, and other interested parties to hold a major seminar. As a result of the meeting, the separate umbrella groups decided that they could accomplish more together than they could apart. The groups combined in the late 1990s to form Vision 2020 UK.

Vision 2020 UK and the Future

Remington and Peacock were among the key drivers in the initiative to establish the emergent umbrella organization, Vision 2020 UK. They both became board members, and Remington served as the board’s chairman.

Vision 2020 UK was registered as a national organization and was an affiliate of Vision 2020, an international organization. Participants included RNIB, AFBP, the Royal London Society for the Blind (RLSB), and the National Association of Local Societies for the Visually Impaired (NALSVI).

Neither Remington nor Peacock saw the organization as a direct-service provider, but rather as an entity that would have as its primary purpose the development of a unified advocacy agenda that would be embraced and promoted by all of its members. Additionally, the umbrella

organization would ideally facilitate the building of common infrastructures for non-profit organizations that served the visually impaired. The objective was for the umbrella organization to achieve tangible benefits for its members by sharing common costs and attaining economies of scale. For example, one outcome could be that organizations in the sector could share “back-office” support services, such as payroll systems and purchasing systems. The thinking was that these new efficiencies would free up additional resources in the sector to flow directly to programs and services for the visually impaired population.

In 2001, working members of the umbrella organization agreed on a business plan for Vision 2020 UK. (See Exhibit 5.1.5 for Vision 2020 UK working party members.) Highlights of the plan included the following:

Purpose

The purpose of the proposed National Agenda for action on visual impairment is to provide an agreed set of national aims that will enable organizations and individuals to determine their own future strategies in the knowledge that they are assisting with identified need. The agenda is intended to be relevant to visually impaired people and to all those working with them, as eye health professionals, educators, employers, in social services or in voluntary organizations.

A National Agenda will not only provide a framework in which organizations can determine their own

- Ian Attrill, NALSVI
- Robin Birch, Age Concern (Chairman of the Low Vision Implementation Working Group)
- Ron Bramley, Gift of Thomas Pocklington
- Kathy Cash, NFB
- Gareth Davies, NLBD
- Professor Alistair Fielder, Royal College of Ophthalmologists
- Allen Forster, International Agency for the Prevention of Blindness
- Connell Gebbie, NFB
- Fazilet Hadi, RNIB
- Margaret Hallendorf, Royal College of Ophthalmologists
- Deane Houston, Blind Centre, Northern Ireland
- Robin Hill, Macular Disease Society
- Professor Gordon Johnson, International Centre for Eye Health
- Robert Leader, St. Dunstan's
- Allan Murray, Scottish National Federation for the Welfare of the Blind
- Geraldine Peacock, GDBA
- Paul Quin, UKCPVI
- John Canavan, Department of Health
- Stephen Remington, Action for Blind People
- Mary Robertson, Association of Directors of Social Services
- Tim Smith, Royal College of General Practitioners
- Vanessa Webb, Wales Council for the Blind
- Dr. Michael Wolffe, College of Optometrists
- Sue Wright, Opsi
- Mike Brace, Development Director
- Margaret Alexander, Secretary

Exhibit 5.1.5 Vision 2020 UK Working Party Members, 2002

SOURCE: Vision 2020 UK documents.

strategies, but also be a powerful tool for influencing government and for articulating the key issues to the public. Such an Agenda could provide

a framework for detailed objectives of a U.K. Forum (if one is created) and could be reviewed and revised by the Forum over time.

Background

A national agenda would provide all those concerned about visual-impairment issues with the following:

- A shared set of priorities to which they can refer in determining their own strategies
- New opportunities for partnership and collaborative projects
- A means of identifying gaps in, or duplication of, provision
- Its not being designed to remove the autonomy of any organization, to restrict its right to act alone or outside the priorities of the agenda, or to eliminate the benefits of positive competition between organizations

The items on a national agenda must meet the following criteria:

- Be achievable in the sense that there must be the serious prospect of progress
- Be nationally relevant
- Satisfy identified need
- Make sense externally and be expressed in jargon-free language
- Be empowering, not prescriptive, and allow individual organizations to pursue their own strategies within the greater context of the agenda
- Encourage cooperation between organizations to help with information exchange, good practice sharing, and project partnerships

Agreement on the national agenda would imply the need to map current provision, to assess its quality, and to agree on priorities for action. This would then enable statutory, voluntary, and private organizations to assess how best to deploy available resources. (See **Exhibit 5.1.6** for the balance of the Vision 2020 UK proposal for a national agenda for action on visual impairment.)

Although it was intended for Vision 2020 UK to remain lean, staffing was necessary. A development director, Mike Brace, was hired to move the agenda forward. Brace described his progress:

I have established a quarterly newsletter directed at both members and other interested parties to let them know what I and we are doing in their name. The net result of a year's work is that member organizations are now coming to me with ideas that they wish me to explore. They want to know if others share their ideas and are willing to form partnerships to move forward. I am also initiating projects or facilitating interest groups to get discussions under way or take proposals forward that members are unwilling to have any other single member take the lead on. When consulted by government bodies, I have endeavored to discuss the issues with members in advance to gain their view. Often the members' views are uniform enough that I can then represent them as the voice of Vision 2020 UK.

Raising Awareness

There is a universal need to improve the understanding among the general public and decision makers of the needs of visually impaired people and of their actual and potential contribution to society.

The distinct needs of, and opportunities for, visually impaired people are often overlooked. For example:

- The waiting times for cataract operations are longer than for any other treatment, and yet this is one of the top ten most cost-effective health interventions.
- Generic social workers are unable to give priority to visually impaired people.
- The employment situation is far worse for blind and partially sighted people than for any other group of disabled people, but policy is being developed generically.
- Many other excellent causes have gained a higher profile with the public, and visual impairment has become a lower priority for donors.

Rights and Responsibilities

The rights of visually impaired people must be promoted by common consent and, where necessary, supported by law. These include the right:

- To live free from discrimination
- To exercise choice and control over their lives
- To receive information in accessible formats
- To be able to safely navigate the external environment
- To have equal access to education and employment
- To enjoy the opportunities and services they need to lead fulfilled lives
- To be supported and encouraged to take part in democratic, economic, and community life and to be empowered to play a full part in determining service priorities and choices affecting them

People who do not have a visual impairment should be encouraged to learn to understand the varied needs, the achievements, and the potential of those who do.

Visually impaired people have the same rights and responsibilities as everyone else. There is a current tendency, however, to treat all people with disabilities as a generic group. This leads to the marginalization of visually impaired people with fewer opportunities and poorer services. This trend must be corrected.

Improved Prevention, Cure, and Amelioration of Visual Impairment

The ideal must be the eradication of all visual impairment, so we should continue to encourage and fund research, both medical and nonmedical. Until we attain that ideal, we must reduce the personal, social, and economic impact of visual impairment by:

- The vigorous application of current medical knowledge uniformly across the country
- Promoting the importance of early diagnosis by regular sight tests and public education
- Providing effective support and services to people who are visually impaired
- Providing effective low vision services that are consistent across the country
- Providing a range of services that ensure that visually impaired people, in all aspects of their lives and wherever they live, enjoy opportunities equal to those of other members of society

The eradication of all sight problems is unattainable for now, so we need to ensure the best possible and most timely diagnosis, treatment, amelioration, and support for all visually impaired people in all parts of the country. Examples include promoting the benefits of cataract extraction, identifying the most efficient and cost-effective means of improving the consistency and quality of eye care, and the reduction in waiting lists. We need also to address the needs of groups that are particularly at risk—elderly people, people with multiple disabilities, and children with other sensory impairment.

We must provide services that not only help to compensate physically for loss of sight but that also ensure that the disadvantages of visual impairment are relieved through the provision of specially designed and adapted services and facilities in all aspects of life.

Improving Quality of Services and Opportunities

We must seek continually to improve the quality of all the services and opportunities for visually impaired people and promote the use of standards where the results are measured primarily by client satisfaction.

This might be achieved by measuring and monitoring outcomes.

Standards based on the statistical measurement of inputs and outputs have some use but are no substitute for measures of the actual achievements of visually impaired people.

A large number of high-quality services and opportunities are available for visually impaired people around the country. But not only is the provision uneven in quantity and geographical spread (see *Extending Reach*, below), the quality varies widely even where services are nominally available. The aim of this agenda item is to help those providing services and opportunities to improve their own standards by sharing the experiences of others and, above all, by working with visually impaired people to measure their achievements against their aspirations and to offer them choices and opportunities to enable them to achieve more.

Extending Reach

This includes increasing the numbers of people served and increasing the geographical spread of services and opportunities and improving access to them.

Just as quality varies around the country, so does the availability of the services and opportunities that are essential to ensure the prevention, cure, and amelioration of visual impairment. Issues of particular concern include the following:

- The provision of health and social services and the contributions of local and national voluntary organizations are so variable and diverse, that it is hard to make judgments on where is the greatest need for action.
- People from ethnic minorities seem to be poorly served.
- People with dual sensory loss or with multiple disabilities need specialist attention that they often do not receive.

Exhibit 5.1.6 Vision 2020 UK Proposal for a National Agenda for Action on Visual Impairment

SOURCE: Vision 2020 UK documents.

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- Action for Blind People
- Albinism Fellowship
- Association of Blind Asians
- Association of Directors of Social Services
- Blind Centre for Northern Ireland
- British Computer Association of the Blind
- British Orthoptic Society
- British RP Society
- Calibre
- Christian Blind Mission
- Circle of Guide Dog Owners
- College of Optometrists
- Fight for Sight
- Guide Dogs for the Blind Association
- HSBP Henshaw's
- Impact Foundation
- International Glaucoma Association
- International Centre for Eye Health
- Iris Fund
- LOOK
- Macular Disease Society
- National Association of Local Societies for Visually Impaired People (NALSVI)
- National Federation of the Blind
- National League of the Blind and Disabled
- National Library for the Blind
- Nystagmus Network
- Opsi
- Partially Sighted Society
- Retino Blastoma Society
- Royal National Institute for the Blind
- Royal College of General Practitioners
- Royal College of Ophthalmologists
- Scottish National Federation for the Welfare of the Blind
- Share the Vision
- Sightsavers
- Society of Blind Lawyers
- SPECS
- St. Dunstan's
- TNAUK
- Thomas Pocklington Trust
- Torch Trust
- VIEW
- Vision Aid Overseas
- Wales Council for the Blind

Exhibit 5.1.7 Vision 2020 UK Provisional Members, 2002

SOURCE: Vision 2020 UK documents.

Peacock and Remington were pleased that Vision 2020 UK was established, had articulated a common agenda, and was beginning to move forward. They were also encouraged that participating agencies were standing on equal footing, regardless of their respective sizes, and that the larger participants had assumed funding the organization's basic costs for the first three years of its operation. (See **Exhibit 5.1.7** for Vision 2020 UK provisional members.) Nevertheless, both were also well aware that this was only a first step and that over time, they would have to charge membership fees to remain sustainable. They also

knew that in order to grow, the umbrella organization would likely have to consider various strategic alliances and merger options. The challenges for making Vision 2020 UK effective did not stop there. Could all of the member organizations really speak with a unified voice to all the varied stakeholders interested in the visual-impairment sector? What would it take to move from words in a document to executing the plan and achieving meaningful cost-saving efficiencies among members? How would they justify that this approach would be the best utilization of scarce human and monetary resources and was

the most effective mechanism for serving the United Kingdom's visually impaired? From GDBA's board's perspective, was this the best use of Peacock's time?

Peacock strongly believed that if the nonprofit sector was going to succeed in serving the needs of the visually impaired population over the next five years, this newly constituted network would have to be made to work. Peacock pondered how

to make that happen and what her and GDBA's role should be in that effort.

NOTES

1. £ = pound sterling; £1 = \$1.65 as of November 27, 2002.
2. This is a term for a nominal amount of consideration, equaling roughly one British pound.

Case Study 5.2

KaBOOM!

James Austin

KaBOOM! attempts to do what we know is so important and that is to provide spaces and playgrounds in neighborhoods around the U.S., particularly very tough difficult neighborhoods where they haven't had a playground for many years because of violence and gangs, drugs and some of the other challenges they face.

—Hillary Rodham Clinton¹

In April 2002, Darell Hammond, CEO and cofounder of KaBOOM!, looked back over the past seven years since he had decided to found a nonprofit organization with the mission of ensuring that every child, through the participation of their communities, had healthy play opportunities.

He had grown the organization from a \$25,000 start-up in 1995 into a lean, highly innovative, national nonprofit with a \$5-million annual budget and 17 full-time staff members who led efforts from offices in Washington, D.C., San Francisco, Chicago, Atlanta, and Burlington, Vermont. Using its signature “community-build” playground process, KaBOOM! had involved more than

65,000 volunteers in the hands-on construction of 338 playgrounds, primarily in urban and low-income communities (see **Exhibits 5.2.1** and **5.2.2**).

KaBOOM! had generated more than \$14.5 million in contributed revenue for community playgrounds, largely through business/social sector partnerships with The Home Depot, CNA Insurance, Ben & Jerry's Homemade, Target Corporation, Kimberly-Clark Corporation, Motorola, Computer Associates, Snapple, Sprint, and more than 40 other corporate partners.

Hammond was proud of the success KaBOOM! had achieved and felt that the organization had now reached the

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Year	1997	1998	1999	2000	2001	2002 (p)
Total income	1,812	3,785	2,540	2,900	6,356	n/a
Total expense	1,300	2,416	3,157	3,383	4,681	n/a
Net income	512	1,369	(617)	(483)	1,675	n/a
Net assets	519	1,987	1,370	873	2,548	n/a
Playgrounds	38	40	51	29	83	97
Active funding partners	3	8	7	4	21	26
Retention of funding partners	66%	63%	71%	100%	81%	n/a

Exhibit 5.2.1 Financial Performance and Program Results of KaBOOM!

SOURCE: Guide Star.com, and KaBOOM! internal documents.

(p) = preliminary.

n/a = not available.

critical juncture where it was ready to turn an effective, tested program model into a systemic solution. But to do this implied a significant shift in strategic focus. Rather than just continuing to directly build playgrounds with its corporate partners, KaBOOM! would increase its emphasis on indirect builds by providing training and grant programs to help communities independently replicate the community-build playground model. Additionally, KaBOOM! would become a knowledge leader and advocate for children's right to play.

The KaBOOM! staff and board of directors were considering the opportunities and challenges of broadening their strategic direction. Competition had increased from several nonprofit organizations and for-profit companies that offered similar services for building community playgrounds. How would the new strategic direction affect the position of KaBOOM! in this

landscape? How would the new strategy impact relationships with current funding partners? What type of new partners should KaBOOM! pursue to support the new strategy? Would support for the proposed program strategies hinge on new types of business/social sector partnerships? What would be the organizational implications if such a broadened strategy were pursued?

CHILDREN'S RIGHT TO PLAY

Benefits of Children's Play

Playing has a very important role in the development and learning of children, building imagination and promoting social skills among other things. As Karen DeBord and Nick Amann, two researchers from North Carolina State University, reasoned:

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<i>Current Partners</i>	<i>Past Partners</i>
<ul style="list-style-type: none"> • AARP • Aid Association for Lutherans/Lutheran Brotherhood • American Academy of Dermatology • American Academy of Orthopaedic Surgeons • Armstrong Foundation • BASF • Ben & Jerry's Homemade, Inc. • Chicago Housing Authority • CNA Foundation • Computer Associates International, Inc. • Deloitte Consulting • Discover Financial Services • Motorola • NASCAR • National Society of Collegiate Scholars • Odwalla • Oregon Association of Orthopaedic Surgeons • Snapple • Sprint Foundation • Target Corporation • The Boston Consulting Group • The David and Lucile Packard Foundation • The Home Depot • The Washington Redskins • ZS Associates <p><i>Major Individual Donors</i></p> <ul style="list-style-type: none"> • Aly, Stacey, & Bruce Bloom • Mr. Webb Sowden • students of American University • Mr. Doug Finlay • Ms. Nancy Rosenzweig & Friends Foundation • Family & Friends of Daniel Soloma • Radian Guaranty/Radian MI 	<ul style="list-style-type: none"> • Akin Gump Law Firm • Black Entertainment Television • British Airways/Patterson Communications • Cafritz Foundation • Chicago Park District • Chicago Tribune Foundation • CoStar Realty Information, Inc. • Epstein, Becker & Green • Erik Jonsson Community School • First Steps to School Readiness of South Carolina • First Union Corporation • Fred C. Rummel Foundation • Freddie Mac Foundation • Illinois Attorney General's Office (for the dissolved Dixmoor Park District) • John Nuveen & Co. • Jewel/Osco, an Albertson's Co. • Kankakee Valley Park District— • Orthopaedic Associations of Kankakee • Kimberly-Clark Corporation • Nike/Reuse-A-Shoe Program • Novus Services • Primordial/Zoob® • Prudential Foundation • Redwood City School District • Retired Peace Corps Volunteers • RREEF Funds and RREEF Funds—Dallas • San Francisco Promise • SOME (So Others Might Eat) • The Cheesecake Factory • The John Buck Company Timberland • USAA A Charitable Trust • Village of Sun River Terrace • Walgreen's • WTTG-TV/Fox • Yahoo! Employees Foundation

Exhibit 5.2.2 List of KaBOOM! Partnerships

SOURCE: KaBOOM! internal documents.

Play is to a child what work is to an adult: It is what they do. It is through play that children learn about their world and the things in it. Play allows children the chance to explore their environment, to learn how it works and how they relate to it. A child can express feelings and emotions through various types of play activities (play, art, stories, etc.) far earlier than they can express them in words. For older children, play may be the outlet through which they convey emotions that they are either unwilling to share verbally or do not have the sufficient vocabulary to express. Through play, children can be anyone, at anyplace, at anytime.²

Furthermore, through physical play activity, children are able to stay in shape and reduce the incidence of obesity-related diseases like diabetes, sleep apnea, or gallbladder disease. A study by the National Center for Chronic Disease Prevention and Health Promotion said, “The proportion of discharges (of children) with obesity-associated diseases has increased dramatically in the past 20 years. This increase has led to a significant growth in economic costs.”³ In the past 20 years, hospital costs for diseases related to childhood obesity increased 260% in real terms, from \$35 million 1979 to \$127 million in 1999 (in constant 2001 dollars).

Current Status of Playgrounds

Children are playing less and in less than ideal places, such as alleys, streets, and decaying buildings. Darell stated, “If children are our future, why are we allowing them to play

in garbage-strewn lots, abandoned cars, bushes riddled with crack vials and needles, and boarded-up buildings? It is unacceptable for children to grow up without a safe place to play.”⁴

Not only is there a shortage of playgrounds, but four out of every five are considered unsafe (see **Exhibit 5.2.3**).⁵ Playground accidents are a leading cause of injuries to children. According to the U.S. Consumer Product Safety Commission, every three minutes, a child in the United States sustains a serious injury from a playground accident.⁶ That means that every year, more than 200,000 children suffered playground-equipment injuries that required emergency room treatment, with many requiring operative intervention.⁷ The playground injury rate has more than doubled in the last 20 years.⁸ Darell asserted, “Community residents need to know that they are not powerless against the statistics which say that neighborhood playgrounds are full of safety hazards.”⁹

DARELL HAMMOND

A charismatic 30-year-old social entrepreneur, Hammond’s accomplishments were achieved in the face of several challenges. He had no formal training in community development or nonprofit administration, but he had many innate talents. Additionally, he was challenged by dyslexia, but he had tenaciously applied himself to understand the business of his mission, taking a small start-up investment and turning it into a multi-million-dollar social enterprise. He did not complete college, but he had attracted stars for his staff, recruiting them from for-profit, government, and nonprofit sectors—many alumni from top universities.

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- 80% of the playgrounds lacked adequate protective surfacing, which was the most critical safety factor on playgrounds because approximately 75% of all injuries were caused by falls.
- 48% of playgrounds had climbers and 36% had slides where the height of the play equipment is greater than six feet high, which was higher than necessary for play value, and only served to increase the risk of injury.
- 47% of all playgrounds had peeling, chipped, or cracking paint on equipment surfaces.
- 38% of playgrounds had small gaps, open S-hooks, and other protrusions, which posed clothing entanglement hazards, in particular, drawstrings on clothing.
- 38% of playgrounds had unacceptable dangerous equipment, such as chain or cable walks, animal swings, and individual climbing ropes or exercise rings.
- 34% of playgrounds had improperly sized openings in the play equipment that posed a head entrapment hazard that might lead to strangulation.
- 31% of slides and climbing equipment did not have an adequate fall zone under and around the play equipment. Other equipment and obstacles in the fall zone posed hazards where a child might fall.
- 27% of playgrounds with swings had some swings that were either too close together or too close to swing supports, which increased the risk that a child could be hit by a moving swing.
- 13% of playgrounds with swings had swing seats that were made of wood, metal, or other rigid material, which increased the severity of injury if impact occurred.

Exhibit 5.2.3 Public Playground Safety Statistics

SOURCE: Adapted from U.S. Public Interest Research Group, The Consumer Federation of America. "Playing It Safe: June 2000. A Fifth Nationwide Safety Survey of Public Playgrounds," viewed at <<http://www.pirg.org/reports/consumer/playground2000/playgroundreport2000.PDF>> (April 2, 2002).

Hammond believed that he shared many qualities with children—including curiosity, boundless energy, and a willingness to pick himself and those around him up and to keep going during challenging times. These traits were helpful to the organization in its first two years, which were rocky and marked with a high staff turnover and, he quickly admits, memorable missteps of his own. Over time, he believed that he had evolved into a mature operational and people manager, running an organization with high donor and staff retention rates, plus award-winning program innovations.³

The seeds of his lifelong commitment to this cause come from his experience growing up with his seven brothers and sisters in a children's home in Mooseheart, Illinois, which was funded by the local and national Moose Lodge community of 1.7 million men and women. The experience shaped both his perspective on the power of volunteer service and his commitment to give children opportunities to play. He had become a passionate advocate who "eats, sleeps, and breathes" play. He developed an encyclopedic knowledge of everything that touched the cause—from community

engagement in child's play, to playground equipment design, to ADA guidelines, to emerging community development theory, to pending legislation, to the intricacies of business challenges facing myriad prospective corporate partners.

Hammond credited a number of mentors for helping him shape his leadership philosophy, most notably Marian Wright Edelman, founder of the Children's Defense Fund; Suzanne Apple, vice president of community affairs for The Home Depot; Billy Shore, founder of Share Our Strength; Michael Brown, cofounder and president of City Year; and Dr. John Kretzmann, codirector of the Assets Based Community Development Institute at Northwestern University, each of whom had helped him understand the challenging work of building a citizenry in a community of people who have the skills, know-how, and resources to create a stronger neighborhood and democracy.

KABOOM!

History

In 1995, armed only with this vision, \$25,000, and a lot of motivation, Hammond and KaBOOM! cofounder Dawn Hutchison began to seek partners to support their endeavor. In 1996, Hammond met Suzanne Apple, vice president of community affairs at The Home Depot, when they spoke on a panel at a housing conference. A few months later, Hammond was able to get the support from The Home Depot and from community members, who raised \$9,000 for the project. Together, members of The Home Depot and community volunteers joined their efforts to

create the first-ever KaBOOM! playground in Washington, D.C.

The KaBOOM! vision, from the outset, was "to help develop a country in which all children have within their communities access to equitable, fun, and healthy play opportunities, with the participation and support of their families and peers." The community component of this vision was key, as the organization believed that disconnection among neighbors eroded civic life and undermined a community's ability to respond to and prevent serious social problems. KaBOOM! aimed to provide an antidote for this disconnection: a catalytic cause that would inspire hands-on, collaborative civic engagement. Every KaBOOM! playground project, therefore, was driven by the families and children who would use the playground, and funding partners were coached to "do with, don't do unto" so that at the end of a playground partnership, the partners would have built a strong community through the process of building a playground.

During 1997, KaBOOM! started its LET US PLAY campaign to fulfill a commitment to General Colin Powell's "America's Promise: The Alliance for Youth" launched at the president's Summit for America's Future. Through the campaign, KaBOOM! committed itself "to build, renovate, or provide technical assistance to develop 1,000 community-build playgrounds by the end of the year 2000."¹⁰ The goal was to enrich more communities with playgrounds, enable more children to play safely together, and encourage more neighbors to meet, work, and solve their problems together. By the end of the year, KaBOOM! had raised \$1.8 million and created 38 playgrounds with Kimberly-Clark and CNA as new corporate partners.

In 1998, KaBOOM! found itself with more resources than it could administer. Revenue doubled to \$3.8 million through eight corporate partnerships that supported 40 builds, registering a net income of \$1.3 million for the year. However, because of the unprecedented growth and the lack of systems in place to manage that growth, some partners complained that it was hard to work with KaBOOM! When there was a problem, Hammond said he “would jump on a plane and solve the problem; but that was the problem.” Apple said, “KaBOOM! was building the plane while they were flying it, and they had to slow down to speed up.”

As a result of these problems, several partners decided to reduce or terminate their involvement with KaBOOM! In 1999, KaBOOM! revenues fell by one-third to \$2.5 million through seven partnerships (see **Exhibit 5.2.1**). However, KaBOOM! decided to increase the number of playground builds to 51, which generated a deficit for the year of \$617,000. The appearance of a deficit was also created by the fact that accounting standards required KaBOOM! to book revenue received in advance for multiyear programs in the year that the grants were received.

Faced with key partners indicating that their support to KaBOOM! would end unless things changed, Hammond started to surround himself with people with operational experience that could help KaBOOM! improve its operations. He invited Pete D’Amelio, senior vice president of operations of The Cheesecake Factory, to become a board member and hired a more seasoned management team. Since then, KaBOOM! has dedicated considerable energy to improving its product consistency and management

of the partnerships. As a result of these efforts, KaBOOM! revenue, partnerships, and builds grew consistently. By year-end 2001, KaBOOM! reported total income of \$6.3 million, 83 playgrounds built, and 21 partnerships.

Organization

To carry out its mission, KaBOOM! employed 17 full-time staff with an organization structure driven by work process (see **Exhibits 5.2.4, 5.2.5, and 5.2.6**). Project management staff (“Playground Dream Builders”) were responsible for coordinating and executing KaBOOM! playground-build projects and leading community partnership development. “The Administrators of Play” provided administrative support to KaBOOM! operations. Marketing and development staff (“The Pep Squad”) were responsible for marketing, development of revenue-generating partnerships, account services, and public relations. From the perspective of external partners, the KaBOOM! structure mirrored that of a small marketing agency, as staff were also organized into project-specific account teams with billable hours and account management systems.

Hammond explained that “human resources are absolutely, no doubt, one of our biggest challenges going forward . . . retaining, training, and recruiting new people are critical activities for us achieving our new plan.” As a result, by 2001, KaBOOM! had implemented an approach aimed at having “the right people in the right place, at the right time, and with the right training.” This involved paying

competitive salaries and implementing an incentive system that rewarded employees when corporate goals were met or exceeded. The incentive system for 2001 was structured so that all employees would receive a bonus of up to \$3,000 if certain metrics for success were accomplished by the entire team.

Operations

To ensure that every child has healthy play opportunities, KaBOOM! historically had focused on its core strategy of community builds financed through corporate partnerships. With sustainable partnerships with major corporations, the organization remained focused on this program with a steady growth rate. However, KaBOOM! was now on the brink of implementing its three-part program strategy (lead, educate, and advocate) in a bolder, more assertive fashion—maintaining the pace of its community-build playground projects, maintaining its educational programs such as the Playground Institute, and maintaining its position on the child’s right to play, but “turning up the volume” on the latter two areas to extend its impact (see **Exhibit 5.2.7**).

Leading

Broad-based community participation, grassroots volunteerism, and a self-help spirit were the hallmarks of a KaBOOM! community-build playground process. KaBOOM! typically worked with volunteer leaders to plan and design a playground over a 27-week period, applying best practices from their work on an eight-step project plan to

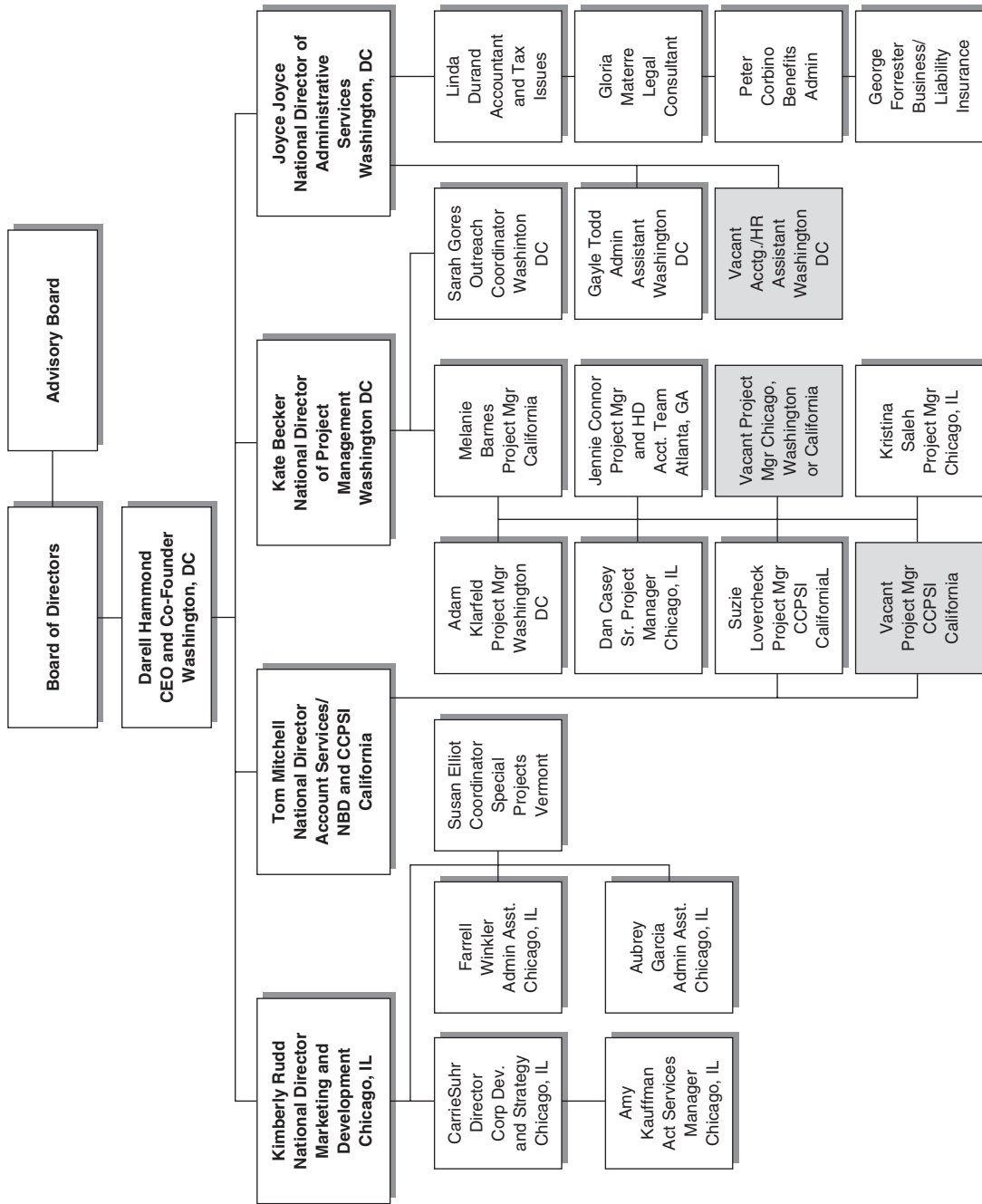
research, conceive, plan, design, coordinate, build, celebrate, and maintain a community playground. This documented process, the “KaBOOM! Roadmap,” helped communities and funding partners leverage their existing assets, get creative in their approach to event organizing, access templated project materials, and ensure a safe, fun playground project. (See **Exhibits 5.2.8** and **5.2.9**.)

The playground Build Days were high-energy events that involved from 50 to 500 volunteers who built the playground from the ground up in a single day. They were barn-raising events, with an urban twist. The day began with an empty site and ended with a new and safe playground for children. By capitalizing on the talents and resources that are already in a community, KaBOOM! and its funding and community partners sought to build and revitalize a community through the process of building a playground.

For each project, KaBOOM! provided training, materials, and support to corporate and community leaders in their projects.

- The community partner (typically a youth-serving nonprofit organization such as a YMCA or Boys & Girls Club) provided land and worked with KaBOOM! to organize community members to help design, plan, fund-raise, and actually build the playground.
- The funding partner (typically a corporation) leveraged a financial investment in the project with its team’s expertise and building labor.
- KaBOOM! provided full-service project management for the duration of the project—from the creation and facilitation of planning committees, to playground design and procurement,

Case Study



Private and Confidential

Exhibit 5.2.4 (Continued)



Exhibit 5.2.4 Organization Chart and KaBOOM! Team

SOURCE: KaBOOM! internal documents.

Case Study

<i>KaBOOM! Board of Directors</i>	
Suzanne Apple The Home Depot	Dawn Hutchinson Cofounder KaBOOM!
Michael Brown City Year	Erin Patton Edelman Public Relations Worldwide
Pete D'Amelio The Cheesecake Factory	Rey Ramsey One Economy Corporation
Tony Diefell Harvard Business School	Nancy Rosenzweig Zip Car
Helen Doria Chicago Park District	John Sarvey National Corps/City Year
Peter Farmsworth National Basketball Association	David Wofford Wofford Consulting, Inc.
Ken Grouf Yahoo!	Christopher Zorich The Christopher Zorich Foundation
Darell Hammond KaBOOM!	
<i>KaBOOM! Advisory Board</i>	
Bob Boulter Jubilee Enterprise of Greater Washington	Vanessa Kirsh New Profit Inc.
Fred Druck Playground Environments	Dale Miller Playworld Systems
Marian Wright Edelman Children's Defense Fund	Jean Shappet Playground Design and Safety Consultant
Bob Goodwin Points of Light Foundation	

Exhibit 5.2.5 KaBOOM! Board of Directors and Advisory Board (April 2002)

SOURCE: KaBOOM! internal documents.

to insurance considerations, to supervision of the construction process, and more.

KaBOOM! also managed SPRUCE©, a national, multimarket playground-improvement program that had helped

rehabilitate 1,500 playgrounds. KaBOOM! planned to pilot an Urban Skatepark Program, which would use the community-build process to facilitate skateboard park construction projects, each of which would include design events with teenagers, construction days, and pre- and postbuild

KaBOOM! Playground Dream Builders

Melanie Barnes, Project Manager A native of Omaha, Nebraska, Melanie says that as a child on the playground, she was a game leader—a natural role for the second oldest kid in a family of seven children. All grown up, she's still a leader, an alumnae of the AmeriCorps*NCCC program, and a nationally certified playground inspector. The mantra she keeps at the top of her mind while at work? "It's for the kids," she says often. And that it is, for Melanie's work at KaBOOM! centers on managing community-build playground projects on behalf of and with several funding and community partners. She began volunteering with KaBOOM! in 1997 and became a Boomer in 2000.

Kate Becker, National Director of Project Management Proud of her Ohio roots, Kate has lived in the District of Columbia for eight years. Her first memory on a playground as a child is being pushed higher and higher by her sister who would then run underneath the swing leaving Kate tickled into a fit of giggles. Kate's involvement with KaBOOM! goes back five years, first as a volunteer and then by coordinating the 18- to 24-year-olds she managed to come out and serve on KaBOOM! projects. From the aspect of being the director of the AmeriCorps*NCCC Capital Region Campus, Kate was always impressed with the level of organization and the immediate impacts that KaBOOM! has in a community and is thrilled to be a part of it.

Dan Casey, Senior Project Manager A native of Chicago, Dan says that as a child on the playground, he was a behind-the-scenes kid who enjoyed playing hide-and-seek and other games of mystery (and mischief). A mathematics whiz with a degree from the University of Illinois, his quiet demeanor hides the fact that he lives on the edge and has been known to risk just about anything for a good laugh or sports bet. At KaBOOM!, Dan manages community-build playground projects on behalf of and with several funding and community partners and is a nationally certified playground inspector. He became a Boomer in 1999.

Adam Klarfeld, Project Manager A native of Kansas City—both in Missouri and Kansas!—Adam says that as a child on the playground, he was the kid to beat, the one who wanted to win at racing, climbing, nearly everything! At KaBOOM!, that competitive nature means he aims to create the best playgrounds we build. A graduate of the University of Pennsylvania, Adam says that four years in Philly toughened him up a bit, preparing him for the hard-nosed world of consulting for trucking and telecommunications industry clients at Mercer Management Consulting. After time in suits and meetings, Adam has changed gears and opted for a career in T-shirts and construction meetings with KaBOOM!

Jennie Connor, Home Depot Project Management & Account Services A native of Tennessee, Jennie Connor likes to flip out . . . and over and under. You see, as a child on the playground, Jennie was the girl who could do flips for hours and was most partial to the monkey bars. Today, she manages KaBOOM! community-build playground projects and plays a critical coordinating and account services role for all KaBOOM!–Home Depot partnership programs. A graduate of Furman University in South Carolina, Jennie parlayed her studies in communications into a position at The Home Depot prior to her work with KaBOOM! Having logged more than two years in coordinating community relations for The Home Depot, and two nonstop months on the road traveling and working with all KaBOOM! offices, Jennie is well prepared for her new role. A Boomer since Fall 2001, she works from the Atlanta Store Support Center and is working toward her national certification in playground inspection.

Suzy Lovercheck, Project Manager A native of Palo Alto, California, Suzie says that as a child on the playground, she was a tomboy, always wanting to challenge the boys in soccer, handball, and football, as well as keep up with the girls playing jump rope and tether ball. She is willing to try almost anything once, especially when it comes to food! Suzie graduated from the University of California-Davis

in 1999 and went on to complete two years with AmeriCorps*NCCC, where she challenged herself alongside her teammates in both work and play. At KaBOOM!, Suzie is focusing on the Child Care Playground Safety Initiative, a program funded by the David and Lucile Packard Foundation for northern California child-care centers. She became a Boomer in February 2002.

Kristina Saleh, Project Manager Embracing dual homelands of San Lorenzo, California, and Phillipsburg, Montana, Kristina says that as a child on the playground, she was a possum . . . hanging and dangling from every possible item. Kristina cites as her favorite mantra this quote from Robert Frost: “The world is full of willing people, some willing to work, the rest willing to let them.” This graduate of Knox College helped lead public relations for Project Vote Smart during the 2000 election. Now she’s leading a litany of efforts to boost play opportunities for children by managing community-build playground project on behalf of and with our funding and community partners. She became a Boomer in 2001.

KaBOOM! Administrators of Play

Darell Hammond, Founder & Chief Executive of Play A native of Chicago, Darell says that as a child on the playground, he was a rock thrower and climber, as well as a Boy Scout with a knack for community service, outdoor fun, and old-fashioned leadership. Today, he leads a troupe of Boomers in throwing rocks (at unsafe playgrounds) and climbing (to reach more people about our mission). It’s proof that childhood fun can lay the groundwork for great things! Darell is married, a popular speaker at conferences and universities, and a nationally certified playground inspector. At KaBOOM!, he is responsible for all operations for and growth of the nation’s leading nonprofit organization of its kind. Darell founded KaBOOM! in 1995 with board officer Dawn Hutchison. Darell is a board member of The Independent Sector, a consortium of the nation’s leading nonprofit organizations.

Susan Elliot, Special Assistant to the CEO A native of North Andover, Massachusetts, Susan says that as a child, she was a high-flyer on the playground, fond of the wooden swings that she and her grandmother—who ran the community center—visited regularly. Those wooden swings have been replaced with modern designs, but the desire to fly high, move fast, and catch the wind remains in Susan, who bikes, skis, and snowboards with her sons Nathan and Conner with a passion. A new talent at KaBOOM!, Susan will provide support to the KaBOOM! board of directors and the senior management team. She became a Boomer in 2001.

Joyce E. Joyce, National Director, Administrative Services A native of Elkton, Maryland, Joyce says that as a child on the playground, she was swinger who aimed high and showed no fear, always asking to be pushed higher and faster. An only child for whom the playground was the perfect social activity, Joyce’s favorite saying comes from a childhood icon, Winnie the Pooh: “Things are always so much more grand and wonderful when your friends are there to share them.” Last year, life got grander with new husband Butch, new stepson Daniel, and new last name Joyce, making her the only double-named Boomer! At KaBOOM!, Joyce manages administrative and financial operations for the four KaBOOM! offices, making her extremely popular among staff on payday. She became a Boomer in 1999.

Gayle Todd, Administrative Assistant A native of Amherst, New York, Gayle was the child usually found playing games on the playground—hopscotch and jump rope games were only set aside for a don’t-try-this-at-home game called “ghost rider.” After earning a degree from the State University of New York at Oswego, she traveled for a few years and ended up in Vermont working for KaBOOM! funding partner Ben & Jerry’s Homemade, Inc. Gayle now keeps KaBOOM!’s national headquarters in good running order as the office’s administrative assistant. She became a Boomer in 2001.

Farrell Winkler, Administrative Assistant A native of Palos Heights, Illinois, Farrell says that as a child on the playground, she was a tomboy. Today, she believes that life is too short to worry about the wrinkles in your jeans. A recent graduate of DePaul University, Farrell is an aspiring mystery writer who loves children and hanging out with her niece, in particular. At KaBOOM!, Farrell provides marketing support to the KaBOOM! team and handles administrative responsibilities for its Chicago office. She became a Boomer in 2001.

KaBOOM! Pep Squad

Sarah Gores, Community Development Coordinator A native of St. Paul, Minnesota, Sarah says that as a child on the playground, she was a tree climber and a builder of forts in lilac bushes. Today, she puts her knowledge gained on the job and through her playground safety certification to work by building playgrounds and butterfly gardens and more. She is the only Boomer with a cat *and* a motorcycle, and the one entrusted to spread the word about our work to community organizations. At KaBOOM!, Sarah manages outreach and service to community groups that are interested in the KaBOOM! model of community-build playgrounds. She became a Boomer in 2000.

Amy Kaufman, Account Services Manager A native of Chicago, Amy says that as a child, she used the playground to let her imagination soar. This creative spirit carries over into her life, especially into her work at KaBOOM! Amy is an avid traveler who loves visiting the world beyond her own neighborhood. The exploration and discovery of traveling help her to connect with people from all walks of life. At KaBOOM!, Amy puts that energy to work, as she will help to systematize account services and communicate with funding partners to discuss the progress of their programs. She became a Boomer in January 2002.

Tom Mitchell, National Director, Account Services & Project Management A native of Coronado, California, Tom says that as a child on the playground, he was a swinger who loved to climb fast and high, feeling the air rushing into his face on the upsweeps. His childhood memories are vivid with playground time spent with his dad (the man who took him high in swings!) and grandfather (who endured Tom's constant requests to go to the playground). All that time flying high might explain Tom's favorite mantra: "If it doesn't kill you, it only makes you stronger." He flexes his muscles for KaBOOM! by managing our relationships with funding partners and donors and helping to encourage new funding partners to support KaBOOM! playgrounds. He became a Boomer in 1999.

Kimberley Evans Rudd, National Director, Marketing & Development A native of Chicago, Kim says that as a child on the playground, she was a screamer—the kid who screamed loud and proud going down the gigantic slide at Belle Island in Detroit, where she grew up. Now her favorite people to play with are her husband David and their five-year-old twins, who make their own fair share of screams and squeals. Her favorite mantra was something her grandmother said daily to encourage family participation in chores: "Many hands make light work." At KaBOOM!, many hands help with Kim's work in leading KaBOOM! marketing efforts, promoting community playgrounds, child's play, and the other great reasons for supporting KaBOOM! She became a Boomer in 1998.

Carrie Suhr, Director of Corporate Development & Strategy A native of Baltimore, Maryland, Carrie says that as a child on the playground, she was a lightning-fast slide racer and an architect of sandbox cities! Never one to be intimidated by the speed of slides or the challenges of sand, Carrie's favorite motto has become "Ain't nothing to it but to do it." Now, she's doing "it" at KaBOOM!, managing efforts to begin new marketing partnerships with corporations that result in increased funding and support for community playgrounds. Carrie became a Boomer in 2001.

Exhibit 5.2.6 KaBOOM!'s Staff (April 2002)

SOURCE: KaBOOM! internal documents.



Exhibit 5.2.7 KaBOOM! Core Strategies

SOURCE: KaBOOM! internal documents.

events with athletes to promote the maintenance and programming of the skateboard park.

Education

KaBOOM! helped communities independently replicate its community-build playground process through a free Getting Started Kit publication, five Tool Kit

manuals, an annual Playground Institute training conference, a playground challenge grant program, its Web site, and demonstration playground builds. (See Exhibit 5.2.10.)

The annual Playground Institute provided community and nonprofit leaders with an overview of basic organizing skills such as fund-raising, publicity, and volunteer recruitment, along with an opportunity to learn how to build community

- June 14, 2001
First meeting of Playground Planning Committee.
- July 2–3, 2001
Members of Planning Committee worked with K-4th graders in summer school at Francis Scott Key to design their dream playground.
- July 10, 2001
Design Day and Kick-off Community Meeting at Francis Scott Key.
- August 3, 2001
Goal: To complete playground design and order equipment.
- August–September 2001
Recruit volunteers, raise funds, organize and plan Build Day.
- October 2001
Site preparation and removal of unsafe play structure by SF Unified School District.
- October 2001
Build Day, installation of new play structure by 200 community volunteers.
- Ongoing
Maintenance of play structure, continued improvement of play yard, community-strengthening events.

Exhibit 5.2.8 Timeline of Sunset Neighborhood Community Playground Build

SOURCE: KaBOOM! internal documents.



Exhibit 5.2.9 (Continued)



Case Study

Exhibit 5.2.9 Building the Playground

SOURCE: KaBOOM! internal documents.

Welcome! By responding to this Getting Started Kit Questionnaire, you are creating a profile about your project. When you send the profile to KaBOOM!, we will review and track your organization's project in an effort to provide support, information, and other resources (including possible funding) for your project. To complete the questionnaire and get your profile in our "playground pool," please do the following:

Answer the questions below, on your letterhead.

Take photographs of your site (print or digital).

Obtain a letter of support from your executive director, CEO, or board officer.

Sketch an overhead layout of your site, showing the playground area and site measurements in relation to any buildings, streets, trees, parking lots, and other major structures.

Put it all in an envelope and mail to:

KaBOOM! Playground Profile
333 S. Wabash, Suite 16 South
Chicago, IL 60604-4107

Or, submit online to info@kaboom.org.

If you have any questions regarding your Playground Profile, please call 202-659-0215, ext. 225.

Questions

1. Describe your group, its mission, history, and background. If your group is part of a local or national organization, please describe your branch of the organization (such as "one of 12 schools in the District" or "the fourth largest chapter and the only one serving the Fox River Valley").
2. Describe your organization's relationship to the community in which the build is located.
3. Describe your organization's experience with volunteer programs.
4. Describe the children you serve: their ages, ethnic backgrounds, and any special needs or talents they may have.
5. Describe the impact a new playground will have on those children and on your community.
6. Describe how you think the KaBOOM! community-build process compliments the vision and plan for your new playground.
7. If your site is selected for a project, how much and what kinds of involvement and support do you expect to have from people in your organization and/or community?
8. Do you currently have a playground on the site, or is this the first playground that will exist on this site?
 - a. If there is a playground, please describe it: the existing equipment and its approximate age, the dimensions of the site, and the surface below the equipment (wood chips, grass, concrete, asphalt, dirt, sand, etc.)
 - b. If there is no existing playground, please describe your future playground site and its dimensions. Do you currently own or lease this property? What is on the property now? (grass, dirt, abandoned car, sprinkler system, trees, etc.) What was there before? (abandoned building, vacant lot, gas station, etc.)
9. Tell us about your project's budget? What percentage of your budget do you expect to raise from fund-raising activities, foundation grants, corporate gifts/sponsorships, individual donors, contributions from your lead organization (such as a national office, a school district office, or a city department); your totals should equal 100%. If you already have begun to raise funds, how much have you raised?
10. Please include the names, daytime phone numbers, and e-mail addresses of two people we can contact with questions and for status updates on the progress of your playground project.

Exhibit 5.2.10 "Getting Started Kit" Questionnaire

SOURCE: KaBOOM! internal documents.

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playgrounds, receive free resource publications, and even qualify for thousands of dollars in grant monies.

More than 1,300 community leaders had participated in the Playground Institutes, and 28 trained communities had received grant support from KaBOOM!, The Home Depot, the American Academy of Dermatology, and Playworld Systems. For Playground Institute graduates, KaBOOM! had provided training and guidance throughout the process of building the playground, ensuring that the design met safety standards, community requirements, and budget guidelines. It also had ensured maximum purchasing power for the playground equipment, materials, and safety surfacing, and sometimes it had even supervised the installation of the new playground by the corporate and community volunteers.

Looking into the future, KaBOOM!'s proposed new strategy would modify the institute's curriculum and launch a national training series that would increase the organization's "surface area" by offering daylong regional trainings that would let local leaders access the expertise of the KaBOOM! staff and learn to replicate its community-build playground model. KaBOOM! would continue to provide challenge grants and would add value in managing grants by working with the recipients in all aspects of the build.

In spring 2002, KaBOOM! also was developing an interactive Web-based project planning tool that it was considering marketing as a free service for public use. The tool, which would also be used in conjunction with all KaBOOM! programs, offered playground planners a robust platform for community organizing, project

management, as well as dynamic templates for proposals, recruitment materials, and a free playground project Web site.

Advocacy and Awareness

When KaBOOM! advocated, it spoke out for the value and benefits of play; it promoted awareness of what makes a safe, developmentally appropriate playground with high play value; and it provided commentary on the legislation behind playground safety and playground spending. KaBOOM! had cosponsored media events and published and distributed brochures with the U.S. Consumer Product Safety Commission. It had raised awareness about equity in play on more than 1.2 million pint packages of the new Ben & Jerry's ice cream flavor, and via its funding partners, media relations, and national broadcast and print advertising.

Under the proposed strategy shift, KaBOOM! would promote the creation of a legislative initiative that would call upon states, local governments, and schools to develop and maintain safe playgrounds that were designed to provide greater access to all children, with special focus on underprivileged and underserved children. In spring 2002, it was launching a new service on its Web site, powered by CapWiz, that would allow supporters to write elected officials and media in support of "healthy play opportunities."

To increase awareness about the playground deficit, KaBOOM!, together with The Home Depot and Peter D. Hart Research Associates, was planning to measure the perceived U.S. playground deficit in fall 2002. This study would provide information on the quantity, quality, and safety

of the available playgrounds and also explore the perceptions of the health impact of playgrounds. Finally, KaBOOM! and a research team at the University of Southern California's Institute for Prevention Research had proposed a five-year study to the Centers for Disease Control and Prevention that would measure the efficacy of playgrounds as environmental interventions to increase children's physical activity and decrease their body mass; if funded, the study would begin in 2003.

Competitors

One unintended consequence of success for KaBOOM! had been increased competition in playground builds. A group of for-profit companies and nonprofit organizations offered similar products, threatening the KaBOOM! position. This competition increased when KaBOOM! documented its community-build process in Tool Kit publications that were sold to the public through the KaBOOM! Web site: <www.kaboom.org>. These publications included: (a) KaBOOM! Playground Owner's Manual, (b) The Getting Started Kit, (c) Community-Build Playground Manual, (d) Community Fundraising Idea Kit, and (e) A to Z Community Assets & Resources Handbook. Some of its main competitors were the following:

- **Learning Structures** Founded in 1972, Learning Structures had built more than 600 playgrounds and had offered services tailored to support each step of the community-build process: planning, design, construction supervision, and budget management.¹² KaBOOM! had led their first three projects in partnership with Learning

Structures. The company targeted community customers, providing them with similar services to those of KaBOOM!

- **Leathers & Associates** This for-profit company had 30 years of experience designing and building playgrounds with community volunteers. They focused on serving higher-income communities and were "considered the Lincoln Navigators of the swing-set-and-monkey-bar crowd."¹² They had built over 1,600 playgrounds, which were financed mostly by the communities.

- **Jack Morton** This for-profit company, and other event management companies like it, helped firms improve performance, increase sales, and build brands by creating events, environments, and interactive experiences that motivate and transform employees and customers.¹³ Although they did not build playgrounds, they had a strong database of current and prospective customers and competed with KaBOOM! by offering companies motivational events similar to the playground builds for their corporate events.

- **Landscape Structures** Founded in 1971, Landscape Structures provided playground equipment for parks, schools, and childcare centers. This company was a leading playground equipment company that employed 425 people, had a national network of independent sales organizations, and was one of the largest makers of playground equipment, with sales of almost \$96 million in 2001. KaBOOM! had built its 3rd through 120th playgrounds in partnership with the company. This respected for-profit company now offered to help customers manage volunteer installation processes to boost equipment sales.

• ***Boundless Playgrounds*** This nonprofit organization was created in 1997 and sought to increase public awareness of the need for playgrounds where children of all abilities could laugh, play, and grow together. In addition, they provided direct services to people, groups, and companies who want to design and develop these playgrounds. The goal was to ultimately have fully integrated, universally accessible playgrounds in reach of every child in the United States. Boundless Playgrounds provided help in the following areas: coaching and support in project management, universal play environment design, community partnerships, volunteer recruitment, community relations, and promotion and fund-raising.¹⁴ Up to year-end 2001, they had completed 30 playgrounds and had 50 more in active development. Furthermore, in August 2001, they completed their first corporate-sponsored playground in Providence, Rhode Island, with the support of Hasbro, a company that designs, manufactures, and markets toys.

Business Model

KaBOOM! had gotten attention in the nonprofit sector as an organization whose business model let it fund programs and operations without relying on traditional sources of charitable contributions. Necessity had been the mother of invention for KaBOOM! in its start-up phase: Philanthropic foundations had hesitated to commit grant support to a young organization, and program officers had shared that they considered play a luxury, not a critical grantmaking issue priority. In response, KaBOOM! studied the nonprofit organizations it most admired—Habitat for Humanity, Children’s Miracle Network,

Share Our Strength, and Make-A-Wish Foundation—and began building a transactional business/social sector partnership model that revolved around the sale of a marketable product, rather than the receipt of a charitable gift.

Excited to pursue a more efficient, market-driven approach to the way nonprofits raise funds and run programs, Darell would challenge staff, board, and partners by asking, “If all we were doing was moving money from a fixed universe of charitable funds, and redistributing it to communities, what really—at the end of the day—is our added value?” So, rather than applying for funding from foundation and government grantmakers, the KaBOOM! team generated more than 90% of the organization’s operating budget from earned income, project fees, licensing agreements, product sales, and cause-related marketing partnerships structured with corporate partners.

Of the total income that KaBOOM! earned during 2001, 71% came from corporations, 16% from communities, 12% from foundations, and 1% from other sources. The majority of the revenue was raised through a fee-for-service model. That is, KaBOOM! sold playground project packages that included KaBOOM! management fees, expenses, and equipment costs. Sponsorship of a typical playground project ranged in total cost from \$40,000 to \$55,000 per build.

KaBOOM! also generated revenue by offering companies license to participate in KaBOOM! programs and to use the KaBOOM! trademark, logo, and information in connection with product packaging, advertising, retail program and promotional contests, and other consumer



Exhibit 5.2.11 Ben & Jerry's KaBerry KaBOOM!

SOURCE: KaBOOM! internal documents.

marketing activities in exchange for licensing fees, royalties, and promotional support for the KaBOOM! mission. These cause-related marketing partnerships generated 2% of KaBOOM! total revenues. One example of a deal of this type was the introduction by Ben & Jerry's Homemade of a new ice cream flavor called KaBerry KaBOOM! in April 2001 (see **Exhibit 5.2.11**). In spring 2002, KaBOOM! was negotiating a similar licensing agreement with Snapple Beverages, Inc.

In addition to corporate funding, KaBOOM! asked communities to help pay a fraction of the costs of building the playgrounds. Usually, communities paid between \$5,000 and \$15,000, depending on their capacity to pay, the size of the project, time available for fund-raising, and the financial gap needed to complete the playground.

The third most important source of revenue for KaBOOM! was foundation grants. However, most of these resources

were in turn given by KaBOOM! to communities that participated in the annual Playground Institute organized by KaBOOM! These communities wanted to build playgrounds but were not part of the direct build efforts by KaBOOM! The size of the cash support ranged from \$5,000 to \$15,000 per community.

Individual donations represented less than 1% of KaBOOM! income, and it received no government funding.

The cost structure of KaBOOM! was about two-thirds variable, varying directly and proportionally with the number of playgrounds built. About 15% of the costs were semivariable, and about 20% were fixed. Some of the costs generated by KaBOOM! operations were actually paid by its corporate partners; for example, KaBOOM! office space in Chicago and Atlanta was provided free of charge by CNA Insurance and The Home Depot, which also provided tools and materials without cost to KaBOOM!

Partnerships

KaBOOM! followed a three-step development cycle that moved individual relationships with potential funding partners from initial contact, to contractual partnerships, to renewal. These steps included: (1) encouraging a prospective partner to see a playground build in action; (2) piloting a partnership with a single playground project; and (3) customizing an approach to future build partnerships that maximized employee and community relations wins for the funding partner.

Hammond explained, “Strategy number one is to bring a potential partner to a build. It is important that they see it, experience it, and understand its power to strengthen employee and community relations.”¹⁵ As Hammond explained, “It is a funnel effect. A lot of the partners do not initially invest in the full mission up front. They see KaBOOM! as an avenue to achieve a specific goal,” such as gaining goodwill or motivating employees at the end of a corporate retreat. KaBOOM! then worked to expand their investment in the cause. With the exception of a small number of funding partners who made a onetime commitment (such as a family that built a playground in memory of their son), nearly every funding partner in KaBOOM! history had come back to sponsor more than one playground project (see **Exhibit 5.2.12**). Additionally, from one year to the next, an average of 76% of KaBOOM! funding partners renewed their support for KaBOOM! (see **Exhibit 5.2.1**).

Hammond described the role of partnerships to the KaBOOM! model: “When corporations pour more than money into a

community, putting their people, values, and creativity there, too, it can be powerful for everyone involved. Communities learn new strategies for their development, and employees feel better about where they work and what the company stands for. It’s really a sort of infectious pride that spreads to everyone who touches that playground.”

Internally, KaBOOM! had five categories for its resource-generating partners:

- *Team Build Partners* sponsored playground projects exclusively. These partners typically had short planning horizons and the ability to allocate \$50,000 at a time from marketing, human resources, or community affairs budgets. While these partners were very important as a source of resources and potential long-term partnerships, the relationship was market based. Darell stated, “Companies outsource these events to KaBOOM! and KaBOOM! receives a fee for its services.” This group primarily included companies such as Motorola, which had sponsored six builds, and associations such as the American Academy for Orthopedic Surgeons, which built three accessible playgrounds in conjunction with its annual conference and planned to continue working with KaBOOM! for the remainder of the decade as part of a commemorative period educating the public on bone and joint injuries.

- *Media Partners* helped build awareness of the KaBOOM! cause through media coverage. This group included companies such as Cumulus Media, which had provided \$400,000 of radio coverage in 35 markets.

- *Marketing Partners* helped build the KaBOOM! brand through cause-related

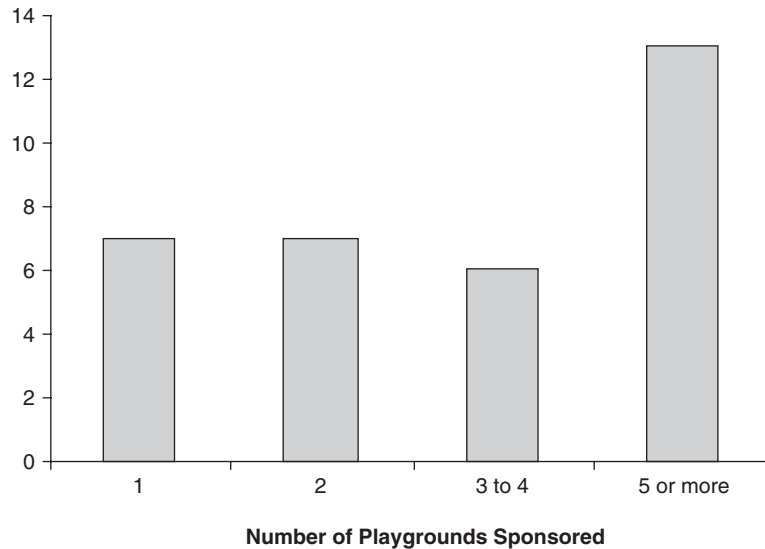


Exhibit 5.2.12 Distribution of Funding Partners by Number of Playgrounds Sponsored

SOURCE: KaBOOM! internal documents.

marketing initiatives. This group included companies such as Odwalla, Walgreen's, Target Corporation, Fairytale Brownies, Radian Guaranty, and others.

- *Donors* provided unrestricted cash contributions. This group included companies like Ryobi, as well as individuals and small foundations.

- *Long-Term Partners in Play* were funding partners who had made substantial long-term commitments to the KaBOOM! cause, sponsoring builds as well as education and advocacy initiatives. In addition to monetary contributions and volunteers, these companies provided in-kind donations of their core products, strategic advice, introduction to new partners, brand-building marketing programs, and operational support. For KaBOOM!, these were the

most vibrant, creative, productive, sustainable partnerships—the model for what the team hoped they could cultivate with other partners. The Home Depot, CNA Insurance, Target Corporation, Ben & Jerry's Homemade, and The David and Lucile Packard Foundation had all invested in KaBOOM! at this level.

THE HOME DEPOT PERSPECTIVE

Bernie Marcus and Arthur Blank, two executives laid off from a regional hardware chain in Atlanta, Georgia, founded The Home Depot in 1978. As of 2002, it was the world's largest home improvement retailer with net sales in 2001 of \$53.6 billion and almost 1,400 stores that cater to do-it-yourselfers, as well as home

improvement, construction, and building maintenance professionals.

To fulfill its need of being socially responsible, The Home Depot created in 1992 Team Depot, an organized volunteer force comprised of its associates.¹⁶ Through them, the company participated in social service activities that included affordable housing, at-risk youth, the environment, and disaster recovery. Jonathan Roseman, who headed community affairs at The Home Depot, explained that KaBOOM! was a great organization to partner with because its business model was “easy to execute, meets a community need, and employees from The Home Depot love it.”

Since the first playground build in 1996, the partnership between The Home Depot and KaBOOM! had grown continuously. By year-end 2002, the partners were on course to complete their 100th playground together. In keeping with the way that The Home Depot supported each of its four national nonprofit partners, the company supported the KaBOOM! playground cause not only with cash but also with high-quality building materials and the sweat, strength, and talents of their associates. They provided high-level counseling and support through the participation of Suzanne Apple, vice president of community affairs of The Home Depot until January 2002, and a member of the KaBOOM! board of directors since 1997; they gave pro bono office space for KaBOOM! in Atlanta; they were working to develop special partnerships for KaBOOM! with its vendors and with entertainment and sports promotional partners, such as NASCAR; they created two television commercials about community-build

playgrounds (which aired in 1999 and 2000); and in the beginning, they had even assisted by filing the incorporation papers for KaBOOM!

The Home Depot measured through random satisfaction surveys that KaBOOM! consistently scored very high on improving employee satisfaction. “Supporting the building or restoration of community playgrounds represents very accurately what The Home Depot is all about,” commented Jonathan Roseman. Through these activities the company showed that it was about meeting community needs, bringing people together, empowering them, and helping realize their dreams. KaBOOM! had consistently delivered events that attracted media coverage from *Time*, *Newsweek*, CNN, NBC’s *The Today Show*, the *Washington Post*, the *New York Times*, and many others.

When The Home Depot had a leadership change with Robert Nardelli becoming the CEO, both organizations sought to keep the partnership strong through the transition by looking for ways to improve the partnership and to create custom-made solutions to their respective needs. For example, in July 2001, The Home Depot and KaBOOM! designed a project that would help celebrate the first Home Depot store opening in the District of Columbia, while addressing a serious playground deficit in the Anacostia neighborhood where this store’s customers and employees lived and worked. The Home Depot committed activation fees from its NASCAR sponsorship to underwrite a racing-themed playground that was built by hundreds of community and Team Depot volunteers. NASCAR legend Tony

Stewart and team owner Joe Gibbs joined Home Depot CEO Robert Nardelli on the playground site, mixing cement, raising racing flags, and helping to secure media coverage on *CNN Headline News*, in *USA Today*, the *Washington Post*, and more. Members of Congress and local elected officials also took part in a “board-cutting” dedication ceremony. For The Home Depot, the project advanced government relations, delivered substantial media coverage, leveraged their sports sponsorship, and gave them the opportunity to make a high-impact community improvement working side by side with its new neighbors. For KaBOOM!, the high-profile project provided a strong platform for raising awareness of the cause through major media, to roll out customized playgrounds, and, most importantly, to help a community clear out dumpsters, trash, and concrete, and to create a safe, fun place for more than 500 children to play.

In 2001, The Home Depot and KaBOOM!, along with Outback Steakhouse and Cumulus Media, piloted Project Playground, a national playground-improvement program designed to replicate the wins of The Home Depot–KaBOOM! partnership in mid-sized markets. In 2002, The Home Depot was so pleased with the results of the partnership that it decided to extend the reach of the partnership by introducing 75 of its vendors to KaBOOM! through a playground build. Jonathan Roseman explained that The Home Depot welcomed more companies partnering with KaBOOM! because that was the best way to have an impact on the current playground deficit in the United States and improve the safety of children’s play.

The CNA Perspective

CNA was a leading global insurance organization founded in 1897 to provide businesses and individuals with a broad range of insurance products and insurance-related services. The company had more than 16,500 employees, and in 2001, it generated \$13.2 billion in revenues, making it the fourth largest U.S. commercial lines insurer.

CNA managed its philanthropic activities through the CNA Foundation, which was a nonprofit organization with net assets of more than \$25 million and annual giving of around \$2 million to support mainly programs that focused on the needs of children. Of these resources, almost one-fifth were channeled to KaBOOM! in 2000.¹⁷

Then CNA chairman and CEO Dennis Chookaszian said, “The CNA commitment reflects our dedication to giving something back to our communities, giving our children a safe today and a better tomorrow through KaBOOM! community-building playgrounds.”¹⁸ Through this partnership, CNA had supported 55 playgrounds builds since 1997.

The way CNA partnered with KaBOOM! was a good example of how most of the long-term partnerships develop. According to Karen Harrigan, CNA Foundation program officer, they contacted KaBOOM! in 1997 because they were looking for a community-based team building project for the celebration they were holding in honor of the company’s centennial.

Although the company executives, who represented offices nationwide, were

initially not particularly enthusiastic about going anywhere at 6:00 A.M., 700 CNA employees arrived at the selected site: the Bryn Mawr School in Chicago's South Shore neighborhood. With so many volunteers, the employees built two playgrounds, painted fences, painted a map of the United States on the ground, and even ripped up moldy carpeting inside the school.

At the end of the day, the feeling was "so positive and energizing," said Harrigan, "that the officers all wanted a project for their cities." Having tapped into the resources of a nationwide executive workforce, KaBOOM! had created a huge network of CNA resources, volunteers, and organizers who pledged to build 25 playgrounds nationwide and 25 more in Chicago, where CNA was headquartered. According to Harrigan, KaBOOM! provided CNA with "a solid, reliable mechanism for employees who have been asking for ways to volunteer; decentralization of their philanthropic efforts; excellent team-building opportunities; extension of client, business partner, and vendor relationships; and enormous media opportunities."

For KaBOOM!, support from CNA has provided direct benefit to its mission—more playgrounds exist because of CNA's involvement—as well as more capabilities for the organization. CNA provided the office space and furnishings for the KaBOOM! Chicago operation. It also had underwritten the production of its educational brochure for community leaders, the *Getting Started Kit*, and its brochure to encourage corporate "team-building" projects, and had sent dozens of CNA

employees to the annual KaBOOM! Playground Institute, a training conference on community-build playgrounds.

Target Corporation

A mass merchandiser with nearly 1,000 stores and 214,000 employees, Target Corporation had grown a four-year partnership with KaBOOM! In 1999, Target invited KaBOOM! to participate in their "A Million Hearts" cause-related marketing campaign. During the week of Valentine's Day, KaBOOM! rallied supporters across the country to cast ballots in support of community playgrounds in Target stores, resulting in a donation to KaBOOM! of nearly \$137,000. Target Corporation built their first 17 playgrounds with KaBOOM! later that year, in a one-week, cross-country blitz involving thousands of employee volunteers—from their Minneapolis headquarters to their local sales floors.

In 2000 and 2001, Target and KaBOOM! rolled out the third phase of the partnership: Operation Playground. This nationwide marathon day of service was designed to create safe, clean parks and playgrounds for kids. About 25,000 volunteers from Target stores, Mervyn's, and Marshall Field's stores rebuilt or improved more than 1,400 playgrounds in 80 cities and towns.

Ben & Jerry's Homemade, Inc.

A Unilever subsidiary that manufactures ice cream, Ben & Jerry's gives 7.5% of its pretax earnings to philanthropic causes. Since 1998, Ben & Jerry's had

built nine playgrounds with KaBOOM!—both in conjunction with its retail partners (Jewel-Osco, Kroger, QFC, and 7-Eleven) and its franchise operators. Ben & Jerry's also launched an ice cream flavor in 2001 called KaBerry KaBOOM!, which was sold in pints nationally and carried in its Scoop Shops. Proceeds from the KaBerry KaBOOM! ice cream benefited specific playgrounds, as well as general operations.

The David and Lucile Packard Foundation

With assets of approximately \$6.2 billion as of December 31, 2001, and total grant awards of \$454 million in 2001, the foundation had been a KaBOOM! partner since 2001. The foundation had awarded funding to KaBOOM! for its coordination of a major educational program, the Child Care Playground Safety Initiative, which would work with more than 1,000 child-care centers in northern California toward the construction of 169 new playgrounds by December 2003.

THE FUTURE

Hammond and the KaBOOM! board needed to weigh carefully the proposed strategic shift toward replication via community playground builds and toward an aggressive advocacy role. They recognized that part of marketing its new partnership opportunities would require defining new value propositions for funding partners.

Promoting community builds and advocacy were far different undertakings from the direct playground builds. Even the planned skateboard parks could be seen as different. How could KaBOOM! best package sponsorships of these new initiatives so that they would have comparable appeal and business results for current and future funding partners? How would KaBOOM! measure the impact of its newer initiatives toward ensuring that they support, rather than dilute, its mission? Should the organization seek government funding? If KaBOOM! hoped to reach large numbers of consumers with its advocacy and community-build programs, how could it afford the expense of mass communication? Furthermore, how might the organization's new direction affect its position among for-profit and nonprofit entrants into the community-build playground field? Finally, how would a staff team structured and trained primarily to sell and lead top-notch community playground projects best prepare to fundraise for and implement education and advocacy initiatives?

NOTES

a. Darell's work on behalf of KaBOOM! had been featured in several books, including *Built from Scratch*, by Bernie Marcus and Arthur Blank, and *Common Interest, Common Good*, by Shirley Sagawa and Eli Segal. He was working on his first book about his life's experiences, from traveling with Hillary Rodham Clinton to examine playgrounds in Northern Ireland to making it onto *Crain's* list of 40 top business

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leaders under age 40. In 2001, KaBOOM! received the Chairman's Commendation from the U.S. Consumer Product Safety Commission, only the sixth such award presented since 1996, for its work in playground safety. In 2000, the Peter F. Drucker Foundation honored the organization's annual training conference, the KaBOOM! Playground Institute, with a special innovation award. In 1999, Darell was one of five national winners of the "Making a Difference" Award by Diet Coke and was profiled in *People* magazine and the *Wall Street Journal*.

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