

Audubon Area Community Services, Inc.
2010 Strategic Work Plan

Rationale and 2010 Focus

2010 is the fifth year of the agency’s 2006-2010 Five-year Strategic Plan and Vision 2010. Consistent with that plan and Vision 2010, the agency has committed in 2010 to aggressively pursue the “*social enterprise*” element (Goal 4) of the five-year plan, there referred to as “for-profit opportunities,” but to do so with a twist that closely aligns with the agency’s mission.

What is social enterprise? It is using entrepreneurial business methods to meet a social need or solve critical social problems. It is a hybrid approach that lies between purely charitable or philanthropic endeavors and purely commercial ones. It seeks to balance mission and market needs, to create both social and economic value, and to reinvest earned resources and saved/retained expenditures to supplement or complement mission-related business growth and social development. Critical success factors include:

- Alignment with agency mission and assets.
- Business mindset.
- Balance between focus and flexibility. —**SOURCES: Business Impact Architects and Grant Makers in Health**

It has been estimated that fifty percent of today’s non-profits operate social enterprise ventures, their initiatives fueled by their quest for sustainability and flexible resources.

Why Social Enterprise? Among the potential benefits of social enterprise ventures are:

- Sustainable sources of flexible income (or reduced expenditures — *savings*).
- Diversified revenue streams.
- Reduced donor dependency.
- Leveraged existing assets.
- Unrestricted funds.
- Cost savings in shared services.
- Increases credibility with grantors. —**SOURCES: Business Impact Architects and Virtue Ventures**

Social enterprise is legal:

- Nonprofits can launch and operate a social enterprise and maintain 501(c)(3) tax status
- Income related to exempt purposes...
 - Must be substantially related to exempt purposes.
 - No limit on amount of revenue.
- Income from Unrelated Activities...
 - Not substantially related to exempt purposes.
 - Produces unrelated business taxable income (UBIT).
 - If less than 10-15% of budget, it’s generally okay.
 - If more, consider moving activity outside of nonprofit entity.
- There’s no specific *standard* legal structure...
 - Social enterprise can be operated as a department or division within the parent nonprofit Organization, *OR*
 - Social enterprise can be a separate legal entity from the parent nonprofit organization.

—**SOURCES: Business Impact Architects and Gray Plant Mooty**

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According to **SocialImpactArchitects.com**, successful social enterprise initiatives require:

- Entrepreneurial, spirited and “driven” management, external emergent opportunities,
- Available financial resources and advisement,
- Board and management belief that organizational ends (Mission) can be achieved through social enterprise, and
- Belief that performance and results can be enhanced through the use of business methods.

In addition, says Social Impact Architects’ consultants, there must be:

- Organizational commitment and readiness for social enterprise opportunities.
- Organizational strengths that translate into opportunities.
- A sufficient base of customers willing and able to pay for services/goods provided under social enterprise initiatives.

AACS believes that it now possesses these prerequisites. And in addition is in a position to secure advice and support for its 2010 social enterprise implementation. This is provided in part through Community Action Kentucky’s member agency consultation contract with Social Impact Architects.

That is not to say that certain social enterprise ventures are without risk. In fact, Social Impact Architects encourages a thorough analysis of both benefits and risks in four (4) arenas: Financial, Mission, Operations, and Culture. The 2010 agency strategic plan entails a deliberate approach to implementing social enterprise initiatives in the agency.

The consultant’s implementation advice suggests a four-phase social enterprise implementation:

- **Exploration. Two (2) months’ work:** *Honing leadership commitment. Learning about successful social enterprises.*
- **Design and Development. Two (2) months’ work:** *Auditing organizational strengths. Evaluate those opportunities the most positive potential.*
- **Planning. Two (2) months’ work:** *Conducting feasibility assessments. Analyze the viability of opportunities.*
- **Implementation. Six (6) months’ work:** *Developing the Business Plan to turn the opportunity or opportunities into reality.*

Inasmuch as the agency management fully understands that the characteristics of successful social enterprises, says Social Impact Architects, include:

- Defined goals.
- Independent operation.
- Dedicated leader(s) or champion(s).
- Organization-wide support—Board, agency departments and staff.
- Adequate capitalization.
- Appropriate staffing. —**SOURCES: Business Impact Architects and Community Wealth Ventures – Powering Social Change**

The Board and Senior Leadership, Team are fully committed to the deliberate analysis and implementation of appropriate social enterprise initiatives in Audubon Area Community Services, Inc. during 2010.

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Agency-Wide Strategic Goal

Using AACCS social enterprise as the vehicle, provide training and on-the-job experience for agency low-income clients; empower clients with the work experience and skill-set to seek and secure sustainable living-wage employment.

The agency foresees this as 5-year initiative with objectives that include: client/staff training and employability skills development, an end-goal of more self sufficient clients with saleable skill-sets, and increased job opportunities for low-income clients/customers of the agency.

Subsequent year strategic work plans are expected to build upon the foundations laid in 2010.

Exploration. January-February 2010:

1. Explore through “SWOT” analysis what types of social enterprise the agency is best positioned and equipped to successfully implement.
2. With identified organizational strengths and affirmed top value-added, *probably* successful initiatives, study and learn optimal social enterprise endeavors.
3. Hone agency leadership and staff commitment around promising ventures.

Design and Development. March-April 2010:

1. Assess organizational strengths to support suggested/selected initiatives.
2. Conduct in-depth analyses of individual selected/suggested initiatives.
3. Conduct preliminary feasibility assessment(s) for selected/suggested initiatives:

Planning. May-June 2010:

1. Develop full-blown feasibility assessment(s) and “make or break” factors and/or “end in mind” market research for selected/suggested initiatives:
 - *Market* — Size/customer base, Outlook/trends, Profitability/savings/cost outlays.
 - *Competition* — Market players/competitors, Launch challenges/opportunities.
 - *Fit* — AACCS Mission, AACCS Skills/expertise, AACCS Resources.
2. Analyze all initiatives remaining under consideration and determine the relative viability of each.
3. Select the project(s) to move forward for further planning, i.e., for full-blown Business Plan development.

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Implementation. July-December 2010:

1. Develop the initial “roadmap” to analyze selected opportunities at deeper, more complex levels.
2. Develop the Business Plan(s) “blueprint” to turn selected opportunities into reality.

Business Plan Outline

- i. Executive Summary
- ii. Venture Name *and Vision*
- iii. Business Description *and Mission*
- iv. Industry and Market Analysis — *Inventory*, Logistics, Timing*
- v. Competitive Analysis — *Strengths/Weaknesses, Opportunities/Threats*
- vi. Strategic Action Plan — *Marketing and Sales Plan*
- vii. Operations Plan — *Evaluation/Measuring Progress and Success*
- viii. Personnel and Management Plan
- ix. Financial Plan and Budget
- x. Risk and Contingency Plan

* Includes equipment, funding/finances and/or staffing in place and/or needed; expiring service and support contracts with “transferable” resources or savings potential; and facilities to house staff and equipment.

3. Implement the plan(s): Pilot Project(s) — probably August/September timeframe.

Note: Some of the AACS social enterprise initiatives under initial active consideration are:

- Information Technology
- Vehicle Maintenance
- Yard Maintenance
- Building Maintenance
- Custodial Services —
including furnace filters replacements in AACS offices

The “funding premise” is utilizing funds AACS already pays outside firms, converting those expenditures to internally operated social enterprises that also benefit its clients. AACS’ ***KentuckyWorks*** Program is an agency resource that will serve as the primary (although not the only) agency vehicle to accomplish this plan. The social enterprises shall “pay for themselves,” trains people to be productive citizens by creating “top notch” employees with “hands-on” skills learned at AACS.

AACS departments and programs must allow some extra time for training – training that will take longer than tasks performed by already trained personnel. The agency projects hiring persons to head each division who are “teachers,” not just doers. This will entail assigning someone to be the Lead Project Manager to keep social enterprises on task and deal with a workforce of constantly rotating personnel and finding non-grant funded opportunities to further expand and develop the initiative(s) over time.

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Departmental Strategic Goals

Each department or program within the agency has identified specific program or department goals and objectives, one high priority corollary goal for agency-wide focus of the 2010 Strategic Work Plan. Each department will periodically report to its respective Board Committee their progress toward achieving the designated goal.

The ten departmental strategic goals, one for each department are listed below:

Management & General

M&G will work to create and maintain a suitable, fostering and entrepreneurial infrastructure within the agency for social enterprise ventures and initiatives to take root, flourish and grow:

- **Facilitation.** Promote and help create a more entrepreneurial culture within the agency.
- **Research.** Assist the fuller understanding and development of emergent ideas and the selection, business plan development and implementation of suitable projects.
- **Promotion.** Provide AACCS social enterprise initiatives marketing, media and methods to promote awareness and use within the larger non-profit community.

Finance

The Finance Department will serve as a proactive resource for planning, analysis, and reporting on the social enterprise endeavors:

- **Planning.** *a)* Prepare feasibility studies on the social enterprise opportunities. *b)* Provide key information for the short-term, mid-term, and long-term social enterprise plans.
- **Analysis.** *a)* Perform analysis of the day-to-day operations of each currently operating social enterprise endeavor. *b)* Analyze current operations to predict mid- to long-term business implications
- **Reporting.** *a)* Prepare accurate and timely reports during planning and implementation phases and throughout the daily operational phase of each venture. *b)* Provide mid- to long-term projections of each social enterprise endeavor.

Human Resources

The Human Resources Department will assist with the staffing and startup implementation of the various agency social enterprise initiatives; it will also help facilitate the essential preliminary functions of job development, schedule creation, and staff/client orientation — these consisting of four strategic functions:

- Developing job descriptions that align with the goals of the social enterprise initiative — positions such as the Social Enterprise Manager position and so forth.
- Assisting the creation and implementation of the most advantageous work schedule structure, according to the needs of the agency, for the varying positions created through the social enterprise initiative.
- Ensuring that all staff/client enrollees are fully orientated into the agency, communicating to each one the work expectations, ethical standards, and the agency's mission.
- Providing hands-on training to staff/client enrollees in various office, clerical, technical, maintenance, and other necessary skills for each respective type of social enterprise.

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Information Technology

The Information Technology (“IT”) department will work with assigned individuals to help the agency revise its IT Policy and Procedures Manual, to maintain an accurate IT resources inventory, and assist IT to consolidate and deploy its network services for ease and use of the agency’s social enterprise staff and projects’ administration; in so doing it will:

- Address the purchasing, transfer, and disposal of equipment.
- Assist with the ordering, canceling, and billing functions relating to agency communications circuits.
- Help maintain network security for the agency’s computer-based buildings access system, including access granted to employees, temporary help, volunteers, and contractors.
- Help the agency migrate off currently un-supported software and systems.
- Assist the standardizing on Microsoft Active Directory for user and computer management and Novell NDS for external authentication and GroupWise.

KentuckyWorks, Child Care Assistance/Child Care R&R

The Family Assistance Services department, through its *KentuckyWorks* management staff, will support Audubon Area Community Services’ social enterprise initiatives through training and on-the-job experience services that will engage low-income participants meeting the requirements for continued public assistance to experience real-world work experience necessary for their eventual self-sufficiency:

- The Family Assistance Services department will assist all interested AACS departments by recruiting *KentuckyWorks* program participants for involvement in the agency’s social enterprise initiatives. This will be accomplished and help ensure project success by determining each department’s specific initiatives and their needs, matching those with the interests of program participants.
- The Family Assistance Services department will also assist in recruiting potential participants from other human service entities that have an interest in providing training and on-the-job work experience for their own program participants.

Counseling Services

The Counseling Services department will utilize its counseling and general assistance services to help support the agency’s social enterprise staff and project enrollee participants:

- Provide participants information, counseling and referral services to assist their family/job stability and help them obtain needed employability skills and employment opportunities.
- Utilize the department’s various services, including Owensboro Regional Recovery Center (ORR), CSBG *CHOICES*, Family Preservation/Family Reunification counselors and resources, and a panoply of general assistance services, including LIHEAP, help ensure the stability and development of effective social enterprise staffing.
- Survey the department’s extensive database for prospective low-income participants who might participate in the social enterprise ventures and get their feedback regarding their interests and skills need for employment in those ventures.

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- Provide professional staff assistance to facilitate trainings/workshops that would provide additional development and support services to participants — these could include financial literacy education, family budgeting, job interviewing skills, resume writing, and time management.

Green River Intra-County Transit System (GRITS)

During 2010, GRITS will commence operation of the agency's Daviess County Parking Garage, which will be a social enterprise venture of its own. Initially, GRITS will need to determine viable market rates for parking customers and market the facility to potential users in the downtown area. Working with agency management and other departments, GRITS will also establish operating procedures and maintenance procedures for the facility early in 2010:

- GRITS will work with the agency's social enterprise initiative in determining the needs with GRITS facilities for services such as yard service, cleaning service, building maintenance services, vehicle cleaning and light vehicle maintenance. This preliminary determination of needs and planning process will take place very early in 2010, as GRITS will be relocating to its new 222 St. Elizabeth Street facility and will there need cleaning services, plus mowing and landscaping services beginning in the spring of 2010.
- GRITS will work with the agency's departments and their social enterprise projects to inventory and determine how existing agency-wide resources can contribute to the agency's social enterprise initiatives and projects, e.g., available lawn care resources such as, weed-eaters, lawnmowers, lawn sprayers, and needed vehicular transportation.
- GRITS also expects to receive federal earmark funds to construct a vehicle maintenance facility. When completed, this facility will allow GRITS to perform many of its own light vehicle maintenance functions such as, oil changes, tire rotation and tire changes, chassis lubrication, brake replacement, light bulb and wiper blade replacement, and routine inspections. Planning on how this facility and its staffing needs fits in with AACCS's social enterprise program will be determined during 2010.

Head Start/Early Childhood

The Head Start program will engage and support the agency's social enterprise initiative by identifying specific positions throughout its service area and providing the work experience placement of *KentuckyWorks* client enrollees in social enterprise initiatives within Head Start's scope of operations. On-the-job training will be provided and, hopefully, positive relationships and future unsubsidized employment opportunities can be created within the larger early childhood service community:

- Team Managers and Local Area Managers will identify potential positions for *KentuckyWorks* client enrollees.
- Team Manager for Administrative Services will coordinate potential placements with *KentuckyWorks* for placement of client enrollees.
- Provide technical assistance and training to Head Start staff working with the client enrollees to help facilitate the successful implementation of Head Start's social enterprise initiatives.
- The effectiveness of the social enterprise program placements will be evaluated and modified as appropriate.
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- Head Start will continually explore additional options for expanding the agency's social enterprise projects within its extensive scope of needs and operations.

Housing Services

Staff in the Housing Department will work support the agency's plan for implementing social enterprise projects during 2010 and beyond:

- Housing Services management and staff will seek out all feasible means to work with and participate in all phases of the initial plan, before and during the social enterprise implementations.
- Housing Services management and staff will work with the any social enterprise project person(s) in the area of building maintenance.
- Housing Services management will work toward developing a program whereby AACS can provide energy audits for a fee on any home.
- The Housing Services management will work toward developing the assets to better market the agency as a Property Management Agent and work to develop this service into a viable and mainline social enterprise.

Senior Service Corps

The Senior Service Corps (SSC) programs will recruit and/or refer volunteers as human capital resources to enhance the agency's organizational capacity for its social enterprise initiative.

Senior volunteers may be the conduit for essential job functions including, but not limited to, training, onsite supervision, or clerical support:

- SSC staff will support the agency's efforts to identify the organization's strengths and opportunities by participation in all phases of the 2010 work plan, including Exploration, Design and Development, Planning, and Implementation.
- SSC staff will recruit volunteers as appropriate through collaborative efforts with agency programs/personnel via media, personal contact, e-tools (VolunteerMatch), and other means available.