



United Way

The knowledge solution

Lao Tzu (Chinese Taoist philosopher): Give a man a fish and you feed him for a day. Teach him how to fish and you feed him for a lifetime.

Beset by a fading business model, dwindling funds, rising donor expectations, an explosion of competition including rivals on the internet, United Way of America turns to a knowledge management pioneer to help move from its traditional role of fundraiser to results oriented community impact leadership, targeting root causes that drive the need for charity.

By Brook Manville

United Way of America is the national organisation that leads nearly 1,300 local affiliates, raising more than \$4bn annual revenue. Currently, United Way is in the midst of a multi-year transformation, moving from its traditional role as a fundraising intermediary to results-oriented leader of community impact. Common focus areas include helping children and youth succeed, promoting financial stability and improving access to healthcare.

Traditionally, United Way's work was defined by fundraising, primarily in workplaces, and then distributing resources collected to social services agencies, both local and national partners (e.g., Red Cross, Salvation Army, Boys and Girls Clubs, and so on). Today, as United Way evolves, it continues to fundraise, but now also works more holistically with local communities to set focused agendas for addressing the most pressing social and economic problems and developing strategies that can get at the underlying or root cause issues.

Deeper than an historical scandal

Most casual observers of United Way believe the changes in direction were the result of the embarrassing scandal of William Aramony who went to jail in 1992 for abuse of organisational funds. Though his demise prompted immediate and needed tightening of controls and accountability processes, the challenges facing the United Way system during the 1990s ran much deeper than a single dishonest leader.

With the shifting landscape of philanthropy, rising donor expectations, the explosion of new non-profit organisations and the advent of internet fundraising, United Way's traditional franchise of workplace campaign donations and a near monopoly position as the one-stop provider of charitable giving opportunities was increasingly threatened.

During the 1990s, in an effort to stem the loss of marketshare of charitable giving, United Way began

to accept designated donations – allowing donors to earmark their gifts to whatever charity they specified. Though this preserved, and in some cases even expanded the flow of revenue through the United Way, it also reinforced the charity's identity crisis. What would be the value-added of the organisation if it were increasingly just a pass-through of funds? And especially one that was more costly than the expanding array of internet-enabled alternatives.

This, coupled with more leadership troubles at the national level after Aramony's conviction, led to much despair among United Way supporters. In 1997 *Fortune* magazine ran a challenging article with the title "Can Anybody Save the United Way?"

In 2000, a task force was formed to 'strengthen the United Way system.' The task force would draw together influential and change-oriented leaders from local United Ways, supported by a major national consulting firm.

Out of this effort, the overall strategy of community impact and a new mission consistent with that strategy emerged. It also became the forum that elevated the Brian Gallagher to the national executive position in 2002.

Mobilising community power

Its new mission – "to improve lives by mobilising the caring power of communities" – speaks to a more modern approach to social change with less emphasis on funding and providing direct services, and more on changing the underlying conditions that lie at the heart of social ills.

Similarly, United Way, in step with current donor expectations, drives towards measurable results and tangible progress against goals – moving away from the historical approaches of charitable institutions to measure progress simply by the number of dollars raised and applied to problems.

The United Way is leaving behind the fundraising thermometers in town squares, instead developing scorecards

in such areas as early childhood education, high school dropout rates, measures of financial stability and access to quality healthcare. Though many of its traditional partners are still heavily funded, United Way is both working with those partners in new ways and also working with a wider range of new partners, shifting towards strategies and results, not simply funding historical relationships.

Need to operate differently

The leading and innovative local United Ways have been working on this change for some time, realising money alone was not solving the most pressing problems of American communities; also seeing that loose, simple funding partnerships between United Ways and social services agencies were not yielding the kind of results that might come from more disciplined and informed strategies.

The need to operate differently was not only the result of new thinking by staff and volunteers. It was also prompted by the rising demands of donors who in recent years, in step with systemic changes across all philanthropic domains, were demanding more accountability and results for dollars donated.

Towards this end, and as a follow-on initiative growing out of the task force, a new central capability-building entity – the Centre for Community Leadership – was established which would bring together earlier and disconnected efforts in training, leadership and talent development, and best practice exchange – all in support of the transformation. I was appointed its director and executive vice president of United Way in 2003.

Upon taking on the position it became clear to me how steep the challenge of transformation would be. United Way professionals regularly participated in training programmes and skill-building events but only did so, on a voluntary basis, if they saw value in the time and money spent.

Some members of the field saw the potential of working under a strategy of community impact, but many were still skeptical – and even those so inclined would only participate if there was practical and actionable content to inform their learning.

But because the concept was relatively new, actual content for how to do community impact was fragmentary, elusive, and in most cases much debated by different practitioners. The challenges were how to rapidly build up a shared and actionable perspective of what community impact was, how it would work, and what local United Ways should do if they wanted to get on board with the new strategy?

Building from the present

It soon became clear to me that the best hope for creating change and adoption of the new model across the field would be to work with local United Ways themselves which were the enthusiasts and pioneers of community impact – to partner with them to lead the change, and to surface and start the process of sharing the emerging best practices of how to do community impact on a local level.

In the first phase, then, the transformation was all about best practice exchange and KM-like management, not training *per se*. There simply wasn't a body of knowledge that was known and understood to allow us to create a curriculum for traditional classroom programmes or any kind of sustained and formal instruction.

The good news was that several innovative United Ways had already been working as impact leaders in the communities (though they didn't necessarily call it that). There was an evolving sense among these pioneers that the concept worked; certain elements and dimensions of doing this kind of work were sufficiently universal to allow other United Ways to follow the practice, if they wanted to do so.

Another piece of good news was that the values of the United Way

movement, as it is called, include some sense of sharing and borrowing from other practitioners across the system, since in the end we're all trying to help United Way do its mission.

On the other hand, there was plenty of bad news as I wrestled to take on this challenge. There were no formal or established processes of knowledge management. Sharing and transfer across the system was informal, episodic, and with little or no supporting infrastructure in terms of technology, dedicated resources, or even publications in any sense focusing on what we knew and what we were learning; nor were there any organisational incentives or formal expectations about sharing knowledge among practitioners. They shared when they felt like it, often among existing friends or professional colleagues, but with no particular sense of ongoing obligation.

Another huge challenge was that when knowledge or learning was shared, there was no particular framework or discipline to guide doing so. People asked questions when they needed help on this or that – how to avoid conflicts with agencies which were not going to be funded anymore; how to change your measurement of results from campaign returns to actual changes in the community; how to work with volunteers in different ways with this model, and so on – and got answers when they could find them or someone offered up this or that suggestion.

It wasn't even clear what were the right questions to ask, which questions were more important than others, and how one should put whatever answers received into any kind of context for making change.

I realised that if we were going to build the transformation momentum around highlighting the progress of early innovators and the dissemination of best practices thereupon, we were going to need some kind of framework to organise the questions. After various false starts, we found what became the perfect anchor

for this strategy of transformational knowledge management by looking, ironically, into United Way's past. The breakthrough came from what had once been the ultimate how-to handbook for the United Way professional: *the Standards of Excellence*.

We decided what was needed for the new generation of United Way was a brand-new Standards of Excellence, a how-to manual for doing community impact. But the inspiration of this idea was offset by its own set of challenges. Unlike the 1980s, our situation in 2004 (when we began the project) had no established reservoir of best practices to draw on and simply codify.

Building on excellence

There were indeed some things known and agreed about how to do community impact, but much of what was ultimately required for a complete handbook was still debated, unknown, or only slowly emerging. To address the problem, and at the same time to hook this effort of knowledge management to the broader system transformation, the architects decided to build the new *Standards of Excellence* bottom up, working side by side with leading practitioners from across the system, and also to make them not so much best practices but rather a combination of best and aspirational practices.

The new *Standards of Excellence* were built with voluntary teams of practitioners from local United Ways from around the country. The national office and I, as director of the centre, took facilitative leadership in convening and supporting the problem-solving surrounding the standards. Through a six-month process of workshops, conference calls, drafting and redrafting, the multiple teams identified 34 standards which defined and structured excellent community impact operations, grouped into five component areas (community engagement, impact strategies and resources, relationship-building and brand management, organisational leadership and governance and operations).

The standards were based on actual processes and evidence, that we saw on-the-ground, of working and delivering value, and certain composite hypothesised standards based on emerging processes and/or processes seen to work in other similar organisations.

Each of the standards was further decomposed into a number of practices which defined in a more granular way the inputs and activities needed to achieve the actual standard. For example, one of the standards of community engagement was deep knowledge of your community; the practices to achieve such knowledge were things like identifying particular communities of interest and developing strong relationships with local leaders, formal or otherwise.

The new *Standards of Excellence* were rolled out to great fanfare in 2005 at the United Way national conference, and were immediately embraced by most of the field – for they in fact had helped invent them. End of year surveys of local United Ways had the *Standards of Excellence* as the second most important tool provided by the national office (after the United Way online website – the perennial number one choice), and it was rated among the very top of high value, high relevance initiatives of recent years. Once the new standards were in place, it became much easier to start more formal knowledge management.

One of the very first things we did was create a self-assessment tool to allow local United Ways to measure themselves against the performance targets implied by the standards. In the first year, over 800 of the system members (charities) took the self-assessment. Once local United Ways saw where they stood against the goals of the *Standards* – with average scores mostly in the range of 2-3 on a scale of 5 for each component area – it drove up demand for best practice: “So what can I do to raise my score and learn from someone else who’s further ahead?”

Innovative KM strategies

As market demand for knowledge began to grow, my best practices team (which had been instrumental in driving the *Standards of Excellence* work) stepped in to make the market work better – by creating the first ever knowledge portal for the United Way system. Dubbed the ‘knowledge café’ – suggesting the place to go and browse and learn from others while lingering – the portal became the place to collect, store, and find best practices related to community impact.

We pursued focused initiatives to collect case studies, tools and stories, and used members of the original standards teams to both seek out and vet potential content, which further ensured ongoing ownership of practitioners in the knowledge, as well as a level of quality that had not been seen in the former informal and fragmented efforts to share best practices.

The knowledge café became the location of a wealth of other tools and best practice materials that had been evolving in parallel with the standards effort, various frameworks and toolkits for such things as measuring outcomes, managing boards and also a popular story-telling vehicle for sharing community impact work among practitioners. Transformation diaries, a webinar series with tales recounted by practitioners, highlighted lessons learnt (often difficult) of making the transition to community impact.

With this initial foundation laid, it was easy to build additional knowledge management processes and products into the overall strategy. Because the system now had a compass about what and how to do community impact, the focus of the Centre for Community Leadership shifted to finding other ways to collect knowledge, build practitioner-to-practitioner networks, and create incentives for more frequent and robust sharing among the practitioners themselves.

A final innovation of great success is the rollout of new Centres of Excellence – essentially a cross

between a training programme and an onsite field trip. Here practitioners from across the system spend a day and a half in semi-structured dialogue at a particular local United Way which has distinguished itself as an innovator and/or leader in some dimension of the new work – engaging the community, creating strategies and new funding approaches for community changing approaches, building a more relationship-oriented marketing culture.

Results and the future

Though this transformation is hardly over, the knowledge management progress continues to march forward. The knowledge café is growing in content and quality with every passing month, as are the number of users accessing the tool. Centres of Excellence events are now selling out in their second year of operation, and an increasing number of United Ways are reporting using self-assessment of the *Standards of Excellence* to shape their planning and strategies for improving their communities.

More and more United Ways are reporting doing the real work of the community impact model. Those following such strategies can now be shown to raise more money and dedicated donations from local donors or as United Way increasingly calls them, investors.

And overall, though not solely the outcome of a successful knowledge management strategy aligned with business transformation – but also not wholly disconnected from it, the United Way system is growing again and increasingly seen as making more of a difference in community after community across America. ■

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