**Collaborative Organizational Assessment Report**

**EnergyCare**

**July 2019**

**Introduction**

Painefree Coaching & Consulting, in collaboration with EnergyCare’s Executive Director, staff and Board of Directors, completed a comprehensive organizational assessment in June and July 2019. The purpose of this assessment was to provide an analysis of the current state of EnergyCare’s key capacity areas and to identify priority areas to be addressed. Ultimately, the goal of the assessment is to identify opportunities to strengthen EnergyCare’s organizational infrastructure to increase your mission impact and long-term sustainability.

We met with the Executive Director and Board Chair, conducted a comprehensive document review, held a group interview with the Board, interviewed the staff and held a follow-up discussions with the Executive Director and Board Treasurer. Participants in the Board interview included:

Tim O’Dea – Executive Director;

Bill Molitor – Treasurer – on Board since mid-1990s ;

Ed Cronin – Board Chair – on the Board since 1990

Jon Nelle – on Board for two years.

Participants in the staff interview included:

Tim O’Dea – Executive Director;

Michael Hundelt – Associate Director;

Jana Ngugi – Services Supervisor;

Jonathan Steinke – Service Provider (part-time).

*Summary of Strengths and Opportunities*

The assessment results show that EnergyCare has a strong history of program success, a clear and focused mission, dedicated staff and Board members, and a shared desire to ensure long-term organizational sustainability. However, it is critical that the organization prioritize Board growth and development, financial planning, donor relationships, and new partnerships in order to achieve sustainability and mission impact.

EnergyCare makes decisions based on outside funders and standards rather than on their own strategic vision or plan for the organization. Rather than allowing compliance with regulations to be the driving force behind organizational decision-making, EnergyCare has a great opportunity to leverage their data, history, successes and systems to become a more strategic and impactful organization.

History, Context and Organizational Structure

EnergyCare was founded in 1983, after Sister Pat Kelley, CCVI, recognized a need to help vulnerable people stay safely warm during brutally cold winters in St. Louis and cool during the hot summers. In its early days, the organization grew quickly and impacted the community through direct service and through advocacy, as Sister Pat was active in engaging business and government to support the mission and to add their own programs to provide utility assistance. During this time, the Board was comprised of “heavy hitters” in the community who embraced the idea of helping to meet this very basic need for low-income households.

As time passed, more organizations entered the energy-assistance field and EnergyCare explored some expansion of programs. Examples of services that were offered for a time – but discontinued – include fixing and installing used air conditioners, furnace repair, and small household repairs. Ultimately, the Board and staff leadership agreed to remain focused on the core services that have been proven, over time, to work. Their team installs window air conditioner units in the summer and electric heaters in the winter. They complement those services with utility assistance, weatherization services and kits, and blankets in the winter.

The current Board is comprised of four members, and the organization has four paid staff: Executive Director, Associate Director, Services Director and Service Provider. Volunteer opportunities exist for groups to help prepare weatherization kits, to conduct blanket drives, and to assist with weatherization during the winter. Individual and summer volunteer opportunities are more limited. There currently are no active committees or other support groups.

The organization distinguishes itself from competitors such as Dollar More and other utility assistance providers because EnergyCare provides personal visits, installs air conditioners and builds relationships with clients. Other organizations working in this field offer referrals only and do not visit clients personally. The staff believe that specialization allows Energy Care to stay focused and provide a level of service that larger organizations cannot provide. They self-identify as having an “old fashioned” and expensive model but have chosen to adhere to that model because it works and provides an opportunity to build relationships.

Mission & Planning

EnergyCare’s mission has been in place for many years:

*To promote healthier, safer home environments and independent living by providing year round energy related services in St. Louis communities for low income households with persons who are elderly, disabled, or chronically ill, and young children.*

The Board and staff believe that, although the mission statement has not been reviewed in recent years, it accurately captures the purpose of the organization and keeps them on-track in their work. They particularly believe it is important that the mission statement identifies their primary client base and their goals of helping seniors remain independent and promoting healthy, safe homes for at-risk populations.

The current strategic plan has been in place since 2013. The most recent formal, written update was in 2014, although the Board holds a planning retreat each fall where they review the plan and assess progress toward meeting the goals and objectives. Issues that are frequently discussed during planning sessions include finding additional Board members, reviewing financial information, the aging donor base, and revenue sources such as fundraising and grants. They also periodically include Board education and review the legal responsibilities of nonprofit boards.

The plan itself included four primary goal areas:

1. Create a diversified, well-connected Board of Directors.
2. Redesign development efforts to increase funding, volunteers and community recognition.
3. Eliminate community confusion by clearly differentiating EnergyCare from its competitors.
4. Expand Services (Home visits, weatherization, air conditioner distribution.).

Notable improvements and successes that came out of this plan included the investment in some infrastructure and systems including a donor database, outcomes management software system and tracking tools, revised organizational structure/staff positions, and an increase in grant applications. However, other components of the plan have not yet been completed or have become outdated, given the amount of time since the most recent plan originated.

While there is considerable mission-alignment within the organization, there was less evidence of vision-alignment. The Board is focused on compliance and oversight and most of the staff is focused on daily operations. The Associate Director shared ideas that he and the Executive Director are working on that could result in a major shift in funding model and significant program expansion, but those visions have not yet been presented to the Board, and they fall outside the scope of the current strategic plan.

*Recommendations*

* The Board and staff should engage in a combined visioning session to establish a shared vision for the future of EnergyCare and ensure that everyone is aligned on the strategic direction of the organization.
* Replace the outdated strategic plan with the new vision document and an annual operating plan with service/program goals, revenue goals and organizational development goals such as outreach, number of volunteers and board growth goals.

Fundraising, Marketing & Communications

EnergyCare has used the same key fundraising strategies for many years. Their efforts focus on traditional direct mail appeals in the summer and again in the winter, during the peak times of need. These efforts have been successful, with a core group of individuals who respond to these requests on a regular basis. In 2017 and 2018, individual donations accounted for more than 60% of total organizational income. They believe they have been successful in this type of fund raising because of their high level of accountability; they do exactly what they say they will do with the funds and do not stray from the core services and model that has been in place since the organization’s inception. However, the donor base is getting older and there is significant concern about finding new sources of revenue.

The other major revenue-generating strategy over the last few years has been submitting grant applications. The strategic plan called for more than 50 applications per year and they have been exceeding that goal. Unfortunately, this approach has not resulted in significant increases in new, sustainable income. They have, however, secured some new larger grants and contracts such as the Senior Fund in the City, and Community Development Block Grant funding in St. Louis County.

In recent years there has been turnover in the positions that have been responsible for fund development, resulting in frequent changes in priorities and direction. The Associate Director job description has recently been revised to include significant responsibility for fundraising, public relations and communications. With a new employee recently hired for this position, the Board is hopeful that new ideas and more modern techniques will be put into place to increase effectiveness beyond the current core base of donors. Since starting in April, the Associate Director has focused on understanding the composition of the database to identify prospects for additional funding and has started reaching out make personal connections with donors. Additionally, the Associate Director is developing plans and strategies for an alternate social-enterprise funding model that would reduce (or eliminate) reliance on donations. Considering that fund raising strategy is typically included among the major responsibilities of a nonprofit board, it struck us as being outside the norm that the Associate Director has not yet met any of EnergyCare’s Board members – some of whom have expressed an interest in building relationships with donors. Board and staff shared that fund raising has not traditionally been an expectation of Board members and it is not part of their Board culture.

Due to staff and volunteer capacity challenges, the organization is not currently hosting any special fundraising events. They have found in the past that the results are not strong enough to justify the time and effort unless there is a Board member to take ownership of an event.

In the area of communications, EnergyCare produces a print newsletter that is well-received by current stakeholders. The newsletter was redesigned within the last few years and began consistently using a tagline (saving lives by degrees).

The organization also has a website and a presence on Facebook and Twitter. Some of the links lead to outdated information (such as most recent newsletters from 2015). Twitter is not actively used, but Facebook is regularly used to promote the agency, share success stories, link to safety tips, recognize donors and volunteers, and to promote opportunities for support. There is a general shared understanding of the need to update the look and move to a more systematic and intentional approach to communications.

Both the Board and staff members shared creative ideas of ways to position the agency and its case for support. However, the Board does not currently have the capacity to implement new messaging strategies and most of the staff is focused on program operations. Examples include: aging in place/independence for seniors, energy efficiency/green homes, improving health for seniors and children, the impact of weatherization. The Executive Director describes their approach as providing the type of assistance that someone might provide for an aging aunt to help her stay in their home, but the people served by EnergyCare often don’t have family who can help. Even this image could be utilized as the foundation for a fund raising case, but whichever “angles” are chosen must be intentional and consistent in order to tell the true story of EnergyCare. Other suggestions related to branding and marketing included changing the logo and image “from a black house to a green house.”

*Recommendations*

* The Board and staff need to coordinate their efforts and align their approaches to fund development and marketing. An annual revenue plan with goals, strategies and defined responsibilities is needed to help direct and coordinate efforts.
* Considering the aging donor base, a more formal planned giving program should be developed to complement the work that has already begun to cultivate major donor relationships.
* Update the case for support to resonate with various audiences, using some of the marketing ideas shared by staff and Board during the assessment process. By agreeing on messaging and applying those messages uniformly across platforms, EnergyCare can re-establish its place in the network of service providers in St. Louis and distinguish itself based on current accomplishment and future vision – not just on its history.

Board of Directors & Governance

The Board of Directors is currently comprised of four members: three officers and one member. The Board meets every other month and during the off months, the officers/Executive Committee meets. Recruiting and retaining members has been an ongoing challenge for the organization. All three officers have been on the Board for 20+ years and are deeply engaged and committed.

The Board reviewed characteristics of boards and agreed that they function in a managerial (and sometimes, governing) style, meaning that they focus on governance vs operational or structural issues; long-range vs. day-to-date operational planning; and rely on staff to do most of the work of the organization. One exception to this is the Board Treasurer, who provides payroll services for the organization at no cost.

The Board recognizes their responsibility to raise funds for the organization, but in general they don’t feel they have the capacity or connections to make a big difference. Fund raising has not been a major part of the culture of the Board – it was not required of Board members for a very long time. They are interested in new ideas, such as those suggested by a newer Board member and the new Associate Director, to build relationships with donors.

Because of the length of time Board members have been involved, there has not been strong push to update Board policies and procedures or governance documents such as the Bylaws. They operate in ways that make sense to them, and not always in accordance with their existing procedures, which are outdated and formal in their style and requirements. The actual culture of the organization is more relaxed, and the documents and policies could be simplified and updated to reflect the current systems and needs.

The Bylaws list several committees, but due to the small size of the Board, the group mostly operates as a “committee of the whole.” Meetings mostly tend to focus on reporting and updates from the staff. The Board makes decisions based on the mission, but also looks at opportunities or challenges with a legal and liability lens. The Board consistently demonstrates a high sense of duty to the mission and to being good stewards of resources. They tend to have a hands-off approach, allowing the staff to focus on doing the work. Their small size lends itself to informal, rather than formal decision-making processes. When issues or challenges come up, their approach is to “talk it out.”

The staff do not have any interaction with the Board, as the Executive Director serves as the go-between. They are comfortable with the systems and interactions as they exist, although the staff did express interest in being involved in efforts to help expand the size of the Board. They also suggested that it might be beneficial for Board members to help with a weatherization project occasionally to help build connection between the staff and the Board.

*Recommendations*

* It is critical that the Board develop a leadership succession plan and recruit more members to support committee work, fund raising efforts and good governance. Creating ways for potential Board members to engage with the organization prior to joining the Board can help to identify good “fits” for the organization and board culture. Two possible strategies to try are:
  + Development of a young friends group;
  + Adding committee members who are not Board members as an introduction to the organization.
* Update governance documents such as Bylaws, Board policies and procedures to reflect current practices, and to ensure compliance with legal standards and best practices in nonprofit governance
  + Suggestion to purchase a copy of “The Ten Basic Responsibilities of Nonprofit Boards” (published by Board Source) for each Board member and use that as a basis for discussion at this fall’s Board retreat.

Human Resources: Personnel & Volunteers

The staff includes four team members with tenures ranging from 4 months to 12 years. The Board cares deeply about retaining the staff and would like to offer better compensation and benefits. EnergyCare participates in the Health Benefits consortium through the Mission Center, which helps to keep costs under control. Staff appreciate that they have opportunities to connect with clients and build relationships, and also that they are able to operate with a lot of autonomy, as long as they meet the numbers that are required by various grants and contracts.

The personnel handbook is out of date and not regularly used by staff, although they are required to acknowledge receipt of the handbook. It was stated that the primary reason for a handbook is for legal purposes, not necessarily to provide guidance or direction for staff.

EnergyCare has not traditionally focused on professional development for the staff. Goals are driven by funder expectations and don’t change much from year to year. The employee evaluation process is “old-fashioned” and not in use, and most of the job descriptions have not been updated; however, the descriptions are still fairly accurate because the work has not changed.

Volunteers tend to be episodic, project-based volunteers. During times of peak demand for weatherization services, they typically have 10-20 volunteers each weekend, with smaller groups during the week. Many volunteer groups repeat from year to year, and come from schools, churches, and corporations. Volunteers receive training on the day of the project and they are asked to sign in. Volunteers are not tracked in any type of database, although there are records for each group. EnergyCare does not use volunteers to help install air conditioners due to the level of technical expertise required for the work and they have not had much success with developing opportunities for individuals to volunteer in the office. Most of the incoming phone calls are requests for assistance and require staff time to address the inquiries.

EnergyCare has job descriptions for several possible intern positions but has not had recent success in filling the positions through local universities.

*Recommendations*

* Include staff planning, development & support as a focus of annual Board planning and prioritizing.
* Leverage interns & volunteers; because of the nature of the work, the EnergyCare staff and Board have offered limited opportunities for volunteers. However, EnergyCare has a strong pool of volunteers and finding ways to help them use more of their skills to assist the organization can build important relationships for the future. Ideas include recruiting volunteers to help with marketing, social media, fund raising, phone surveys/evaluations and data entry.
* Establish annual professional development goals along with performance goals for each staff member. Budget for staff to attend local trainings related to nonprofit work through organizations such as UMSL, NSC, the CSPRC, AFP etc.

Program, Research & Evaluation

EnergyCare’s programs are focused and have not changed much over the years. Current core services include:

* Utility Assistance
* Phone counseling and referrals
* Summer Program:
  + Air conditioner installation
* Phone counseling and referrals
* In-home counseling and referrals
* Winter Program:
  + Electric heaters
  + Blankets and electric blankets
  + Weatherization kits
  + Weatherization

EnergyCare has found that their highly personalized service ensures that installations are completed correctly and that clients know how to use the equipment. During the home visits, the team also builds relationships, determines what other types of services might be beneficial for the client, and makes referrals. The model is expensive and highly personalized – but it works and has more impact than programs that distribute free equipment without delivery or installation services. The EnergyCare team believes that this model is scalable and replicable; if they had more vans and more staff, they could increase the number of installations and weatherizations.

Annual service goals are often determined based on available grant funding and contract terms, rather than by an organizational growth plan. Additionally, some grants are restricted to specific geographic or demographic criteria and again, EnergyCare adapts its focus to meet the grant requirements and then uses unrestricted donations to meet needs that fall outside of the current grant funded focus areas.

The organization has made good strides in the last few years in tracking and evaluating program results. They invested in a software system, but have recently decided to look for a simpler and less expensive technology solution that will still meet their needs and allow them to produce internal and external reports.

Even with improved data tracking capabilities, the data collection and reporting tend to be grant specific and records are kept per funder with a heavy use of spreadsheets. For example, data about installations for senior citizens in St. Louis City is maintained in a different sheet than installations for families with children because they are funded by different sources.

Additionally, EnergyCare has started to move from “counting” activities toward assessing outcomes. They have developed winter and summer program logic models and a follow-up survey to assess the impact of the improvement on the household. This follow-up survey is not done universally; rather, it is only completed for clients when reporting is required by a specific grant. Further, the survey is not completed on a specific schedule and instead, is undertaken by the staff when they have time. Results are not used to inform programmatic decisions and the tool was not designed with that purpose in mind.

Although EnergyCare provides a lot of referrals, they do not currently track how many referrals or which clients receive the referrals, and there is not a system in place to assess follow-through or results of the referrals.

*Recommendations*

* Establish annual programmatic goals rather than setting goals based on grant requirements, and begin tracking all program activity (including referrals and evaluations) for all clients rather than just those required for grant reporting purposes.
  + Prepare an annual program report that includes client stories, infographics and data to tell the complete story of how much EnergyCare accomplishes each year.
* Increase the use of trained volunteers to help with phone surveys and data entry.

Financial Management

EnergyCare’s Board includes several individuals with financial backgrounds and the Board places high importance on being good financial stewards. They have a lot of pride in their history of having clean audits, no issues with the IRS, and ongoing achievement of meeting the Better Business Bureau’s standards for charity accountability.

The small size of their staff and Board make it difficult to meet some best practices and their annual audit, therefore, typically includes recommendations related to segregation of duties. They have worked to incorporate improvements where possible and they have established straightforward processes to manage accounting tasks and reduce the risk of fraud. They acknowledge that there is always room for additional improvement and more reporting to the Board.

Currently there is not much cross-training in the accounting area (due primarily to limited number of staff). The Executive Director maintains the accounting records using QuickBooks. The Board Treasurer (a CPA) prepares payroll and files the required federal and state payroll tax reports. Two signatures are required on checks over $500, but in practice nearly every transaction is reviewed by the Treasurer and receives two signatures. No other staff have access to financial systems, accounts, or checks.

The annual budget development process is driven by the Executive Director, reviewed by Treasurer and presented to the Board for discussion. Regular reports are received by the Board at every meeting, and because most Board members have been involved for so long, they typically know which key indicator to look for on the financial statements to understand the current financial situation. There has been some discussion of adding more reports such as cash flow (currently monitored in-house) and actual compared to budget (rather than only to prior year). The Board Treasurer currently highlights any budget discrepancies in his narrative report for the Board meetings.

The organization has experienced financial loss for the last two years and to date in 2019 is operating at a loss (traditionally most income comes at year-end so the YTD results could potentially relate to timing). Year-to-date income is behind June 2018 by $20,000 (29%), but expenses are also much less. The YTD loss at the end of June 2019 is nearly $70,000. At this point, the Board has not developed a strategy to reverse this trend although they are hopeful that the efforts of the new Associate Director will make a difference. The staff is actively planning and investigating ways to improve operations and cash flow through both traditional and non-traditional fundraising efforts.

At one point, the Board talked with another organization about a merger, but those discussions did not move forward due to the other organization. It is believed that the Board would be receptive to merger as a sustainability strategy, if the new organization committed to continuing the vision of Sister Pat. Both the Executive Director and Board Treasurer expressed that merger might be the most realistic future to ensure the continuation of the mission in the long run.

The organization has an investment fund which is doing well in the current market (approximately $70,000 in late July 2019). It is mostly funded with gifts of stock that have been received through their account at Edward Jones, which have never been swept into the organization’s checking account.

*Recommendations*

* The Board should establish a strategic direction for the organization’s future and then implement a financial management plan to support that decision. Options could include strengthening the organization to continue as an independent agency or preparing the organization to be an appealing partner for a merger. By thoroughly vetting those two options, the organization could possibly even identify an alternate path to pursue. A decision regarding strategic direction is critical in order to drive planning, fund raising and partnerships.
* Begin providing the Board with 90-day cash flow projections.

Partnerships, Collaborations & Advocacy

Most of the EnergyCare’s partners fall into three primary categories:

1. Funding partners – primarily foundations and government funding sources that focus their resources on specific populations served by EnergyCare;
2. Referral partners – organizations that help to connect clients to EnergyCare (primarily United Way 211) and the organizations that EnergyCare connects clients to for additional services;
3. Volunteer partners – schools, businesses and other organizations that coordinate groups of volunteers to help with weatherization projects each year.

While each of these types of partnerships plays an integral role in helping EnergyCare fulfill its mission, the staff and Board both recognize a need to grow and develop programmatic partnerships to enhance services and connect clients with more resources. For example, EnergyCare piloted a program with the Occupational Therapy Department at St. Louis University to help reduce the risk of falls for elderly clients in their homes. The pilot was successful and they are currently seeking funds to continue to expand this program. They are also increasing discussions with other agencies such as Better Family Life and Cardinal Ritter to leverage resources and work more together.

The organization has strong roots in advocacy. In the 1980s, Sr. Pat led the way in Missouri for the development of utility assistance programs and she connected with other leaders in the business and government sectors to make a difference. In recent years, the advocacy component of EnergyCare has been less of a focus, as the organization has prioritized direct services.

The Executive Director maintains an awareness of legislation that could impact their work, and he and the staff support the work of other organizations that have stronger advocacy programs. They see a need to support not only advocacy related to utility rates, but also for programs that support efforts such as aging in place or health services for low income seniors. The staff expressed an interest in partnering with other agencies to advocate and give a voice to clients on issues that impact them. The Board is not currently involved in advocacy efforts.

*Recommendations*

* Identify and prioritize client needs that could be met by other agencies and seek partnerships to help meet those needs;
* Add an advocacy awareness component to Board meetings, giving the staff the opportunity to update the Board about legislation, policies and other external factors impacting EnergyCare’s work and clients;
* Establish an annual advocacy agenda by identifying two or three focus areas where EnergyCare could help raise awareness.

**SUMMARY OF RECOMMENDATIONS**

The following section highlights the key recommendations made throughout this report. Details for each recommendation can be found in the narrative above.

Mission & Planning

* Establish a shared vision among the Board and the staff.
* Replace the outdated strategic plan an annual operating plan.

Fundraising, Marketing & Communications

* Develop and an annual revenue plan with goals, strategies and defined responsibilities.
* Enhance fund development efforts with a more formal planned giving program.
* Update the case for support and develop consistent messaging to support the case.

Board of Directors & Governance

* Develop a Board leadership succession plan and strategically recruit more members.
* Update governance documents.

Human Resources: Personnel & Volunteers

* Include staff planning, development & support as a focus of annual Board planning and prioritizing.
* Leverage interns & volunteers.
* Establish and support annual professional development goals along with performance goals for each staff member.

Program, Research & Evaluation

* Establish annual programmatic goals and begin tracking all program activity for all clients rather than just those required for grant reporting purposes.
  + Prepare an annual program report that includes client stories, infographics and data to tell the complete story of how much EnergyCare accomplishes each year.
* Increase the use of trained volunteers to help with phone surveys and data entry.

Financial Management

* The Board should establish a strategic direction for the organization’s future and then implement a financial management plan to support that decision.
* Begin providing the Board with 90-day cash flow projections.

Partnerships, Collaborations & Advocacy

* Identify and prioritize client needs that could be met by other agencies and seek partnerships to help meet those needs;
* Add an advocacy awareness component to Board meetings
* Establish an annual advocacy agenda.