

The Next Generation of Human Services: REALIZING THE VISION

*A Report from the
2010 Human Services Summit
at Harvard University*





Introduction

In 2008, U.S. Marshals found four children slain by their mother in a Washington apartment. A review of this case revealed that multiple human services organizations had contact with the family in the preceding months. While signs of impending danger might have been noticed if these agencies had collaborated, each organization worked in a “silo” – no integrated processes, systems or structures were in place to share information and enable a concerted response. This preventable case is rare. Yet it illuminates the challenges facing human services – complicated issues that reach across traditional boundaries and jurisdictions and that require human services leaders to rethink, reform and reactivate service delivery in the near future.

Clarence Carter, the director of human services in Washington DC, advanced a plan to transform the city’s services. “The intention of the old system was to deliver a benefit or service someone was eligible for. This is the fatal flaw of our system – we have focused on transactions and haven’t been intentional about effectively working across organizations and using resources to grow human capacity,” he says. “The new objective in DC is to align the human services system in order to actually grow the capacity of the customers that we serve – so that those people can then be free of public dependence and achieve their highest potential.”

The improvement of human services is vitally important for cities like Washington, and imperative for states and the nation as human services programs and staff are on the front lines of the country’s most pressing social and economic challenges. Human services programs are varied and diverse, meeting needs for food and income supports, mental health, medical assistance, child protection and support, drug addiction and rehabilitation, job training, disability care, senior citizen care and many others. These programs are also working within a set of challenging environmental factors:

1. Demand is Increasing: Nationwide, more than 43 million people are in need of human services. Near term, demand for services has run parallel to the rate of unemployment¹, putting pressure on food assistance and temporary aid programs. Long term, demographic shifts such as aging baby boomers and structural unemployment will squeeze the entire system.
2. Cases are Intensifying: Client challenges are becoming more complex. Many cases are multi-need families who are receiving services from more than one agency or program. And often the root causes of their challenges cut across traditional program or jurisdictional lines and communities – putting a premium on integrated, cross-boundary solutions.

3. Cost is Escalating: After national defense and education, human services programs make up the largest portion of the US federal budget – more than \$900 billion projected for 2011². In states and regions, the cost is relatively even higher – \$10.8 billion in Oregon, \$11.7 billion in Minnesota, \$54.3 billion in Florida, and \$83 billion in California.
4. Resources are Dwindling: Federal and state budget shortfalls are forcing extreme choices. According to the Center on Budget and Policy Priorities, 46 states have made “cuts that hurt families and reduce necessary services.” Service cuts are only the beginning, as many governments no longer have the capacity to balance service needs with cost.

When these factors are combined, they threaten our nation’s social well-being, community health, economic development and individual equity. “We’ve been doing more for less for years, but it’s at a point where if we don’t come up with some innovations and new ways of delivering more effectively and efficiently we risk being inhumane because we won’t be able to deliver services,” warns Tracy Wareing, executive director of the American Public Human Services Association.

What the human services community faces is a “capacity challenge”: Organizations must grow their capacity to improve current services, to deliver new services, to decrease organizational costs and - most importantly - to help people, families and communities realize their full potential.

Experimentation and progress are already happening. In Allegheny County, Penn., creative program alignment is improving results for multi-need families. In Louisiana, modernization of entire organizations, processes and systems is reducing costs and increasing customer service. In Massachusetts, new methods of developing, collecting and reporting outcomes are driving innovation and results across organizational boundaries. In Oklahoma, a focus on healthier families is leading a move to integrated services and improving community outcomes. In New York City, streamlined citizen access, case management and other systems are transforming the city’s ability to meet future demands.

Yet critical questions remain: What is the vision for the future? How can human services leaders grow their organization’s capacity? And how should the innovation and change be implemented and brought to scale?



*“There are risks and costs to a program of action.
But they are far less than the long-range risks
and costs of comfortable inaction.”*

– President John F. Kennedy

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LEADERS FROM FEDERAL, STATE AND LOCAL HUMAN SERVICES ORGANIZATIONS MET AT HARVARD UNIVERSITY to share insights and lessons, identify best practices, define the opportunities and challenges in adopting innovations and new business models, and ideate the future of human services.

The Human Services Summit

The capacity challenge has moved the human services community to an inflection point. A central demand is for programs to provide a high level of “public value”⁴ – a measure of how effective and efficient a program is in achieving outcomes. Across the political spectrum, citizens desire this transparency in reporting public value. Yet the capacity challenge has many organizations struggling. Their effectiveness is at risk in relation to short and long-term demands.

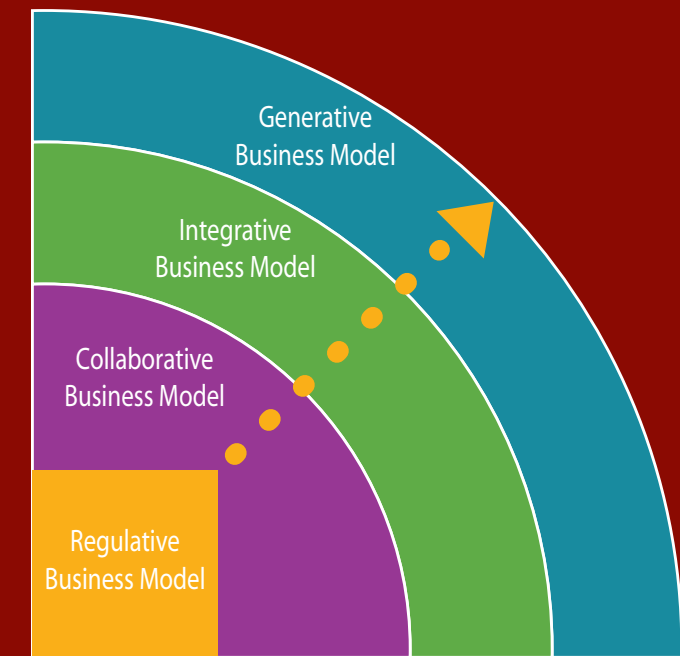
To help human services leaders form and realize a vision for their organizations, Leadership for a Networked World and Accenture, in collaboration with the American Public Human Services Association (APHSA) convened senior human services policy makers and executives at for the 2010 Human Services Summit at Harvard University.

Leaders at the Summit agreed that addressing the capacity challenge will require a new vision for designing and delivering human services. The new business models will have a family centric mission, will work across organizational boundaries to align goals and will pursue a laser-like focus on outcomes. The policies, programs, production and provision of services will enable the mission and continually adapt to changing circumstances – all while striving to generate the highest level of capacity for the organization, employees, clients and the broader community.

As a product of the Summit, Leadership for a Networked World is pleased to present this whitepaper, The Next Generation of Human Services: Realizing the Vision. This paper will help human services leaders envision a transformation journey for their own organization and realize their vision through concrete actions. To inspire and guide efforts, the paper couples insights from the Human Services Summit at Harvard with case-based examples from human services executives nationwide.



Efficiency in Achieving Outcomes



Effectiveness in Achieving Outcomes

Generating Capacity: The Human Services Value Curve

“We need to renew our focus on outcomes for the customer – that’s what resonates and what cuts across all other issues. It’s a different environment now,” says B.J. Walker, former commissioner of the Georgia Department of Human Services. “Our clients are different people. They’re different in that they are not just showing up for services – they want to be part of the solution. We really need to think about capacity building and life-changing tools, and how we must change our organizations and culture to get there.”

What does “capacity” really mean in human services? At an organizational level it’s about delivering outcomes that individuals, communities and society at large value. At an individual level it means providing solutions that empower people to reach their fullest potential in an independent and sustainable way. Capacity is grown in three ways:

- First, an organization can become more efficient at delivering outcomes – i.e., it can produce more of the desired outcomes with a level or reduced amount of resources.
- Second, an organization can become more effective at attaining outcomes – i.e., it can measurably improve its ability to reach goals.
- Third, and most important, an organization can develop entirely new competencies – i.e., it can respond in new ways to create and deliver previously unattainable outcomes.

Thus, renewing focus on generating the capacity to reach client and family centric outcomes is the central thread to meeting demands today and in the future. But to get there, human services organizations must first improve their business models. Broadly, this is done by transforming their business model over time by adopting organizational innovations and harnessing advances in information and communication technologies that enable increased efficiency, effectiveness and the development of new competencies.

Collectively, these actions enable high-performance delivery of current programs and services, and provide a foundation for forecasting needed outcomes and designing forward-looking solutions.

To help apply these concepts and guide efforts, Leadership for a Networked World researched best practices and developed a framework referred to as the “Human Services Value Curve” represented as:

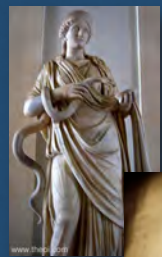
- **Regulative Business Model:** The focus is on serving constituents who are eligible for particular services while complying with categorical policy and program regulations.
- **Collaborative Business Model:** The focus is on supporting constituents in receiving all the services for which they’re eligible by working across agency and programmatic boundaries.
- **Integrative Business Model:** The focus is on addressing the root causes of client needs and problems by coordinating and integrating services at an optimum level.
- **Generative Business Model:** The focus is on generating healthy communities by co-creating solutions for multi-dimensional family and socioeconomic challenges and opportunities.

The Human Services Value Curve is not a one-size-fits-all solution, but rather a guide to help leaders envision a path for their organization. In traversing the curve, the enabling business models and competencies of the human services organization mature and improve the organization’s ability to deliver broader and more valuable outcomes.

The rest of this paper will examine the Human Services Value Curve and how leaders are applying it in the field, and help you chart your own human services transformation journey. As you’ll learn from their experiences, progress is feasible, but requires sound strategy and leadership to create the environment for success.

The History of Human Services: Implications for Today

CIVILIZATIONS HAVE ALWAYS GRAPPLED WITH HOW TO RESPOND TO THE NEEDS OF THE MOST VULNERABLE, AND “HUMAN SERVICES” OFTEN MIRRORED THE CULTURAL, PHILOSOPHICAL, THEOLOGICAL AND TECHNOLOGICAL LEANINGS OF THE TIME. These views formed how the collective understood an individual’s needs and how those needs should be addressed. Yet at every point in time, great advances in service delivery - and steps backward - were tempered by the value societies placed on those in need and the resources available to serve them. While not following a straight trajectory, human services as we know it evolved out of this tension, along the way both advocating for more humane treatment of the fragile and responding to public demands for greater sensitivity and accountability.



Hygeia



Asklepios

An Ancient Practice

The ancient Greeks looked to their god Asklepios and his daughter Hygeia (precursor to the word hygiene) for inspiration on how to help those in need. As a result, the Greeks offered prayer and cleansing with fragrant water at hundreds of xenodocheum – “a house for strangers” - to which the mentally and physically ill would journey for care. Many of these principles and methods transferred to the hospice model still in place today. As Greco-Roman cultures melded, more than 500 aesculapius shrines for bathing, diet, medicine and basic mental disorders were developed. The vast Roman armies later erected thousands of smaller, “incubatorium” which – similar to a hospice – also reflected the empire’s attention to order. There, many services were routinized through formal job descriptions for caregivers and tasks for patients.

During the early Middle Ages, the spiritualization of services rose in prominence. Virtually every town had a church and/or hospice and it was generally understood that people should volunteer time and resources in maintaining care for the ill, hungry, or spiritually needy. Yet for all the local benefits, the lack of national systems took a toll. Dramatic increases in poverty, sickness and disease strained the parish-based system to the breaking point. In addition, the growing belief in “malefa-ction” – that some mental and physical illnesses were a sign of deadly sin – led to the execution of many in severe need. Even more were imprisoned. This “menacization” of needy people reached a crescendo between 1400 A.D. – 1550 A.D as resistance to religious orders during the Reformation led to the destruction of many hospices.

Towards a National System of Care

Out of the Medieval period arose a newfound respect for and theory on services for those in need. In 1526 Juan Luis Vives, a Spanish scholar and humanist wrote “De Subventionem Pauperum Sive de Humanis Necessitatibus,” (On Assistance to the Poor), which laid the foundation for converting the private, voluntary charity system into a systematized and centralized public system based on taxation. As countries began to adopt his vision, they implemented various methods of local taxation along with a system of eligibility and registration to differentiate those they deemed the worthy, deserving poor from the rest. Many of these laws, rules and systems were formalized and refined in England and Wales under the Act for the Relief of the Poor (commonly referred to as the Elizabethan Poor Laws) in 1601. A central thread in this new Act was national funding, with individual towns or jurisdictions responsible for system implementation and administration, still the dominant method today. Yet despite advances of the time, many facets of the law and administration were appalling. The determination of eligibility was woefully subjective, fraught with nepotism and left to interpretation by the local overseer. Many with mental disabilities who were unable to work were cast away to prisons or left to die in the streets. Children of “paupers” were regularly taken from their parents, assumed by the government and sent to apprentice.



Juan Luis Vives

From Injury to Advocacy

Another dark point came in the late 1800s and early 1900s as the Eugenics movement and social Darwinism influenced policy makers across Europe and the United States. Their ideas held that there was a hierarchy of usefulness and utility among humans and that better ability could be “engineered in or out.” This trend of devaluing certain populations took hold among many and spawned depersonalization, segregation, racism, brutalization and even genocidal policies. This mindset held strong for years as exemplified by Louisiana Gov. Huey Long who in 1929 bragged, “We forced a few people to be hanged and reduced the death rate in charity hospitals from 40 percent to only 30 percent,” and by official government policy which led to the sterilization of 60,000 mentally ill in the United States. While in many ways deplorable, this movement also cultivated a new era of advocacy on behalf of the most vulnerable, and promoted a sense of accountability from human services to the general public and particularly clients. Professional training also came to the fore, as the first social work training program was created at Columbia University and researchers began to understand and teach the contextual and system views of cases. The formalization of job training, a focus on behavioral education and the “case-worker” model also became more entrenched practices.

Over the past century, policy makers in the United States have made gains in balancing equity in access with cost and societal priorities. The 1933 Social Security Act instituted federal and state systems of care for the elderly, unemployed and others in need. President Dwight Eisenhower formalized many social service goals with the implementation of the Federal Department of Health, Education and Welfare in 1953. The inception of Medicare and Medicaid in 1965 brought health care to the elderly and poor as part of President Lyndon Johnson’s “Great Society,” and subsequent laws and reforms enabled resources for foster care, adoption, immigrant services and other progressive programs. Current human services policy makers and workers are in the midst of more change as federal and state governments continue to decipher the advantages and disadvantages of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (Welfare Reform) and the near-term implementation of the 2010 Patient Protection and Affordable Care Act, which will drive new opportunities and challenges across government and private care providers.



President Lyndon Johnson signing Medicare into law

Defining the Next Generation

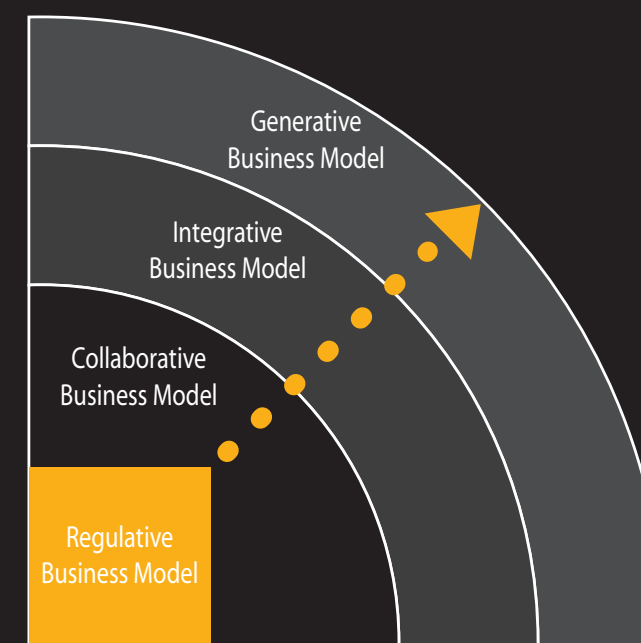
As history has demonstrated, the next generation of human services policy makers will have opportunities to reform practice. A driving force for the coming generation will be the relentless growth of information and communication technologies. Organizational technologies will bring new ways of forming, managing and evaluating human services agencies. Information technologies will generate massive amounts of data that will reveal societal, social, community and familial patterns that impact human services. Networks and mobile systems will enable an unprecedented ability to communicate with communities and clients. Yet good intentions do not liberate us from historical processes and deeply held customs, biases and beliefs; advances will also bring tough choices and tradeoffs on organizational design, jurisdiction, equity and privacy.

At no other time has the ability of the human services community to promote self-sufficiency, productivity, integration, inclusion and capacity for the pursuit of happiness been so ripe. How we harvest it will define our generation.



Regulative

This level serves as a baseline – all human services organizations start here and must meet this level in order to comply with program requirements. With this basic business model, programs and processes are developed and managed categorically and are usually aligned with discrete funding streams. Information technology and support tools are designed to support program-specific management, funding, eligibility, case management and client interactions.



Regulative Business Model

When Ruth Johnson stepped into her role as Secretary of Louisiana's Department of Children and Family Services she faced some tall orders: Gov. Bobby Jindal wanted improvements in responsiveness, efficiency and customer service. "We looked and we found that there were significant inefficiencies. One agency didn't talk to another one," she says. "We have four agencies, the Office of the Secretary and the Office of Family Support which did food stamps, cash assistance, Child Care Assistance and Child Welfare. Many of the parents of families need the same services that are in family assistance; however, they were not linked to those services. Our client interaction was almost all face-to-face and it was extremely paper-intensive. So, we said it's one pot of money. It shouldn't be seen as a series of agencies. It should be seen as a series of services. And we decided to fix that," recalls Ruth.

Ruth's story presents the challenges of many organizations at the "Regulative" level. As human services administrators like Ruth look to achieve better outcomes, they'll have to inspect under the hood of their organizations – and many will find plenty to work on. At the Regulative level, this often means fixing something that isn't fundamentally broken. Every human services organization starts with a call to solve a particular challenge and their business model is built around that mandate or goal. The organization begins life with a regulative posture and the focus is on serving constituents who are eligible for particular services while complying with categorical policy and program regulations. In practice, operating at this level enables an organization to respond to near-term and acute problems – a valuable capability – yet too much emphasis on regulative competencies will diminish the organization's ability to collaborate across agencies to meet greater demands. The organization quickly finds that in order to meet the most pressing challenges it has to improve coordination and the flow of work with complementary organizations.

Ruth is making headway by focusing on three major fixes: First, she's realigning the departments into one agency that leverages all resources and centers them on client needs. Second, work flow and processes are being redesigned to create greater collaboration between existing "siloed" programs. Third, her team is identifying methods and opportunities to restructure in order to reduce the workload and associated costs. "In our Business Reengineering, we wanted to speed up our processing for our eligibility services," explains Ruth. "Our targeted areas of improvement are increasing the access, improving the customer flow, automation for our staff - true automation that helps their work, not increases their workload because we've given them something they can't manage - reducing duplication of effort and gaining efficiencies."

The end product of the reorganization and reengineering will be a system called Common Access Front End (CAFÉ). CAFÉ will integrate management and delivery of social service programs through a customer service call center, electronic case record management, an online client portal and a worker portal that enables a cross-program view of the customer.

Clarence Carter relates his experience during his tenure in Washington: "When I got to the D C's Department of Human Services, I found an agency that was highly regulative. It was a community and culture of protection. We were actually counter-collaborative over the course of years. We had a 20th Century infrastructure – it was all paper-based. We had 22 million paper records, and we couldn't serve you in any other part of the city than that which you live because that's where your case file was located."

This has been a significant challenge for years. Since the mid 1900s most human services programs, processes and systems have been formed in "silos" – the categorical agency lines of business. Historically this served a good purpose, as categorical management made it easier to match services to distinct constituents and to raise and track funding. But as the silos have grown, so have the difficulties in collaboratively addressing an individual's or family's comprehensive needs. The inability to effectively communicate and work across traditional agency and program boundaries has brought challenging consequences not only in terms of case management, but also from redundant costs and efficiency perspectives – depleting the capacity to truly focus on the client and outcomes.

The Washington DC plan will focus on developing and aligning staff around outcome measures. The goal is to reform processes and workflow to reduce the number of compliance staff from 35 percent to 18 percent and shift people to client-facing, outcome-generating work.



Ruth Johnson
State of Louisiana



Clarence Carter
Washington DC

Moving Up the Human Services Value Curve

As a leader begins the journey to a more collaborative business model, they'll find it's partly an organizational challenge, partly a system challenge and partly a political challenge. From an organizational view — a single agency or program — the primary levers a leader has in increasing the organization's operational capacity are in the internal value chain: the people and culture, management and operational processes, and capital and technology that enable it to perform more efficiently and effectively. When an organization improves capacity and successfully achieves its mission and outcome goals, it solidifies legitimacy and support. That's what keeps the organization "in business."

From a system view — across organizational and program boundaries — the primary levers to increase capacity are to align policies and goals horizontally across programs, and improve managerial and operational processes and divisions of labor vertically by leveraging and sharing capital (infrastructure, systems, tools and technologies) and human resources. When leaders can balance and optimize these levers, the human services system will become not only more efficient and effective but also improve its ability to deliver new services and outcomes sought by communities, groups and individuals.

Thus when making the first moves beyond a Regulative business model, one should look to the mission of the organization and the outcomes desired from programs. Then, take a portfolio view by scanning programs to assess where collaborative connections can be made. At every level of the Human Services Value Curve, organizing around outcomes and measures is paramount. This is especially true for organizations starting with a Regulative Business Model as they emphasize measuring compliance, i.e., did we verify a client was eligible and did that client get their benefit? In Washington, "the three things that we measured in the administration of the Supplemental Nutrition Assistance Program are, did we get the benefit to that individual or family that was entitled to receive it? Did we get it to them in the appropriate amount, and did we get it to them in the right time?" Clarence says, adding that the agency is now looking to take the next step. "I believe that we can continue to measure accountability for a program to ensure for the taxpayers that the dollars are expended for the intended purpose. But, I would argue for balancing what we measure by adding measures of human well-being, for us to determine at the end of the day, did anybody get better because of it? And if not, what do we do to achieve that objective?"

Moving up the Human Services Value Curve – Key Strategic Steps:

Starting with an outcomes view, prime areas for advancement are the programmatic measures, basic managerial and operating processes and program infrastructure.

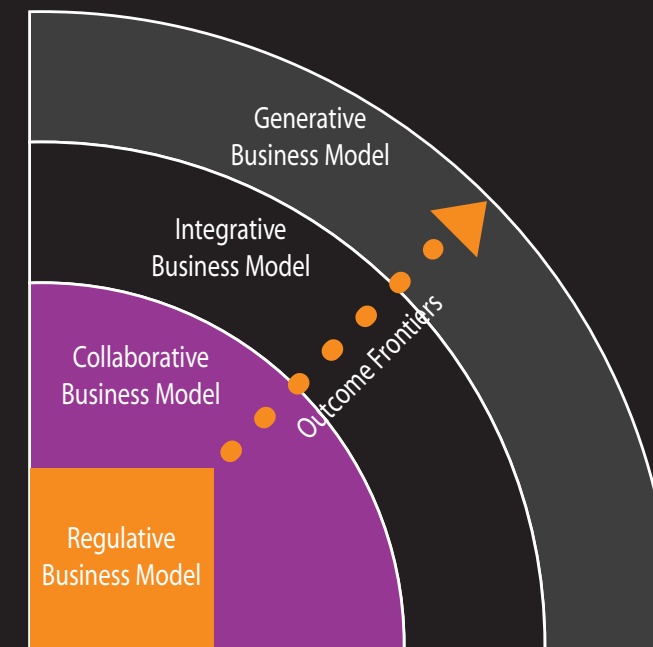
- **Define and extend enterprise-wide measures:** Make an attempt to extend measures across programs and assess if the results have been beneficial. A key theme is to not only measure the results that are important to program operations, but also results that are important to achieving outcomes.
- **Start reforming managerial and operating processes:** Shift the organization's employees to capacity-oriented work. Basic process reengineering is valuable if it can enable employees to orient their work around assessing and managing the degree to which a program actually grows the capacity of the customer served.
- **Collaborate on program technology and tools:** Develop a basic plan to share more infrastructure across programs and if possible, across organizational lines. Good places to start are on routine technologies such as document imaging, digitizing and storage, allowing employees across programs to access and update client files, and enabling clients to submit basic applications for services online. Like Clarence and Ruth, make sure to tie infrastructure investment to key outcome goals.



Collaborative

As a human services organization progresses to a “Collaborative Business Model,” the focus expands beyond program “silos” and categorical management to support constituents in receiving all the services for which they are eligible and helping them address immediate needs. In action, entities collaborate on some policy and programs and may have some common intake, eligibility and team-based case planning. The technologies and tools adopted facilitate limited cross-organization information sharing and decision making.

Efficiency in Achieving Outcomes



Effectiveness in Achieving Outcomes

Collaborative Business Model

“We need to transform to a culture that is outcomes-focused, not just budget or process-focused. We need to talk more often and openly about what our policy and program goals are, and use performance information that communicates how well we are achieving those goals as the starting point for our management discussions, rather than an after-the-fact reporting requirement. This change in culture is not easy, and will take several years.”
From Massachusetts’ EHSResults Mission Statement

What distinguishes the Collaborative Business Model from the Regulative is the degree of alignment among the desired outcomes, policies and processes and the extension of that alignment across organizations and programs. The enterprise-wide alignment helps the entire human services system respond to a client in a coordinated and comprehensive way. In moving to a Collaborative Business Model, the primary leadership responsibility is to work diligently across organizational boundaries in order to find points of program collaboration and apply a governance model that keeps stakeholders engaged and committed.

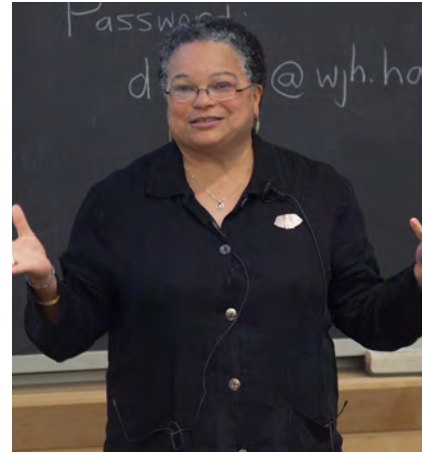
In Massachusetts, Judy Bigby, secretary of the Executive Office of Health and Human Services, started the move to collaboration by focusing on an area that makes ears perk up – agency budgets. With the executive sponsorship of Gov. Deval Patrick, Judy created an initiative to measure outcomes across state agencies and programs in order to find areas for improved efficiency and effectiveness. To start, she directed conversations to the following questions: What are we doing with taxpayer money and why? How do we know whether or not we’re reaching the outcomes we want to achieve? Initially, the answers weren’t what she was looking for. “What I got from agency after agency for the most part was I need this line item, this line item, this line item,” recalls Judy. “So, I started asking about the results we’re achieving from these programs that are divided up in all these line items and I found out that there really wasn’t that much information about results or outcomes.”

From this kernel of insight the EHSResults initiative was jumpstarted. The goal of EHSResults is to maximize achievement of human services outcomes. To make this happen, Judy’s team collects data and metrics for every human services program the state runs, then incorporate the analysis into cross-agency policy and program decision making. It’s changed how they do business. “We use the information in leadership meetings to look at the progress we’re making toward the goals,” explains Judy. “People actually can see how we’re using the measures to make decisions about what we’re doing, about policies, about budget decisions and it also allowed us to do a better job of looking at how we align functions and work across agencies in order to achieve common goals and system-wide outcomes.”

A key leadership lesson from Judy’s experience is to gain the buy-in of both the leadership level and program level executives. On the senior leadership side, the goals of EHSResults align concretely with the governor’s agenda for improved outcomes and increased transparency, and program staff develops the goals and measures with their peers. From the executive to caseworker levels, people can see how they’re performing simply by looking at the metrics, which solidifies and validates the initiative. The new level of transparency “closes the loop,” as citizens can go to the web and look at measures that are understandable and relevant. Lastly, and importantly, the increased visibility into the effects of changes to policies or programs drives improvement across the entire human services system, and this will enable Massachusetts to move to a fully Integrative and Generative Business Model faster.

In Oklahoma, Howard Hendrick, director of the Oklahoma Department of Human Services, is leveraging a strong Collaborative Business Model to make a move to increased integration. For the State of Oklahoma and Howard’s team service integration isn’t an option – the new reality they’re working in demands it. From 2002 to 2010, the human services system lost eight percent of its employees. The number of children on various subsidized programs and in the adoption program has increased by more than 100 percent. There has been a 73 percent rise in elderly care, 62 percent increase in food stamps, 55 percent increase in paternity establishment for child support and a 43 percent increase in Medicaid participation. Overall there’s higher demand, fewer resources, and 80 percent of the families served are in more than one program – the perfect storm for human services.

Howard’s vision is clear. “It really gets down to our mission statement. We try to drive that as far in the organization as we can. ‘We help individuals and families lead safer, healthier and more independent productive lives.’ And if we really believe that and see that as our job, then we have to work collaboratively and integrate systems. It’s better for us, better for customers, and better for outcome achievement,” he says. To realize the vision, Howard launched an enterprise-wide program called MOSAIC. This initiative will consolidate three legacy systems into one integrated system, replace a 30 year old development platform, and reform program-based (silo) operations to functional based. Most important, the new combination of cross-boundary collaboration and technology-enabled integration will streamline eligibility so that customers only have to apply for services once. The state will confirm eligibility and enable caseworkers to collaborate on client solutions – bringing improvements in effectiveness, efficiency and outcomes.



Judy Bigby
Commonwealth of Massachusetts

For Howard and his team, aligning policy and process has been instrumental in moving forward. In many organizations the opposite is true – innovations get held up or stopped by outdated processes that have become calcified across the organization. Thus the common question, “why does it take 10 people and 45 days to process this form?” is met with the common answer, “because that’s the way it’s always been done.” When you have clear policy goals and can translate those to organizational actions, it becomes obvious how to change operational processes. Howard has used policy goals to “rationalize” (optimizing workflow to achieve goals such as improving accuracy or speed, reducing cost, improving customer services, etc.) processes and process-related definitions. “When policy drives process, you’ll find performance gaps that clearly need to be fixed,” he explains. “For example, you’ll probably find that the definition of a ‘household’ for food stamps is not the same definition of ‘household’ for some other program, a ‘case’ in child welfare is not the same thing as a ‘case’ in child support enforcement, or a ‘case’ in the food stamps program. So you have to harvest all this data, get a common understanding about what the data means, and then synchronize it across organizations and programs.” This isn’t easy work, but it’s “the roll up your sleeves and get it done work” that underpins cross-boundary work and integration.

The result of Howard’s efforts will also bring a strong return on investment to the state. Projected costs are \$6.2 million annually for nine years. Projected savings include an \$8.5 million increase in child support collections, \$3.7 million in administrative savings, \$5.2 million savings in staff hours and nearly \$1 million in decreased system maintenance costs.



Howard Hendrick
State of Oklahoma

Moving Up the Human Services Value Curve – Key Strategic Steps:

Starting with an outcomes view, prime areas to move forward are alignment of policy and program strategy, basic integration of case information and adoption of technologies that enable collaborative decision making.

- **Develop policy and program strategies across programs:** As in Massachusetts, drive the collection and analysis of measures and metrics deeper within organizations and across programs. Set up a team to analyze and determine what is working well and what could be improved and then map the areas of improvement to specific policies and programs. In particular, find the intersections of new value, i.e., where agencies and programs can collaborate in order to improve outcomes. Then, with strong executive sponsorship, remove the barriers to improved collaboration and institutionalize the new model of performance.
- **Share eligibility, service delivery and case information across programs:** Multi-need individuals and families are a critical area to address as solutions tend to be more complex and take longer to work. Find ways, both procedurally and technically, to share information, processes and case information. Oklahoma, for example, is integrating applications for TANF, SNAP, CHIP and Medicaid with single intake processes supporting all programs and with technology and business processes to support integrated eligibility for those programs. This will allow caseworkers to collaborate on solutions and help clients move to self-sufficiency faster.
- **Utilize technology and tools that enable decision making across organizations:** Organizations, programs and staff can collaborate in basic ways without the use of technology and systems, but in today’s world, information and communication technologies dramatically enhance collaborative capability. Even if you’re not ready for a full integration project, make smaller strides by adopting technologies such as digital records, enterprise content management and document storage, customer self-service modules, and basic staff communication tools. Not only will you improve workflow and collaboration, but also your trajectory to long-term integration.

Economics of Human Services Integration

SINCE THE MID 1900S MOST HUMAN SERVICES PROGRAMS, PROCESSES AND SYSTEMS HAVE BEEN FORMED IN “SILOS” – THE CATEGORICAL AGENCY LINES OF BUSINESS. Historically this served a good purpose, as categorical management made it easier to match services to distinct constituents and to raise and track funding. But as the silos have grown, so has complexity. Agencies and programs developed their own infrastructure, processes and systems, and as complexity increased, tradeoffs were made between efficiency and effectiveness in the production of services. This led not only to system-wide inefficiencies but also to less cohesive customer service.

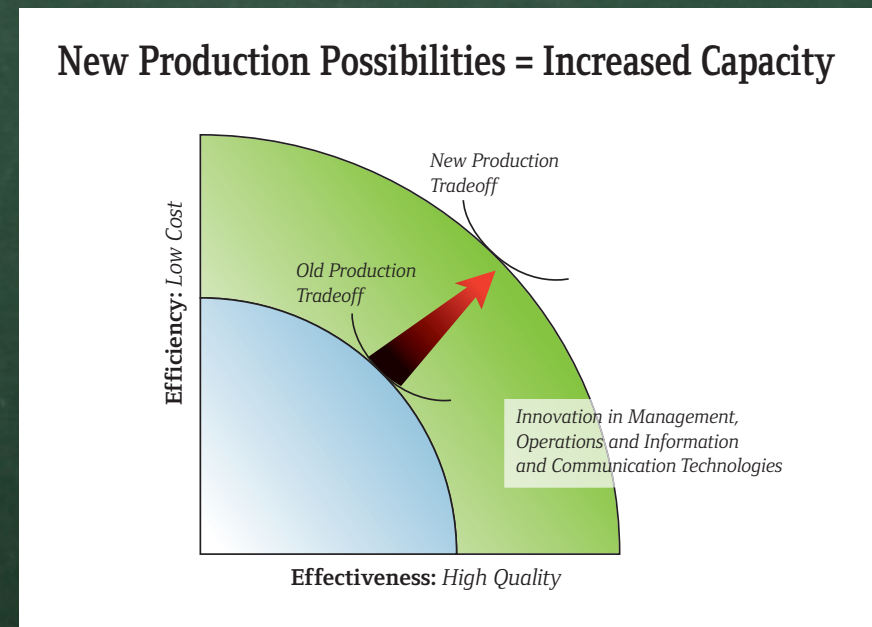
Managers historically had two broad options for optimizing this “production function.”⁶ They could pull resources (capital and labor) in and focus on maximizing efficient production through standardization of processes and technologies and direct central control – but this limited flexibility and responsiveness at the local agency level. Alternatively, they could push resources out and provide extensive customization and local control of production to agencies – yet this option ignored volume efficiencies, produced duplication and raised overall costs to taxpayers. It was a lose-lose proposition.

Now the formula has changed. In just the last few years, the combination of new organizational structures, network-enabled business models and shared services platforms has created a new level of optimization – one in which overall capacity has grown and can be extended across an enterprise. These innovations interrelate and include:

- **Organizational Structures:** Advances in management theory – particularly around management and business process - have led to new ways in which an organization can enact policy. The series of activities that form how an organization designs, produces, markets, delivers and supports its services have been subjected to collective knowledge (such as time and motion studies) and are now able to be done faster, leaner and in “flatter” organizational structures.
- **Network-Enabled Business Models:** Networks and information flows – in particular “Web 2.0” technologies and “cloud computing” – make cooperation and coordination possible in configurations where the transaction costs would have been prohibitively high in the past. The hardware, software and networks that enable an organization to create, store and use information in all its forms have advanced to a point where people can work “virtually” and processes can be streamlined, integrated and synchronized over any distance. Networked government can now provide control, accountability and predictability, while also accommodating flexibility and innovation.

- **Shared Expertise, Processes and Technologies:** Shared services – a method of ordering work so that business processes and the people who do those processes are brought together in new and more efficient and effective ways allow workers to specialize in processing transactions quickly and effectively. This drives down cost and enables the organization to transfer costs from back-office business processes to programs that really impact clients.

Underpinning the above innovations are continual advances that make collaboration and coordination more efficient (Metcalfe’s Law) and that make information processing more powerful (Moore’s Law). Collectively, this enables more granular standards so that standardized systems can support customizable solutions. Standards need no longer mean “one size fits all.” Information infrastructure can now share the data and processing needed to customize agency and citizen services efficiently and effectively in real-time. This has fundamentally changed the equation and shifted the capacity curve up and to the right as managers can gain both efficiency (low unit costs) and effectiveness (high quality) by moving to new and/or better production methods.

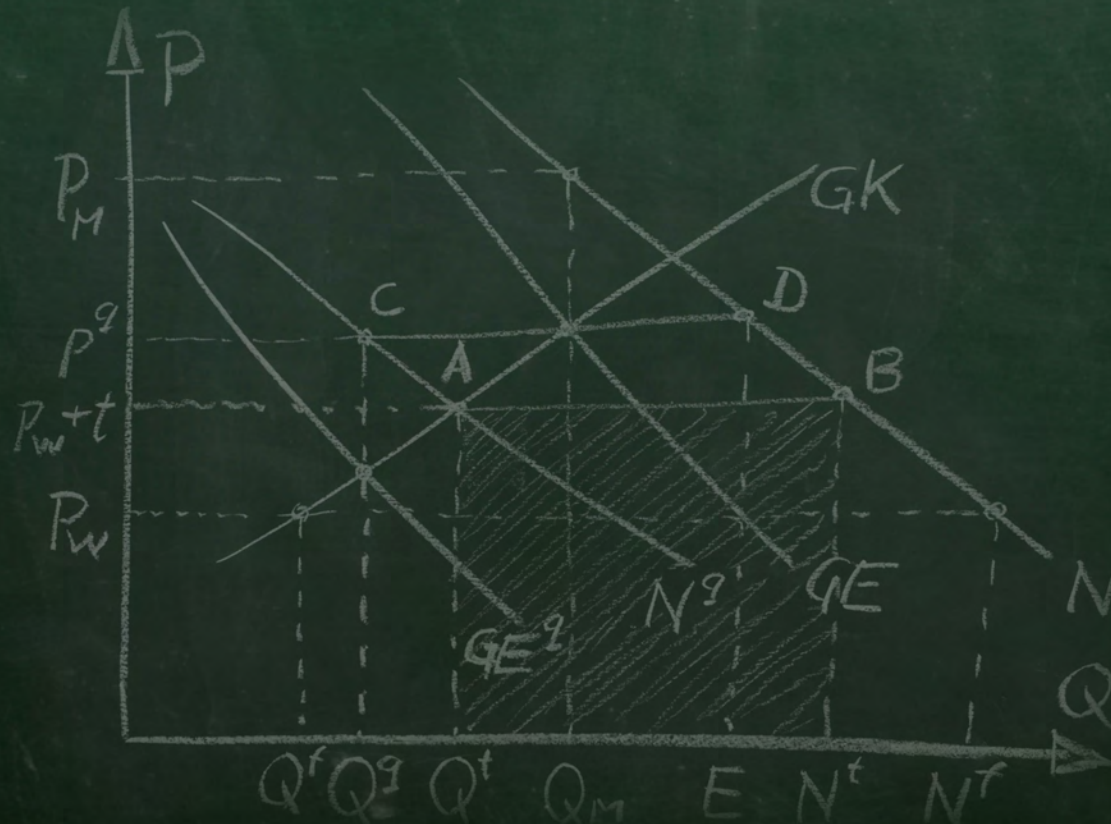


Extending this increased capacity across human services agencies and programs can amplify the effects of these laws. This amplification is based on increasing the return on labor (through specialization of management and operational processes) and increasing the return on capital (through higher utilization from the volume of production). The total potential for increased capacity depends on the number and size of organizations in the collaboration and the depth of integration in programs, production and provision.

Human services enterprises that adopt these new models of doing business will be better able to meet demands for improved services and lower costs through:

- **Greater Returns to Scale** – organizations can produce more with a constant proportion of inputs, i.e., “We can do more with the same amount of resources.” The consolidation and combination of certain functions can reduce fixed costs by removing duplicate departments or operations and lowering the cost of services, thus increasing taxpayer return on investment and public value.
- **Greater Economies of Scale** – organizations can produce more when input proportions are variable, i.e., “We can double our output with less than a doubling of cost.” Instead of multiple agencies working at less than full capacity, a single (shared service center) or smaller set of agencies can leverage processes and technologies, maximize existing capacity and decrease overall costs.
- **Greater Economies of Scope** – organizational outputs by a single entity are greater than outputs that could be achieved by two different agencies each producing on their own, i.e., “We can share expertise and processes to get more for less.” In these cases, human services organizations can gain efficiencies associated with demand-side functions, such as implementing new business models for intake and case management, eliminating unnecessary duplication and adopting new shared technologies.

In sum, harnessing newfound capacity with the combination of new organizational structures, network-enabled business models and shared services and extending it across boundaries increases capacity and public value in human services.

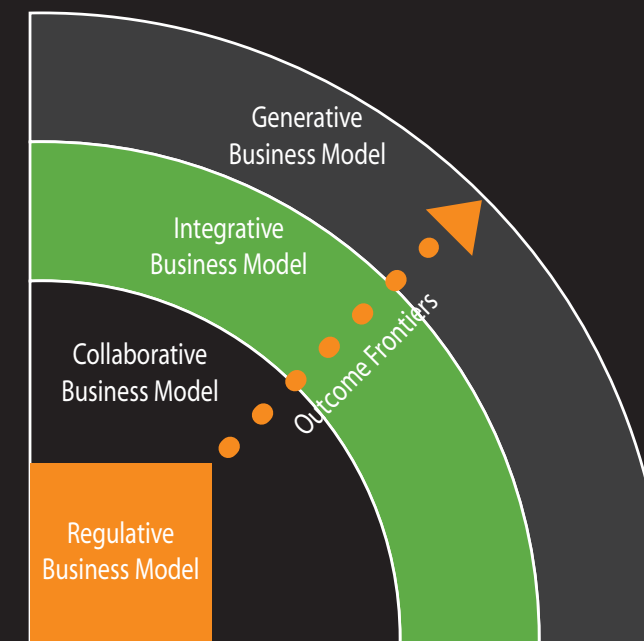




Integrative

With an “Integrative Business Model,” the focus broadens to complete integration of multiple programs and services in order to improve customer service, increase participation and support data-driven policy and decision making. Strategically and operationally, the enterprise addresses family centric outcomes through seamless, cross-boundary collaboration. Information technologies support enterprise-wide back-office processes, as well as front-office innovations such as individualized client services focused on self-sufficiency, improved health outcomes and social inclusion.

Efficiency in Achieving Outcomes



Effectiveness in Achieving Outcomes

Integrative Business Model

“We’re very big on looking at capabilities as opposed to disabilities. Our goal is client self-sufficiency. We do services in the community. We go to people’s homes. It’s not about 8:30 to 4:30, Monday through Friday. It’s about where people are and what they need. Cultural and community competency is important and everybody is a unique individual so you have to have some individually tailored services. The cookie-cutter approach doesn’t work and with so many people in multiple systems, you have to integrate and provide holistic services,” says Marc Cherna, director of the Allegheny County, Pa. Department of Human Services.

Moving to an Integrative Business Model is born from the recognition that the world is giving us more complex problems and we need more robust ways to respond. There are countless stories of a parent working to become self-sufficient, receiving temporary assistance, employment services and finding a job, but then not receiving child care assistance. The parent can’t keep the job, has to reapply for nutrition assistance, and winds up in a worse place than before. With integrated services, caseworkers from multiple organizations work together to solve complicated cases. An Integrative Business Model lays the foundation for providing truly customized services that address complex challenges and lead to family centric outcomes. Customization is the caseworkers’ ability to mix and match services from an array of programs and synchronize them so they reinforce and strengthen each other. This level of integration relies on the ability to share data across multiple entities, and make decisions with a full-service view.

In Allegheny County, Marc has worked hard at achieving an Integrative Business Model. His goal has been to provide a holistic, consumer-centric service delivery model around specific client groups. There’s a lot riding on success. The county has 1.3 million people - and some 250,000 of them are receiving human services. Within the county, 41 percent of clients (as of 2009) are multi-need – receiving services from three or more programs. Multi-need clients put enormous stress on human services systems as costs are higher, solutions more complex, and often they’re reliant on the system for a longer time.

When Marc took the reins of the children and youth system, it was in complete disarray. There were highly publicized child deaths, vicious public hearings and community confidence was at an all-time low. He took immediate steps to stabilize the agency through a number of internal and external actions, including getting the largest law firm in town to do pro-bono adoptions to reduce the backlog. Within the year, The County Commissioners asked Marc to take five discrete departments and form a department of human services. To get support and buy-in from the leaders of the private and public sectors, he created an oversight committee of community leaders to assist in the development of a new human services management structure and advise on the organizational change process. Using technical assistance from the Chamber of Commerce and financial support from the local foundations, the county was able to consolidate its fiscal, human resources and information management functions, its community relations and public information functions, and its data analysis, research and evaluation functions. In addition, the policies, programs and processes of previously separate organizations were aligned to permit coordination of services for multi-need consumers through its five program offices. Very importantly, Marc engaged the community and key stakeholders in the transformation effort – they developed the vision and operating guidelines and were an integral part of the redesign process.

Allegheny County is a strong example of the importance of innovative governance and strong executive sponsorship. “This really becomes adaptive work,” says Marc (see sidebar on the Adaptive Challenge on page 34). “We have to invent new ways of doing things, and new ways of working. There’s little formal authority when you’re going across boundaries unless you create a new boundary and then a new form of authority.” When transforming an entire human services system, one person can’t possibly redraw all the lines; it takes a coalition of like-minded people. In this case, community businesses, churches, non-profit organizations and a mix of elected officials were all at the table. This helped de-politicize the reform, an important ingredient to gaining buy-in.

Beyond the client-facing benefits, consolidation and automation also helped to reduce administrative staff by 50 percent. “We used to have the assembly line and silos – 17 people had to touch a piece of paper to make a payment. Now it’s two people, and we are much more efficient,” explains Marc. The new business model also helped the county maximize utilization of existing funding streams and create opportunities for new and flexible funding sources. In addition, greater accountability was brought to the system through increased transparency, inclusive public participation and openness and accessibility for all stakeholders.



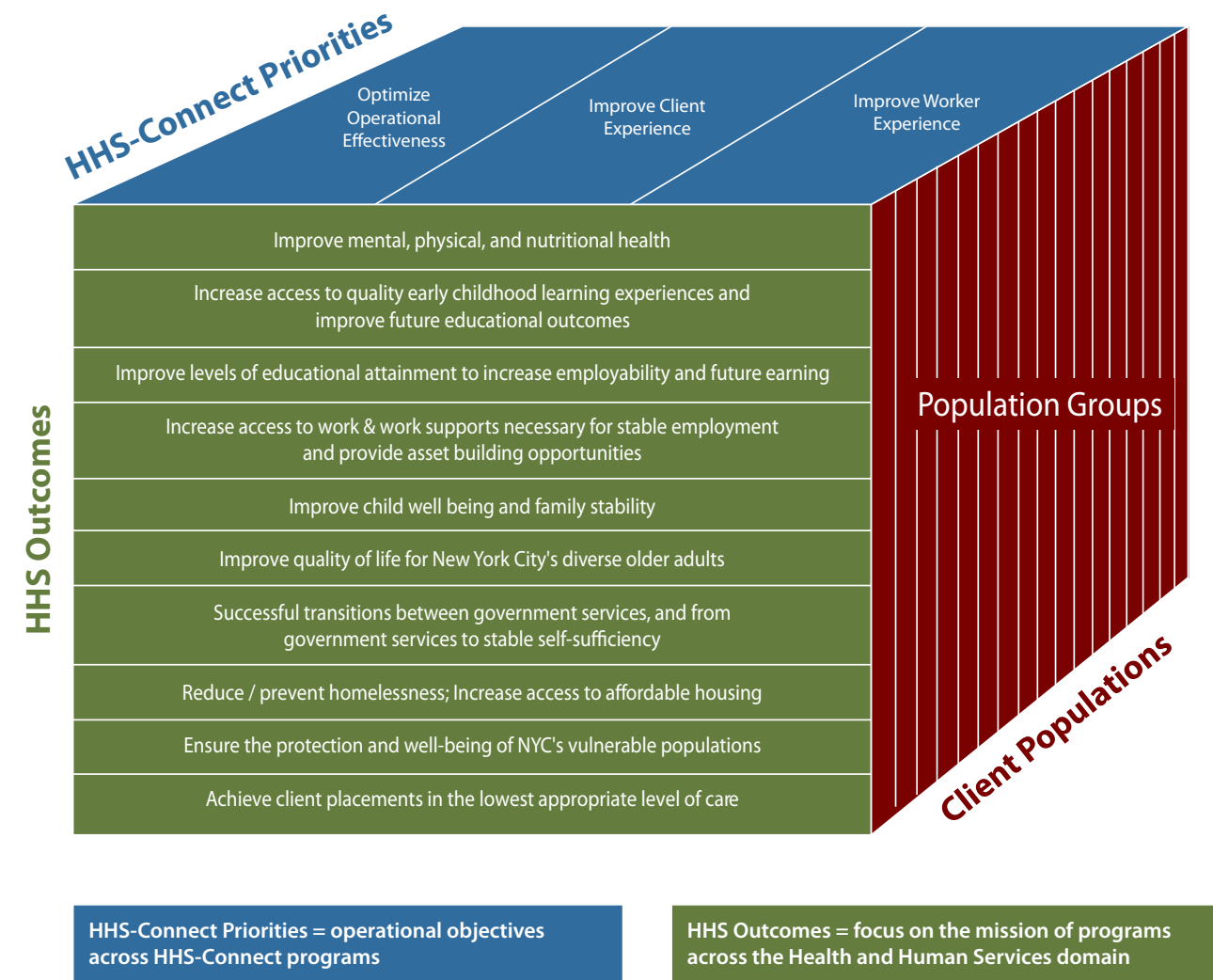
Marc Cherna
Allegheny County PA

New York City is another shining example of the Integrative Business Model, and by many measures it’s the most advanced in the nation. New York City’s HHS-Connect system integrates 35 programs offered by 15 different agencies. Robert Doar, director of the New York City Department of Social Services provides some history. “This is about information access that gets outcomes. We had all this data in multiple agencies, and not enough people could see it, and we wanted a single consolidated view of information. We wanted a worker at the Public Housing Authority, or a worker at the Administration for Children’s Services who has the child protective report, to be able to see quickly whether a family was on food stamps, on Medicaid, on cash assistance, and other information we could synthesize in order to make better decisions and provide improved service.”

Integrating all the agencies and programs was a monumental task. New York City is the largest municipal government in the nation; approximately \$20 billion is allocated annually to human services and its more than 50,000 employees. Thus, a strong vision and dedicated leadership from the top was imperative. Fortunately, Mayor Michael Bloomberg and the deputy mayor of health and human services were of like mind and resolve – they knew New York City had to stay ahead of the curve. Mayor Bloomberg and his deputy mayors have always been proponents of performance management and they wanted health and human services agencies to share client data where appropriate, and use it to generate business analytics. Much like New York City’s award-winning COMPSTAT and 311 systems, data and metrics could take the pulse of the city in order to improve service delivery and outcomes.

HHS Outcome Model

The HHS Outcome Model was defined in the Summer of 2008 to develop a cross-agency means of measuring success. The model illustrates the interconnectedness of the HHS Outcomes, the HHS-Connect Priorities, and impacted Client Population Groups.



To gain a solid understanding of the data and analytics needed, officials first started with the citizen view to determine what service features would be most valuable and lead to the best outcomes. They then turned to the caseworker view to determine what information would lead to the best formulation of services. The resulting HHS Outcome Model illustrates the interconnectedness of outcomes desired, the HHS-Connect priorities, and impacted client population groups. The city uses the outcomes model as a sounding board and measuring stick for every health and human services initiative they undertake. In addition, the model helps determine return on investment. For HHS-Connect, every aspect of the project was evaluated in terms of return on investment and outcome generation, and each initiative had to pay for itself through savings, reduced headcount or greater productivity.

As with every major human services transformation, establishing a new cross-boundary governance framework was integral to success. “I cannot emphasize enough the importance of governance structure. It’s boring, it’s painful, it’s very much ‘process,’ but it is essential to running one of these projects successfully, and I think we got that right,” explains Robert. “Integration ends up being deeper into the production process, not just the eligibility and delivery but also the policy development and the formulation of programs. So the more legitimacy through governance we give to this, the bigger and broader problems our organizations will be able to address.”

The results generated from HHS-Connect speak for themselves. City residents can see whether they’re eligible for multiple programs on one site, which also provides online access to benefits. The system decreases cultural barriers through seven different language formats. Customer surveys show that people are using it in libraries, at home and in community-based organizations. There’s also a worker portal that allows staff from multiple agencies to see (with appropriate privacy standards at each level) metrics and analysis across agencies and programs.

With all of this success, officials in New York City are looking to the future. “Here’s where we get into the second generation—the generative level,” projects Robert. “Eventually we’re going to have adaptive enterprise case management practices where we’re all learning how to work in real-time and how to adapt services to special conditions, especially on those hard-to-solve cases of children or families who are in numerous programs and stuck in the system. We’re going to solve this, and our families, communities and city will be stronger,” he says.

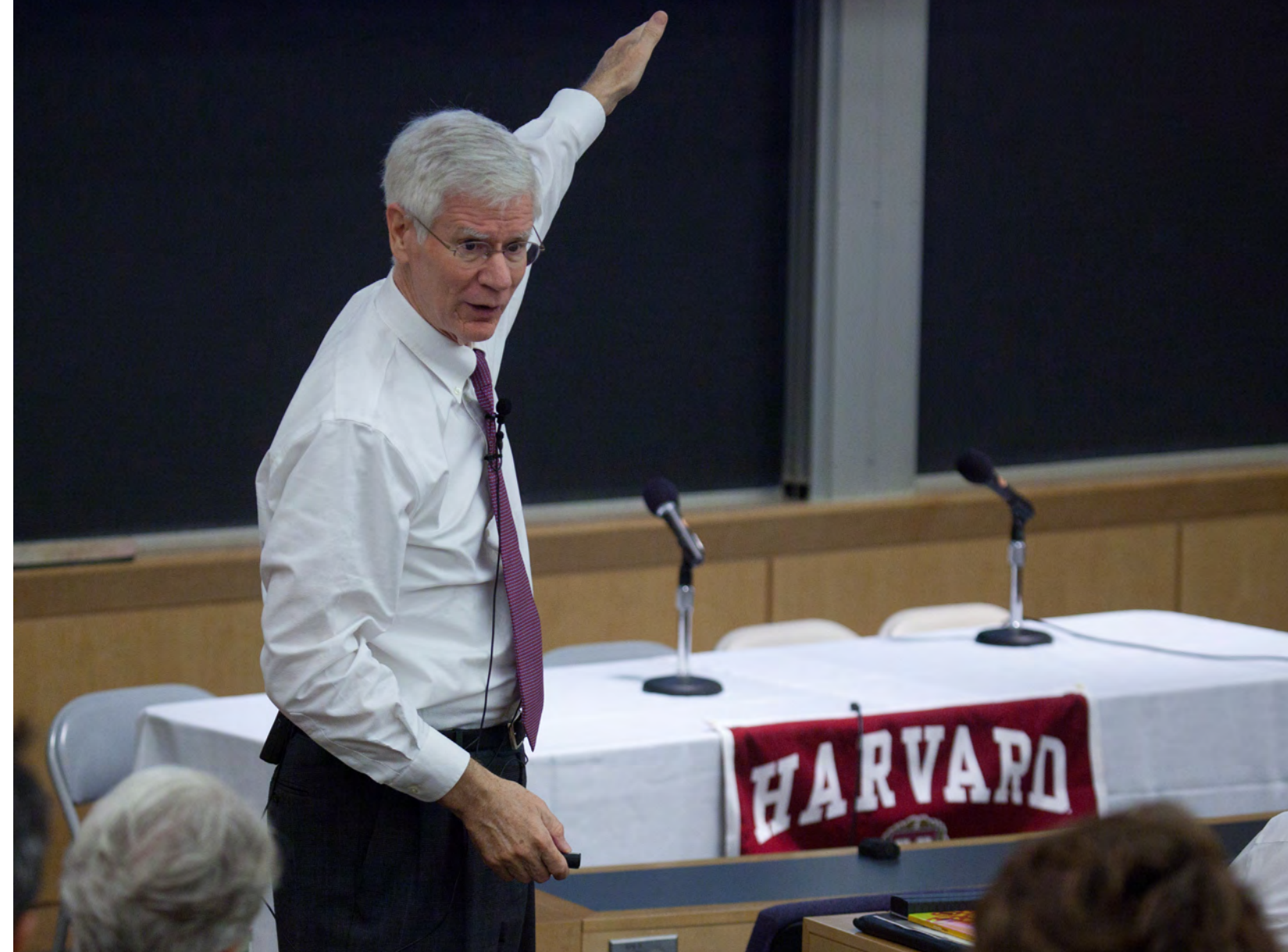


Robert Doar
New York City

Moving up the Human Services Value Curve: Key Strategic Steps:

High-performance governments and human services agencies use customer-generated data and metrics to provide better services and improved outcomes. Integrated human services are dependent on these forms of metrics. Prime areas to move forward are linking overall government performance to human services measures, developing deeper governance structures and deploying a complete, single-view system for customers and caseworkers.

- **Develop a performance management system that supports fully integrated, client-centric service delivery:** Formulate a human services model that connects desired outcomes to overall community priorities and expand the focus to include cross-agency outcomes, metrics and real-time situational awareness. Analyze the data at regular meetings (New York City has weekly reviews) and adjust policies and programs to improve client and outcome focus.
- **Develop governance structures and business processes that focus on common outcome goals and the support of cross-organization coordination:** Utilize the new performance management system to drive cross-boundary governance changes deeper into agencies and wider into programs. Then leverage the governance model to eliminate agency vertical silos and replace them with horizontal, cross-boundary services.
- **Implement an integrated, single-view system for case management across programs and organizations:** Break information silos through the use of modernized technology that enables coordinated agency processes through multiple access channels for customers and an enterprise-wide view for caseworkers. Strive for a system that provides client service information and pre-screening, application filing, client intake, needs assessment and referral, eligibility determination and benefit processing, case maintenance, reporting, performance monitoring and outcome tracking.



“During the next phase of human services transformation, the unit of change is becoming larger, extending across policy domains and traditional jurisdictional boundaries.”

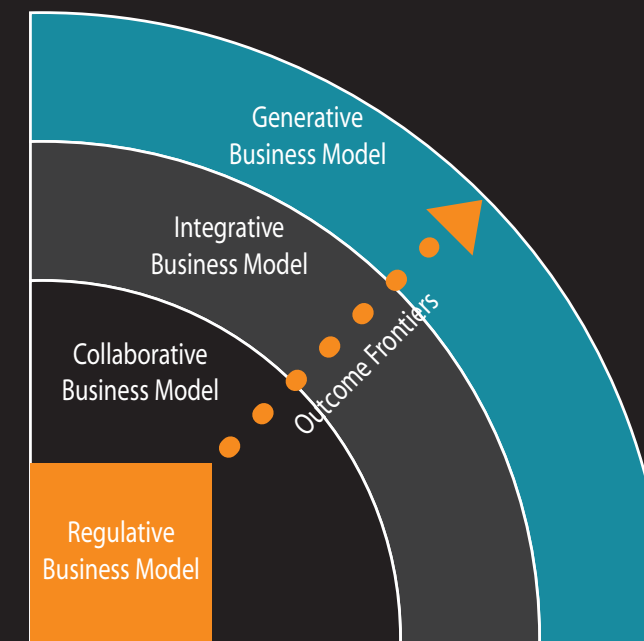
Jerry Mechling
Founding Director, Leadership for a Networked World.
Lecturer in Public Policy, Harvard Kennedy School



Generative

At this level the focus of the human services organization expands to address multi-dimensional family problems, socioeconomic issues and opportunities required to generate long-term individual and community success. In action, the culture, managerial and operational processes and technology of the organization will likely be adaptive and modular, allowing multiple programs and institutions to build, share, and deploy services on an ongoing and evolving basis. Additionally, social networks and advanced information analytics will help organizations synthesize information and trends across the ecosystem of organizations, jurisdictions and communities in order to become predictive in nature – enabling co-creation of policy and adaptation of programs in response to real-time conditions.

Efficiency in Achieving Outcomes



Effectiveness in Achieving Outcomes

Generative Business Model

“When I look to a Generative Business Model I see a human services platform that’s completely seamless. We’re still building on integration – but everything will be interconnected,” says Greg Wass, CIO of Cook County, Ill. “The challenges we’ll face in the future will be more complicated and our employees will have grown up working and thinking differently. This all has to be fused together somehow in a way that leads to improved public value and outcomes. As leaders, we need to figure out how to get ready for this future.”

To address these challenges and the opportunities of a Generative Business Model, a dynamic panel of practitioners took to the stage at the Human Services Summit to discuss how leaders should prepare and respond.

Moving to a Generative Business Model is first a response to the rapid evolution of the human services “insular system” to an “ecosystem” of complex social challenges, changing customers, a new generation of workers, streamlined government and the information-intensive thread that weaves through all of these. While no human services organization has achieved this vision and business model in its entirety, some are touching it with innovative pilots, and much can be learned from other public and private sector examples.

As leaders look to this future, they see one where services will have to meet the demands of a massive number of retirees, a new generation of people who have grown up “digital,” and a swath of people in the middle continually renewing their skills in order to remain middle class. Public sector organizations, following the private sector lead, will have to boost productivity by magnitudes in order to stay viable. Organizational structures will be lean and modular; perhaps even abandoning physical workspaces for digital access points and regional one-stop centers where an array of public programs all coexist. Human services workers and processes will wrap around and adapt to a “portfolio pattern” where work will comprise actively managing a set of resources, clients and programs, often without the constraint of jurisdictional and programmatic boundaries. Human services programs will be modular – assembled, disassembled, combined and packaged dynamically depending on the profile of the customer - and benefit levels will dynamically adjust as a digital record keeps track of the customer’s patterns, usage and outcomes. Accountability, transparency and efficiency will be visibly magnified and quantified, as metrics and measures of resources and outcomes will be ubiquitous.

What are the underpinnings of this future? What should the human services community be thinking about when preparing for this horizon, and how should leaders lay the groundwork for responding?

Organizational Model

First, a Generative Business Model will reshape the structure of human services organizations. The most fundamental change will be the network-intensive focus of the organization and the ecosystem within which it works. As a result, organizations will be much flatter and leaner and the traditional hierarchies we’ve been used to will be gone. Managerial and operating processes and decision making will flow through flexible networks that cut across internal and external boundaries in order to develop and deliver services. Rita Landgraf, past director of the Delaware Department of Human Services, reflects on this future: “I think to actually advance into this model, the strategy has to go beyond the government, it has to go beyond just our respective departments, and it has to be a universal, social impact agenda that not only involves government, but also the communities where they are, the provider networks and the associations and advocacy organizations.”

An example is the National Aeronautics and Space Administration’s (NASA) deployment of Spacebook⁷ – a social network that links together disparate groups, experts and communities of interest both inside and outside the organization. NASA is successfully using the system to share content, form and manage teams around projects, and facilitate peer-to-peer information sharing. Intellipedia – a collaboration across intelligence and defense agencies to share information and expertise - provides another example. Intellipedia is essentially “mashed-up” (various tools melded together to create customized functionality and user experience) Web 2.0 technologies such as wikis, blogs, document sharing etc. The agencies and communities of interest using Intellipedia have reported improved information sharing, idea generation and organizational learning. Many private sector companies are using networks such as this, as well as extending the networks to their business partners and customers. As these technologies and processes mature and become part of the Generative Business



Greg Wass
Cook County IL



Karen Beye
State of Colorado

Model, caseworkers will get up-to-speed faster on client issues, share insights and co-develop solutions with external care and resource providers (such as local housing agencies, schools, churches, etc.) and generally become more efficient and effective.

Data, Analytics and Predictive Modeling

A Generative Business Model will be driven in large part by the digital future that awaits us. Massive amounts of data will be flowing through our communities, organizations and devices. This will not only force, but also enable new ways of doing business. In particular, pattern recognition and predictive analysis will become a core competency of human services systems. By continually analyzing data from communities and individuals, human services organizations and caseworkers will be able to forecast coming changes and respond faster and more efficiently.

For a glimpse of this future, we can look to the New York City Police Department (NYPD). The NYPD gathers information from systems, networks and sensors in order to find patterns and predict crime “hot spots.” The department will then preemptively respond with resources in hot-spot areas. Furthermore, department leadership meets weekly to take the macro view and assess how successful they’ve been. All of this is driven by the stream of real-time data and metrics. The State of Illinois is experimenting in this area now. Researchers are analyzing large datasets across multiple jurisdictions to better understand multi-system families and their patterns and dynamics of service use. Based on the analysis of family and social patterns (a parent being incarcerated for example) researchers are able to effectively predict future challenges and opportunities for the family as well as resources needed to generate positive outcomes. Likewise, client outcome data can help inform the development of case service plans based on success variables related to services and presenting problems.

This predictive future that a Generative Business Model addresses will enable human services organizations to make smarter decisions and deliver better programs as information will turn into actionable knowledge. Policymaking will also be enhanced throughout the human services community as the measures and metrics that show what’s working and what isn’t working will help policymakers at the regional, state and federal levels to change program guidelines and rules faster and with keener insight on outcomes.

Client Interaction and Co-creation

While continuing to work in static ways with clients of the baby boom generation, human services organizations will dramatically change the ways they interact with the next generation. This next generation of client will be used to communicating virtually and with tools that are integrated into their daily flow of activity. The private sector is responding to this change (and in part driving the change) now as consumer-focused companies are increasingly allocating resources to communication technologies that align with customers’ digital lifestyles. For example, some innovative consumer finance companies are integrating their traditional credit card businesses with mobile devices and shopping, and adjusting a customer’s service depending on monthly patterns.

Experimentation on new ways of communicating with clients and the community is happening. The US Health and Human Services agency is using “crowd-sourcing” and peer-to-peer networks to generate ideas and solutions for pressing challenges⁸. Many human services organizations are using social networks and communication tools (Facebook and Twitter primarily) to communicate directly with the community about programs as well as track “service loads” across the city – enabling case workers to shift priorities and resources, create new solutions in real-time and link complementary programs in response to community needs. And recently, the US Department of Agriculture has approved waivers to allow dissemination of client notices using secure social media tools. The next phase of addressing these communication and interaction patterns will likely lead to benefits (food assistance, daycare payments, training credits, etc.) that are mobile, traceable and adjustable at regular intervals.

One could argue that a human service program shouldn’t adapt in such ways – that customers should adapt to the service as they’re the ones in need. But the point is that whatever human services programs can do to move a customer to self-sufficiency faster will lead to increased effectiveness and valued outcomes, and a positive return on investment.



Rita Landgraf
State of Delaware



Tim O’Connor
U.S. Department of Agriculture

Infrastructure and technology

As part foundation, and part response to the future, the infrastructure and technology of human services will adapt to the fluid, network-intensive landscape. As human services policy, programs and provision will be modular and adaptive, so will the information systems. Cloud Computing (accessing computer resources provided through networks rather than running software or storing data on a local computer), Web Services (software that makes it easier to exchange information and conduct transactions) and advanced social networks will hold together and run the organization. This approach is already happening in many private companies and is moving into the public sector. Many corporations, for example, use “cloud based” applications for email, documents and spreadsheets, customer relationship management, etc., bypassing the need for capital investments in servers and software and saving time and money. Greg Wass relates how this could impact his state. “In Illinois, we spend \$150 million a year, not on new systems but on just maintaining the big IT systems we have across all these silos. We need to become person-centric, not silo-centric, and modular evolution could help us get there with better service at a lower cost.”

Moving up the Human Services Value Curve: Key Strategic Steps:

To harness the advances of a Generative Business Model, leaders will need to prepare the entire value chain of human services, from policy to programs to production and provision. While the most profound changes will take place in the distant future, building towards integration and experimenting with generative tools will help readiness. Key areas to focus on are:

- **Foster an adaptive organizational culture that can anticipate changing community and client circumstances and shift priorities to maximize outcome achievement:** Start working now to identify program “portfolios” such as population subsets within a program or a group of people who work in a certain industry. Assess if your organization has methods to understand the dynamics of the portfolio and can respond to large changes. Based on your findings, run scenarios that would test readiness, such as responding to an influx of new immigrants or an employer laying off a large number of people.
- **Synthesize information enterprise-wide to support predictive analysis and policy and program innovation:** Establish a team to look at the current data stream your organization produces. Try to identify the patterns in the community of people you serve and the employees of the human services organization. Assess if these information patterns inform new ways (perhaps as a pilot project) to structure programs, processes and rules so that outcome-oriented innovation becomes the norm.
- **Extend the integrated-view system to all stakeholders and utilize social media and communication tools to co-create solutions with the community:** As a pilot initiative, connect (with appropriate privacy and security controls) key service providers to your integrated system. Look for ways to streamline processes or transactions, such as information sharing with daycare providers on attendance and payments. As a separate initiative, start a new method of communicating with clients, media, partners and the broader community via social networks. Analyze the feedback and communication you receive to see if there are opportunities for improving programs and services.



“Ultimately, your role as leader is to move your organization to ever higher levels of value.”

Amy Edmondson
*Novartis Professor of Leadership and
Management, Harvard Business School*



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APHSA IS COMMITTED TO CARRYING OUT OUR WORK THROUGH STRONG CONNECTIONS AND PARTNERSHIPS AMONG THE MANY AREAS OF GOVERNMENT AND THE BROADER COMMUNITY THAT AFFECT THE WELL-BEING OF OUR CITIZENS.

The APHSA CEO Retreat: Ideas for the Present and Future

In October, the American Public Human Services Association (APHSA) combined its annual health and human services commissioners' retreat with the 2010 Human Services Summit at Harvard University. The Summit's theme of service integration figures prominently in the thinking of these state administrators, who face unprecedented challenges as demand for program services and benefits escalates, state budgets are cut or frozen, and federal oversight and accountability tightens. The commissioners identified service integration, program simplification, communication across artificial turf and silo barriers, and a shared focus on outcomes as among solutions to these challenges that must be quickly developed and implemented.

APHSA CEOs also explored a number of potential routes to arriving at the solutions promoted above:

Share ownership and responsibility – A vigorous health and human services system is a necessary component of a functioning community. A sound health and human services system can help every other department avoid unnecessary expenditures and duplicated efforts. If all parts of the community act as allies and supporters, HHS departments across the nation can make remarkable strides. It is our goal to encourage more allies to align with our efforts.

Pursue health care reform opportunities – State health and human services departments have managed the challenges of supporting the health and well-being of our communities for decades. The new health care reform law presents challenges to this model but also offers unprecedented service integration opportunities. For example, moving toward a seamless health care system for all regardless of income can - if well managed - provide commissioners greater opportunity to link the most vulnerable citizens at the bottom of the income ladder to other types of assistance needed to transition to self-sufficiency. As states build information systems in support of the new health care system, these systems must be constructed with the capacity to exchange information across departments, have applications that function across programs and require a single “electronic home” for all health and human services customers.

Make connections across government – Our work cuts across many government divisions and silos and all affected parts of government must begin sharing data, case information, staff, ideas and responsibility for dealing with the issues we face. This is especially true for closely related systems such as public health, labor, juvenile justice and education.

Move to immediate service integration – There is broad agreement that the federal health and human services policy and funding system is fragmented and disconnected. Required to work with separate federal agencies and congressional committees, states are continually frustrated in their efforts to provide holistic, person-centered services. The federal agencies and state systems must create new models that eliminate categorical inefficiencies and dysfunctional processes that have accumulated over decades. Reform will take time. But there is much that can be done now – through greatly expanded waiver procedures, fresh funding flexibility and transfer authority, steps to make accountability more rational and aggressive state action to implement known solutions. Work toward policy integration and operability at the national level must move urgently ahead, but currently available “work-arounds” must also be immediately employed.

Communicate the health and human services story – One of our greatest obstacles is the stubborn “welfare myths” around the programs we administer that persist. As those responsible for these programs and the results they achieve for vulnerable individuals and families, we know our programs provide essential support, improve health outcomes and are helping to move thousands toward self-sufficiency. We also know that they are among the most tightly managed programs in government. What we must do better is communicate our success stories to the public. We commit to working with local and national media, as well as on-the-ground organizations, to spread the word to constituents about the difference we make.



Submitted by the



Leadership For A Networked World

Human Services Transformation: the Adaptive Challenge

Moving to higher levels of collaboration and integration provides clear fiscal benefits, increased efficiencies and enhanced effectiveness – so why is it that some human services initiatives fail to launch and grow?

A fair guess would be that leaders underestimate the level, form and duration of change required to launch and sustain the effort. Yet the full answer is that leaders must recognize integration initiatives for what they are – a transformational change effort. Transformational change in human services goes beyond change management – and has some significant differences.

The differences reside in the necessity of innovating along two dimensions simultaneously – technical and organizational – and how the resulting tension impacts the social system and environment within which the human services enterprise operates. Broadly, the dimensions can be described as:

- **Technical Innovation:** This form of change is what we're most used to. Organizations and people experience this when implementing incremental change (such as updating a process, technology or management method) within their current organizational structure, authority lines and knowledge set.
- **Organizational Innovation:** This form of change is where most people and institutions get uncomfortable, as it requires the development and adoption of new competencies and capabilities – often within a new environment, governance structure and organizational design.

Combine these two dimensions and you have an “adaptive challenge” on your hands. According to Ron Heifetz, founder of the Center for Public Leadership at Harvard Kennedy School, an adaptive challenge “requires experiments, new discoveries, and adjustments from numerous places in the organization. Without learning new ways – changing attitudes, values and behaviors – people cannot make the adaptive leap necessary to thrive in the new environment. The sustainability of change depends on having the people with the problem internalize the change itself.” Heifetz suggests transformational change cannot be affected completely through authority or (change) management. Rather, it takes someone exercising leadership to actively mobilize stakeholders to address real and perceived loss of important ideals, values and competencies that have been in place for years (if not for a lifetime) while also actively learning new competencies, capabilities and culture.

When people and social systems are working through an adaptive challenge, high levels of personal and organizational cognitive dissonance can arise. This state of psychological distress is caused by the variance between a projected or required future and the current reality. At high levels, the stress and fear of loss can spur people to work against the change. Thus the capacity of people and organizations to move through adaptive challenges and end up on the positive side of transformational change is largely dependent on planning for and exercising leadership by mobilizing groups to work through their adaptive challenges.



What happens when adaptation does not go well or when people exhibit maladaptive behavior? When personal and organizational dissonance rises to a level where such behavior occurs, the resulting disturbance can be enough to derail a human services initiative. Common examples of maladaptive behavior include:

- **Avoidance:** People disengage from the initiative – consciously or unconsciously – as they avoid the pain, anxiety or conflict that comes with actively working through the gains and losses.
- **Direct push-back:** People actively fight the changes taking place – often creating artificial barriers or arguments against the new ways of doing business.
- **Circumvention:** People bypass or work around the human services sponsors and lobby agency heads, legislators or whoever will lend a sympathetic ear in order to delay, distract or derail the initiative.
- **Shadow Processes:** People secretly keep past processes and operating models – duplicating work in some cases – in order to retain a sense of control. Shadow processes are particularly destructive to achieving new levels of efficiency and effectiveness as they undermine the performance that comes from a new business model.

Methods to Exercise Leadership and Mobilize the Human Services Stakeholders

Clearly the importance of exercising leadership through the human services adaptation is critical to success. Here are some recommendations for mobilizing individuals and organizations – and yourself:

- **Understand and Assess the Psychology of “Gains and Losses”:** The first step is to understand the perceived and real value gains and value losses to each category of stakeholder, i.e., data center managers will perceive the value vastly different than an authorizing body or a senior executive in the initiative. It is important to discover both sides of the gain/loss equation as perceived losses affect adoption as much as perceived gains.
- **Identify the Adaptive Challenges:** Be in a position where you know what will happen next. If you assess and forecast where the adaptive challenges will arise you can start working with the people and units affected – moving them to surface and resolving the difficult tensions and tradeoffs related to their changing roles, capabilities, loyalties and identity.
- **Pace the Innovation and Adaptation:** Realize that people need time to work through adaptive challenges – and get to know their limits. As the saying goes; “Keep it hot enough but don’t let it boil over.” One way you can achieve this is by creating a “holding environment” (the term originated in psychoanalysis to describe the relationship between the therapist and the patient) for groups to discuss all of the issues related to the change in a non-judgmental atmosphere. The intent is to understand people’s underlying fears and address adaptive questions such as: What do we have to give up to make this work? Are we competent enough for this new model? How will this change the identities of our current organizations? Do we believe in this new way of doing business?
- **Protect Voices of Leadership:** It’s critical to find and protect the people who exercise leadership but who don’t have the cover of formal authority. These people are the “change-makers” within an organization and usually have a high capacity for mobilizing themselves and their peers. Make sure you funnel them timely information, engage them in helping to voice the necessity of change, and protect them during the process.
- **Hold Steady:** Last – and most important – protect yourself. Realize that you are affected by the change and adaptation as much as others. Make sure you work through your personal adaptation- and even better if you can do some of it with others. A key element is clearly separating yourself from your role and understanding that maladaptive people will attack your role and your authority – don’t take it personally.

For more information on exercising leadership and adaptive challenges please see:

“A Survival Guide for Leaders,” Ronald Heifetz and Marty Linsky, Harvard Business Review, June 2002.⁹

“Leadership on the Line – Staying Alive Through the Dangers of Leading,” Ronald Heifetz and Marty Linsky, Harvard Business School Press, 2002.¹⁰

“Leadership Without Easy Answers,” Ronald Heifetz, Harvard University Press, 1994.¹¹

“The Practice of Adaptive Leadership,” Ronald Heifetz, Alexander Grashow, Marty Linsky, Harvard Business School Press, 2009¹²



Summary

The human services community has a capacity challenge. The environment of increased demand, compressed resources, complex social challenges and changing demographics has challenged the ability to deliver “public value” – the measure of how effective and efficient a program is in achieving outcomes.

Renewing capacity to reach client and family centric outcomes is the central thread to meeting demands today and in the future. But to get there, human services organizations must first improve their business models.

To help human services leaders improve their business models, Leadership for a Networked World and Accenture, in collaboration with the APhSA, convened the 2010 Human Services Summit at Harvard University. As an organization moves progressively through the Regulatory, Collaborative, Integrative and Generative levels of the Human Services Value Curve, enabling business models and competencies mature and improve the organization’s ability to deliver broader and more valued outcomes.

What’s clear throughout is that new human services business models will have a family centric mission, will work across organizational boundaries to align goals, and will pursue a laser-like focus on outcomes. The policies, programs, production and provision of services will enable the mission and continually adapt to changing circumstances – all while striving to generate the highest level of capacity for the clients, organization, employees and the broader community.

In traversing the curve, leaders will have to guide their organizations and stakeholders to new models of governance, new organizational structures, new enabling technologies and new methods of delivering services.

The successful improvement of human services is vitally important to our nation’s social fabric, economic competitiveness and equity in the American dream. We now have the strategies and technologies for high-performance. It’s time to realize the vision.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 211,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on companies around the world, Accenture collaborates with clients to help them become high-performance businesses and governments.



Human services agencies worldwide are delivering family first human services. Many are moving toward high performance with integrated delivery approaches that center on families’ needs – so people get the right services at the right time with the right outcomes. These agencies rely on Accenture’s policy and business understanding, technical know-how and experience to realize their family first vision.

The 2010 Human Services Summit: Integrated Service Delivery - Realizing the Vision, held at Harvard University, was developed in collaboration with Accenture. Find more information and videos from the summit at www.accenture.com/integratedservicedelivery.

About Leadership for a Networked World

Leadership for a Networked World (LNW) helps those exercising leadership to better understand and respond to the challenges and opportunities created by information and communication technologies and network-enabled business models. Founded in 1987 at Harvard Kennedy School by Dr. Jerry Mechling, LNW now works across the Harvard community and globally to provide uniquely powerful executive education, research and advisory services.



Current LNW efforts are focused on the challenges of innovation and change moving across traditional organizational boundaries: departments, jurisdictions, branches of government and sectors of society. These cross-boundary reforms represent the next wave of the many opportunities and challenges opened by information and communication technologies and network-enabled organizational models.

Leading successfully in this networked world requires executives to collectively make difficult decisions and choices about the level and pace of reform and change. By bringing together leading practitioners, academics and executives to share ideas and learn about governance, LNW strives to deliver creative solutions to real-world problems and enable lasting public value for pressing challenges. Find more information at www.lnwprogram.org.

About the Author

Antonio Oftelie is the executive director of the Leadership for a Networked World Program (LNW) where he guides overall program development, produces research on innovation in policy and technology, and teaches cases on leadership and strategic management. In addition, Mr. Oftelie advises senior government and business executives on organizational transformation by helping them to evolve their mission and strategy, ideate new business and service models, build adaptive capacity, and create performance and value measures.



Mr. Oftelie is a recognized expert in technology-enabled innovation and organizational adaptation and has directly advised and written for four governors, federal agencies, states, and numerous private and public companies on topics ranging from homeland security and pandemic response to economic development to product and service design to organizational collaboration, government relations, and public-private partnership strategies.

Mr. Oftelie holds a BS in Management and Ethics from Crown College and an MPA with a Business and Government Policy concentration from Harvard University where he focused his studies on leadership, finance, and public policy at the Harvard Kennedy School, and on strategic management, technology, and innovation at the Harvard Business School. He can be reached at antonio.oftelie@post.harvard.edu.



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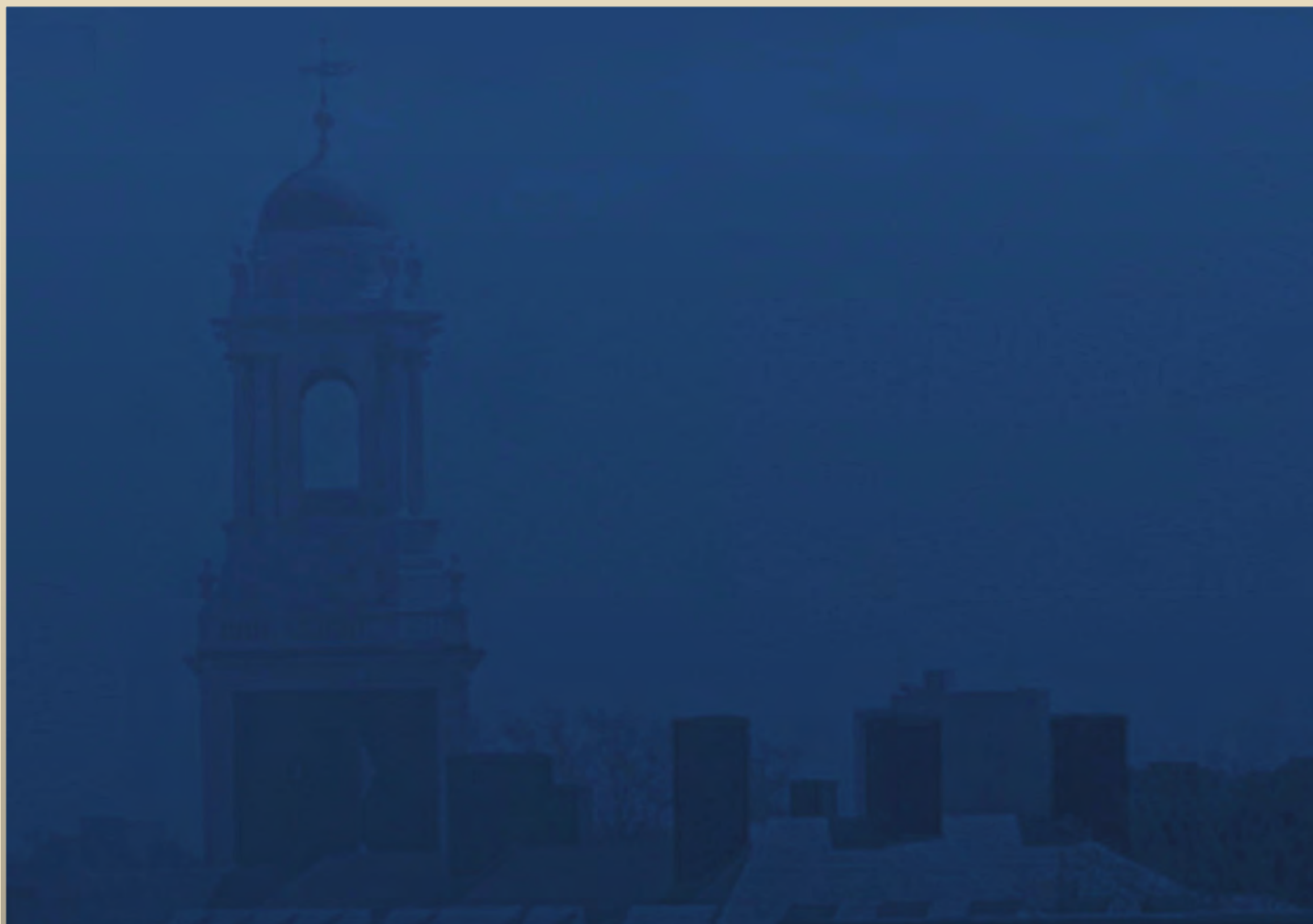
Supplementary Resources

- For information on human services interoperability please see “Human Services 2.0: Implementing InterOptimability” and “From Field to Fed: Building an Interoperable Continuum of Care,” both by Stewards of Change and accessed at www.stewardsofchange.org.
- For information on high performance in human services and in the public sector, please see Accenture’s latest research at www.accenture.com/integratedservicedelivery.
- For strategies on transformation public policy and government operations, please see “The End of Government as We Know It – Making Public Policy Work,” by Elaine C. Kamarck.
- For broad insight on digital trends in government, please see “Governance.com – Democracy in the Information Age,” by Elaine C. Kamarck and Joseph S. Nye Jr.
- For research and national initiatives in human services, please see the American Public Human Services Association at www.aphsa.org.



“The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise to the occasion. As our case is new, so we must think anew and act anew.”

– Abraham Lincoln



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