

New Direction, Midcourse: Redesigning a Program While It's in Progress

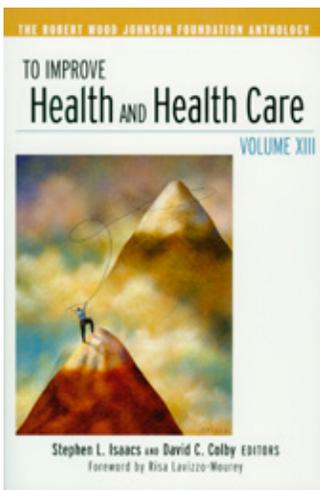


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When foundations place big strategic bets on long-term programs, allocating millions of dollars for years of effort, the choice of a basic strategy can be a bit like building a railroad. Painstaking work and major capital investment go into laying the track and lining up the moving equipment—after which the course is largely set. Yes, the engines can be upgraded, new cars can be added, and, as Amtrak proved, higher-speed trains can even be mounted on old lines. But the fundamental route—in foundation terms, the strategic outlines—can be changed only with difficulty, expense and disruption. In practice, such changes are rare.

Mapping a strategy for a major philanthropic program involves dozens of early decisions that are meant to hold firm for four, five even ten years into the future. For example, at the Robert Wood Johnson Foundation, large programs are typically managed by a national program office, chosen at the beginning of a program's life. The national program office is usually a separate organization (or part of a larger organization) charged with overseeing and administering the Foundation's grants and providing expert assistance to grantees year after year. The selection of a national program office consequently determines a lot about the program's substance and style: How it will work with grantees and their collaborators; what kinds of expertise will be brought to bear in what ways; how the program's lessons and message will be presented to the wider world; and much more.

Further, by the time the national program office starts its work, many other decisions with long-term consequences have been made: Overall strategies have been developed; the board has authorized an amount for the program; expectations of grantees have been carefully reviewed and committed to paper; and means of measuring progress and gauging success or failure have often been set in motion. All these decisions can be altered later, of course. But like relaying a railroad track, those later changes are apt to be difficult and expensive.

Most of the time, this relative inflexibility is a necessity, even a virtue. Many foundation programs set out to test ideas whose merits will take years to prove, and are sure to encounter surprises and rough spots along the way. Patience and perseverance are supposed to be hallmarks of strategic philanthropy for precisely this reason. Changing course too soon can deprive a good idea of the time and backing it needs to accumulate resources, win allies and overcome obstacles.

Even beyond these strategic considerations, changing course can have human costs that aren't always apparent or frankly acknowledged. For starters, big foundation programs are usually the product of months, even years, of research, thought and planning by some of the foundation's more distinguished officers and the experts with whom they consult. Their reputations, and the fate of ideas in which they believe strongly, are on the line when a new program launches. A decision to amend the plan later will usually require that the same people who gave birth to it, advocated for it, and

managed its early development now have to acknowledge that it isn't quite what they had envisioned. That acknowledgment can, in some cases, affect their reputations as well as their hope of making an important breakthrough in their field. Grantee organizations, in turn, will have hired staff, bought equipment, perhaps rented space, and staked their own reputations on implementing the original plan. A midcourse change may reflect poorly on their work, or may even result in reduced grant support, terminated jobs and strained relations with other participants in the program.

Michael Rothman, a senior program officer at the Robert Wood Johnson Foundation from 1998 to 2004, experienced this mix of strategic and human pressures firsthand. "Usually a program is pretty personal to a program officer," he says. "There's usually one main person behind it, and no one else is watching the events as carefully, or has so much invested in it. So [as a program officer] you're always the advocate for your program, and you tend to see things as going well even if they aren't." For all these reasons, he concludes, "programs tend to be pretty linear. The Foundation gives you money for a period of time, and you're on that path. Programs aren't designed to be changed along the way."

As a result, midcourse corrections often come about when new personnel arrive on the scene. Risa Lavizzo-Mourey, the Robert Wood Johnson Foundation's president and chief executive officer, notes that "a shift in program staff makes it possible to view a program through a different lens." New officers "may see things that staff working on a program for years might have overlooked, or they might just see the opportunities and context a little differently." Yet even then, she adds, the tendency is usually to make tactical adjustments or shift priorities among existing elements of the program, not to disrupt the elementary strategy on which the initiative is based.

Still, the need for fundamental change is sometimes inescapable, and the rail line has to be rerouted. Although the reasons for this aren't always negative, the consequences nearly always involve difficult, often uncomfortable changes in the lives of a program's key personnel.

Three Reasons for Changing Course

Changes in strategy can arise for any number of reasons, but the most common causes for a midcourse correction tend to fall into three categories. The first of these may have little or nothing to do with the strategy itself: sometimes events and circumstances simply overwhelm the best-laid plans. Markets or the political climate may turn sharply more hospitable to the program's intent—or more hostile. Advances in technology or research may bring a sudden boost or bust. Opportunity or obstacles may surface from unexpected quarters: a celebrity or an ultrawealthy donor suddenly takes up the cause; a news event galvanizes public interest; or the program stumbles onto an idea that produces unexpectedly explosive results.

Even in the happiest of these cases, an unexpected change in the environment can impose serious new costs and disruptions: If the environment becomes dramatically more fertile or the program encounters far more opportunity than expected, the model may then have to be retooled for major growth. Worse, the growth opportunities often arise not in the whole program as originally designed but only in certain parts of it. In that case, the course correction may well involve paring back the less successful elements and concentrating support on those that have the greatest potential. Some

activities (and maybe some grantees) will lose money and stature, or even shut down entirely. In short, there can be disruptions and disappointments even when changes derive from unexpected opportunity and lead to accelerated growth.

In a second category of midcourse corrections are programs whose strategy was never quite right in the first place. As the work begins to unfold, cracks in the model become more apparent: assumptions that don't match reality; forecasts about budgets and workloads that prove unrealistic; expected allies and resources that never materialize; partners and beneficiaries who don't behave as predicted. These can be the hardest cases for the program's designers, who now have to combat the twin temptations of human nature in confronting error: denying the problem and blaming other people. Even assuming that they face the problem forthrightly and devise a smart alternative plan, their proposals for saving the program will run into headwinds of doubt and anxiety that always gather strength whenever disappointment is in the air.

A third category of course correction can be even touchier: when a program's underlying model may be fine but the execution is falling short. In this case, it's the implementers, more than the designers, who must bear the brunt of the failure and disappointment. Admittedly, cases of this sort can be hard to diagnose precisely. As Steven Schroeder, president of the Robert Wood Johnson Foundation from 1990 to 2002, points out, when implementation is flawed, "the only thing you can say is that, but for the execution, the model *might* have worked—but we will never know."

Amid the uncertainty, the mounting disagreements between designers and implementers, grantmakers and grant recipients, can become painful, involving exchanges of blame, disputes over the meaning of past agreements, even clashes of values. These tensions can grow even more difficult when the perceived shortcomings are ascribed to implementers who are otherwise valued allies, performing with distinction on other work for the Foundation and other funders. In that case, the potential for ill feeling and mistrust can have ripple effects beyond the program being redesigned.

In the next few pages, we consider examples of each type of course correction and see how Foundation officers diagnosed the problem, reconsidered their initial strategy, and worked with national program directors and others involved in the program to set a new direction. Two of the examples involve programs that the Foundation funded and that are discussed by name. In the case of programs that suffered from flawed implementation, however, it is necessary to create a composite of programs that actually occurred, but where the activities that took place and the identities of the people who directed the programs are disguised. This is because in those cases, the best examples involved disappointments and disagreements that were partly personal and are still raw. The cases involve people who, despite their disagreements, have too much regard for one another to be willing to air disparaging information in print. The result is an accurate description of problems and choices, bolstered by unaltered comments of actual participants, but presented in a way that isn't traceable to specific people and events.

Two on-the-record cases involve retooling to meet changed conditions and repairing a flawed strategy. The first involves SmokeLess States, a tobacco-control program that was significantly expanded in midcourse, and the second describes Supporting Families After Welfare Reform, a program to extend health benefits

to more low-income families, which was re-engineered when some of its initial assumptions proved wrong. The third, composite case, describes what happened when the Foundation felt it had to change the way a program was being implemented—and some of the people who were implementing it.

**Overtaken by Events:
Adapting a Program to
New Circumstances**

In 1993 the Robert Wood Johnson Foundation launched a \$10 million program to reduce smoking and raise public awareness of the health benefits of quitting tobacco. The new program, called SmokeLess States, was at first based on a general belief that coalitions of medical and public health organizations, working in concert, would be an effective voice for reducing smoking and promoting tobacco-control policies in states and localities. The coalitions typically included local chapters of the American Heart Association, the American Lung Association, and the American Cancer Society, plus health care organizations and medical societies.

The theory was still partly inchoate when the first nineteen grants were made, in 1994. Envisioning only a small demonstration, program designers set out mainly to see how much potential the idea might have. As the Foundation's interest in tobacco control rose throughout the 1990s, the program grew to thirty states with a supplemental allocation of \$20 million in 1996. Even then, the strategic aims of SmokeLess States remained broad and malleable, encompassing public education, programs to discourage smoking, and advocacy for tobacco-control policies, such as increased excise taxes and clean indoor air ordinances, at the state and local levels. Work across the thirty sites varied widely, depending on the strength, the experience and the interests of the coalitions in each place.

Some coalitions were being formed from scratch, and therefore spent many months simply getting organized and learning to deliberate as a group. Among those that launched programs, many chose fairly traditional public health activities meant to discourage smoking, like youth education activities, programs in schools and public service ads. Groups tended to spread their resources among several lines of work rather than concentrating on one or two main goals.

In the original design of SmokeLess States, policy change had been just one of several activities the project directors were encouraged to consider, although Nancy Kaufman, a former Foundation vice president who was an architect of the program, had encouraged policy work from the beginning. A few pioneering state coalitions took up Kaufman's challenge and used the Foundation grants and other funds for vigorous, well-focused campaigns to make far-reaching change in public policy. Coalitions in Alaska and Hawaii quickly launched successful efforts to raise cigarette taxes, as did Arizona soon thereafter. These early efforts suggested how much might be possible if more coalitions made a disciplined, deliberate effort on the policy front.

New research was making the case for changing public policy even stronger. Alongside SmokeLess States, the Foundation had created the Tobacco Policy Research and Evaluation Program specifically aimed at measuring the health effects of various tobacco laws and regulations. More and more, findings from that program were pointing to two clear leaders in reducing smoking-related disease among young people: cigarette taxes and clean-indoor-air laws, each of which had been pushed by one or more SmokeLess States coalitions.

By the end of the program's fourth year, it was clear that many activities funded under SmokeLess States were too small and diffuse to lead to any significant reductions in youth smoking. The exception was the legislative work. But in how many states could such work succeed? And, given the fierce resistance of the tobacco industry and its political allies, was the Foundation prepared to mount a policy effort large enough, and deliberate enough, to make a difference? "Passing a tax increase or a clean-indoor-air law isn't a one-time dance," Kaufman points out. "You need several legislative sessions to do this. You need to marshal your research and public education, hone your message, demonstrate public support. And then you need time to make that message stick." Could the Foundation support enough states, for enough time, to propel a national bandwagon to raise taxes and enact clean-indoor-air laws?

Fortunately, by this time the ground was beginning to look much more fertile for tobacco-control efforts nationwide. The 1998 Master Settlement Agreement between the tobacco industry and forty-six states was about to inject more than \$200 billion into state coffers. The hope that some of this money would be used for prevention and treatment of addiction to cigarettes was stirring new thinking in many state health agencies. Other national organizations were also sponsoring major anti-tobacco programs, though not with a consistent focus on legislative change. Within the Robert Wood Johnson Foundation, the combination of compelling research, growing public support, and early successes in states like Alaska and Hawaii was creating momentum for a stronger policy agenda. Together, this mix of favorable conditions provided the burst of energy that set a midcourse correction in motion.

"As time went on and the social milieu changed around smoking, the momentum began to pick up to make these changes," Kaufman recalls. "States were in financial trouble, and they needed revenue they could get from cigarette taxes. Some of our [Foundation-sponsored] research was on public opinion, and it was showing widespread support for this source of revenue, unlike other kinds of tax increases. We could demonstrate that the economic effects of clean-indoor-air laws weren't negative—they could actually be positive. Everything was gathering force around this one conclusion. States were ready for it. A lot of grantees were ready for it. Research and public opinion were behind it. So we had our answer: Focus only on policy change."

The revised program would train and support coalitions in advocating for the two policy measures shown to be most effective in reducing smoking by young people: higher cigarette taxes and clean-indoor-air laws. And it would try to do so in all fifty states. (It also supported a third measure—coverage of smoking-cessation efforts—though this was a lower priority.)

The Foundation's trustees approved a reengineered version of SmokeLess States—\$52 million over three years—in July 2000. (The program would eventually become one of the Foundation's biggest ever, totaling nearly \$100 million over its ten-year life span.)

This refocusing and expansion would be an operational challenge in more than the usual ways. Changing public policy is not just a public-education task; it also calls for translating informed public opinion into successful legislation. Yet a direct appeal to lawmakers to enact specific laws (otherwise known as lobbying) is something that by law the Foundation could not support with its resources.

The prohibition on the use of Foundation funds for lobbying meant that the only way for coalitions to succeed in the legislative arena would be for them to raise other dollars that were not similarly restricted. They had been required to raise such matching money from the beginning, but in the next round the matching requirement would increase. The focus on policy change, in other words, would not only impose a new and tighter set of priorities on grantees, and require more of them to master the complex skills of effective advocacy, but would also require them to raise more money from additional sources.

Foundation grants could pay for the basic arsenal of effective advocacy: research, public education, advertising, media relations, the testimony of expert witnesses. The one thing it could not pay for was the actual firing of the weapons—that is, any use of these various assets to promote a particular bill or encourage others to promote it. That critical element of the campaign would have to be funded with outside support, particularly membership dues from partner organizations such as the American Cancer Institute and the American Heart Association. “We worked very, very hard before the next call for proposals to help people understand how important the matching funds were, and ways they could think about raising them,” according to Michelle Larkin, one of the program officers overseeing the program and the current head of the Foundation’s Public Health Team.

As the program officers drafted the new call for proposals, they set out to help grantees brace for the changes. “We sent experts to states [that weren’t in the program previously] to help them form coalitions,” Larkin says. “We had conference calls with different organizations to help them sort out their turf issues. This wasn’t just a call for proposals to see what we got; it was a ton of work to get people to truly understand—at the national level and among all of our partner organizations—what we were trying to achieve and how we would have to work together to do that.”

The narrower focus, the newly precise performance goals, and a nationwide expansion of the program would also impose a major new workload on what was then a relatively small national program office, based at the American Medical Association. In 2000 Kaufman recruited Donna Grande, a leader of the Arizona coalition and former head of the National Cancer Institute’s \$128 million tobacco-control initiative, to become the deputy director of the program. Grande’s management savvy and her experience in advocacy seemed a valuable complement to the organizational and team-building skills of the program’s director, Thomas Houston. Within a year, when the new round of funding was announced, the office expanded its staff and began deploying people in field offices around the country. Grande became co-director with Houston, yet another sign of the importance of the implementation challenges the expansion was imposing.

Thanks partly to the advance work in preparing grantees for change, and partly to the improved political environment nationally, the new, expanded program quickly showed signs of meeting its performance goals. “There was a huge, dramatic change in a short amount of time,” Grande says. The escalation in Foundation support, the surge in matching grants for direct support of legislation, and the growing list of states and localities with antismoking laws all combined to shift the movement into high gear. “A lot of advances, a lot of good things were visibly happening. But did it come easy and natural? No.”

In fact, the demanding performance measurements—numerical targets for how much tobacco taxes would rise and how many clean-indoor-air laws would be passed, among other things—struck many people as unrealistic when the first new call for proposals was circulated. Karen Gerlach, a former Foundation senior program officer who, with Larkin, oversaw the SmokeLess States program, recalls, “When we first presented them, people said ‘You’ll never do that.’ But we met the tax objective a year early. The number of states with comprehensive clean-indoor-air laws at the time wasn’t even half a dozen. Now it’s more than twenty. Well over half of the U.S. population is protected by comprehensive clean-indoor-air laws.” Although the Foundation was far from the only agent behind this change, it had seized the initiative at an opportune moment, adding powerful fuel to a newly smoldering fire.

Just as important, the Foundation was building a national argument, a rationale for action that helped galvanize further support and build momentum. From the time the goals were set, Gerlach says, “we translated them into lives saved: Increase the tax by x , and that will drive [tobacco] use rates down by y , which means that z people won’t die of smoking-related disease.”

But those accomplishments came with a sharply higher price tag, and with a significant increase in workload for both the Foundation and many of its grantees. The key to sustaining the energy behind all the additional work and expenditure, Gerlach says, was constant communication among the Foundation, the national program office at the American Medical Association, and the grantees—not only at the time of grantmaking but throughout the implementation as well. “We did an ungodly number of site visits,” she says. “Way more after the change than before. Not just the national program office—the Foundation staff went, too. The advisory committee went. It wasn’t just left up to the national program office to tell us how a coalition was doing.”

In all of this, she concludes, “Communication is the big lesson. Deciding to make a change was easy. Figuring out how the change would work was harder. But bringing everyone into the change, making sure everyone understood it, bought into it, knew how they were going to fulfill their obligations—that was the really hard part. And without it, none of the rest would have mattered.”

Design Flaws: Fixing a Strategy that Doesn’t Match Reality

When the federal welfare reform act was passed, in 1996, its defenders argued that even though public assistance would now be restricted, many other safety-net programs would be available to soften the blow. Most former recipients would still be eligible for health benefits from Medicaid and the State Children’s Health Insurance Program, known as SCHIP; for nutrition programs like food stamps; and for income support through the earned income tax credit, among other subsidies. Yet by the end of the decade, studies were beginning to show that as many as two-thirds of people leaving welfare were not receiving support from these other programs for which they were eligible. In the areas of health and nutrition, subjects of particular concern to the Robert Wood Johnson Foundation, the consequences for families and children seemed likely to be severe and long-lasting.

Beginning in 2000 the Foundation’s Covering Kids program* set out to close this gap by enrolling eligible children in Medicaid and SCHIP. A related program, called Supporting Families After Welfare

Reform, aimed squarely at the administrative nuts and bolts of the eligibility process: the procedural and technical roadblocks that prevent families from receiving benefits. Michael Rothman, who had been a manager in state government before joining the Foundation staff as a senior program officer, took a keen interest in the operational details of the eligibility maze.

“I knew that the way things were executed was as important as what the nominal rules or policies were,” he says. “There could be ways you could implement the same rules in two counties or states that would have a big effect on how you miss people who should be enrolled, or enroll people who shouldn’t be. So our strategy was to get straight into the day-to-day management and implementation issues with a technical assistance program for states and counties.”

The program he designed started with a diagnostic phase, in which administrators from seven states and counties gathered to examine the means by which people became eligible for Medicaid and how their eligibility determinations were handled. In this phase, management consultants guided grantees (most of which were state or county health and social services agencies) through a painstaking exercise aimed at mapping their administrative procedures, scrutinizing administrative data, identifying flaws and obstacles in the eligibility process, and highlighting the ones that could readily be changed. Afterward, policy consultants would help grantees’ staff members devise solutions to be implemented in the program’s final stage. The Southern Institute on Children and Families, which served as the national program office for the Covering Kids and later the Covering Kids & Families initiatives, also took responsibility for Supporting Families.

Unfortunately, the diagnostic exercise proved to be more burdensome than useful. The mapping-and-analysis regimen, a new approach that the consultants were pilot testing in this program, dragged on for months, often perplexing the state and county officials taking part in it. Rothman shared their frustration: “If you’re itching for change and results, as I tend to be, this kind of thing can be a little much. We’d been planning for six months, and there was not one more person enrolled in Medicaid or SCHIP. And I was concerned that we were making grantees spend a lot of their time analyzing their navel.”

Worse, the data on which the navel gazing was based turned out to be nearly meaningless. Carolyn Needleman, then a professor at Bryn Mawr College and the program’s evaluator, saw grantees devoting hundreds of person hours to eking data out of archaic, jury-rigged government databases. “It came as a big surprise to everyone that state computer systems aren’t everything we think they are,” she says. Consultants and the national program office staff members “thought it would just be a matter of going to the computer and pulling data according to a standard template and then working with the policy consultants to design an intervention. There was no recognition that states are working with antiquated equipment, where the whole system is built on all kinds of patches and workarounds.”

The final blow to the program’s design came in the economic avalanche of the 2001 recession, whose consequences delivered a body blow to state budgets in the 2002 fiscal year—just when Supporting Families’ diagnostic and planning phase was supposed to wrap up. By the end of 2001, after three quarters of market decline, steep job losses, and plummeting tax revenue, it was all but unimaginable that state governments would cooperate with any effort to enlarge their already swelling safety net programs.

But the adverse effects of a harsh economy—largely the result of the terrorist attacks of September 11th—were an external surprise, largely unforeseeable, not a defect of the underlying model. The more basic problem with the Supporting Families strategy, as Lavizzo-Mourey summed it up later, was that “there was a theory of how we could use data to make the [eligibility] system work better, and that theory was fundamentally flawed.” By the beginning of 2002 Rothman had concluded that the program would have to change in essential ways.

At that point, it was also time for him to present to his Foundation colleagues the results of the program’s opening phase, including a cautionary first-year report from the evaluators. It would not have been unusual for such a presentation to remain upbeat and noncommittal—the program was still new, a few bugs were only to be expected, and the diagnostic tool was being refined. Instead, he chose to deliver the news unvarnished: Some of the program’s assumptions didn’t match reality; it needed a new approach; and the national economy was making matters much tougher. “It was unusual to have that kind of conversation,” Rothman admits, noting that senior Foundation officials, confronted with unexpected bad news, can sometimes panic, inferring that things might be even worse than they seem.

Luckily, he was prepared with a credible midcourse correction. Through his work on a separate Foundation program, aimed at promoting quality improvement in hospital care, Rothman had observed a promising technique for helping professionals work in teams to quickly identify problems, design better practices, and implement them immediately. He reasoned that this same technique, known as the Breakthrough Series and developed by the Boston-based Institute for Healthcare Improvement (IHI), could likewise help state and county administrators improve their eligibility processes quickly and concretely. It would surely be a more reliable way of identifying systemic problems and devising solutions than the fruitless yearlong scrutiny of administrative data had been.

By unveiling the Breakthrough Series model at the meeting with his colleagues, Rothman quickly turned a discussion about disappointment into one about fresh ideas and opportunity. He presented the new approach as a timely pivot, early in an evolving program, to capitalize on the first year’s lessons and to preserve the grantees’ enthusiasm and momentum. His colleagues, Rothman thinks, “may have seen some candor and flexibility and alacrity in that. They probably saw it as good that we were being open.” Any sense of alarm quickly faded, and the program went forward with broad support.

The Breakthrough Series focuses expressly on “small tests of change”—hypothetical quality improvements, even on a tiny scale, that can be put in place immediately, judged quickly, and scaled up if they work. The process entails a brief period of learning and discussion on a given area of improvement, followed by repeated, rapid cycles known as PDSA, for “plan, do, study, act.” Participants start by planning improvements that seem to make sense and positing some way of measuring whether they will work. The plans are implemented on a small scale and quickly evaluated (those are the “do” and “study” phases). Then, in the final “act” stage, participants either correct mistakes or, if the tests worked, apply the corrections more broadly.

In April 2002 staff from the Southern Institute attended IHI’s Breakthrough Series College, where they learned to conduct Breakthrough Series sessions for Supporting Families grantees. For roughly the next two years, they rebuilt the program around the PDSA cycles, with increasingly visible, if

mostly small, effects. These included some improvements in eligibility rules, smoother work flows with less duplication in processing and decision-making, and improved communication among agency staff.

As Carolyn Needleman put it, the small tests of change “weren’t going to expand enrollment significantly—nobody made headway with that in such a bad economic environment. But they probably made families’ experience with the eligibility process better. They probably helped avoid families getting improperly dropped from the rolls; and they improved the quality of service in agencies short of staff.” The program ended in 2004—too soon for most of the Breakthrough results to be scaled up or turned into more thoroughgoing change.

Strangely, the program never completely abandoned its unpromising quest for administrative data. National program office staff members continued to press participating agencies for monthly data submissions, even though most grantees considered the exercise pointless. As Needleman notes, “One lesson is that any midcourse correction may well carry over baggage from the original model—practices and procedures that are inconsistent with the new approach, or at least aren’t helpful, but are hard to break.” In this case, long after the strategy of Supporting Families had veered away from dissecting reams of computer output, the grant requirements continued to call for regular data dumps, month after month, apparently in the hope that someday the numbers might reveal something. Changing strategy, in other words, may be difficult, but changing the way of doing business is harder. It can be a mistake to assume that the first will automatically lead to the second.

More generally, participants in Supporting Families believe that the fundamental lesson of this course correction was the need for program designers to pay close attention to the day-to-day activity taking place under a grant, listen to the assessments of those implementing a program, and be alert to problems that can be remedied before they drag on too long.

A second lesson, emphasized by both Rothman and Needleman, is that programs are likely to be stronger if they build the possibility of course corrections into their basic model, so that the people managing them are ready to learn and adjust strategy as circumstances evolve, rather than treating any change as a sign of trouble. “It’s not necessarily a flaw if a program needs to change course,” Needleman concludes. “Especially if a program is aimed at public policy change. In that case, the point is to seize policy opportunities, and those come and go. So strategies have to adapt. If it comes to be expected that you’re going to have evolving strategies, if the program is designed with enough flexibility so that it naturally shifts course when circumstances change, that could be a better way to approach public policy initiatives.” As Michael Rothman found in candidly sharing with his colleagues his plans to reshape Supporting Families, the availability of a prompt, credible course correction can actually build confidence in a faltering program—provided that the correction is timely, well thought out and persuasive.

**Failure to Execute:
Trying to Fix a
Faltering Strategy
by Changing
the Implementation**

For the sake of discussion, imagine a multiyear program to improve health outcomes for chronically homeless people—call it Safe Harbor. Let’s say the program’s strategy involved forming coalitions of health, housing, substance abuse and social service agencies in states and large metropolitan areas. The coalitions were expected to propose, advocate for and implement system changes that would integrate health care, addiction treatment and mental health services for homeless adults and families. (This is an imaginary program that combines real events from Foundation initiatives in other fields. None of these programs had anything to do with homelessness. Any resemblance to actual organizations or work in the field of homelessness is purely accidental.)**

For the national program office, the Foundation picked a well-known mental health agency where a senior executive, a widely respected psychiatrist, would serve as program director. Her credentials included years of experience treating mentally ill homeless people and directing clinical programs in communities with high rates of homelessness. Yet the choice was not unanimous among program staff at the Foundation. Some officers expressed concern that the staff at the mental health agency was not sufficiently experienced in the fiscal and political challenges of trying to combine such disparate public systems.

“To us, the biggest challenge [for the national director] was not going to be the specific content expertise,” said one senior program officer, referring to expertise in particular kinds of service delivery. “That’s widely available. To us, the challenge was in mobilizing the various sectors of a community to work together on a common problem. We needed people with experience in political science and political organization. But there was a difference of opinion [within the Foundation] on the skill set needed.” Despite these objections, senior officers ratified the selection, and the trustees authorized Safe Harbor for an initial four-year phase, combining up to two years of organizing and planning with two to three years of implementation.

Throughout the early organization and planning stage, most coalitions’ work was too preliminary to judge its effectiveness, though clearly there was considerable ferment in many communities. In fact, the issue of homelessness and health was becoming a subject of national concern in these years. Many in the Foundation believed they were riding, or perhaps leading, a national wave of activity in the field. Perhaps as a result, there was a tendency to view the early years of the program as promising—an exertion of national leadership on an important issue—even though the actual coalitions were often slow to form, troubled by simmering turf issues, and inconsistent in their ability to draw real decision-makers to meetings.

Furthermore, Foundation assets were growing at this time, and more resources encouraged even more ambitious ideas. “I pushed to bring more sites on, even though I’m not sure there was any evidence it was going to work,” a top Foundation executive acknowledges. “It was a very ambitious program, relative to the budget.” After the planning and trial phases, the trustees approved a second four-year round of funding for full implementation.

By this stage, however, program officers and evaluators were beginning to report more and more disquieting news from the field. Coalitions that supposedly had rallied around clear plans and strategies actually seemed, on close observation, to be simply endorsing or expanding projects that

members had been operating for years. In other cases, groups seemed to have been taken over by a few powerful members pushing their own agendas, with little participation from the rest of the group.

“There was a sense of entitlement at the national program office and among the staff of some of the larger grantees in the field, and they didn’t seem to be worrying much about quality,” another program officer observed. “We would go to [local] meetings where people said, ‘We’re the coalition.’ But then members would start showing up one by one and introducing themselves to the other people in the room. This was years after they were first funded, and they didn’t all even know one another! How were they supposed to be collaborating? This was way before e-mail was common.”

Near the end of the second four-year funding authorization, evaluators not only confirmed what the program officers were observing on site visits but also added discouraging data of their own, showing that the coalitions’ work was often ensnared in the conflicting missions and priorities of their member organizations, resulting in little visible change in service delivery or coordination. Discouragement with Safe Harbor was by now so acute that some senior executives at the Foundation were ready to reduce the program severely or even pull the plug at the end of the second round, by which time almost a decade would have passed. Yet the Foundation staff members leading the effort reminded their colleagues that the leadership of the national program office had never been their preferred choice to implement the model. Just as they had warned from the beginning, the leaders of the national program office had proven more skilled as clinicians and scholars than as agents of political change. They had focused too much on recruiting broad coalitions and minimizing dissent and disaffection. They had been reluctant to pressure the coalitions into making difficult choices, shouldering the burdens of an action campaign, and achieving concrete results.

“We didn’t want to declare it a failure when we hadn’t even given it the chance of having the right leadership,” one senior program officer at the Robert Wood Johnson Foundation said. “I felt strongly that you can’t declare something unworkable unless you’ve given it a chance to work—which you haven’t done if you’ve given it to the wrong person.” In the end that argument carried the day, despite some skepticism from a few members of the Foundation’s management. Shortly thereafter, a top-level delegation was dispatched to convey the news to the national program director that someone else would soon be taking the helm.

“That was a very painful conversation,” a Foundation official recalls. “But we owed it to her to be straight with her, not to play games. That would have been literally adding insult to injury. The fact that we went in person, and that one member of the team had worked with her for years and had tremendous interpersonal skills—that helped some. It was one more step to soften the blow without beating around the bush.”

Softened or not, the blow was felt throughout the national program office and around the field, including among many project managers who were personally fond of the director. It took considerable time to heal those hard feelings, and some never healed at all. “As the transition took place,” a Foundation program officer observes, the new director “was a little tougher on the sites. Some of them looked back fondly on the good old days with [the first director], who would hold

their hand and tell them how wonderful they were.” The new program director, by contrast, “would always say, ‘Where’s the data?’ Which is what we had always wanted to ask.”

Besides the new national program director, other aspects of the program were overhauled as well. The national program office was given a more visible, guiding role in the field, shepherding the coalitions (and prodding them, where necessary) from planning toward action. The program’s national advisory committee was restructured to include more members with experience in organizing system-change movements—experience that would in turn be made available to the national program office and to the coalitions in the field. In the next round of grants, the call for proposals made much clearer the kinds of accomplishments that grantees would be expected to show and the kinds of help they would receive from the national program office in reaching those goals. Funding, thenceforward, depended on evidence that public opinion was becoming more strongly supportive, that new policies were advancing or enacted, and that more homeless people were receiving better coordinated, efficient and effective care.

By this time, however, it seems that the patterns were largely set in many of the participating coalitions. The new national program director had the unenviable job of trying to reverse long-standing habits at many sites, though by then, a few coalitions did have a basis of real accomplishment to build on. In any case, by the time the program ended, several years later, opinions on its success were mixed.

(In reality, the programs from which this composite story was made had varying degrees of success with their midterm tactical shifts. One case ended markedly better than it began; others continued to drift, though to some eyes they were much more effective than they would have been had the course of implementation not been changed. “We can all speculate about ‘what if,’ says an observer of two of these cases.” “But the truth is, we have no evidence to say what would have happened had the choices been different.”)

The two main lessons of these experiences, several participants seem to agree, are, first, that it’s essential to think through implementation issues at the time the program is being designed, and to be sure the designated leaders have the right skills from the beginning. Second, program staff members should look closely and continually at how implementation is proceeding at the front lines. Simply reading year-end reports or observing a program too casually from afar could deprive the Foundation of the ability to correct problems before it’s too late. As a participant in one of these cases put it, “Someone who’s right [as a program leader] at the very beginning, when the challenge is mainly formative and capacity-building, may be completely wrong later on, when things have to be driven by hard objectives.”

Lessons and Principles

In a 2007 report to the James Irvine Foundation on a program that had undergone a midcourse correction, the consultant Gary Walker observed that “early implementation problems . . . are not unusual in large-scale initiatives.”¹

No formula exists to resolve the hard questions: Should anything be done? By whom? When? Answers are particular to the initiative. It is tempting to assert that arriving at the answers is a simple matter of continuous staff diligence. When implementation issues arise, an organization’s best bet is to have enlisted enough capable, experienced staff and to have incorporated a regular executive and board review.

Yet like the programs profiled here, the Irvine initiative Walker was studying already “had all of these elements: smart, capable staff and regular executive and board reviews.” The problem wasn’t care and intelligence, he concluded, but something more basic to the culture of large-scale philanthropy: “The forces, structure and incentives of the philanthropic world are geared toward staying the course—or expanding the course. The call for more time, resources and technical assistance is not an unusual large-foundation response to an initiative’s early or midcourse problems.”²

Nearly all the programs examined here succumbed to these same temptations for a time. Except for Supporting Families, the others were renewed and enlarged before they were revamped. All of them either discounted or overlooked early warning signs that expectations were not matching reality. Yet all the programs, including those blended into the composite case, eventually confronted reality and rethought some of their earliest, most basic decisions.

Five factors seem to be critical to bringing about that kind of honest reckoning. Some of them, had they been considered earlier in the program’s life cycle, might have made for a more timely, efficient, and maybe effective program than what eventually unfolded. But all of them proved valuable eventually. And as Walker pointed out, that is not common in large-scale philanthropy. The following are, in distilled form, five key recommendations that participants in these cases offer for spotting problems earlier, dealing with them effectively, and making sure, as a program observer in our composite case put it, that “you don’t declare something unworkable unless you’ve given it a chance to work.”

1. *Be prepared to change a program’s direction—even in relatively early stages—if performance is not meeting expectations.* As the evaluator Carolyn Needleman put it, “It’s not necessarily a flaw if a program needs to change course.” Some program designs confront known risks that can be closely monitored from the beginning. Deliberate attention to these risks and a willingness to respond with a timely change of course can be the best way to stave off more consequential problems later. Yet even when risks can’t be fully assessed up front, programs need a series of reassessment points, at which strategic choices are reopened and new approaches considered if performance is not meeting expectations. When these periodic reassessments are part of the original design, there is more of a chance that course corrections will be seen, in Michael Rothman’s words, as “candor and flexibility and alacrity,” rather than as a scramble to save face.

2. *Think early about the management skills that will be needed to execute a program effectively—especially if unforeseen problems arise and major changes have to be made down the road.* The choice of a national program director is often made on the basis of his or her vision, inventiveness, and outstanding performance on other programs. Yet in any new program, the odds are good that the gritty, tactical decisions in a long implementation will demand agility in management and communication even more than strategic vision, and that any given implementation process will raise problems unknown in other contexts. Picking implementers for their tactical dexterity as well as their substantive insight is one way to be sure that problems of execution are spotted early, on the front lines, and corrected deftly, without needless disruption to the program.
3. *Once a program is launched, stay in close contact with front-line actors and listen carefully to their impressions—don't wait for evaluation reports to learn what those on the front lines know all along.* Undoubtedly the most exciting work in philanthropy is creating new initiatives, and many program officers candidly acknowledge that most of their creative energy goes into designing the next major program. Monitoring existing programs is time-consuming and operationally difficult (the presence of funders on a site can be unsettling to staff members, whose behavior can change markedly when grantmakers appear at the door). Yet the information path from front lines to central headquarters can be long, tortuous and full of distorting noise. There is no substitute, several grantmakers and observers concluded, for a regular firsthand look at what's happening and candid discussions with the people who make it happen.
4. *Ensure that programs have frequent injections of independent judgment—from interim performance assessments, ongoing data analysis and grantee feedback—to inform midcourse reviews.* The earlier and more often a program hears from evaluators, the more useful the evaluation is likely to be. Also, the jolt of an unexpected outside observation—positive or negative—can be an effective way of overcoming the inertia that sets in when programs last for many years and rely on the same dedicated team of people who are deeply invested in its basic assumptions and methods. Evaluation is critical, but as the Foundation's Michelle Larkin observes, "Sometimes on-the-ground intelligence from grantees and key stakeholders is more timely and relevant in assessing how a program is doing."
5. *Cultivate candor and flexibility in all foundation programs, encouraging frequent discussions of alternative courses of action and rewarding astute course corrections when they're needed.* Several program officers in our sample cases expressed a common concern in philanthropy: that colleagues, senior officers and trustees sometimes draw harsh conclusions from any admission that programs aren't progressing as planned; and that program officers' reputations can therefore suffer as a consequence. Most managers and trustees would probably recoil at such a perception, and work hard to rebut it. But it is widely held in the foundation world. It's true that foundations usually do a good job of cultivating independent, creative thought when programs are first being conceived—when the rail lines are being planned and laid, when engines and cars are being designed and purchased. The harder, but equally crucial, challenge is to create the same atmosphere of critical thinking, versatility and honesty when the time comes to pull up the tracks and aim the engines in a new direction.

One way to make that happen, according to the Robert Wood Johnson Foundation president and CEO, Risa Lavizzo-Mourey, is to focus staff attention on performance and impact throughout the life of a program, not just as it nears its conclusion. “Gauging progress and impact regularly forces you to re-examine your theory of change, and at least ask the question whether you are on the trajectory that you should be on, given your theory,” she says. “And if you’re not, why not, given the environment? You need a system that regularly calls for assessing progress, even when it’s too soon to see impact. And that system has to be open, encouraging and routine, so staff will see it as a part of the creative process, not as a report card where they are going to pass or fail.”

Notes

1. Walker, G. *Midcourse Corrections to a Major Initiative: A Report on the James Irvine Foundation’s CORAL Initiative*. The James Irvine Foundation, May 2007.

2. Ibid.

* In 2001 the program was expanded and renamed Covering Kids & Families.

** The reason for using a fictional program is primarily to avoid reigniting old conflicts and embarrassing the individuals involved. Throughout this description, every quote and event described is real, but they have been woven together from different stories and periods of time, and occasional words have been changed to disguise the specific programs and people under discussion.