• Introduction: 
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• Shared Value, Collective Impact, and Postsecondary Attainment: New Approaches to Familiar Challenges
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Shared Value, Collective Impact and Postsecondary Attainment: New Approaches to Familiar Challenges

Prepared for:

December 5, 2013
FSG Overview

• Nonprofit consulting firm specializing in strategy, evaluation and research

• Partner with foundations, corporations, nonprofits, and governments to develop more effective solutions to the world’s most challenging issues

• Recognized thought leader in philanthropy and corporate social responsibility
Economists have long recognized that the skills of the workforce are an important source of economic growth. Moreover, as the increase over time in the returns to education and skill is likely the single greatest cause of the long-term rise in economic inequality, policies that lead to broad investments in education and training can help reduce inequality while expanding economic opportunity.”

Among OECD countries, US ranks 11th in percent of college graduates age 25-34 (4th overall)
Postsecondary Education Is Feeling Pressures To Change

- Increased focus on degree completion
- Massive open online courses
- Innovative delivery / business models
- Increased alignment with K-12
- Increased alignment with labor market
“Corporate policies and practices that enhance competitiveness of the company while simultaneously advancing social and economic conditions in the communities in which it sells and operates”

“Shared Value holds the key to unlocking the next wave of business innovation and growth”
“Creating Shared Value“ – The Simultaneous Creation of Value for Business And Society

Creating Business Value: Investments in long-term competitiveness

Creating Shared Value: Investments in long-term competitiveness that simultaneously address social and environmental objectives

Creating Social Value: Investments that address social and environmental objectives
Creating Shared Value Is an Evolution of The Role of Corporations in Society

**Philanthropy**
- Donations and / or volunteering
- Social issues often generic

**Social Responsibility**
- Targeted leveraging of company know-how and assets
- Social issues related to core business

**Creating Shared Value**
- The realization that relevant social issues also represent business opportunities

- **Society**: More resources for good causes
- **Companies**: Reputation and goodwill

- **Society**: Strategic social projects and initiatives
- **Companies**: Reputation, know-how, motivation…

- **Society**: Problem-solving, lasting change
- **Companies**: New markets, competitive advantage
Social Progress and Corporate Success are Inextricably Linked

• The long-term competitiveness of companies depends on social conditions
  - Improving education and skills
  - Safe working conditions
  - Sustainable use of natural resources
  - A sense of fairness and equal opportunity
  - A transparent business environment

• Business has an essential role to play in solving social problems
  - Only companies can create prosperity that funds government and civil society
  - Companies can create sustainable and scalable solutions to many social problems in ways that governments and NGOs cannot
  - Businesses can overcome constraints that limit their growth

Past thinking about sustainability has focused too much on the friction between business and society rather than their interdependence.
Companies Can Create Shared Value In Three Ways

- Reconceiving Products and Markets
- Redefining Productivity in the Value Chain
- Enabling Local Cluster Development
The Kenyan Flower Industry Illustrates the Interconnected, Interdependent Nature of a Geographic Industry Cluster

Cluster Definition: “Geographic concentrations of interconnected companies and institutions in a particular field”

Example: The Kenyan flower industry depends on interactions among the following stakeholders:

- Smallholder farmers
- Commercial farmers
- Plant-stock producers
- Input providers (irrigation, fertilizer, pesticides, etc)
- Government horticultural agency
- Non-governmental organizations promoting horticulture and flowers
- Trade and industry associations
- Research institutions
- Public universities with post-graduate programs in horticulture
- Quality and standards setting groups
- Packaging and labeling providers
- Refrigerated trucks
- Freight forwarders
- Clearing and forwarding agents
- Air carriers
- Linkages with tourism cluster, agriculture cluster and horticulture cluster

“A cluster’s boundaries are defined by the linkages and complementarities across industries and institutions that are most important to competition”
Illustrative Map: The Kenyan Flower Cluster

Horticultural Agencies, NGOs & Industry
- Horticultural Crops Development Authority (HCDA)
  Government Export Policies Targeting Horticulture
- Non-Government Organizations
  (e.g., The Rural Enterprise Agri-Business Promotion Project)
- Trade & Industry Associations
  (e.g., Kenya Flower Council)

Flower Farming

Post-Harvest Handling; Transport to Market

Education, Research & Quality Standards
- Research Institutions
  (e.g., Kenya Agricultural Research Institute)
- Public Universities with Post Graduate Degrees in Horticulture
  (e.g., University of Nairobi)
- Quality & Standards
  (e.g., EUREGAP Standard, Kenya Plant Health Inspectorate Services)

Sources: MOC student team research by Kusi Hornberger, Nick Ndiritu, Lalo Ponce-Brito, Melesse Tashu, Tijan Watt, Harvard Business School, 2007
Successful Clusters Lead to Increases in Local Productivity, Innovation, and New Business Formation

Clusters Increase Competitiveness Through the Following:

1. Increase Productivity
   a. Better access to employees and suppliers
   b. Access to specialized information
   c. Complementarities and benefits of co-location
   d. Access to institutions and public goods
   e. Better motivation and measurement

2. Accelerate Innovation
   a. Sophisticated buyers are part of clusters
   b. Capability and flexibility to act rapidly
   c. Experiment at lower cost

   Innovation underpins future productivity growth

3. Stimulate New Business
   a. Lower barriers to entry
   b. Concentrated demand
   c. Positive feedback loop

   Increased competition leads to higher standards and more rapid innovation, which ultimately reinforces the cluster

Clusters promote both competition as well as cooperation – both of which positively impact productivity of an industry
Clusters Can Be Strengthened by Improving Operating Conditions and Increasing Demand Surrounding a Sector

1. Improve Competitive Context
   - Eliminate barriers to local competition
   - Facilitate investment in cluster affiliates
   - Engage in targeted export promotion

2. Improve Input Conditions
   - Create education and training programs
   - Partner with universities and institutions around R&D
   - Support cluster-specific information gathering
   - Improve access to inputs

3. Support Related Industries
   - Sponsor forums and dialog
   - Encourage efforts to attract suppliers and service providers from other sectors
   - Establish cluster-specific industrial parks
   - Invest in ancillary industry

4. Improve Demand Conditions
   - Encourage pro-innovation regulatory standards
   - Sponsor independent testing and product certification
   - Introduce sophisticated buyers
   - Promote outputs to buyers

Cluster-building activities are self-reinforcing

Bullets are illustrative examples and represent only a subset of possible cluster strengthening activities
Companies Often Collaborate with Local IHEs to Improve Local Workforce Quality

- San Jacinto College is located in the midst of much of Houston’s industrial base
- It has leveraged this location to develop many industry partnerships focused on meeting local workforce needs, including:
  - Automotive Technology Program with Ford, GM, Honda and Toyota
  - Diesel Technology Program with Cummins Engine Company
  - Process Technology Program with local pharmaceutical and petrochemical firms

- Cal Poly has partnered with Northrup Grumman, Parsons and Raytheon to develop an undergraduate program in cybersecurity
- Building on its existing large undergraduate engineering base and with corporate support, Cal Poly is adding a lab, designing a new curriculum, creating applied research opportunities, and a developing a graduate-level certificate program

In both of these examples student engagement and service learning benefits students, employers, and the local economy as a whole

Source: Chancellor Brenda Hellyer testimony to Texas State Senate; Business-Higher Education Forum, “National and Regional Workforce Solutions”
How to Use Shared Value Concepts to Make the Case to Potential Corporate Partners

• Identify **constraints on the business** that the partnership would enable the company to fix (e.g., quality of the local labor pool; ability to attract workers from other regions)

• Encourage them to let go of **preconceived ideas** about the relationship of employers to educational institutions and to instead envision what a productive partnership would look like

• Get them to think in terms of **improving communities** and **strengthening the competitive context**, in addition to immediate profit-and-loss concerns
Complex Systems Change: Juvenile Justice in New York

$286,000 = 89\%$ recidivism rate
Actors In the New York Juvenile Justice System

Collective Impact: Overview

Goal 1: System Governance and Coordination
- Not yet centralized or systematic
- May include state coordination function, JJAG
- May include local planning structures, not yet widespread
- May include external independent oversight body, not yet in existence

Goal 2: Effective Continuum of Diversion, Supervision, Treatment, and Confinement
- Family and Community Engagement
- Connections to Education, Mental Health and Substance Abuse, and Child Welfare Systems and Organizations
- Assessment
  - Initial Referral/Police Contact
  - Arrest
  - Probation Intake/Detention
  - Decision to Prosecute
  - Family Court Process
  - Disposition Outcomes
  - Reentry and Aftercare Services
- Integration into the Community

Goal 3: Accountability of System and Organizations Within the System
- Nonprofit organizations; advocacy groups; state, county, and city agencies, courts, and other organizations; JJAG
- OPCA, local probation departments, OCFS, nonprofit organizations
- Presentment agencies, defense counsel, local probation departments

Goal 4: Shared Data and Information-Driven Decisions and Policy
- State, county, and city agencies, courts, and other organizations
- OCA, local Family Courts, presentment agencies, defense counsel, local probation departments

There Are Several Types of Problems

Simple

Baking a Cake

Complicated

Sending a Rocket to the Moon

Complex

Raising a Child

Social sector treats problems as simple or complicated

Source: Adapted from “Getting to Maybe”
Traditional Approaches Are Not Solving Our Toughest – Often Complex – Challenges

• Funders select **individual grantees**
• Organizations **work separately** and compete
• **Evaluation** attempts to isolate a particular organization’s impact
• Large scale change is assumed to depend on **scaling organizations**
• Corporate and government sectors are often **disconnected** from foundations and nonprofits
Imagine a Different Approach – Multiple Players Working Together to Solve Complex Issues

• All working toward the **same goal** and **measuring the same things**

• Cross-sector alignment with government, nonprofit, philanthropic and **corporate** sectors as **partners**

• Organizations **actively coordinating** their action and sharing lessons learned

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**Isolated Impact**

**Collective Impact**
Collective Impact Is a Unique and Differentiated Approach to Bringing Actors Across Sectors Together to Work Toward a Common Agenda

<table>
<thead>
<tr>
<th>Type of Collaboration</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective Impact Initiatives</td>
<td><strong>Long-term</strong> commitments by a group of important actors from different sectors to a common agenda for solving a specific social problem</td>
</tr>
<tr>
<td>Funder Collaboratives</td>
<td>Groups of funders interested in supporting the same issue who pool their resources</td>
</tr>
<tr>
<td>Public-Private Partnerships</td>
<td>Partnerships formed between government and private sector organizations to deliver specific services or benefits</td>
</tr>
<tr>
<td>Multi-Stakeholder Initiatives</td>
<td>Voluntary activities by stakeholders from different sectors around a common theme</td>
</tr>
<tr>
<td>Social Sector Networks</td>
<td>Groups of individuals or organizations fluidly connected through purposeful relationships, whether formal or informal</td>
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</tbody>
</table>

*It is distinct from other forms of collaboration*
Achieving Large-Scale Change through Collective Impact Involves Five Key Elements

**Common Agenda**
- Common understanding of the problem
- Shared vision for change

**Shared Measurement**
- Collecting data and measuring results
- Focus on performance management
- Shared accountability

**Mutually Reinforcing Activities**
- Differentiated approaches
- Willingness to adapt individual activities
- Coordination through joint plan of action

**Continuous Communication**
- Consistent and open communication
- Focus on building trust

**Backbone Support**
- Separate organization(s) with staff
- Resources and skills to convene and coordinate participating organizations

Source: Channeling Change: Making Collective Impact Work, 2012; FSG Interviews
Collective Impact is best structured with “Cascading Levels of Collaboration”

**Common Agenda**

- **Steering Committee**
- **Backbone**
  - Governance, Vision and Strategy
  - Action Planning
- **Working Groups**
- **Partners**
- **Community Members**

**Shared Measures**

- Implementation
- Public Will
The Collective Impact Approach Can Apply to Solving Many Complex Social Issues

**Education**

- Ready to 21
- people1st
- CCER
- Strive
- Together

**Healthcare**

- gain
- Roll Back Malaria Partnership
- Shape Up Somerville:
- Eat Smart, Play Hard
- LiveWell

**Homelessness**

- Calgary Homeless Foundation
- Home Again

**Youth Development**

- The Staten Island Foundation
- Communities that Care

**Economic Development**

- MARS
- MEMPHISED

**Community Development**

- Elizabeth River Project
- magnolia place

* Indicates FSG Client
Working in Collective Impact Requires a Mindset Shift

Adaptive vs. Technical Problem Solving

- Allowing answers to come from within
- Supporting common agenda building, information sharing and coordination/alignment

No Silver Bullets…. But we do have Silver Buckshot

- Many small changes implemented in alignment can add up to large scale progress

Credibility vs. Credit

- Creating new incentives to work collaboratively vs. competitively
Less than 25% of South King County and South Seattle’s High School Graduates Were Earning College Degrees (2010)

Although 67% of Jobs Will Require it by 2018

There are about 116,000 students in the Road Map region who make up 11% of Washington state public school students and 45% of students in King County.

- **60%** students in the Road Map Region are students of color
- **54%** students in the Road Map Region are low-income
- **167** different primary languages are spoken in the Road Map Region
- **17%** students in the Road Map Region are English Language Learner (ELL) students

Source: [www.roadmapproject.org](http://www.roadmapproject.org); FSG Interviews and Analysis
Our goal is to **double the number** of students in **South King County and South Seattle** who are on track to graduate from college or earn a career credential **by 2020**. We are committed to nothing less than closing the unacceptable achievement gaps for low income students and children of color, and increasing achievement for all students from cradle to college and career.
A Wide Array of Stakeholders Participating in Several Groups Contribute to the Project
The Project Is Tracking a Series of Shared Indicators

**Readiness**
- Healthy and ready for Kindergarten

**Achievement**
- Supported and successful in school
- Graduate from high school -- college and career-ready

**Attainment**
- Earn a college degree or career credential

Progress is reported using the following measures:

- % children meeting kindergarten readiness standards
- % children accessing comprehensive medical and dental care
- % eligible children enrolled in evidence-based early learning programs

- % students proficient in 3rd grade reading
- % students proficient in 4th grade math
- % 9th graders who pass end of course algebra exam
- % students motivated and engaged to succeed in school
- % students who are not triggering all three Early Warning indicators
- % parents who believe a college degree is important and actively support their child’s education

- % students graduating high school meeting proposed Washington State graduation requirements
- % students who take SAT/ACT and/or take a community college placement test in high school
- % high school graduates who take developmental education courses in college

- % students who earn a post-secondary credential by age 26
- % students who enroll in postsecondary education
- % students who persist year to year
- % children meeting kindergarten readiness standards
- % children accessing comprehensive medical and dental care
- % eligible children enrolled in evidence-based early learning programs
The Road Map Project Has Institutionalized Policy Changes Successfully by Catalyzing Existing Policy Reform Efforts

Select Policy Efforts by the Road Map Project Include:

- Encouraged local **community colleges** to send acceptance letters to all high school graduates meeting minimum criteria for admission
- **Increased student enrollment in College Bound Scholarship process**, through which students who register in middle school can become eligible for college scholarships after high school graduation
- **Catalyzed the adoption of a uniform early warning system** across Road Map Districts to flag when students lag behind important academic and non-academic indicators

- **Successfully advocated for the approval of Seattle’s 2011 Families and Education Levy** (this **led to an investment of $230 M** over seven years to improve outcomes across the full education continuum from cradle to college and career; a similar levy was first passed in 1990)

- **Accelerated pre-existing state-level efforts** to standardize a statewide assessment system to evaluate kindergarten readiness (**the Washington Kindergarten Inventory of Developing Skills, or WaKIDS, was piloted in 2010 and is now required for all state-funded full-day kindergarten classes**)
- **Backbone Executive Director was particularly effective in leveraging prior relationships** and conducting one-to-one conversations with state officials

The Road Map Project assembled a work group, called the Community Network and Advocacy Council, specifically focused on policy efforts

Source: FSG Interviews & Analysis; The Road Map Project Baseline Report (2011)
Although the Project Is Still in Its Nascent Stages, Results Have Already Improved

94% of 5,062 eligible 8th Graders in the region applied for the College Bound Scholarship in 2012

76% of Road Map seniors who signed up for the College Bound Scholarship completed the FAFSA (out of 1,508 eligible seniors)

7% increase in Extended Graduation rates in the Road Map Region

Other Notable Impacts Include:

- Baseline Report Published
- Funders group launched, that meets regularly to assess joint impact on education funding in the area, from cradle to college
- A group of Superintendents and College Presidents from 7 Districts and 5 Colleges meet regularly to plan and work together

Source: FSG Interviews and Analysis; Road Map Project Website
Partners for a Competitive Workforce Seeks to Prepare a More Skilled Workforce in the Tri-State “OKI” Region

Goals: 90% of the Labor Force Will Be Gainfully Employed by 2020

1. Connect businesses with qualified workers
2. Align education with employer needs
3. Improve work readiness
4. Analyze and provide data on labor market trends and talent supply chain performance
5. Align funding and policy to support improvements along the talent supply chain
Partners Has Achieved Several “Early Wins”

- Proven success of model in healthcare industry; now expanding to advanced manufacturing and construction

- More than $29M in public and private funds from local, state, and national sources leveraged since 2008

- More than 6,100 individuals served toward career pathways, and more than 4,600 credentials completed

- Created a common, region-wide workforce data collection and reporting system to track results and improve performance that is used by 50 public and nonprofit agencies

- Developed and advanced a public policy agenda with partners through advocacy at the local, state, and federal levels

Source: Partners for a Competitive Workforce
Summing Up: Implications for Community Engagement

1. Use Shared Value concepts to frame the case for engagement to corporate partners
   - Identify constraints on the business
   - Let go of preconceived ideas about partnerships
   - Think in terms of improving communities and strengthening the competitive context

2. Identify ways that postsecondary institutions can catalyze Collective Impact efforts that align and leverage resources across the community
   - Systems change requires a long-term, shared vision and an adaptive approach
   - Identify other champions in the community who can help catalyze actions
   - Use data to create a sense of urgency
Thank You!

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More resources available on www.fsg.org
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Webinar #4:
Project Management for Student Leadership
1/23/2014

Webinar #5:
Sustaining Student Leadership on Civic Engagement Projects
2/20/2014

SAVE THE DATES