



KH Services Not-for-Profit Organizations

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KH SERVICES OFFERED

KH is a full-service management consulting firm. We offer services in:

- Strategic Planning
- Organizational Design
- Business Process Re-engineering
- Human Resources
- Information Technology (IT)

KH services address these developing challenges and shifting demands. KH's clients struggle to change their organizational structures, learn new ways to work, and invest in the technology they must have to meet the expectations of their constituents. Utility clients find that they need better strategies, improved organization design, and better ways to adopt emerging technology. KH specializes in quasi-governmental entities that are highly regulated but must operate as a profitable operation.

All of this must be balanced with traditional missions in environments where resources cannot be increased as rapidly as cumulative expectations. This represents a thorny problem in strategic design, and it requires innovative ways to measure and communicate the accomplishments of the utilities.

KH develops practical, workable recommendations. More importantly, KH builds the consensus so critical to rapid adoption of new ways of working. Consensus, in turn, allows KH clients to reap the benefits of improved strategy, organizational design, and Balanced Scorecard performance measurements in a timely fashion.

In the public sector and for not-for-profit, KH focuses on improving performance for a wide range of essential services, programs, operations, and administrative functions. We work with client organizations to create new visions of success, and we deliver the tools and support to make these visions real.

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KH Know-How

Inquiries about our services may be directed to:
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Our larger studies primarily involve:

Strategic Planning. KH's Strategic Planning practice:

- Facilitates strategic planning and assists with preparation of strategic plans or master plans
- Analyzes customer satisfaction; evaluates different scenarios for service delivery
- Assesses an organization's resources (staffing, capital, facilities, etc.) and competencies to determine if they are sufficient for achieving the desired strategic directions
- Assesses environmental and competitive situations
- Conducts market research, including community needs assessments and opinion surveys
- Evaluates options (acquisitions, divestitures, mergers) available to enterprises and selects among them
- Structures strategic initiatives to achieve strategic goals and objectives
- Defines policies, objectives, and goals for building a long-term competitive advantage
- Delineates strengths, weaknesses, opportunities, and threats (SWOT analysis)
- Prepares Balanced Scorecards for accountability and achievement of Strategic Plans
- Analyzes an organization's external environment and competition
- Analyzes market position and opportunity; evaluates different scenarios for product, geographic, and service diversification
- Conducts Board and management planning retreats

Organizational Assessments and Management Audits.

Even the most successful organizations periodically need an outside assessment of current management, operations, and organization design. These reviews provide executive management and elected boards with an improved understanding of the existing organization, and sharpened insights on where improvements can be made. KH has developed a comprehensive, thorough, and highly cost-effective approach to these assignments. A typical evaluation includes:

- Use of one or more advisory groups, including union representatives, to ensure that the study addresses constituent concerns
- Broad-based input from the community, employees, and management for stakeholder and customer input
- In-depth probing into problem areas
- Thorough review of findings and recommendations with management, advisory groups, and others who would be affected by the outcomes
- Integration of recommendations with existing strategies, operations, and plans

Business Process Reengineering. The conflict created when rising standards and expectations collide with declining revenues requires radical change. For many public sector entities today, incremental change will no longer suffice. Reengineering takes advantage of analytical

techniques and advanced technology, proven in the private sector, to improve productivity and quality of services significantly for organizations that:

- Face serious financial difficulty, necessitating major cost reductions, improved service, quality, or higher service levels
- Currently perform adequately, but foresee changes that will severely challenge them
- Lead their peers and want to maintain their status

MASTER AGREEMENTS

KH has a number of Master Agreements with governmental agencies, including:

- **Office of the Chief Administrative Officer, County of Los Angeles:** Master Agreement (2001-2016) to perform Strategic Planning, Customer Service, Performance Measurement, and Special Studies
- **Office of the Auditor-Controller, County of Los Angeles:** Master Agreement (since 1994) to perform Management Audits and Special Studies
- **Office of the City Controller, City of Los Angeles:** Master Agreement (since 2001) to perform Management Audits and Special Studies
- **Information Technology Service (ITS) of the County of Los Angeles:** Master Agreement (three years) to perform Technical Systems Consulting
- **Public Utilities Commission (PUC) of Pennsylvania:** Master Agreement (pre-approved list of consultants) to perform Management Audits
- **State of California, Department of General Services (DGS):** Master Agreement to perform Business Management Consulting Services
- **Los Angeles World Airports (LAWA):** Master Agreement to perform Audit Services
- **Community Redevelopment Agency of the City of Los Angeles (CRA/LA):** Master Agreement to perform General Audit and Review Services
- **Salt Lake City, Utah:** Master Agreement to perform Management Studies

To be certified as a firm capable of performing management audits, KH has completed several Peer Reviews, as per the **U.S. Government's Yellow Book** requirements.

Representative KH Not-for-Profit Projects

KH's projects have varied in size and scope, as shown in the following descriptive summaries. We conduct small and large studies – both in terms of dollar amount and complexity of management issues. KH has performed more than 200 consulting studies in 25 states and 6 foreign countries.

We have a track record of providing our clients with a thorough and well-documented set of alternatives for their consideration. The detailed processes that lead to conclusions ensure that the alternatives developed are all feasible and applicable. Our approach to sharing developing ideas throughout the study ensures “buy-in” and commitment to the final recommendations, thus facilitating implementation.

Getty Conservation Institute (GCI) of The J. Paul Getty Trust

LOS ANGELES, CALIFORNIA

KH was retained to design a matrix structure and human resources tools to support the new strategic directions of GCI, one of five institutes at The J. Paul Getty Trust.

► Design of a Matrix Organizational Structure

The GCI concluded that its mission should be to manage conservation projects through international partnerships and contracted experts. Therefore, given the new project orientation, a matrix structure model was determined to be the optimal approach.

KH worked closely with GCI executives, project managers, and employees to understand what had worked in the past, what were the unique project challenges, and what kinds of organizational structures would help manage the complexities of operating more than 100 projects worldwide. The outcome was a matrix structure designed along discipline lines (science, conservation, communications and information, and administration) and projects themes (heritage recognition, monuments, artifacts, new knowledge about the field (“think” tank).

► Accountability and Decision-Making Matrices, New Job Descriptions, and Performance Appraisal Plan

After the adoption of the new structure, KH revised the job descriptions, worked closely with the Operations Committee to develop accountability and decision-

making matrices for the new structure, and designed a new performance appraisal plan that linked performance to the Strategic Plan and project initiatives.

The California Children and Families Commission (Proposition 10)

The California Children and Families Commission, created by Proposition 10, supports children from prenatal to age 5 by creating a comprehensive and integrated system of information and services to promote early childhood development and school readiness. The initiative, approved by voters in November 1998, added a 50 cent-per-pack tax to cigarettes and a comparable tax to other tobacco products. Proposition 10 generates approximately \$700 million annually, which supports the State initiatives and all of the counties.

Each county has set up agencies to administer their share of Proposition 10 revenues and develop innovative solutions to address the unique issues faced by prenatal to 5 year olds in their jurisdictions. KH has worked with two of these agencies.

► First 5 LA: Multiple Tasks

KH has supported First 5 LA since its inception through a variety of assignments: an organizational review, a senior management development program, a compensation review, executive coaching, and facilitation of the Board's annual performance review of the Executive Director.

► First 5 Orange County: Management Audit and Strategic Planning

KH has undertaken two assignments with First 5 Orange County: 1) a management audit and reorganizational study; and 2) the facilitation of a human resources strategic plan.

Los Angeles Universal Preschool (LAUP)

► Performance Measurement

LAUP is an independent public benefit corporation created in 2004 and funded by First 5 LA. LAUP's goal is to make voluntary, high-quality preschool available to every 4-year-old child in Los Angeles County, regardless of their family's income, by 2014.

LAUP is guided by a 10-year Master Plan developed by hundreds of educators, parents, government officials, and business and community leaders. To build this plan, LAUP is bringing resources together from across the county in support of early childhood education. When LAUP has reached full scale, funded classrooms will serve more than 100,000 4-year-olds.

KH supported the Executive Director and its Personnel Committee in the development of performance criteria for the Executive Director.

County of Los Angeles, Department of Public Health, United Homeless Healthcare Partners

The County of Los Angeles is home to the largest population of homeless people in the United States. On any given night, more than 88,000 individuals are homeless and on the streets of the County. Every year, more than 250,000 people will experience homelessness in the region. The Departments of Health Services and Public Health are addressing the healthcare needs of the County's homeless through a strategic planning process that involves a coalition of service providers, public agencies, related organizations, and foundations.

► Strategic Planning

KH assisted with:

- Convening the diverse organizations concerned with homeless healthcare and directing the development of a strategic plan that will close the gaps between the need and available services
- Testing various models of governance, service delivery, and policy development
- Identifying best practices in this area and adapting them to fit the region
- Establishing a formal network of organizations called United Homeless Healthcare Partners (UHHP) that is now a project of Community Partners, an incubator of non-profit organizations
- Securing grant funding to continue UHHP
- Producing a regional planning conference attended by 200 homeless healthcare providers and advocates from across Los Angeles County

LA★VETS

LOS ANGELES, CALIFORNIA

► Management Audit

This demonstration project's objective was to form a public-private sector partnership to address the issue of formerly homeless veterans in the Los Angeles area. Los Angeles has a population of approximately 270,000 homeless veterans. A real estate developer entered into the partnership with the Century Housing Authority and the Westside Veterans Administration (VA) Medical Center's Comprehensive Homeless Center. Financed through the Century Housing Authority (with \$5.6 million in funding), the developer remodeled the former dormitory at Northrop

University, renamed the Westside Residence Hall. The Hall is located in Inglewood, near the Los Angeles International Airport (LAX). The VA screened potential residents, furnished counselors, and conducted random drug testing. Residents were required to be drug-free and non-alcoholic to remain residents. The new center assisted veterans by furnishing career, transitional, and personal counseling, as well as job counseling and training opportunities to seek employment. In exchange, the veterans paid rent for a room in a suite and two meals per day.

KH was retained to conduct a management audit to determine how the model could be enhanced and if the model could be replicated. Much of the success of the program was the result of the dedication, hard work, and long hours of the developer who had a vision of providing a network of such facilities throughout the United States. Century Housing was concerned that the model was dependent on a single entrepreneur. During the course of the audit, the developer turned a modest profit of 5% once the facility exceeded 300 residents. After KH completed the audit, the model was expanded to the former naval facility in Long Beach for formerly homeless veterans and families and individuals seeking low-income housing. A management team operates the original Northrop site on a day-to-day basis, thereby freeing the entrepreneurial developer to pursue new projects across the nation.

To date, more than 1,250 homeless veterans, including 325 current residents, have been served at Westside Residence Hall. More than 80% graduated from Westside with sobriety, new social and technical skills, and hope for a positive future. Moreover, the Department of Veterans Affairs (VA) conducted a review that estimated that more than \$14 million in taxpayer dollars are saved annually in decreased re-hospitalization costs.

Pasadena Senior Center (PSC)

PASADENA, CALIFORNIA

► Strategic Planning and Operations Review Study

PSC was one of eight recipients of an \$80 million endowment from the Margaret Bundy Scott Trust Fund. Each year, PSC was to submit a proposal to the Trust Fund, outlining its needs, requesting special funding, and demonstrating how the funding would complement its proposed strategic directions.

In the initial years of the Trust, PSC received marginal funding because of a lack of a well-formulated, articulated strategic plan. The PSC Board of Trustees retained KH to conduct a strategic planning study. KH surveyed 10,000 Pasadena households (with individuals aged 50 or older) to

determine senior citizens' needs. KH designed the mailed survey and coordinated the sorting, mailing, and compilation of results. We also worked closely with City of Pasadena officials regarding program needs for the elderly. As part of our analysis, we reviewed program requirements for education, recreation, and services for senior citizens. KH then conducted a series of goal-setting workshops with the Board of Directors. As a result of the objectives established in these workshops, KH worked with Board members and staff to develop specific strategies, tactics, and plans for achieving the goals.

KH also completed an organizational and operations review of PSC's structure, staffing, facility constraints, and management processes, including financial systems. Since then, PSC received the needed funding to build a new, state-of-the-art Senior Center.

W. M. Keck Foundation

LOS ANGELES, CALIFORNIA

► Operations Review

SUBCONTRACT WITH TOWERS PERRIN

During Phase I, KH surveyed 320 grant applicants concerning the Foundation's image, procedures, selection criteria, etc. KH designed the telephone survey, conducted the survey with The Gallup Organization, and analyzed the results. During Phase II, KH assisted with developing operating policies and procedures for the Foundation.

World Vision International (WVI)

► Worldwide Distributed Human Resources Functions

KH determined which WVI human resource functions were best performed centrally; which should be performed in the donor nations (primarily in North America, Europe, and Australia); and which should be performed in the field in Asia, Africa, and South America. As part of this study, KH conducted a survey worldwide, performed extensive interviews, and identified what functions could best be performed on a decentralized focus.

Note: While with Towers Perrin, Dr. Kraetsch Hartsough developed a strategic plan for worldwide recruitment of expatriates and contract employees, particularly in the health care professions, to meet staff shortages in undeveloped countries. These systems allowed WVI to recruit ten times the number of individuals recruited in the past by increasing current recruitment staffing levels by three.

National Mental Health Association (NMHA) of Greater Los Angeles

► Strategic Planning Study

SUBCONTRACT WITH TOWERS PERRIN

KH interviewed 50 mental health opinion leaders, including psychiatrists, psychologists, social workers, service providers, family members of mental health patients, legislators, and other associations professionals. The purpose of the interviews was to determine how NMHA should best use a recently inherited trust. KH also interviewed major foundations in the Los Angeles area to solicit their input. Towers Perrin used the information KH gathered to prepare a strategic plan for NMHA.

Public Health Foundation Enterprises, Inc. (PHFE)

CITY OF INDUSTRY, CALIFORNIA

► Strategic Planning

KH worked with the Board of Trustees and the Executives of PHFE to develop its first strategic plan. This process involved four all-day, off-site retreats with board members and PHFE executives and managers.

KH was then retained to assist with implementation of the new plan.

ASH (Action on Smoking and Health)

WASHINGTON, D.C.

► Board Retreat

KH facilitated a Board retreat for ASH, focused on prevention of smoking.

Los Angeles City Employees Association (LACEA)

► Compensation and Merit Pay Plan

For the LACEA Board, KH developed a Merit Pay Plan, applying pay-for-performance concepts, for all LACEA management and employees. KH also established a new pay plan, with base pay scales competitive with local market conditions.

Special Olympics Southern California (SOSC), Part of Special Olympics International

LOS ANGELES, CALIFORNIA

► Board Policies and Procedures

SOSC is the largest state organization of the Special Olympics International. The Board of Directors retained KH to update its policies and procedures. KH interviewed the individual Board members; offered advice regarding different policy options, particularly in such areas as Board membership, roles, responsibilities, and financial management; and prepared draft policies and procedures. KH presented these policies and procedures at a SOSC Board retreat and then made the necessary revisions. The Board then adopted the policies and procedures.

WHY HIRE KH?

In these dynamic times, boards, corporate executives, educational leaders, elected officials, and public sector administrators retain KH because of their need to:

- Bring about change from within
- Accomplish specific initiatives despite internal time pressures and staff constraints
- Remain or become a regional, state, national, or international leader in their industry or market (and potentially to counter competitive actions that might erode their current market position)
- Acquire special expertise and tools
- Solicit a fresh perspective, as well as independence, objectivity, and discretion
- Bypass both “politics” and natural resistance to examination and change, particularly in environments with diverse agenda
- Solicit external, professional opinions without the risk of prejudice (i.e., internal managers may be defensive when their operations are under review)
- Obtain insights into “best practices” and “lessons learned” at other comparable companies and organizations
- Have nothing taken for granted, including data that might otherwise be overlooked or unused (e.g., consultants can ask “naive questions” such as “why are you doing that task that way?”)
- Leverage respected external authorities before their boards or executive team

Additional descriptions of KH firm capabilities, including a general KH firm brochure, are available upon request.

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