VNS Foundation

Business Activity Plan

July 2013-June 2014

Compiled by: Tom Fodor, Executive Director CEO
6/30/2013

Situation Analysis

Current Business Profile

The Visiting Nurse Service Foundation, Inc. currently has five main lines of business:

- Office building operations: Oversees 4701 N. Keystone, its 75,000 square feet, and its tenants. The Foundation contracts with VNS at St. Francis to provide building management services. Summit Realty Group provides broker services.
- Subsidized senior housing: The Foundation has hired Moynahan Williams to operate the facility which includes 35 apartments.
- Homeless hospice residential care: The Foundation contracts with VNS at St Francis to operate the twelve bed Abbie Hunt Bryce Home. All related costs are bundled in a monthly lump sum payment. This includes actual salaries and benefits in addition to support services which are loosely defined.
- VNS at St. Francis homecare support: A continuation of past practice, occasional funding is given for patient care, staff education, and volunteer activities.
- Pennwood Place activities: Recently became more urgent in light of promises made to major funding sources for the Pennwood Place project. The Foundation Executive Director CEO has assumed the lead, currently working with VNS at St. Francis to implement. There is no formal written agreement regarding this collaboration.

According to the 2013 budget, the Foundation is expected (in round numbers) to operate with revenues of $1.3 million and expenses (including depreciation) of $1.8 million. The operating deficit will be mitigated by a $450,000 installment payment from the Franciscan Alliance. The Foundation currently has two full time staff.

Current Financial Situation

Several stable revenue streams are assisting the Foundation as it establishes its own operational history. The aforementioned $450,000 cash infusion represents the third installment of a $4,000,000 gift from the Franciscan Alliance which has seven years remaining. Tenant revenues from both the Keystone property and Pennwood Place have met expectations. The Foundation has developed an annual Financial Development Plan which could result in $150,000 raised. The Board has also approved the annual spending of interest earnings although the actual withdrawal of these funds has not occurred. Currently investments are at a healthy $4,000,000 thanks to aggressive strategies and wise stewardship throughout the years.

The expense associated with two main contractual arrangements with the VNS at St. Francis is under scrutiny. These annually cost the Foundation close to $600,000. As for expenses in general, the main outlier seems to be unanticipated insurance cost increases. All other items seem to be in line with budget projections as of May 2013.

The Foundation Board is currently deciding whether to, and/or by how much to, increase debt to finance Keystone facility improvements. This decision will have a dramatic effect on future Foundation operations.

Driving Forces

Business Activity Plans do not occur in a vacuum. They are affected by the driving forces of the business environment. The Foundation faces five driving forces that will affect operations in the next twelve months. They are categorized as Global and Local factors.

Global

Changes in the health care industry. Healthcare change and uncertainty have morphed into turmoil affecting the entire country's business structure- not to mention organizations directly connected to the industry. This factor actually accelerates the need for new brand identification and re-positioning.

Marketing innovation. Planned use of social media and related technology (including phone aps) are crucial to ensure viability in the Foundation's newly defined marketplace.

Local

Massive operational shifts. The Foundation is conducting business differently in significant ways when compared to previous practice. The following table summarizes the main contrasts.

Foundation Operations Under VNS	**New Foundation Operations**
Complete dependence	Developing independence
Identified as de facto "department" of home care market leader	Market position undefined
Extensive parent organization resource availability	Limited parent organization resources via contract
Passive Board participation	Active Board governance and scrutiny
Management directed top-down model	Structured collaboration model using Board committees
"Cover Your Back" communications style	Information sharing among organizational levels
Umbrella fundraising approaches	Segmentation approach
Intermingled revenue/expense reports	Foundation centered revenue/expense reports

These contrasts are causing significant adjustments and some operational tension for all stakeholders.

Separation anxiety. This includes all facets associated with the separation from VNS at St. Francis: practical, emotional and functional. Some uncertainty exists on both sides of the relationship over whether the Foundation can operate without its corporate parent. The fact that

Foundation needs are not always treated as a priority by VNS at St. Francis has stunted Foundation autonomy. This has also delayed budget development; stalled contract negotiations; created lease renewal uncertainty; and resulted in missed opportunities to conduct an Abbie Hunt Bryce Home management cost/benefit analysis. Further complicating this driving force is the impending departure of long time VNS executive John Pipas from the Franciscan Alliance.

Diminishing Indianapolis area nonprofit funding. The United Way surpassed its stated goal but will actually allocate less money to established agencies because of an increase in designations. This will cause these charities to be even more competitive for the philanthropic dollar which may tend to crowd out new messages. In the past few months several nonprofits have ceased operations including the Senior Center and Warner Transitional Services. Even nationally known/ locally based operations such as the Red Cross and Planned Parenthood have consolidated offices and joined forces across state lines to find efficiencies and to stretch the contributed dollar.

Key Business Activities Accomplished Prior to This Plan

The work of the Foundation Board of Directors and its Interim CEO Madonna McGrath must be acknowledged as several crucial activities occurred that provided both short and long term Foundation benefit. Those included:

Maintaining core programs: The Abbie Hunt Bryce Home and Pennwood Place provided excellent service despite organizational change. Support for VNS at St. Francis home care efforts also continued.
Securing Franciscan Alliance gift: The $4,000,000 commitment solidified the decision to have the Foundation operate separately from its founding entity.
Beginning strategic planning. This initiative clarified the Foundation Mission and Vision and identified a need for branding. It would lead to the hiring of a full time executive and the development of a three year Plan.
Making operational investments: Included were computer, phone, internet address, website development, payroll and legal purchases (such as clarifying the Foundation's nonprofit status) which accelerated the organization's independence.
Hiring staff: The full time Executive Director CEO post and a support position were created.
Settling Lynn Trust issue: Although the Foundation did not benefit financially the transfer of these funds to VNS at St. Francis allowed all parties to move on and address other priorities.

The Foundation would not have been positioned for further strategic planning had these activities not occurred.

2013-2014 Business Activity Plan

Link to Strategic Plan

The Foundation developed a three year Strategic Plan which was finalized in June 2013. The following six Strategic Directions provide the basis for annual business activity planning.

Direction I: *Create and implement new brand that embodies Foundation mission, vision, and core values.*

Direction II: *Continuously improve fund raising results through segmented approaches which include: board involvement/commitment; direct mail; grants; major gifts; special events; and legacy planning.*

Direction III: *Develop strategic partnerships that would enhance Foundation mission and/or expand community relevancy.*

Direction IV*: Become a marketing focused organization.*

Direction V: *Determine facility management role that most appropriately complements the Foundation mission.*

Direction VI: *Define and maximize VNS relationship to best position the Foundation for future success.*

As you will note in the Business Activity Plan, each item is linked to a Strategic Direction.

Overall Business Strategy

The Foundation must identify and execute a basic marketing strategy to focus resources appropriately. In a standard marketing matrix four strategies are identified:

- Market Penetration: Existing products in existing markets.
- Product Development: New products in existing markets.
- Market Development: Existing products in new markets.
- Diversification: New products in new markets.

At this stage of its operational history, a **Product Development** strategy for the Foundation seems to be the most appropriate. Present facility capacity and limited financial resources limit program expansion. The Foundation must first solidify its legacy programs before it considers opportunities that may emerge through health care reform or collaboration.

A Product Development strategy makes sense for several reasons. Through branding the Foundation will re-emerge as a new product in its present market. It will establish a solid position in relation to other nonprofits. Unused Abbie Hunt Bryce Home capacity creates opportunities for new collaborations, as does the increased use of Pennwood Place community spaces. Referral sources are now receiving a comprehensive information packet (product) to

enhance their understanding of Abbie Hunt Bryce Home protocols. In fundraising a new product- The Commitment Circle At The Abbie Hunt Bryce Home- will be the major initiative to attract significant annual gifts.

Guiding Principles

Just as Core Values shape organizational behaviors, **Guiding Principles** provide a day by day, case by case "gut check" as to whether activities are value added. These also provide a test of how the Board and staff conduct these activities.
The Business Activity Plan will be executed with the following considerations:

- To expand the revenue base while decreasing historical cost
- To differentiate through customer service
- To exploit new collaborations to better serve core customers.

How The Business Activity Plan Is Organized

The June 2013 adoption of the Strategic Plan necessitated an annual plan that includes business activities occurring between July 1, 2013 and June 30th, 2014. The Key Indicators which are reported to the full Board are noted as the global measures that will be monitored. Each activity is linked to the appropriate Strategic Direction. Start and ending dates are noted and are designed to mesh with realistic operational, Board and staff expectations. Leads are identified and are often assigned to Committees. The Notes column will be updated prior to Board related discussions.

Plan Monitoring/Measurement

The Executive Director CEO will have the overall responsibility to ensure that the Business Activity Plan is executed. He and the Foundation Administrator will meet weekly to monitor and adjust as necessary. The Executive Director CEO will report regularly to the Board Executive Committee and brief the entire Board through the Key Indicator report. That report will serve as the main measurement tool to determine the Business Activity Plan's overall effectiveness and results. At the Plan's conclusion, 80% of activities should be completed or moving toward completion.

Plan Limitations

The Business Activity Plan is designed to list activities which will move the organization forward in significant ways over the course of one year. It is not designed to be an operational "catch all" summarizing accepted standards.

2013-2014 Business Activity Plan

Key Indicators-Reported to the Board of Directors

Indicators	Notes
Year To Date Results To Budget	
Facilities Bottom Line	
Financial Development Results to Plan	
Abbie Hunt Bryce Home Capacity	
Charitable Disbursements	
Franciscan Alliance Gift Status	

2013-2014 Business Activities-reviewed weekly by staff and reported to the Board Executive Committee

Str. Dir.	Start	End	Activity	Lead	Notes
III	01/01/13	12/31/13	Meet CEO community activities targets.	CEO	
VI	02/01/13	07/31/13	Complete main services contract renegotiation.	CEO BEC	
V	02/01/13	06/30/14	Prioritize and implement improvements noted in Years 1-3 of Structure Point plan.	RFC	
IV	05/01/13	04/30/14	Increase AHBH use percentage through referral process re-launch and new mission related functions.	AAC	
IV	06/01/13	08/31/13	Produce VNSF Foundation Annual Report.	ADM	
II	06/01/13	09/30/13	Restructure Beach Ball Committee to meet its new goals.	BBC	
II	06/01/13	09/30/13	Raise $25,000 through initial Commitment Circle activities.	CEO FDC	
V	06/01/13	09/30/13	Secure lease extension with VNS at St. Francis.	CEO BEC	

2013-2014 Business Activity Plan

Str. Dir.	Start	End	Activity	Lead	Notes
IV	06/01/13	03/31/14	Exemplify superior customer service practices in relation to internal and external audiences.	CEO ADM	
III	07/01/13	09/30/13	Recruit Board members based on Foundation's occupational expertise, diversity, and fundraising needs.	GNC	
V	07/01/13	09/30/13	Determine best financing options for all facility improvements based upon organizational priorities.	FIC RFC	
IV	07/01/13	09/30/13	Establish Pennwood Place Tenant Committee to improve communication regarding facility-related issues.	CEO	
II	07/01/13	11/30/13	Secure $10,000 Beach Ball sponsorship.	BBC	
III	08/01/13	10/31/13	Secure grants to continue activity project launched by UIndy students.	CEO	
VI	08/01/13	10/31/13	Monitor and improve budget information needed to evaluate true costs associated with VNS at St. Francis relationship.	FIC	
IV	09/01/13	09/30/13	Create Board Marketing Committee to oversee branding and ongoing marketing functions including plan implementation.	BEC	
I	09/01/13	10/31/13	Develop and execute RFP to engage professional firm to develop new brand strategies with related budget.	MBC CEO ADM	
VI	09/01/13	11/30/13	Define and monitor guidelines to ensure continued Foundation support of VNS at St. Francis patient care.	BEC CEO	

2013-2014 Business Activity Plan

Str. Dir.	Start	End	Activity	Lead	Notes
V	10/01/13	03/31/14	Investigate Abbie Hunt Bryce Home long term capital needs.	RFC	
VI	11/01/13	12/31/13	Develop 2014 operating budget.	FIC	
I	11/01/13	2/28/14	Oversee name evaluation; logo development; positioning strategy; and messaging.	MBC	
II	12/01/13	01/31/14	Secure professional sports team involvement in Beach Ball.	BBC	
II	12/01/13	01/31/14	Create and implement annual Financial Development Plan.	CEO FDC ADM	
IV	01/01/14	03/31/14	Implement and analyze resident customer satisfaction surveys to improve service delivery.	AAC CEO	
VI	02/01/14	03/31/14	Establish annual Foundation Chair and CEO visit to VNS at St. Francis Board meeting to enhance communication and ongoing relationship.	BEC	
I	03/01/14	06/30/14	Execute branding implementation activities.	MBC	
IV	04/01/14	05/31/14	Develop methods to implement customer service expectations for all staff and contract partners that interact with Foundation customers.	BEC CEO ADM	
VI	04/01/14	06/30/14	Create inventory of on-site Foundation property.	BEC CEO	
III	05/01/14	06/30/14	Survey market to identify unmet needs in relation to health, wellness and end of life care.	MBC	

KEY:
AAC: Abbie Hunt Bryce Home Advisory Committee
ADM: Foundation Administrator
BBC: Beach Ball Committee
BEC: Board Executive Committee
CEO: Foundation Executive Director Chief Executive Officer
FDC: Financial Development Committee
FIC: Finance/Investment Committee
GNC: Governance /Nominations Committee
MBC: Marketing/Branding Committee
RFC: Real Estate/Facilities Committee

Please note: The **Strategic Planning Committee** has an ongoing role to analyze metrics and to ensure that the Strategic Plan is properly implemented. That charge is not included in this Plan.

Summary

With the development of the 2013-2015 Strategic Plan, the Visiting Nurse Service Foundation now has a basis for annual business planning. This Business Activity Plan is designed to delineate tasks that will move the organization forward in significant ways over the twelve month period. Every activity is anchored in one of the six Strategic Directions that will shape the organization's future. This connection provides the operational continuity and accountability needed to ensure a viable and focused operation.

The Business Activity Plan will be implemented by paid staff and reported to the Board Executive Committee. Key Indicators will measure its progress. Success will also be determined if 80% of activities are completed or moving toward completion by the end of one year.