

Discover Goodwill of Southern & Western Colorado
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Performance Management Report 2017

"You are never too old to set another goal or to dream a new dream."
-C.S. Lewis-

To Our Stakeholders:

On the whole, I think we can safely assume that we have weathered multiple storms over the past several years and that 2017 was a great year for our stakeholders and Discover Goodwill. I suspect the next years will continue to hold many challenges as we continue to emphasize integration and person centered planning for those we serve with development and cognitive disabilities. The important defining statement of Discover Goodwill's Strategic Plan continues to be "balancing mission impact and social enterprise to ensure sustainability and measured growth." Please trust that Discover Goodwill commits completely to this statement and will make the needed plans and sacrifices to meet this goal. We will continue to have sound, strategic decision making that looks beyond tomorrow with meaningful input. This will lead to outcomes of which we can all be proud.

As in the past, Goodwill utilized the balanced scorecard, a planning and management system, to outline the four strategic categories:

1. Financial

- Expand revenue and margin to support mission and increase financial stability.

2. Team

- Attract, develop and retain quality talent throughout the organization.

3. Customers

- Develop and apply innovative strategies to be the first choice of a multi-generational customer base.

4. Performance

- Increase organization efficiencies to support growth of the mission.

Goodwill 2017 General Emphasis:

- Adapt the organization structure to improve productivity, cross training and retention to reduce employee related costs.
- Investigate and launch adjacent business operations to add margin.
- Plan and implement a digital strategy to reach more shoppers, donors and stakeholders.
- Open stores that will deliver sufficient margin to support mission.
- Adjust the relationship between low margin and high margin activities to ensure sustainability.

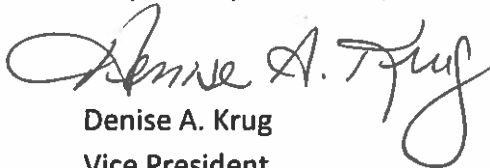
2017 Major Initiatives:

- Develop a plan to successfully meet the challenges of \$12/hr. Minimum Wage and compression costs. Accomplished
- Search for retail opportunities on the Western Slope. Accomplished: Durango
- Complete implementation of our Continuum of Care to seniors. Accomplished: partnership with Silver Key enhanced.
- Create new adjacent business lines to increase living wage jobs and help ensure sustainability. Accomplished: Launched Skilled Care.
- Complete second year of integration plan to support IDD, DD populations. Accomplished

- Create a Customer Delight culture that will enhance interactions with all stakeholders. Accomplished
- Create a comprehensive marketing/communication plan to reach all customers and stakeholders. On-Going in 2018
- Increase focus on Continuous Improvement opportunities. On-Going in 2018

As always, I am pleased to share this information with those we serve. We will continue to share data that is clear, consistent and correlates to our mission and operational plan. Efforts from all stakeholders as well as Discover Goodwill itself will ensure successful, long-term programs that have extensive merit. With that, please review our 2017 Performance Management Report. You have our word that we will continue to serve all of our stakeholders in the best possible manner.

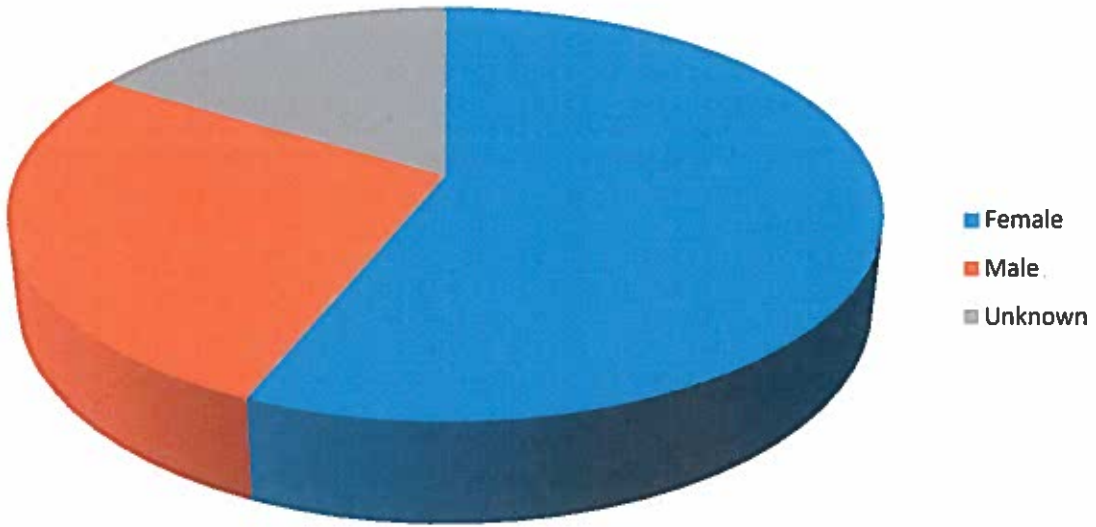
Respectfully submitted,

A handwritten signature in cursive script that reads "Denise A. Krug". The signature is written in black ink and is positioned to the left of the typed name.

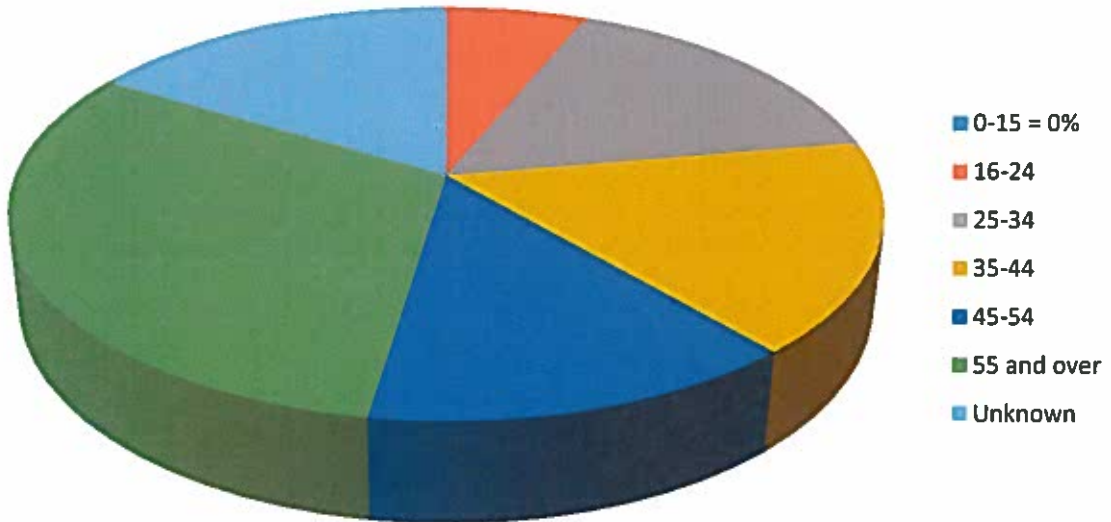
Denise A. Krug
Vice President

Workforce Development, Community Programs and Contracts

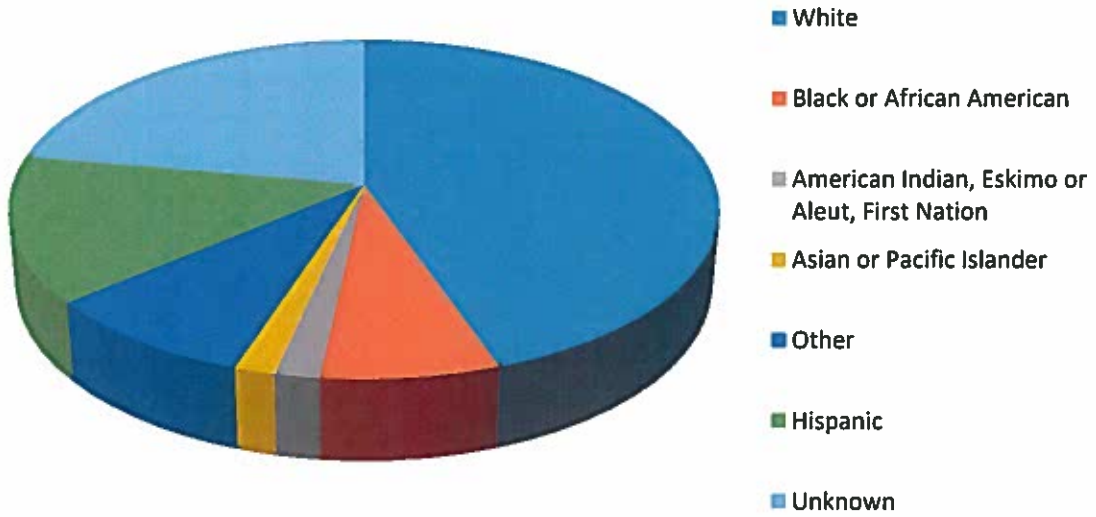
2017 People Served by Gender



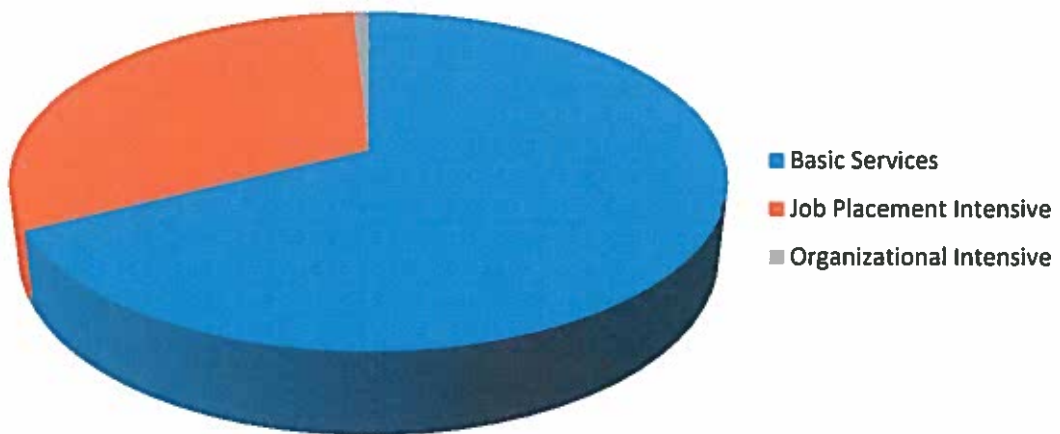
2017 People Served by Age Group



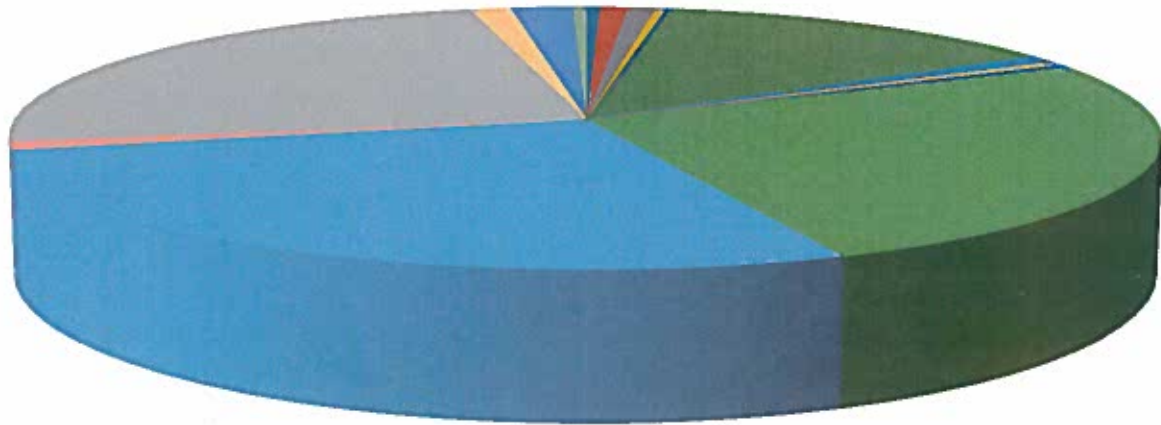
2017 People served by Race/Ethnicity



2017 Persons Served by Service



2017 Barriers Experienced by Persons Served



- | | |
|---|--|
| ■ Developmental Disability | ■ Other Physical Disability |
| ■ Psychiatric and/or Emotional Disability | ■ Neurological Disability |
| ■ Lack of Literacy | ■ Other Disabling Condition |
| ■ Lack of GED/High School Equiv. | ■ Blindness/Other Visional Impairment |
| ■ At Risk Youth | ■ Deafness/Other Hearing Impairment |
| ■ Learning Disability | ■ Unemployed/Dislocated Worker |
| ■ Older Worker | ■ Offenders/Ex-Offenders |
| ■ Other Disadvantaging Condition | ■ Non-English Speaking/ESL |
| ■ Homeless | ■ Working Poor/Incumbent/Underemployed |

Performance Management Indicators Recommendations and Objectives Report

Key Performance Indicators for 2017

- Create a plan to mitigate the effect of minimum wage and compression.
- Launch new business lines to include Skilled Care.
- Continue efforts in person-centered planning.
- Increase annual philanthropic support.
- Reinforce safety as a key component of our culture of valuing people and continuous improvement.
- Develop bench strength and cultivate talent.
- Develop an organization-wide Customer Delight Initiative.
- Expand our social media presence.
- Advance strategies to instill a continuous improvement approach.
- Create a plan to leverage our facilities and rolling stock.

Strategic Objectives for 2017

Financial:

- Maintain net operating margin of \$1.6M. Exceeded
- Launch new business lines Skilled Care, Training Epicenter and *Things Forgotten But Not Gone*, the *White Glove* program and investigate durable medical equipment sales and the operation of job placement services for other organizations based on NOI defined guidelines. Accomplished
- Explore retail opportunities on the Western Slope in areas where we have the greatest market potential and profitability. Accomplished
- Increase company revenue, after Cost of Goods Sold and excluding the Foundation, to \$58.6M by 2017 an increase of 4%. Accomplished.

Team:

- Develop bench strength and cultivate talent by creating development plans for high performing Managers to include online and in person training and LEAD Team Coaching Initiative. Accomplished.
- Receive 3-year CARF accreditation by December 2017. Accomplished

Customers:

- Develop a digital strategy that engages all stakeholders to include technology that connects them across multiple platforms. On-Going in 2018
- Expand our social media presence to attract and retain multi-generational donors and customers. On-going in 2018
- Complete the 2nd phase of the plan to adapt to new state integration requirements in 2019 for people with disabilities. Accomplished
- Participate in new WIOA regulation. Accomplished

Performance:

- Execute the following strategies to instill a continuous improvement approach:
Accomplished
 - Leverage purchasing analysis to identify savings opportunities of \$150,000.
 - Improve Kaizen in E-Commerce and stores.
 - Improve 3 processes.
 - Accomplish consolidation of services.
 - Identify new annualized savings of \$150,000.
- Maintain WD/CP overall E/R of 93%, compared to 93% 2016 forecast.
Accomplished
- Achieve Contracts E/R to 93%. Accomplished

Individual Unit Outcomes

Possibilities:

- The FISH (Functional Independence Skills Handbook) testing saw an increase of 35.3% over baseline in the 12 Functional skills: cognitive, adaptive, affective, sensorimotor, social, speech/language and vocational areas.
- Met the goal to increase the number of community partners by 6.
- Monthly mayor/city council meetings were held meeting goal expectations.
- Exceeded goal to implement participant suggested community, curricular and programmatic choices.
- 88.2% of respondents of Annual Survey would recommend the program to their friends and family.

Recommendation(s):

1. Effectiveness – Continue with Functional Skills Independence Handbook (FISH), as an integral part of the curriculum, emphasizing one specific skill each month across all centers for continued reinforcement, combining with community integration experiences. To apply person centered thinking and individual participant goals within this framework as part of each center curriculum and as a part of the daily routine.
2. Service Access – Increase the number of community integration experiences offered each month to participants and continue with the development of new long-term community partnerships that will encourage community relationships and natural supports of the participants. Utilize Smart Board technology to provide information, across all learning modalities, about these outings and integration experiences and allow for participants to sign up for their choices.
3. Efficiency – Continue to track participant utilization and schedule make-up days for participant absences and for scheduled holidays as part of a Case Management-Administration Assistant team effort. Emphasize excellent customer service and train staff to ensure positive and helpful communication with all stakeholders. Continue personalized service and program excellence to increase participant retention. Continue to plan and publicize programmatic events and

activities both internally via flyers and via the Constant Contact "Possibilities Snap Shot" weekly email to all stakeholders.

4. Stakeholder Input – Continue conducting yearly Possibilities survey and follow up with any issues noted by the respondents. Continue monthly City Council meetings and participant Focus Groups for programmatic input.

Transition Services:

- The number of students who achieved their ISP goals averaged 86%.
- 18 referrals were received during the course of the programming year.
- The utilization of service goal decreased from the baseline to 82%.
- Overall survey ratings were 4.98 for 2017.

Recommendation(s):

1. Effectiveness: In order for TS participants to maximize their ISP goals, the Case Manager will continue to meet/work with each participant on their curriculum retention.
2. Service Access: Case Manager will continue to meet with each team to discuss different funding options in order to maximize services. She will continue to track the number of referrals, number of intakes, and the number of inappropriate for services.
3. Efficiency: The Case Manager will continue to have face-to-face interactions with the participants to encourage student attendance and assure that the participant is engaging in program. Case Manager will also track utilization of days and encourage all participants to fully utilize all approved days.
4. Stakeholder Input:
 - Stakeholders will be administered an Annual Satisfaction Survey to capture feedback.
 - Systems Improvement Specialist will conduct open ended questions to increase participant's satisfaction through providing opportunities to share/discuss feedback from the participants directly.

Journeys:

- The maximization of achievement of day program goals was 69% missing the target goal of 75%.
- The number of participants attending a community was 67% missing the target goal of 80%.
- Utilization was at 92% missing the goal of 95%.
- Guardian's satisfactory surveys ratings increased for all attributes from 2015 with the largest improvement for "Attentiveness".

Recommendation(s):

1. Effectiveness: Staff members will continue to encourage, prompt and assist participants as needed with achieving their objectives. Continue to offer the objective block weekly. Quarterly, Program Manager will review curriculum with Activity Director to ensure there are plenty of opportunities for participants to meet their goals.

2. **Service Access:** Community Integration will continue to be offered 4 times/week. The Program Manager will meet with Community Liaison quarterly to look at the participants that have gone on outings and the places they were able to visit. The Community Liaison will continue to research possible new places for participants to go on their outings.
3. **Efficiency:** Administrative Assistant will continue to keep track of clients that are absent and work with the providers to have the participant make up time by either extending their daily hours or the number of days they attend weekly, if applicable. Administrative Assistant will also send out fun events to providers to maximize attendance on those days, as well as weekly generally updates about Journeys.
4. **Stakeholder Input:** Activity Direct will continue to have monthly Award Assemblies to gather activities/integration feedback from the participants/stakeholders. The feedback is implemented into the Activity Calendars for person centered planning. The Activity Director will also send pictures of each participant engaged in activities to the provider/guardian quarterly. After a new participant starts, the Case Manager will contact the participant's provider after the participant's first day, first two weeks and first 3 months to give an update on how the participant is doing at Journeys. Continue to administer annual satisfaction survey.

Supported Employment

- 98% of all in program retained their employment.
- The goal of meeting with employer once per month (12) was met.
- Utilization goal was 92% missing the target goal of 95%.

Recommendation(s):

1. **Effectiveness:** Continue goal of monthly employee contact to sustain community employment.
2. **Service Access:** Continue to address any employer complaints immediately. Decrease complaints by being readily available to all employers.
3. **Efficiency:** Program Coordinator will meet with Employment Consultant bi-monthly to discuss schedule for weekly client visits.
4. **Stakeholder Input:** Continue annual client survey to give additional opportunities for client feedback.

Individual Unit Customer Satisfaction

Discover Goodwill continuously seeks ways to gather stakeholder input and works diligently to talk directly with those receiving our services. This provides strategic information that is used in creating overall annual objectives/program refinements. Participants are involved in focus groups during their classroom scheduled time and are represented by members of Possibilities' City Council where town operations are conducted. Monthly assemblies are held with a designated time when activity suggestions are solicited. Client choice is a daily opportunity where individuals are allowed to vote on what activities they want to participate in for the next hour.

Other methods for stakeholder input include: luncheons for referral sources, open houses, invitations to parents/guardians/host home providers to join in on special

programming days, monthly parent calls, calls to other stakeholders seeking programming feedback, and individual unit's surveys are conducted.

Stakeholder feedback is outlined in this management report which is then published on Goodwill's web site for easy access to all who might have an interest. Additionally, feedback is discussed in unit staff meetings and is always a topic in strategic planning where measurable "Customer" objectives are developed and outlined in Goodwill's Strategic Plan.

Journeys:

- The Program: Both "**Safe environment**" and "**Staff genuinely cares**" slightly decreased from 2016 but was increased from 2015.
- The Staff: When comparing this year's results to 2016, all attributes rated lower with the largest decrease for "**Keeps me informed of progress and activities.**"
- Overall Service: The ratings decreased for all attributes from 2016 and mirrored more closely with 2015 results.

Supported Employment:

- Work Skills: Work Skills decreased dramatically from all previous years with all attributes landing below a mean of 4.
- The Program: There was a slight decrease for both "**Safe environment**" and "**Staff generally cares**" from 2016.
- The Staff: Respondents' frequency rating of Supported Employment decreased from all previous years with the greatest decrease in "**Keeps me informed of progress and activities**" which rated only a mean of 3.
- Overall Service: Respondents' excellence rating of Supported Employment's overall service decreased for all attributes.

Transition Services:

- Work Skills: There was no statistically significant change in Work Skills from 2016. "**The participant was coached appropriately to reach program/employment goals**" and "**The participant received assistance to develop achievable program/employment goals**" decreased slightly and "**The participant was able to learn new hard or soft skills**" increased slightly.
- The Program: Respondents' rating of Transition Services remained about the same as 2016, only slightly decreasing from a mean of 5 to 4.9 for "**Is a safe environment for the participant.**"
- The Staff: Respondents' frequency rating of Transition Services staff decreased negligibly from 2016 for all attributes.
- Overall Service: Respondents' excellence rating of Transition Services overall service received perfect means of 5 for all attributes with the exception of "**Courteousness**" which was just shy of perfect, with a mean of 4.9.

Possibilities:

- The Program: Respondents' agreement rating of Possibilities decreased slightly for "**Safe environment**" and "**Staff genuinely cares**". When looking at 2017 compared to all previous years, it is one of the lower rated years. Both 2016 and

2017 are the lowest for all years except for 2010 *“Staff genuinely cares”*. For *“Safe environment”*, 2017 was the lowest rated year.

- The Staff: Respondents' frequency rating of Possibilities decreased in all attributes from 2016 and was the lowest of all years for *“Responds in a timely manner.”*
- Overall Service: Respondents' excellence rating of Possibilities overall service showed a decrease for all attributes from 2016.

Looking Ahead

2018 Global Strategic Objectives:

Financial:

- Achieve operational profitability in Skilled Care of \$65K and in our Things Forgotten but Not Gone (TFNG) umbrella of concierge services to seniors of \$88K NOI in 2018; complete research on two innovative enterprises and present business plans.
- Create a strategic development plan that maintains annual philanthropic support and yields \$1.6M in 2018 (from a forecast of \$1.6M in 2017).
- Refine and course correct as is necessary our action plan to mitigate the effect of minimum wage and compression.
- Increase company revenue excluding the Foundation, to \$63M by 2018 (from a forecast of \$60M in 2017), an increase of 5%.
- Maintain a net operating margin before fundraising of \$2.5M in 2018 (from a forecast of \$3.9M in 2017), a decrease of 35.9%.

Team:

- Develop Admin Team talent through engagement in major, cross-functional initiatives to support our business continuity plan.
- Drill down into the cultural values implementation plan and launch the program to managers in 2018
- Utilize LEAD team talent to evaluate our volunteer program and to seek opportunities in G & A efficiency
- Continue participation in the coaching and continuous improvement LEAD teams
- Investigate opportunities and create a long-term business plan for mission integration that focuses on employee development through work/life support and personal empowerment.
- Develop a strategy to prioritize and enhance employee engagement to offset the impact of competition for employees.

Customers:

- Finalize and execute Phase I of a comprehensive marketing/communication plan that connects us with our stakeholders to drive sales, material donations, new business contracts, community participation and financial giving.
- Embed within our organization a Customer Delight approach to all customers.

- Research, filter and select our target customer segments to grow and diversify our customer base.

Performance:

- Expand continuous improvement efforts with an organization-wide focus on projects with greatest potential impact in terms of efficiency and dollars.
 - Leverage purchasing analysis to identify savings opportunities of \$150,000.
 - Identify new annualized savings of \$150,000 resulting from four major CI projects: E-Commerce; RSC/transportation and dock; Retail/donation processing; and Laundry labor and utilities efficiency.
- Refine the G & A activities that drive the highest performance in revenue, NOI, and mission impact.
- Maintain WD/CP overall E/R of 93.4%, compared to a forecast of 90% in 2017.
- Achieve Contracts E/R of 89.8% from a forecast of 88.9% in 2017.
- Create revenue and/or reduce expenses by leveraging our brand, fixed assets and rolling stock.
 - Save or earn a minimum of \$30K
 - Raise margin in fleet maintenance utilization to 87%
- Reinforce safety as a key component of continuous improvement and our cultural values.
 - Maintain WC cost per labor hour of \$.20
- Continue to reduce material donation waste and energy consumption in our existing fleet and facilities.
 - Reduce donation waste to 17% from a 2017 forecast of 18%
 - Reduce fleet energy consumption by a 10% reduction in cost per mile
 - Reduce facility energy consumption by 3%
- Develop a data analysis needs assessment plan with each stakeholder.

Program Highlights

Possibilities:

1. Functional Independent Skills Handbook (FISH) Improvements in 2017:
 - 35.3% increase over baseline in the 12 Functional Skills from the cognitive, adaptive, affective, sensorimotor, social, speech/language and vocational areas.
2. Positive 2017 Surveys Feedback from Clients, their Families and Referral Agencies:
 - 88.2% of respondents would "highly recommend" the program to others.
 - It was felt that participants felt more independent by attending Possibilities by a .81 mean.
 - Received a 4.5/5 rating for courteous, 4.3/5 for helpful, 4.37/5 for professional and 4.3/5 for quality of service.
3. Community Inclusion in 2017:
 - There were 253 participant outings in the community, an average of 21 per month
 - Participants spent a total of 590.5 hours in the community.

- Extended Community Partnerships were developed with 12 local businesses
- 4. There were 125 special programmatic events suggested by participants which were implemented and overseen by the Possibilities Participants City Council.
- 5. Population Census increased by 40 new participants in 2017.

Supported Employment:

1. Maintained 98% employment.
2. Overall unit utilization was 92%.
3. Provided services to 18 participants.
4. On the annual survey, the overall excellence of Supported Employment averaged 4.3. Positive comments included love the staff, clients are happy and a safe environment.
5. Achieved an ER of 90%.

Transition Services:

1. Provided services to 37 students.
2. Overall unit utilization was 82%.
3. The unit had 13 placements.
4. On the annual survey, the overall excellence of Transition Services was 5.0 – Excellent rating. Continues to be excellent.
5. Achieved an ER of 82%.
6. 86% of students achieved their ISP goals.
7. We are serving 8 school districts.

Journeys:

1. 2017 was the first year Journeys has made 1 million dollars. Journeys brought in a total of \$1,010,706 in 2017
2. Overall utilization was 92%.
3. Achieved an ER of 67%.
4. Journeys served 80 participants total throughout 2017. The daily average census was 48 participants.
5. The participants met their objectives 69% of the time.
6. 67% of the participants chose to go on community integrations throughout the year.
7. 11,979 activities were provided throughout the year

In Closing:

In order to reach our ambitious, proposed goals, everyone must do their part. We must ensure that all goals are aligned with company-wide priorities to keep programs/systems moving in a consistent, positive direction. With this in mind, Discover Goodwill must:

- Engage the community so that all members are aware of services and how to access them.
- Continue to learn the idiosyncrasies of person-centered planning and how to positively impact both the individual and their families.
- Understand what the community already has to offer and make sure that all services compliment/expand what already exists.

- Continue to nurture forward-looking Board members and staff.

In closing, Discover Goodwill recognizes that there will be many challenges ahead and we are ready for them. We are looking forward to the future and feeling grateful for our many successes in the past.