



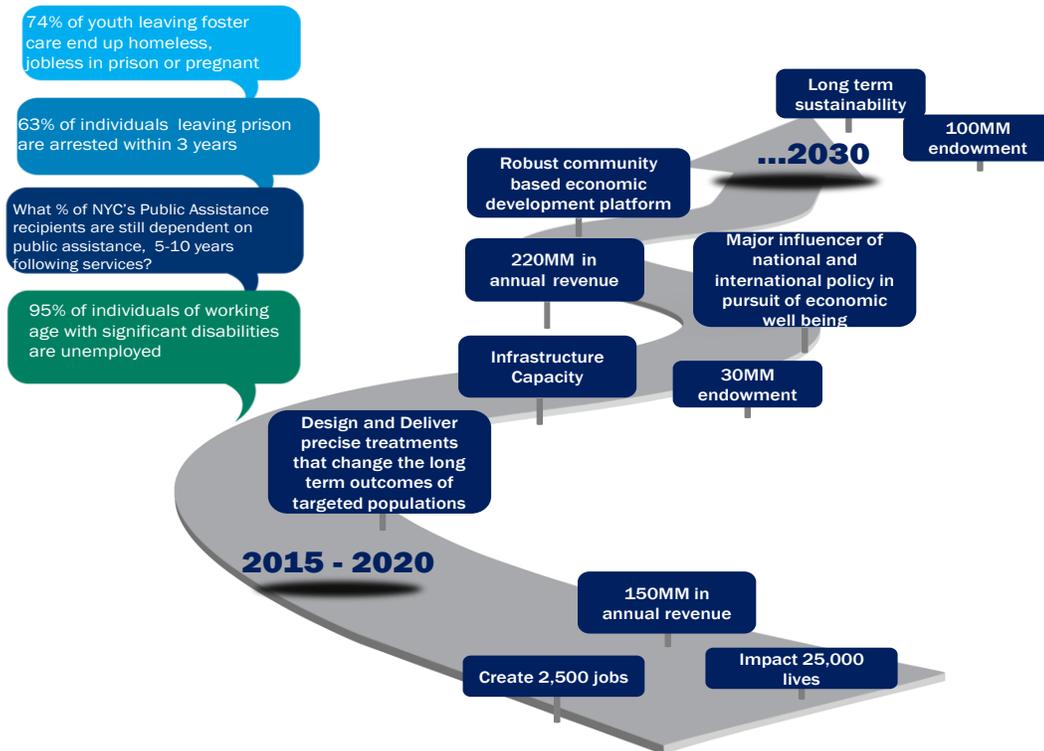
The Power of Possible

## 2015-2020 Strategic Plan

### Executive Summary

In December of 2015, Fedcap launched its five year Strategic Plan. By its nature our 2015-2020 Plan is 3 Dimensional –departing from our past plans that we consider “flat”. This plan includes a set of goals, directions and tactics with “predictions” for the future, but allows for changes as new information becomes available. Most plans become obsolete because they are static –this plan is built on an expectation that our thinking will evolve in this rapidly changing, fast paced environment.

This plan sets forth Major Directions including a set of bold, far reaching practice, community impact and financial goals. The Plan by design, requires continuous information gathering from research and key stakeholders and shifts our data analysis from only measuring internal numbers to measuring internal and external metrics. The visual below depicts the journey Fedcap is on, 5-10-years out.



## STRATEGIC INITIATIVES

The plan identifies ten strategic initiatives and a series of tactical activities to advance those initiatives.

### 1) Develop Formalized Solutions to Target Populations

The strategy asserts the notion that we have to be more than the collection of programs. We will structure and organize to pursue precise elements of system “treatments” that improve the economic well-being of target populations. We will blend policy, practice/service delivery and research in pursuit of this strategy with the goal of “moving the needle” –changing local and national outcomes for populations’ with barriers to economic well-being. The populations we are focused on include:

- Youth transitioning from foster care
- The court involved/previously incarcerated
- Veterans
- People with intellectual/developmental disabilities
- Older Workers
- Immigrants
- The chronically/structurally unemployed

The chart below provides one example of our approach. It depicts the inequities between outcomes for youth in foster care and their peers. Our goal is to change the national outcomes for youth in foster care—making them (at least) as good as their peers. This same strategy will be applied to each of our target populations.

<b>Youth in (transitioning from) Foster Care</b>	<b>Their Peers (Not in Foster Care)</b>
At age 24 only 48% who are not enrolled in school are employed	At age 24 66% who are not enrolled in school are employed
58% will graduate high school by age 19**	87% will graduate high school by age 19
20% attend any kind of post-secondary education	60% attend post-secondary education
10% enter college	56% enter college
3% who enter college graduate by age 25	28% who enter college graduate by age 25

\*\*According to the Alliance for Excellent Education, a single 18 year old adult who failed to complete high school earns \$260,000 less over a lifetime and contributes 60,000 less in federal and state income tax. Further, approximately 16% of all young men without a high school degree are incarcerated or on parole at any one point in time before age 25; among African Americans the proportion is 30%.

Our strategies to change these outcomes include focusing on both systems and individuals—allowing our “boots on the ground practice” to inform our national initiatives. We intend to partner with foundations, universities and research institutions to help us measure the efficacy of our efforts for these populations. We also intend to bring national leaders and people of influence into the Fedcap family to work with us using their “might” to move the needle of target populations.

## **2) Invest in a Client Management System**

As part of this strategic initiative we will identify the cost to purchase, design, implement and manage the system. Concurrently we will work through our Metrics that Matter initiative to establish a culture of data driven decision making. We will also need to engage funders to support our ability to track those we serve three –five years past our involvement to better understand the efficacy of our efforts. Some of the information we intend to track includes:

- Total number of people placed in jobs
- Cost per job placed
- Salaries of the jobs we are creating
- Retention
- Economic Impact (taxes, reduction in entitlements)
- Depth of the Impact (long term)
- Graduation (high school and college)

## **3) Explore the launching of a Community Development Financial Institute**

Under the umbrella of Economic Development, a CDFI is part of our strategy to help individuals build equity. Building equity becomes their safety net from ending up homeless. Many individuals we serve are one paycheck away from slipping back into poverty. Our businesses help individuals begin to build equity. They provide people with a job that pays enough that they can own a home, maybe even send their children to college. Sitting on top of this is the concept of business ownership – providing individuals with an option to earn a living.

*Consider a single Mom with children. She has little education and any job that she is qualified for, will not change her equity position. If she could own her own business – she could begin to build equity.*

Under this initiative, our lending process will be structured similar to a venture capitalist. Because Fedcap knows business, and we understand what it takes to stand them up and be successful—we are positioned to help those we serve stand them up. We will work in partnership with the client to help them build the business plan.

## **4) Transform Governance/Corporate**

Within this initiative our goal is to move our corporation to a more effective structure designed to meet long term goals—relevant, sustainable impact. We intend to modernize and design both structures consistent with the current landscape, but also for the future

The elements we are considering include:

- Effective fiduciary role

- Knowledge of the evolving markets
- Relationships with major policy and other influencers
- Financial Resources

#### **5) Establish an Endowment**

Our goal is to establish a \$30MM endowment by 2020. The seed money for the endowment will be monies from the sale of our building in New York City currently at \$15MM.

#### **6) Explore the International Market**

There has been increasing interest in workforce development (similar to our current model) throughout the UK, Israel and South Africa. We have designed products that are replicable and scalable.

#### **7) Complete the investment in our infrastructure**

Over the past three years, Fedcap has made substantial investment in its infrastructure through upgrading vital information systems, its telecommunication network as well as in hiring and training professional administrative staff capable of operating complex information systems. Emphasis has been placed on developing its professional administrative and program staff; processes and technology so that the critical service delivery aspects of the Organization are adequately supported. These investments have been made in a thoughtful and prudent manner, as Fedcap also recognizes that it must balance these costs against the expenditures required for direct program services.

In the calendar year 2012 Fedcap upgraded its Human Resources and Payroll systems from a variety of independent applications to an integrated Human Resources Information System (“HRIS”) hosted by ADP. Due to the scale of Fedcap’s operations, which encompass close to two thousand employees operating in over fifty locations, Fedcap selected the ADP Enterprise application for its HRIS. ADP Enterprise is web enabled which provides for easy access and reporting by both employees and managers. Employee time and attendance is recorded electronically, either through card access time clocks, or through an automated electronic time sheet entered at a computer work station. With this capability, virtually all paper time sheets have been eliminated. Manager actions such as opening requisitions, recruiting and hiring have also been fully automated with the ADP Enterprise system. We are encouraging staff to receive their pay through direct deposit for which the pay stubs are emailed, again eliminating paper and streamlining processes.

Similar to the quantum upgrade of information systems made in Fedcap’s Human Resources Department, Fedcap made an investment of over \$1 million in 2013 to upgrade its accounting and management information system to Oracle R12. The R12 application is the latest enterprise resource planning system developed by Oracle for managing an organizations accounting and management information system. The Oracle R12 system is web enabled and was customized for Fedcap to accommodate the specific management reporting requirements of the Organization. The new system utilizes imaging for accounts receivable and accounts payable processing so that users can easily access source documents. In addition, there is a

sophisticated reporting capability that enables program managers to review the detailed revenue and expense transactions relative to their respective program operations. This system is a tool that Fedcap utilizes on each project it manages, to assist in decision making and in aiding in the analysis of program operating metrics.

Fedcap believes that it is unique in the not for profit marketplace by having such sophisticated information systems. These investments have required significant investment in planning, implementation and operation. Fedcap recognizes that these tools can only be used effectively by well-trained administrative and program staff, to which it is dedicated. With these systems in place Fedcap is poised to expand upon with the foundation of sound management information systems, processes and trained staff. In that regard, Fedcap now operates in five states providing a broad range of services.

Fedcap plans to continue to develop and invest in its internal business operations and leverage the use of technology in which it has already made a significant investment.

#### **8) Reposition our Engagement Strategy**

Throughout the next five years we will develop an Engagement structure that includes production, events, major gifts, marketing and social media. This is a significant step to advance our donor base and the overall engagement of our key stakeholders.

#### **9) Design and Launch Policy/Legislative Framework**

Our National Center for Innovation and System Improvement was established as a vehicle to advance our policy agenda and design our legislative framework.

One strategy for advancing our efforts is the development of white papers that reflect our policy positions and sharing those papers with policy leaders, legislators and influential business people.

- We are in the midst of finalizing a white paper on the employment of people with intellectual/developmental disabilities describes our experience and “lessons learned” in structuring a statewide system for people with disabilities to work in competitive employment in the community.
- We are partnering with Georgetown University to develop white papers and a policy position on building a platform for self-sufficiency for youth transitioning from foster care.

#### **10) Advance our Business to Business Solutions**

Fedcap operates five commercial businesses including manufacturing, Total Facilities Management, Security, Document Management and Imaging and Catering and InSynergy™ Staffing Solutions. These businesses employing 1500 people, offer people with barriers an opportunity to build their resume and expand their professional potential. They currently generate \$70MM across a seven-state footprint –with a goal of a \$100MM target. We have

designed a strategy to market our businesses to other businesses including our large number of vendors.