CULTURAL TRANSFORMATION

HEALTH + PERFORMANCE + DIGITAL presented by

Arun S. Prabhakaran, Executive Vice President October 21, 2020



A JOURNEY OF CULTURAL TRANFORMATION

HEALTH + PERFORMANCE + DIGITAL

Agenda:

- 1. Overview and Key Takeaways
- 2. Cultural Transformation roadmap
- 3. Digital Transformation roadmap
- 4. Why focus on Organizational Health? How does that lead to organizational performance?
- 5. First 18 months: Alignment performance.
- 6. UAC's Business and Operating Models
- 7. Draft Strategic Implementation Goals and Themes for FY 21
- 8. Draft Business Unit Objectives
- 9. Digital Transformation Roadmap
- 10. FY 21 Quick Wins

A JOURNEY OF CULTURAL TRANFORMATION

HEALTH + PERFORMANCE + DIGITAL

Key Takeaways:

- 1. Cultural > Strategy
- 2. People Transformation > Digital Transformation
- Org Health → Performance → Execution → Accomplishing the strategy
- 4. Align = Direction + Leadership + Culture & Climate

CULTURAL TRANFORMATION ROADMAP

HEALTH + PERFORMANCE + DIGITAL

FY 2020 & 2021: ALIGN + DEPLOY •

Align the Coalition's strategy, culture, climate and values around our clear, compelling vision for the future

Deploy new tech systems as a part of Digital Transformation

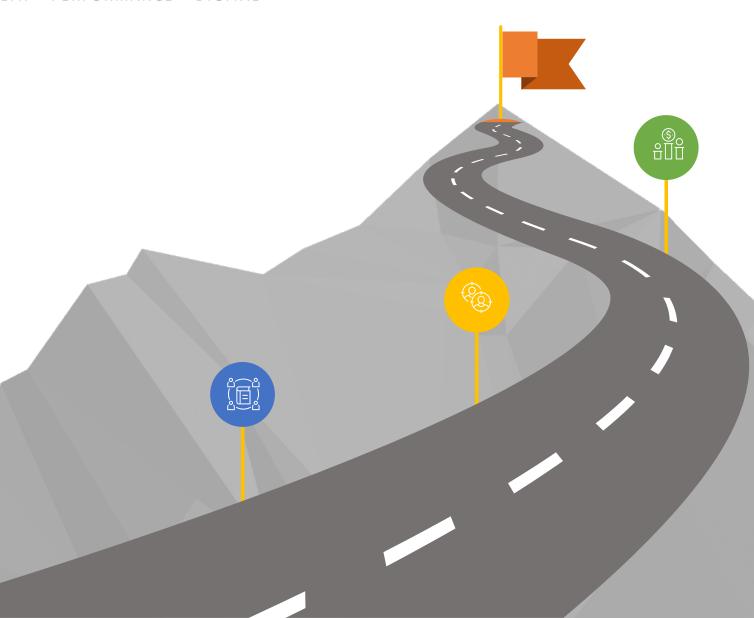
FY 2022 & 2023: DELIVER & OPTIMIZE EXPERIENCES

Improve the daily work experience and productivity of our employees, Program Partners, and their staff.

Deliver world-class, digital experience to our new and current Program Partners by leveraging data-driven operating model

FY 2024 & 2025: DISRUPT + TRANSFORM

Culture and talent aligned with program partner success through a digital strategy that supports UAC's current and future business models by way of new, innovative capabilities and services







Introducing the Urban Affairs Coalition's Digital Transformation Initiative

We define Digital Transformation as the re-alignment and investment in the PEOPLE, PROCESSES, PLATFORMS and PERFORMANCE in support of existing and NEW BUSINESS MODELS to more effectively ENGAGE PROGRAM PARTNERS at every touchpoint with the Urban Affairs Coalition.





DISCOVERY DESIGN 2018 2020

Operating within the familiar legacy of processes, operating models, and established customer experiences.

DEPLOY

Pockets of experimentation adopted as siloed projects with limited scope across the customer experience

ADOPT 2022

Intentional & multi-channel experimentation with 360-degree view of customer experiences

OPTIMIZE 2023

Multi-department and Multi-disciplinary collaboration funded as part of a data driven operating model with the ambition to effect corporate culture and the broad customer experience

DISRUPT 2024

Dedicated transformational specialists guide strategy and operations based on business and customer-centric goals. Enterprise-wide digital investments aligned with digital strategy and in support of existing and new business models.

TRANSFORM 2025

All levels of the enterprise operating within a Data Driven Operating Model. The Agility Readiness and Data Readiness Postures position the organization to adopt new business models, and quickly adapt to changing market conditions and release new offerings in new markets extremely rapidly. Full ability to leverage insights and new technical innovations as part of the broader roadmaps for people, process, platforms.

Digital Transformation is more than technology — we are adopting a Data Driven Operating Model, fundamentally changing how we operate and deliver value to our Program Partners. It will allow us to leverage innovations, act quickly on data, exceptions and insights, and to improve our performance on every dimension.

It's also a cultural change that requires organizations to continually challenge the status quo, experiment, and eventually launch new offerings and open up new markets.

The investments are underway, and we are ready to implement our first major deployment.

BUSINESS AS USUAL

INITIALIZED

MANAGED

STANDARDIZED

ADVANCED

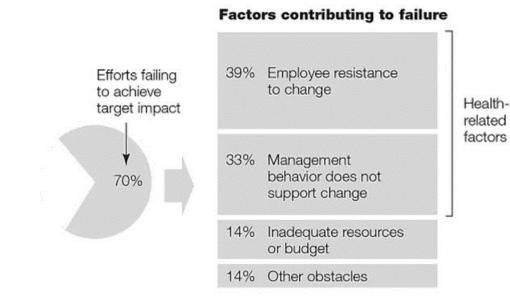
TRANSFORMATIVE

SOURCE: Internal Briefing with UAC Senior Management. Lima Consulting Group, 2020.

WHY FOCUS ON ORGANIZATIONAL HEALTH?

- The major barrier to organizational change is organizational health.
- Almost all organizations perform better if they improve their health.
- Those with organizational health challenges make the biggest advances.

Barriers to Organizational Change



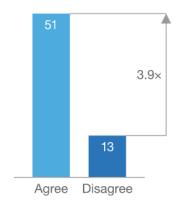
....PERFORMANCE?

When a company monitors key performance indicators during a transformation, its change effort's success is four times likelier.

% of respondents reporting successful transformations¹

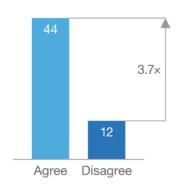
1. Performance management

"The organization closely monitored the solution's key performance indicators to ensure that its implementation was having the desired effects"



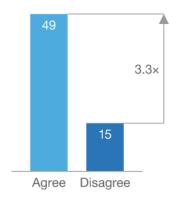
2. Training

"The organization held dedicated training sessions to teach employees how to use the digital solution in their business units"



3. Capabilities

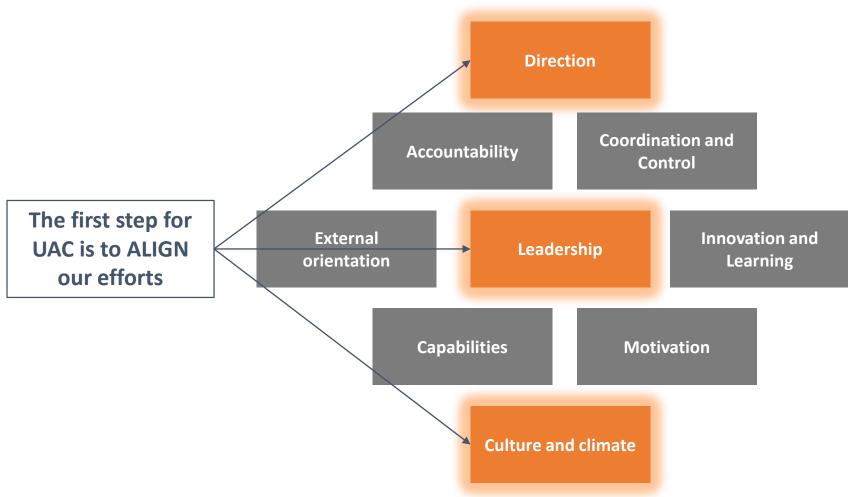
"After piloting, there was a clear process in place for handing off the solution to the relevant business unit"



¹Respondents who say their organizations' transformations have been successful at both improving performance and sustaining those improvements over time, n = 509.

SOURCE: Lindsay, B., Smit, E., and Waugh, N. How the Implementation of Organizational Change is Evolving. McKinsey and Co., 2018.

ORGANIZATIONAL HEALTH HAS NINE CHARACTERISTICS



SOURCE: Keller, S. and Schaninger, B. *Beyond Performance 2.0*, John Wiley & Sons, Inc., 2019.

WHAT DOES IT MEAN TO ALIGN?

Direction

UAC is able to craft and communicate a compelling strategy, reinforced by systems and processes. It provides meaning and purpose that engages our people around our mission and vision for the future.

Leadership

UAC's Leadership shows care towards staff and their needs; Leaders set stretch goals and inspire staff to achieve their full potential, inside and outside of work.

Culture + climate

UAC has a baseline of trust, mutual understanding and respect within and across the organization, upheld by each employee. The organization creates a healthy, strong, adaptable organization-wide culture that attracts talent and drives performance.

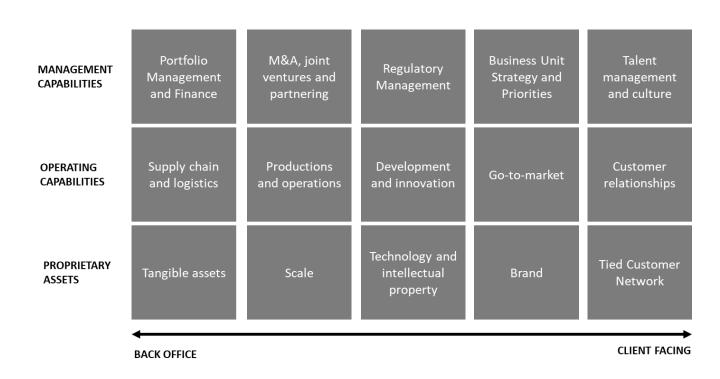
SOURCE: Keller, S. and Schaninger, B. *Beyond Performance 2.0*, John Wiley & Sons, Inc., 2019.

UAC BUSINESS MODEL

KEY ACTIVITIES VALUE KEY PARTNERS CUSTOMER KEY PARTNERS • Small & medium Small and Medium Fiscal **PROPOSITION RELATIONSHIPS** sized nonprofits • HR sized Non-Profits Making "Social Program Partners Government Relationship Government Change easier" Staff Philanthropic Management Offices High tech, Hight Funders Compliance Institutions Corporate touch Minority Foundations Speed to Market Distressed Businesses Transparent Organiza SCALE: Large Connected **KEY RESOURCES CHANNELS UAC'S CENTER OF** Corporations Experienced **INNOVATION** • Line of Credit Word of Mouth From 1980s to 2010s, • F-Newsletter Strategic the Coalition leveraged its Social Media Technology origin and history as an Business African American led Processes organization born out of the Civil Rights movement **REVENUE STREAMS COST STRUCTURE** Staff Costs Administrative Fees Vendors • Government, Corporate, & Foundation Contracts Brick & Mortar Events

OPERATING MODELS: CAPABILITIES & DIFFERENTIATORS

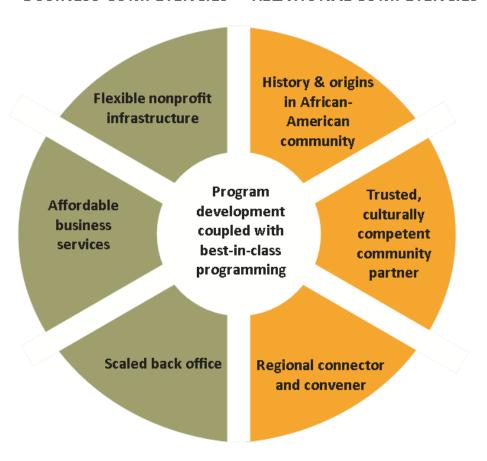
- Organizations can't be great at everything
- They need to make smart decisions about where to play and how to win
- It should excel in its areas of focus.
- In other areas, you can be "good enough"
- Once you have "hardened" the infrastructure around a capability, you can consider that as a new baseline from which to build other capabilities
- Focus on the four "P"s -
 - People, Processes, Platforms & Performance

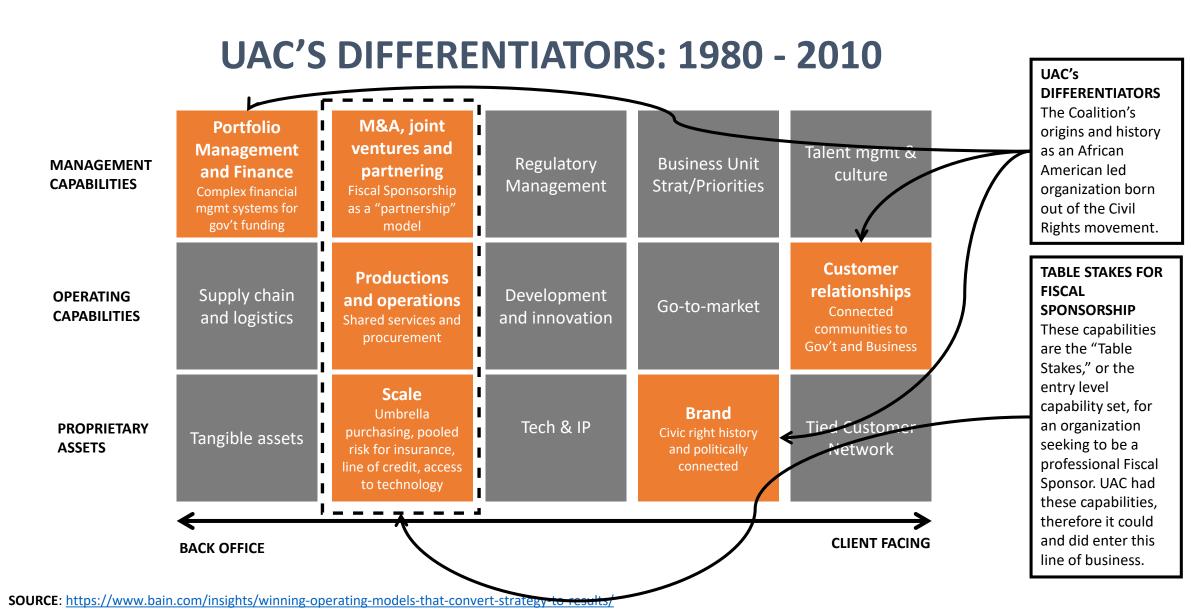


SOURCE: https://www.bain.com/insights/winning-operating-models-that-convert-strategy-to-results/

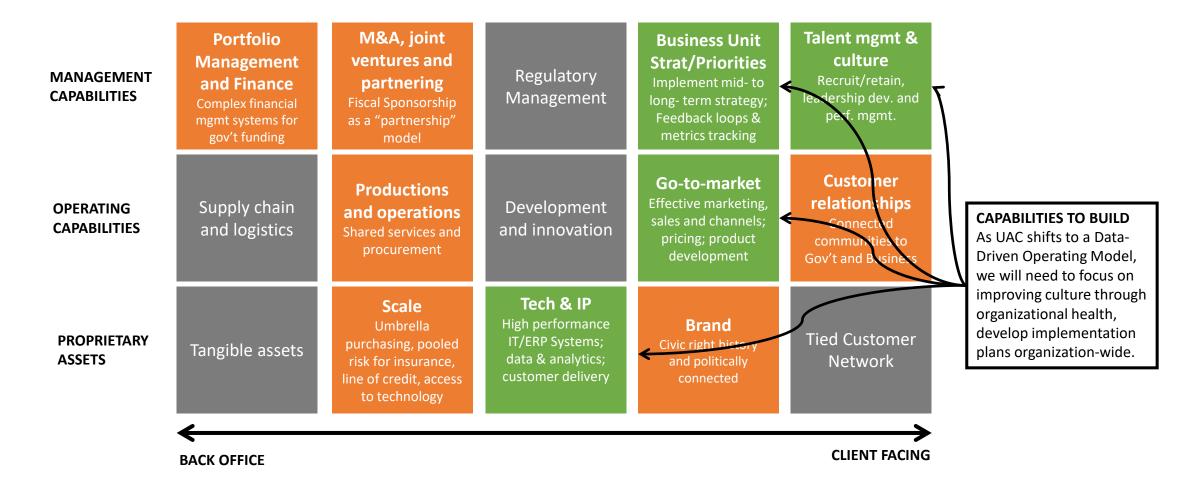
UAC'S OPERATING MODEL: 1980 TO 2010

BUSINESS COMPETENCIES RELATIONAL COMPETENCIES





UAC'S SHIFT: DATA DRIVEN OPERATING MODEL



SOURCE: https://www.bain.com/insights/winning-operating-models-that-convert-strategy-to-results/

DRAFT STRATEGIC IMPLEMENTATION GOALS: 2021

THEME	BE THE BEST FOR EACH OTHER & THE COMMUNITY	DEFINE & BE THE FUTURE	LEARN FROM OUR PAST TO DRIVE SUCCESS & GROWTH			
DRAFT GOAL	Energize UAC's talent and culture for the agility and organizational health needed to be the "best Home for Nonprofits anywhere" in a world changed by the pandemic where racial, social, and economic justice are heightened and viewed as generational imperatives.	"Infrastructure for Community Empowerment" by accelerating enterprise- wide efforts toward digital transformation and adopting a data- driven operating model.	Combine our four Ps (people, processes, platforms, and performance) to drive the growth and financial health of the Coalition business model through financial stewardship, new business growth, and ultimately, program partner success.			
CAPACITY TO BUILD	TALENT MANAGEMENT & CULTURE	TECHNOLOGY & IP	BUSINESS UNIT & GO TO MARKET STRATEGIES			

DRAFT STRATEGIC IMPLEMENTATION GOALS: 2021

ТНЕМЕ	BE THE BEST FOR EACH OTHER & THE COMMUNITY	DEFINE & BE THE FUTURE	LEARN FROM OUR PAST TO DRIVE SUCCESS & GROWTH
PROJECT	UBUNTU	WAKANDA	SANKOFA
SYMBOL			

DIVISION & BUSINESS UNIT OBJECTIVES

BUSINESS ADMINISTRATION	Facilities Management as a Brand & Culture	Lead Tech portion of DX	Maintain excellence in Fiscal Stewardship; Co-create Program Success Model Cultivate relationships, locally and nationally, to grow business, open markets, and inspire Next Gen leaders Develop go-to market strategy & communicate externally re: UAC's approach			
CEO	Define the aspirations and culture of the Coalition; champion the effort	Evangelize about need for Next Gen leadership & "Infrastructure for Comm. Empowerment"				
DEVELOPMENT & STRATEGIC PARTNERSHIPS	Achieve \$1m capitalization of the Fund for the Future to support staff-led and prog. partner inspired initiatives, connecting vision to purpose, strengthening engagement, and recommit as individuals & org-wide to shared mission.	Raise \$700k through current and new partnerships to support Digital and Cultural Transformation within UAC.				
TRANSFORMATION ACCELERATION	Lead people, cultural, and communication side of DX	Lead on vision for DX	Lead on vision for Program Success Model			
HR TEAM	Co-create Ubuntu Leadership Transformation Academy (ULTA) within Coalition U for internal staff, Prog. Partners	Assessment and rebuild HR for the future	Co-create Program Success Model			
PARTNERSHIP SERVICES & ENGAGEMENT	Co-create Ubuntu Leadership Transformation Academy (ULTA) within Coalition U for staff, Program Partners	Develop Solutions Circle to gather ideas, insights, and feedback to solve problems.	Co-create Program Success Model			

FY21 QUICK WINS

ACCELERATING CHANGE

Team	1 ST Q 2021		2 ND Q 2021		3 RD Q 2021			4 TH Q 2021					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
1. Strategic Implementation	E	VP Onboar	rding										
implementation						СОМРА	SS Engag	ement					
2. Business Administration		Digital Transformation Phase 6 – 8 Deployment											
3. Development & Strategic Partnerships		New U	JAC Webs	ite obile App									
Partnersnips			R	esource De	velopme	nt for Cult	ural Trans	formation		ommendations			
4. Human Resources			Upda	ate Handboo	ok	HR Aud	it	Imple	ment Reco	ommendat	ions		
	ULTA / Coalition U												
5. Partnership Services & Engagement		Ur	odate PP H	landbook									
						Develop	Program S	Success M	lodel				
				Develop an	d pilot So	olutions C	ircles with	Prog. Pai	rtners				