Esperanza Healthy Families: Strategic Program Development for a New Nonprofit
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Teaching Simulation

Strategic Planning Simulation
In this role-play exercise, your group will decide how to allocate operational funds to implement programs. Programs should be aligned with goals set by the board of a new health oriented nonprofit. Each group has three roles – an Executive Director, a Nutrition Program Director and a Sports Program Director. The Executive Director will seek input from program directors about how to spend money. Ideally, you will work collaboratively, but the Executive Director makes the final decision about how to allocate funds.

The team may propose multiple programs as long as the total cost of all programs does not exceed $200,000. Teams are encouraged to be creative with their proposals and may augment the programs outlined in role play sheets (e.g. – expand/contract the scope of programs). For each program you fund, be able to describe how it fits into the overall mission of the organization and goals set forth by the Board of Directors.

At the end of the planning session, the Executive Director will tell the class how funds were allocated and how each program fits into the organizational mission and board goals. Draw on the course materials as you develop your organizational strategy. The Executive Director should also discuss the negotiation process and how easy/difficult it was for the parties to develop programs.

Students can share necessary information from role sheets but should not share the actual role sheet with their team mates.

General Background
You work in Esperanza, a town of about 30,000 people with high rates of poverty and unemployment. The median household income is $38,000 and unemployment hovers around 20%. There are no major industries in Esperanza since mineral mining operations closed 5 years ago. Recent reports from the state health department demonstrate that obesity among all people in Esperanza—especially children—is rising. Currently about half of all children and adults in the town are overweight or obese.
There are limited healthy food options in Esperanza. There are two grocery stores in town. One is a large chain store that sells a wide variety of products. Northside Grocery, the only locally owned grocery store in town sells limited amounts of dairy, produce and fresh meat. Owners claim that customers do not buy these products and they go to waste. There is an abundance of fast food restaurants and bodegas, which sell mostly beer, soda and convenience foods. Additionally, families have limited access to exercise opportunities. There is one city run park. It is in disrepair and needs new sports equipment and playground equipment. There are no private sports facilities, but a recent grant to the local high school led to a new multi-purpose gymnasium, a refurbished football field and a new indoor volleyball court.

The Organization
Six months ago, Esperanza Healthy Families, a 501(c)(3) nonprofit, was founded with a vision to that Esperanza families will be healthy families. Specifically, this organization encourages healthier lifestyles through exercise and nutrition among families in Esperanza. The organizational mission is to:

*Improve the health and well-being of families through increased awareness of and opportunities for creating healthy lifestyles in the community.*

The board has established several goals related to organizational mission for the first year of the organization, which are listed below.

- Esperanza Healthy Families (EHF) will establish sports programs for children.
- EHF will recruit volunteers from the local high school to facilitate sports programs for youth.
- EHF will emphasize healthy lifestyles that include exercise and good nutrition.
- EHF will raise $200,000 in additional funds for mission related activities through grant writing and donations.

The organization received a $1 million grant from a private foundation. The grant is not renewable. The board has set aside $200,000 to implement the aforementioned goals. The $200,000 is just for program operations – not for personnel costs (Personnel costs are not included in order to simplify the exercise.)

The organization has 8 employees including an Executive Director and two full time program directors (sports and nutrition programs). The Sports Program Director oversees one full time staff
member and one half-time staff member. The nutrition director oversees two half-time staff members. Staff are supposed to help implement programs. There is also a full time office administrator.

Board members:

- Joe Smith, Board President
  - Occupation: Chief Medical Officer of a hospital in Rico, an affluent city 30 miles away
  - Does not live or work in Esperanza. Lives and works in Rico.
  - Has connections to the grant making agency that provided initial $1 million

- John Doe, Board Member
  - Occupation: physical therapist in Esperanza
  - Works in Esperanza but lives in Medio, a middle class community 10 miles away

- Jane Jones, Board Member
  - Occupation: Esperanza High School science teacher and volleyball coach
  - Lives and works in Esperanza

- Jim Green, Board Member
  - Occupation: Registered nurse specializing in nutrition
  - Works in Esperanza at a public health agency satellite office but lives in Medio, a middle class community 10 miles away.

- Bill Martin, Board Member
  - Occupation: Esperanza High School physical education teacher and football coach
  - Lives and works in Esperanza

All board members have been part of the organization since it was founded 6 months ago, but little action has been taken on developing organizational strategies. All but one board member emphasize sports and exercise to promote healthy lifestyles more than nutrition. The remaining board member (Jim Green) emphasizes good nutrition over sports and exercise. Prior focus has been on hiring staff.

Because two board members work for the local high school, they want to recruit high school
students as unpaid volunteers in order to keep program costs down. Smith, the Board President, questions reliability of students to run programs on a volunteer basis.

The Board has tasked the Executive Director with developing strategies to implement programs aligned with the goals above. The Executive Director has decided to work with the Nutrition Program Director and the Sports Program Director to develop program proposals aligned with Board goals and within the budget.