



# You've Got To Know When To Hold 'Em, Know When To Fold 'Em

*Don't hold on to your services and programs beyond their time. Here's how to say good-bye.*

BY JAN COHEN

**E**veryone in your organization has so much to do they “can’t add one more thing.” Yet it’s vitally important in a changing environment, as your customers’ or clients’ needs change, that you adapt your services to meet their current and future needs.

How can you find the time to update your services and keep them on the cutting edge? How can you take advantage of opportunities to meet your customers’ changing desires? Do you know when to add or adapt services to meet people’s current and projected needs?

Here’s a proven process to evaluate your services and products and decide which to keep, which to change, which to contract out or give away to another organization, and which to give up.

## Use a “What to Hold, What to Fold” Process.

First, include in your annual planning processes the time to evaluate all services and programs. This focus will give you practice in asking key questions. Your answers will help you make *conscious* decisions to continue, change, contract out, or discontinue each service or program you offer.

Without such a process, you’ll continue programs and services by default without considering whether they *should* be offered in the future. An evaluation plan is imperative if you’re to satisfy your customers’ needs. When you discontinue, consolidate, improve, give away, or otherwise change your programs and services, staff resources become available to create a desired future array of services.

## Reach Consensus with Key People.

Meet with staff, board, and other key stakeholders (service recipients and their families, your nonprofit partners, volun-

teers, funders, and so on), and complete the following steps, being sure to arrive at consensus on each step:

**1 Review your mission, vision, core values, and principles.** Are they current with your philosophy? If not, start the process by updating them.

Why should you start here? You’ll need consensus around these concepts and a clear picture of your organization’s purpose to see whether—and how—services, programs, ideas, and opportunities fit into it.

Involving stakeholders in this part of the process is crucial in reaching consensus on the right criteria for services. It also focuses people’s thinking about your programs and services so that they can come up with new ideas as well as see opportunities and connections for you as they move around the community.

**2 Set criteria for evaluating all services.** Obtain consensus on key criteria for keeping a service or program. You should have statements in three categories:

- statements related to your mission and core values
- statements related to your core competencies—what you’re known for
- statements related to your major strategies and goals.

For example, a job-placement organization might decide on the following criteria about one of its services:

- This service must directly lead to jobs above minimum wage.
- This service must increase the individual’s ability to find a job.

A school district arts and sciences foundation might come up with such criteria as:

- Students must be able to participate in this service.
- This service mustn’t be competitive with existing community services or programs.



**3 Use your list of criteria to evaluate your programs and services.** For each program and service you offer, ask questions such as these:

- Is it still relevant, or is it no longer needed?
- Is there decreasing demand for it?
- Does it fit your vision and core values?

For each question, you should answer “Yes,” “No,” or “Unsure.” Obtain a preliminary idea of which programs and services no longer fit your organization and its customers.

Now you’re ready for the next part of the process—an *externally focused evaluation*.

**4 List your various customer groups.** Contact people from each of these groups, and ask them questions in phone interviews, meetings, or focus groups. Talk with enough people to evaluate whether “most” or “a few” customers need, or want, each of your services or programs. Your questions should give you answers to such questions as:

- Does it still make sense to provide this service?
- Is it still useful to our customers?
- Do current customers still want this service?
- Are there other customers for this service?
- Will customers still need this service in two to four years? If not, what will they need instead?

**5 Take a closer look at those services which no longer seem to “fit” or are candidates for drastic change.** Ask yourself the following questions about each one:

- Who *does* want this service?
- Who needs this service? Can they get it anywhere else?
- Will those who still want it pay for it?
- What will happen if *we* don’t provide it?

**6 Examine each service which has declining usage or major subsidies but seems to be important to customers.** Ask yourself:

- Does it take a lot of “person hours”?
- Does it cover its costs?
- Does it meet a critical need in the market now?
- Will it meet a need in two to four years?
- Is it essential to the organization’s mission and vision?

Based on your answers to these questions, decide whether to keep the service. If a service consumes a great deal of precious staff time without covering its costs, consider dropping it. If it is essential to your mission, you may decide to subsidize it. But first discuss whether there’s any way you can decrease the

time it takes to provide the service or increase the revenues it provides so that it covers its costs or breaks even.

**7 For each service or product, make a decision:**

- Will you discontinue it?
- Will you contract it out or give it away to another organization?
- Can you change it so that it generates more money, uses fewer resources, or better meets your customers’ needs?
- Or will you keep it as it is?

Expect to target as much as 20% of your services for elimination, contracting out, or giving away.

Take another hard look at services before you decide to keep them, especially if they take a lot of “person hours” and don’t cover their costs. Make the decision to continue a service, department, or project only after discussing and answering these questions:

- Does it meet a critical need in the market—*now and in two to four years*?
- Is it essential to the mission and vision of the organization?
- Is there *any* way it can generate sufficient revenue to cover its cost? Is there a way to decrease the number of “person hours” needed to provide it?

If you can’t answer yes to all these questions, discuss the service further. Is there a

way to justify keeping it without changes? Or are there changes you could make?

Expect to target as many as 20% of *your services* for elimination, contracting out, or giving away to another organization.

**8 Consider those services that you’ve decided to drop or change.** Schedule some time (or appoint a committee which includes at least one user of the service) to fully discuss any options staff or other stakeholders may see. Create a plan for making the required changes or for phasing out these services.

**9 Review those services and programs you’ve decided to keep.** Ask your staff team such questions as these:

- Can you adapt these services to be more cost-effective?
- Can you substitute for some of these services or package several together?
- Can you offer these services to other customers? If so, what minor changes will you need to make?
- Can you add missing services to create a continuum of services with partner organizations, thus conserving resources and avoiding duplication? Will this give you the desirable look of a complete service center, matching the “one-stop shopping” trend?
- Can you be part of an existing one-stop center or other community resource, enhancing their continuum of services by offering something different?



## Congratulate Yourself.

After completing these steps, you have every reason to celebrate. You've created the capacity to add the services your customer groups or trend analyses indicate are important. You've also created the staff capacity to focus on the services needed to accomplish your mission and realize your vision. You may, as a bonus, have identified some potential partners or groups with which to collaborate to meet your community's needs. By involving key stakeholders in the process, you've strengthened their commitment. You have a focused mission and customer-driven organization—one which can adapt to the changing needs of your community. Your customers and your community will be well served. ■

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