

Six Sigma and the Incredible Years Program

Project summary – January 16, 2013

The Wilder Foundation's Child Development Center (CDC) has partnered with Cummins Power Generation (Cummins) to implement the Six Sigma business process to develop a sustainability plan for the Incredible Years program. This project summary provides an overview of the project and outlines key recommendations for ongoing work towards sustainability.

Project overview

For eight years, the CDC has implemented the evidence-based Incredible Years program with children and families and has trained other practitioners to implement the program. The initiative has won an award for implementing the program with fidelity and the evaluation has shown that the program has positive results for the youth and families served. However, the program has faced funding challenges.

Cummins Power Generation has a history of corporate involvement that includes using employee expertise to help nonprofit organizations increase their capacity. For this project, Cummins staff trained in Six Sigma facilitated the process with a core team of CDC, Wilder Research, and Cummins employees. An extended team of staff from both organizations contributed their relevant expertise.

Cummins uses Six Sigma as a defined six-month process to help guide process improvement. It relies on collecting and analyzing data relevant to a defined endpoint which is known as the Y statement.

For this project the Y statement is: *Develop a model to establish sustainability of Incredible Years while maintaining program fidelity and meeting the Wilder mission statement.*

The benefit of a time limited process is that the project stayed on track. The project management skills demonstrated by the Cummins staff trained in Six Sigma (the black belt), coupled with the commitment of the core team to meet weekly and complete tasks between meetings, were instrumental in completing the project on schedule. However, it was also made possible by substantial prep work prior to the official start of the Six Sigma project including over six months of discussion about how Cummins could be most beneficially involved. When the black belt was assigned to the Incredible Years project, the official project start was preceded by almost three months of meetings focused on defining the project purpose, identifying the core and extended team, and building a common understanding of Incredible Years and the Six Sigma process.

Develop a model to establish sustainability of Incredible Years while maintaining program fidelity and meeting the Wilder mission statement.

Implementing Six Sigma

The Six Sigma process focused on collecting data about current Incredible Years operations, costs, fidelity components, and potential revenue sources. The team collected and analyzed information to complete the sustainability plan which will serve as a blueprint for managing the resources for ongoing program growth. Steps included clarifying program components and fidelity, scanning the local market, identifying program costs, conducting a market analysis, and ranking potential revenue sources.

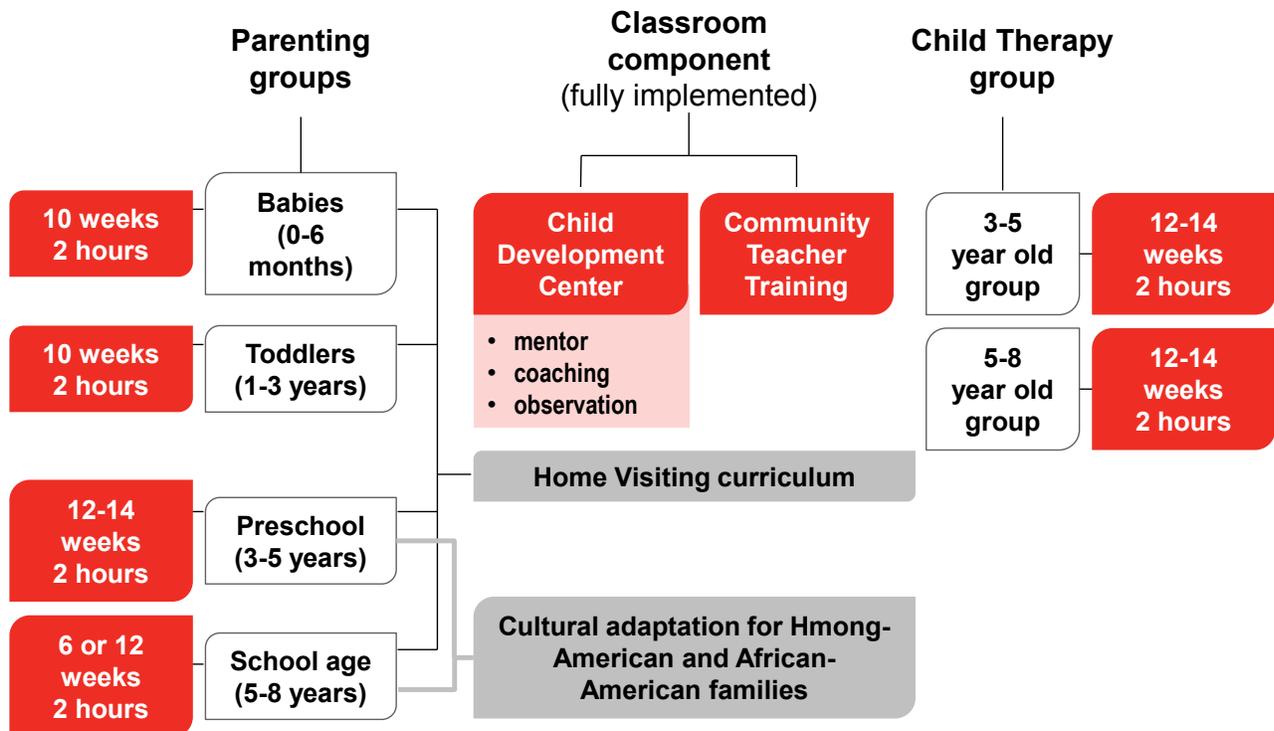
Program components and fidelity

The chart below shows the components of Incredible Years. It is an evidence-based program that consists of parent education groups for parents of infants, toddlers, and preschool age children. There are also clinical therapy groups for parents of infants and clinical therapy groups for children age 3-5 and 5-8. Wilder Incredible Years staff also provide training to preschool teachers outside Wilder planning to implement the classroom curriculum.

Additional program options include a school-age program, a newly released shorter program, and the Incredible Years classroom curriculum which is integrated into the daily routine at the Child Development Center. Since the first two options have not yet been offered by Wilder and the cost of

the classroom curriculum is absorbed in the Child Development Center budget, these components were not included in this Six Sigma sustainability project.

Because this project focused on developing a sustainability plan that maintains program fidelity, it was important to identify the fidelity components. These included those outlined by the program developer, such as specified staff training, program curriculum and materials, research, and the number of program sessions, as well as the adaptations made by Wilder staff to make the program appropriate for the families served, such as transportation, food, and child care. These program pieces have proven to increase attendance and retention.



Local market scan

To better understand existing options for families seeking parent education programs, the process included a local market scan. Gathered information indicate that no other agencies offer the Incredible Years parent education component and most parenting programs focus mainly on specific topics such as co-parenting through divorce, infant care, or parenting a child with disabilities.

The scan also emphasized that there is no comprehensive list of parent education programs. Recent meetings of local professionals interested in parent education programs, including Wilder staff, have started to address this issue. This finding underscores the opportunity for marketing Incredible Years to both potential participants and referring individuals or agencies.

Incredible Years is frequently compared to Early Childhood and Family Education (ECFE) programs administered by the local school districts. In Saint Paul, ECFE serves clients from diverse ethnic/racial and economic backgrounds with the largest group of participants clustered in the lowest income levels (<\$20,000; 36%) or the highest income levels (>\$75,000; 26%). Only six percent of the ECFE budget in Saint Paul comes from participants who pay on a sliding scale. The remaining 94 percent of the program budget is subsidized by the state and school district.

6% of Saint Paul's ECFE budget comes from program participants



Program costs

As the team started developing cost projections for future Incredible Years operations, they discovered that previous budgets did not accurately reflect program expenses. For example, some hidden expenses, such as occupancy rates, were accounted for in the overall Child Development Center budget. Therefore, substantial time was spent compiling figures to gain an accurate cost of operating Incredible Years. In addition to looking at expected program expenses such as staff time and training, costs related to the fidelity components and hidden costs such as occupancy rates, research, and managerial oversight were also considered. This is a more comprehensive way of looking at budgets for Wilder Foundation programs.

The team worked to develop program costs for each type of Incredible Years group offered. The costs for parent and child groups were calculated based on the staffing and resource needs. These costs were used as the team assessed the costs of program growth.

Marketing analysis

To learn more about the appeal of Incredible Years for an audience beyond current Wilder clients, four marketing focus groups were held with professional and shop employees from Cummins. Employees all had children under age six and represented a range of income levels. Many participants were immigrants and some spoke a language other than English at home.

Participants were interested in a parenting program, especially the opportunity to connect with other parents and improve their interactions with their children; however, participants did not completely understand Incredible Years based on the website description. They perceived the program to be too clinical and technical and did not understand that the program allowed time for them to interact and practice new skills with their children. They further said that the number of program sessions should be reduced, they preferred a program offered close to home, and they wanted to hear references and testimonials from other parents rather than research evidence. On average, participants were willing to pay \$100 for the program.

The marketing analysis also included data from a seminar describing families' involvement in parenting programs. This unpublished research, conducted with over 1,000 parents whose children were on a waitlist for clinical mental health services, presented key program attributes for increasing parent's involvement and commitment. These attributes include having the program offer child care, food, accessible services through transportation and location, and information about the qualifications of the facilitators. It also stressed the need for families to be able to set goals and learn about the process for acquiring skills at the start of the program. This affirms the fidelity with which Wilder offers Incredible Years.

The marketing focus groups provided the following solid recommendations for marketing Incredible Years:

- Differentiate Incredible Years from other parenting programs
- Use easily understood language to explain the program benefits without being overly technical
- Include parent testimonials that describe incredible family changes
- Communicate program usefulness for all families regardless of their situation

Revenue sources

Sustaining Incredible Years requires diversified revenue that does not rely on the existing Wilder endowment, so the team explored a range of potential revenue sources. They defined nine potential revenue sources and listed their corresponding challenges and benefits. A cause and effect matrix was used to assess the potential impact or benefit of pursuing revenue sources for Incredible Years. This step ranked the sources in an effort to prioritize staff resources in pursuing revenue.

The graphic on the following page illustrates the cause and effect matrix. First, the team assigned a score to differentiate the importance of the following four criteria for rating the revenue sources: Time commitment to obtain (7); Potential pool of funders (10); Potential payout (9); and Time to build relationships (6). Then, three value ratings of 1, 3, or 9, were established for each criterion. For instance, the potential pool of funders criterion was rated low (1), medium (3), or high (9). Each revenue source was assigned a total priority scale based on the sum of the four scores obtained by multiplying each criterion by the value ratings. The revenue sources were ranked in order of priority based on their total priority scale.

An additional part of exploring revenue sources was identifying appropriate Wilder staff or a work unit responsible for pursuing and obtaining revenues.

	Criteria	Time commitment to obtain (7)	Potential Pool of Funders (10)	Potential Payout (9)	Time to build relationship (6)	Total priority score (Ranked)
Types of funding	Ranking	1. Significant 3. Medium 9. Least	1. Low 3. Medium 9. High	1. Small (<\$1000) 3. Medium (\$1001-\$50,000) 9. Large (>\$50,000)	1. Long-term 3. Medium-term 9. Short-term	
Wilder donors: Individuals who donate to the Wilder Foundation or Incredible Years.”		3	9	3	3	156
Client fee for service: Participants pay either a fixed rate or sliding fee to attend. This includes existing and expanded market clients with varying ability to pay.		9	3	1	9	156
Education institutions: Partner with local school districts, including ECFE, to welcome parents into our classes (on referrals) or offer classes at school buildings.		3	9	3	3	156
Government grants: Time limited funding from public entities, often given in response to a grant request.		1	1	9	9	152
Program sales: Partner with other organizations, businesses, or faith communities to house services. They could provide logistics and pay Wilder to provide the parenting programming.		1	9	3	3	142
Private grants: Time limited funding from private or corporate foundations, often given in response to a grant request.		3	3	3	9	132
Healthcare providers: Access public money from health care providers such as Health Partners and Allina.		3	1	9	3	130
Health insurance: Health insurance can currently cover some portion of costs such as child therapy group or baby parenting group.		9	3	1	3	120
Restricted early childhood fund: Seek and secure donors willing to donate to a long-term restricted fund.		1	1	9	1	104

Five-year projections

The sustainability plan for the Incredible Years program reflects five-year budget and revenue projections. Incredible Years, like most nonprofit human service programs, is affected by positive and negative external factors such as new funding priorities and opportunities, population changes, client needs, and legislation. Because these may affect how Wilder offers Incredible Years, please consider these projections likely scenarios that can be adjusted to meet shifting needs.

The following chart outlines the expected growth for Incredible Years at Wilder. The team anticipates steady growth with plans to increase the number of parent and child groups offered to 20 by fiscal year 2018. The approximate number of families served will grow to 210 families. The cost of offering the groups will increase from \$181,267 in fiscal year 2014 to \$329,000 in fiscal year 2018 to account for planned service growth. These costs are based on the work done during the Six Sigma process to accurately reflect the cost of Incredible Years. They were adjusted for annual increases of three percent.

The chart presents projected revenue, listed by source in the order prioritized through the cause and effect matrix activity. These figures illustrate the work completed to date. They are subject to change based on the work of the implementation team.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Number of groups (parent and child)	10	13	15	20	20
Approximate number of families	112	140	154	210	210
Cost	\$181,267	\$ 219,706	\$252,780	\$323,429	\$329,900

Revenue sources	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Wilder donors	\$10,000	\$12,500	\$15,000	\$18,000	\$20,000
Client fee for service - limited ability to pay	\$2,984	\$4,848	\$5,368	\$15,120	\$16,680
Client fee for service - increased ability to pay	\$10,000	\$10,500	\$11,025	\$11,576	\$12,155
Education institutions	\$5,000	\$5,000	\$20,000	\$45,000	\$45,000
Government grants	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Parenting program sales	\$14,500	\$29,000	\$49,000	\$69,000	\$69,000
Private grants	\$30,000	\$40,000	\$50,000	\$60,000	\$70,000
Healthcare providers	\$21,000	\$40,000	\$40,000	\$50,000	\$50,000
Health insurance	\$1,696	\$1,696	\$1,696	\$1,696	\$2,544
Restricted early childhood fund	\$0	\$0	\$1,500	\$1,500	\$1,500
Total revenue	\$195,180	\$243,544	\$293,589	\$371,892	\$386,879
Contribution margin	7%	10%	14%	13%	15%

Sustainability plan

This Six Sigma project ended with a sustainability plan to be implemented. Continuing work to complete the following steps will lead to ongoing sustainability for the Incredible Years program at Wilder.

Designate implementation sponsor

A vital learning from this process is the importance of a sponsor, or someone to be a project champion. Because this Six Sigma process is ending with a sustainability plan that will require ongoing implementation, it is critical to designate a Wilder senior manager to communicate the importance of the project and approve resources for it to continue.

Assign implementation team and set timelines for program growth

While the implementation sponsor serves as the project champion who has the ability to assign staff and resources to make the sustainability plan happen, this team will coordinate efforts to work through the sustainability plan. The team will likely include representatives from marketing, resource development, research, program development, and Incredible Years. The team will be responsible for assigning a project leader, setting timelines, and designating staff accountable for completing tasks.

Develop Incredible Years value statement

A primary task of the implementation team is to develop an Incredible Years value statement that is easily communicated and understood by multiple audiences. Sustaining the program will be easier if Wilder staff can accurately communicate the program components and benefits to potential clients, funders, and referral sources.

Create staffing plan for projected growth

Incredible Years depends on trained staff. Currently Wilder operates Incredible Years with a combination of staff from the Child Development Center, the Child Guidance Clinic, and other Wilder programs. A staffing plan, based on projected program growth, will outline the most resource-effective manner of staffing the program.

Reassess five-year projections annually

The five year projections should be continually assessed and adjusted to reflect organization and client needs and potential revenue and program opportunities. The costs established during the Six Sigma process provide the information needed to adjust the budget based on program growth.

Hire marketing and business growth plan manager

The marketing analysis work done during this project indicates that Wilder is not successfully marketing Incredible Years. In addition, some of the revenue resources will involve ongoing conversations with schools, other human service organizations, and businesses to promote their support of the program and their willingness to refer clients. A staff person devoted to marketing and business development will allow the Incredible Years staff to focus on operating the program.

Determine criteria and process for charging participants a fee for service

One potential revenue source for Incredible Years is charging clients a fee for service. Whether this is a flat fee or a sliding fee, this is a departure from how the program has typically been offered to Wilder clients. As part of the sustainability plan, the implementation team will need to work with other Wilder staff to assess the best way to integrate charging a fee for service and how to communicate it to staff and future clients.

Generate revenue

Each potential revenue source identified during the Six Sigma process has a designated Wilder staff or department responsible for exploring opportunities to generate revenue. As part of the sustainability plan, these designated staff will be responsible for sharing a plan to secure funding and showing the results of their efforts.

For more information

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