



WORKSHEET

VALUE ANALYSIS



OBJECTIVE: This exercise will show you how to compile and organize existing evidence into documentation of value and help your multisector partnership or organization identify where weak links might exist.

TIME:

- Steps 1 through 4 (value sequence creation): about one hour
- Steps 5 and 6 (adding evidence and interpretation of results): about one-to-two hours, plus whatever time you need for research—which will depend on availability of information and the level of confidence your audience will need

MATERIALS:

- One copy of this worksheet (for leading the exercise)
- One copy of the Value Sequence Template (see page 10) (you may want to enlarge it)
- Medium or large sticky notes

PARTICIPANTS: The leadership team and other members of your multisector partnership or organization, as well as other stakeholders. There's no minimum number, but the more heads you put together, the better.

This is a six-step exercise. It is actually quite simple—and effective!—if you work through it step-by-step. It will help to read through the worksheet first—to get a better idea the full process—but once you start working through the exercises, *resist the temptation to jump ahead!* The worksheet is most effective when completed in order.

To demonstrate the value of your intervention or integrative activity, you will populate the Value Sequence Template, and then try to quantify the relationships as best you can. In this exercise, you will answer the following questions:

- What are all the activities involved in any given intervention or integrative activity; that is, what do we do? (For a list of integrative activities, check out [Appendix 1](#))
- What things happen as a result?
- Where do the results fit in the value sequence?
- What's the evidence? Any spots in our sequence where the available evidence is weak?

STEP 1

Activities. On separate sticky notes, list all the activities performed or services provided as part of your intervention or integrative activity, then place them on the Value Sequence in the boxes under the heading “activities.” For example:

- Cardiovascular initiative: screening, home blood pressure monitoring, medication reminders, health counselors, etc.
- Free clinic: primary care services, referrals to specialty care, translation services, screening services, etc.
- Integrative activity: engage stakeholders, build public will, enroll others in advocacy via convening/organizing, determine agenda, facilitate connections and one-to-ones among key leaders, create detailed meeting design, etc.

STEP 2

Results. Now list on separate sticky notes all the good results that happen because you engaged in these activities: how is the world better because of these activities? Keep in mind impacts could be a couple of steps removed from the original beneficiary. Here are some examples of results:

- More people have their blood pressure under control
- Better attendance at school
- Reduced trauma
- Fewer low birth weight babies
- Fewer emergency room visits
- Reduction in medical costs
- Reduction in prison costs
- Reduction in health inequities
- Less crime
- Greater alignment in regional spending
- Coordinated community health assessment



BEYOND THE Grant TIP

You might find that it's difficult to brainstorm the results of your integrative activities. Think about it this way: what would not get done if you didn't do these things? That may help you itemize all the many things you help make happen.

STEP 3

Sorting. Sort all the results under the proper heading in the value sequence. **Don't worry too much about the exact category**, particularly whether something goes under "results" or "impacts." It might help to think about the sequence in three primary buckets: what you do (activities), the effect it has (results and impacts), and the value it creates and the value it creates (financial, social/economic, and organizational).

- **Results:** What direct effect did your intervention or integrative activity have?
- **Impacts:** What lasting or significant changes have you brought about in people's lives or their environment?
- **Value:**
 - **Financial value:** How did your intervention or integrative activity impact revenues or costs?
 - **Social or economic value:** How did the results improve the quality of people's lives? These sometimes have a price tag put on them so can be expressed as "economic value," such as the costs of victimization from crime. These differ from financial value in that they wouldn't appear as actual revenues or expenditures on an organization's balance sheet.
 - **Organizational value:** What results might carry specific value for organizations, such as enhanced ability to meet regulations, improved quality rankings, greater patient satisfaction, or a competitive edge?



BEYOND THE Grant TIP

If you have a particular outcome that you care especially about, such as health equity, job creation or improvement to the environmental quality, you might want to add a special "value" or "equity" column just for this. This will help you analyze the contribution your intervention or integrative activity are making toward that goal.



STEP 4


Discussion and refinement. You now have a first draft of your value sequence! Take a look—does it convey the value you believe you create? Is anything missing? Discuss the results and make any desired refinements.


STEP 5


Adding Evidence. Once you have developed your value sequence, it's time to become a sleuth and go looking for pieces of evidence that support it. You want to use evidence to make your case as solid as possible.


- **Interventions:** Interventions don't have monolithic effects—they work on some people and they don't on others. So each step in the sequence above will have a probability associated with it—the expected number of people the intervention will be successful with. Think of this in terms of percentages. What percentage of eligible people who receive the reminder will pick up their medication? What percentage of those who pick up their medications will take them as instructed? What percentage of those complying with the directions on their medication will see reduced blood pressure as a result? What percentage of those with reduced blood pressure will avoid a heart attack or stroke? In the end, only a fraction of those who receive the reminder will experience the intended impact of fewer heart attacks. Let's pretend, for example, that we start with 100 people (and apply hypothetical probabilities):

 **100** people receive reminders

 **90%** pick up their medications = 90 people

 **80%** of those who pick up their medications also take their medication as prescribed by their health care provider (amount, frequency, etc.) = 72 people

 **85%** of those who comply with instructions have reduced blood pressure = 61 people

 **40%** of those with reduced blood pressure avoid a heart attack = 24 people

24% Success Rate

So, if the only impact you're concerned with is avoidance of heart attacks, you can expect 24 fewer heart attacks out of 100 people to whom you send a reminder (a 24 percent success rate).

As you just saw, the value created by your intervention will depend on the probable effectiveness at each step in the sequence, so, if possible, do not overlook any steps. Also, to ensure the ultimate value creation is accurate, build a solid evidence base to support your contention that your intervention produces the intended impacts.

Finding the evidence is not as difficult as it may seem; there is a great wealth of information out there. The list provided under "Instant ROI," on pages 2 and 3, can help you track down what you need. Note that the information you want may be the subject of an entire research study, or it may be buried in a single paragraph. What you're looking for is any information (preferably with numbers attached to it) that estimates the effectiveness factor of a step in your value sequence and/or assigns value to your impacts. Finding this information will help you make the right decisions to maximize your desired impacts, and it will build confidence in your plan—both with stakeholders and yourself.

Expect wide-ranging differences in results. Research studies are not identical: variations in populations, interventions, dosages, and methodologies impact the results. For example, we compiled an estimate of the financial impact of having hypertension "under control," and found results ranging from \$513 to \$4,738 per year. That's a big difference! And it illustrates the measurement difficulties inherent in demonstrating ROI. Some stakeholders might question wide variations in results; some might not. Be prepared for either response. Carefully select evidence that most closely resembles your own circumstances and be prepared to explain to stakeholders and funders why you thought that evidence was relevant.

- **Integrative Activities:** The tricky part about integrative activities is that these essential services tend to be so undervalued—we’re betting you know that from experience! Yet we take the importance of these activities for granted in virtually every other type of organization, whether it’s public, private, or even social. Think about it this way: without multisector partnerships or organizations taking on integrative activities, the population health interventions you are working so hard to implement would never get accomplished.

A value sequence for integrative activities probably won’t look as complete as the sequences you could develop for interventions. The “evidence” you are looking for will likely be of a very different sort, as will the sources of information. The results you identify in Step 2 may be in the form of “deliverables,” such as the production of a coordinated community health assessment or the acquisition of funding for an intervention, so the evidence may speak for itself. As a result, the very process of articulating a value sequence may help clarify important objectives for your integrative work.

But don’t gloss over the financial impacts. For example, a [2012 study by Deloitte](#) showed that effective senior leadership can add up to 15 percent of a company’s value⁴. And a [2006 study of 94 companies](#) found a dramatic correlation between financial performance and transformational leadership practices⁵.

What’s more, in the nonprofit sector, higher performing charities had somewhat higher administrative costs than lower performing charities⁶.

To the extent that your integrative activities cause something to happen, such as the implementation of an intervention, and that intervention has financial impacts, a portion is attributable to those leadership and management functions—just as they are in any business or nonprofit organization. The National Council of Nonprofits makes this point in its report, [Investing for Impact, Indirect Costs Are Essential for Success](#)⁷, and Nonprofit Quarterly’s article, [“Why Funding Overhead is Not the Real Issue: The Case To Cover Full Costs”](#)⁸, is also a great resource on this topic.

STEP 6

Interpreting Information. Look at the picture you just completed. Maybe your evidence chain is robust and full; maybe it’s sparse and lacking. Maybe you found some surprising positive evidence; maybe you discovered some weak links in your sequence. You can use your results to answer the following questions:

- Do we have enough evidence to convince those we’re trying to convince?
- What pieces of the evidence are most persuasive/relevant to different stakeholders?
- Are there weak links in our value sequence? If so, should we modify our intervention/integrative activity in some way to strengthen those weaknesses?
- What is the likelihood that we’ll capture the financial and/or social/economic value we seek? What does that rest on?
- Who might be willing to pay for the value we create? Does our value analysis suggest a suitable financing source or payment model?
- Does the value analysis suggest a few reasonable indicators that can be used to monitor results? For example, perhaps there’s a key variable with a high effectiveness factor that is particularly important to achieving results in the value sequence. For example, if med bundles are highly effective in reducing hypertension, you may want to invest more heavily into them. On the other hand, if there’s a weak link (low effectiveness factor) in the chain, you may want to specifically monitor the performance of that link, since it could impact your overall value sequence.

⁴ Deloitte. 2012. “The Financial Impact of Executive Leadership.” September 5, 2012. <http://deloitte.wsj.com/cio/2012/09/05/the-financial-impact-of-executive-leadership/>.

⁵ International Leadership Associates. 2007. “The Business Case — The Five Practices of Exemplary Leadership.” September 2007. <http://i-lead.com/lchallenge/the-leadership-challenge-model/the-business-case/>.

⁶ Caroline Fiennes. 2015. “Charities and Administration Costs.” *Giving Evidence*. <https://givingevidence.files.wordpress.com/2013/05/admin-costs-re-release-dec-20151.pdf>.

⁷ https://www.councilofnonprofits.org/sites/default/files/documents/investing-for-impact_0.pdf

⁸ <https://nonprofitquarterly.org/2018/09/12/why-funding-overhead-is-not-the-real-issue-the-case-to-cover-full-costs/>

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Value Sequence Template

Print on Tabloid (11x17) Paper.

| Activities | Results | Impacts | Value Financial | Value Social/Economic | Value Organizational |
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