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i. Executive Summary

Founded in 1989, Inspiration Corporation helps people who are affected by homelessness and poverty to improve their lives and increase self-sufficiency through the provision of social services, employment training and housing in an atmosphere of dignity and respect. Each year, Inspiration Corporation assists more than 1,600 individuals who are chronically homeless, unemployed or underemployed, and struggling with mental illness, substance use disorders and social isolation.

Inspiration Corporation made excellent progress in implementing its 2001-2004 strategic plan from 2001 to midyear 2006, exceeding the targets set for most of its goals. Notably, the organization merged with The Living Room Cafe and The Employment Project, opened its Cafe Too social-enterprise restaurant and training center, professionalized its Clinical Services programs, and expanded its Housing Services programs. The organization has grown from 15-member staff and a \$700,000 budget in 2001 to more than 60 staff and a \$2.8 million budget in 2006.

Most of Inspiration Corporation's clients are among the 28 percent of homeless people in the Chicago area who are chronically homeless — the hardest-to-serve subpopulation. Typically lacking marketable skills and recent or steady work experience, these homeless men and women face multiple barriers as they seek to enter the workforce and rebuild their lives. These barriers include mental illness (40 percent), substance abuse history (79 percent), a disability (15 percent), and a history of incarceration (45 percent). The majority of Inspiration Corporation's clients are men, and nearly all are non-custodial parents. Most live in deep poverty (50 percent of the federal poverty guideline). They have few social skills or self-sufficiency skills. Too often they

have been stripped of self-esteem and dignity and have no formal support network through friends or families.

Through Inspiration Corporation's supportive programs and therapeutic communities, homeless individuals have the opportunity to restore their sense of self-worth and rebuild their lives. Inspiration Corporation offers its participants a unique combination of services designed to help them become self-sufficient. The victories of people who complete Inspiration Corporation's programs are expensive in the short run. But in helping homeless people transform their lives, society realizes tremendous savings, while also improving the quality of life in the communities the organization serves.

The following vision statement should characterize Inspiration Corporation in 2010:

Inspiration Corporation is a recognized leader in providing clinical social services, employment training and housing to individuals and families affected by homelessness and poverty, serving more than 3,000 people annually. The organization has earned a national reputation for its collaborative and entrepreneurial approach to helping homeless and poor individuals transform their lives in an atmosphere of dignity and respect. The organization's Training and Employment Services programs annually assist more than 600 individuals seeking pre-employment and hard-skills training, academic and career planning, education, transitional employment, job placement assistance and support to succeed in the workforce and increase self sufficiency. More than 1,400 phoneless job seekers have access to Community Voice Mail. Cafe Too is a popular restaurant and culinary-skills training center on Chicago's

north side, a new Cafe Too has opened on the south side, and the Cafe Too training model has been replicated by other organizations. Clinical social services are fully integrated into each of Inspiration Corporation's programs and available to all participants. Inspiration Corporation provides more than 70 units of service-enriched, subsidized apartment housing to help program participants achieve and maintain stability. The organization employs a rigorous outcomes-measurement and quality-assurance program. Inspiration Corporation has a budget of more than \$4 million and an operating reserve equal to three months of operations. Its Board of Directors and Advisory Board includes more than 50 individuals of extraordinary commitment, skill and generosity.

Inspiration Corporation will employ the following guiding strategies to achieve the programmatic and organizational development goals it has set for the period 2006 to 2010.

Guiding Strategies

- Make appropriate investments in organizational infrastructure – including investments in the areas of staffing and benefits, volunteer coordination, financial management, outcomes evaluation, internal communication, and external relations and marketing
- Expand services in those areas in which the organization has developed competency, and in a manner closely consistent with the organization's mission
- Pursue partnerships with organizations to leverage resources, improve service delivery and expand reach
- Increase the diversity and facilitate the development of the organization's staff, board of directors and advisory board

Programmatic and Organizational Development Goals

Clinical Services

1. Provide case management to all of Inspiration Corporation's clients by integrating Clinical Services into every service area
2. Expand direct financial support for clients
3. Improve client outcomes and department outcome measurement tools
4. Become a model/leader in providing culturally competent clinical services to a diverse clientele, including women, people of color, immigrants, and members of the GLBT community

Training and Employment Services

1. Provide employment preparation (soft skills) training at more locations, including on the south side, and in collaborations with community colleges
2. Expand Business Services (employer outreach) through job fairs, company-sponsored training and other strategies
3. Bring the Cafe Too training program to new communities, including the south side
4. Redesign Cafe Too as modular, open-entry, open-exit program
5. Develop bridges to hard-skills training programs, apart from restaurant skills
6. Provide computer skills training to clients
7. Expand the Community Voice Mail program with Voice-over-Internet Protocol telephony

Housing Services

1. Expand the number of scattered site, subsidized apartments
2. Develop whole-lease projects
3. Develop the 4715 N. Sheridan Building as project-based housing
4. Provide greater financial management assistance for working-poor housing tenants, including budgeting assistance, and banking and savings plans
5. Implement the Housing Locator project
6. Assist in developing family housing in Woodlawn

Development and External Relations

1. Develop and integrate volunteer coordination
2. Professionalize marketing and public relations; develop a consistent, integrated external relations program for Inspiration Corporation and Cafe Too
3. Grow the individual giving program
4. Continue to grow foundation and corporate giving

Finance and Administration

1. Establish financial policies and procedures that meet Generally Accepted Accounting Principles
2. Improve cash-flow management and banking relationships
3. Expand the employee benefits program
4. Improve grant and contract management
5. Standardize filing for all departments and sites
6. Create an annual salary plan and scale
7. Ensure compliance with government agency requirements

Executive

1. Ensure strong reporting and program evaluation
2. Continue to build and diversify Inspiration Corporation's Board of Directors, Advisory Board and staff
3. Create professional development opportunities through Inspiration University and partnerships

Detailed objectives for each of these goals, as well as a strategic plan implementation timeline, budgets and client service projections are presented on pages 40 through 44.

Inspiration Corporation's senior staff and board of directors will monitor the implementation of its 2006-2010 strategic plan and annually review the organization's

performance against goals, annual outcomes and budget projections. When necessary, the organization will refine strategic plan goals and objectives in response to unanticipated opportunities and threats. The senior staff will produce a brief annual report on strategic plan implementation and refinement for review by the board of directors at its July meetings.

ii. Organizational Snapshots

2001-2006: Transformational Growth

*Major expansion of what Inspiration Corporation does,
for how many and where*

New services

- Addition of soft-skills employment training
- Stepped-up hard-skills employment training
- Broader clinical services
- Significant increase in housing services

New people served

- From less than 400 to more than 1,600

New geography

- Woodlawn

New ventures

- Inspiration Cafe Coffee partnership with Intelligentsia
- Cafe Too social enterprise restaurant and training center

New resources

- 300% more staff
- 300% greater budget
- Broader funding base
- More volunteers

2006-2010: Incremental Growth

Adding depth and reach to Inspiration Corporation's services

Services

- Expand soft- and hard-skills employment training
- Expand and integrate clinical services
- Expand housing services
- Better outcome measurement and evaluation

People served

- From 1,600 to 3,000

Geography

- Same locations (Uptown and Woodlawn) but deeper levels of service

Ventures

- Cafe Too social enterprise restaurant and training center in second location

Resources

- Additional staff
- 50% greater budget
- Broader funding base
- More and better coordinated volunteers
- Stronger administrative and financial infrastructure
- Professionalized brand management and marketing

I. Looking Backward and Forward: Strategic Planning Overview

a. Historical Background

Founded in 1989, Inspiration Corporation helps people who are affected by homelessness and poverty to improve their lives and increase self-sufficiency through the provision of social services, employment training and housing in an atmosphere of dignity and respect. Each year, Inspiration Corporation assists more than 1,600 individuals who are chronically homeless, unemployed or underemployed, and struggling with mental illness, substance use disorders and social isolation. Inspiration Corporation's programs include:

Clinical Services

- **Inspiration Cafe**, located in Uptown, and **The Living Room Cafe** in Woodlawn, which serve meals in a restaurant-style setting and provide supportive services in a therapeutic community designed to help individuals on their journey toward self-sufficiency
- **Engagement Center** in Uptown, which provides daytime social services and meals
- **Street-to-Home Initiative**, a collaboration with Heartland Health Outreach, to engage, house and provide services to unsheltered homeless adults

Training and Employment Services

- **The Employment Project**, offering case management, pre-employment training, employer outreach, and job placement and retention services throughout Chicago; TEP provides referrals to education and job training for all participants in our program; in collaboration with the AIDS Foundation of Chicago and Chicago House, TEP provides training and employment services to people living with HIV and AIDS
- **Cafe Too**, a culinary job-training program and restaurant open to the public at 4715 N. Sheridan Road; through collaborations with Heartland Human Care Services and St. Leonard's House, Cafe Too also provides training to refugees and ex-offenders, respectively

- **Community Voice Mail**, a free, 24-hour voice mail service for phoneless, homeless and low-income individuals enabling them to connect with family, employers, housing and service providers

Housing Services

- **Housing Program**, offering rent subsidies and social services to help our program participants find and maintain permanent housing; currently, the program leases 28 apartments in seven buildings, located in Uptown, Lakeview and Woodlawn
- **Housing Locator Program**, identifying affordable housing opportunities and matching these with clients of five collaborating agencies on Chicago’s north side

Inspiration Corporation Chronology

Year	Key Event	Budget
1989	- Lisa Nigro opens Inspiration Cafe in Uptown	\$30,000
1993	- Inspiration Cafe hires its first executive director	\$70,000
1998	- Inspiration Cafe moves to corner of Broadway and Wilson	\$315,648
2000	- Cafe Too restaurant skills training program begins operation	\$578,130
2001	- Housing Program begins operation - Inspiration Cafe completes 2001-2004 strategic plan	\$696,230
2002	- Inspiration Cafe becomes a member of the United Way of Metro Chicago	\$825,141
2003	- Inspiration Corporation merges with The Living Room Cafe (founded in 1995) - Engagement Center opens in Uptown	\$957,329
2005	- Inspiration Corporation merges with The Employment Project (founded in 1994) - Cafe Too social enterprise restaurant and training center opens in Uptown - The Living Room Cafe relocates to a larger site in Woodlawn - Cafe Too wins Mutual of America Foundation National Merit Finalist Award and United Way Highly Innovative Program Award	\$1.8 million
2006	- Inspiration Corporation serves 1,600 people annually	\$2.8 million

Inspiration Corporation currently encompasses four program sites: Inspiration Cafe, the Engagement Center and Cafe Too, all located in the Uptown community on Chicago's north side; and The Living Room Cafe in the Woodlawn community on Chicago's south side.

Inspiration Cafe was founded in 1989 in Uptown by Lisa Nigro, a Chicago police officer who began searching for a personal response to the homelessness she encountered on her beat. The Living Room Cafe was founded six years later by Jennifer Kihm, an Inspiration Cafe volunteer who wanted to replicate the success of the "Cafe Model" on the south side of Chicago.

In July 2005, Inspiration Corporation merged with The Employment Project to provide enhanced employment services to Inspiration Corporation program participants while also providing new opportunities to clients and staff of The Employment Project. Since opening its doors in 1994, The Employment Project has played an essential role in ending homelessness for Chicago men and women by helping them locate the missing piece – employment. Operating on-site at interim and permanent housing programs throughout Chicago, The Employment Project offers career services, employment preparation training, free voice mail, financial literacy training, networking opportunities with businesses and professionals, and job placement and retention support to homeless adults who want to become employed. Volunteers provide additional assistance and support to program participants who are engaged in job searches or enrolled in GED classes or other educational programs.

The post-merger Inspiration Corporation offers citywide programming, an improved service portfolio, a healthier and more diverse funding base. Inspiration Corporation has developed the organizational capacity and infrastructure to sustain and strategically

expand its programs. In particular, Inspiration Corporation has developed a strong capacity to hire and retain talented staff, and recruit volunteers and financial donors, in support of its mission. The organization has grown from 15-member staff and a \$700,000 budget in 2001 to more than 60 staff and a \$2.8 million budget in 2006.

Inspiration Corporation has garnered broad support in the communities in which it works, developed a talented and diverse team of staff and volunteers, and created a community of more than 2,000 program alumni. More than 7,500 individual supporters receive its electronic and printed newsletters and fundraising appeals. More than 20 religious congregations provide financial and/or volunteer support to Inspiration Corporation. Its more than 700 volunteers come from every walk of life, representing the cultural diversity of Chicago. Its 20-member Board of Directors and 17-member Advisory Board include professionals from the fields of banking and finance, consulting, food service, housing development, law, marketing, physical fitness training, psychology, research and social services. Its 61-member staff and their colleagues at collaborating nonprofit organizations are some of the most seasoned professionals working to end homelessness in Chicago. Most important of all are the more than 2,000 alumni who have received services from Inspiration Corporation, more than 200 of whom are still actively involved with the organization.

Inspiration Corporation is a leader in implementing Chicago's 10-Year Plan to End Homelessness, and many of its senior staff members serve in leadership roles with the Chicago Continuum of Care, the Partnership to End Homelessness, the Chicago Jobs Council, the Organization of the NorthEast, the Woodlawn Social Service Network and other organizations. Inspiration Corporation is an active member of the Chicago Anti-Hunger Federation, Chicago Coalition for the Homeless, Donors Forum of Chicago,

Greater Chicago Food Depository, Uptown Chamber of Commerce and Project JOBS/Organization of the NorthEast. The organization collaborates with more than 100 social service providers to refer and connect guests and alumni to resources in the community such as healthcare, transitional and permanent housing, job training, counseling, recovery support, haircuts, and clothing. In 2005, The Employment Project provided on-site employment preparation training at 37 shelter and housing locations throughout Chicago, and the Community Voice Mail program maintained partnerships with more than 50 social service providers.

b. Progress Report on Implementation of 2001-2004 Strategic Plan

Inspiration Corporation made excellent progress in implementing its 2001-2004 strategic plan, exceeding the targets set for most of its goals. The operational period of the plan was formally extended for one year effectively making it a four-year plan culminating with the merger with The Employment Project on June 30, 2005.

The 2001-2004 strategic planning process was inclusive and comprehensive. Inspiration Corporation garnered input from a broad range of agency stakeholders including staff, volunteers, consumers, funders and board members. The plan itself addressed all aspects of the organization and set forth an aggressive set of goals. The steering committee was led by then board president David Freeman, Executive Director Christopher Persons and planning facilitator Valerie Hogan.

A hallmark of the 2001-2004 strategic plan was the 2004 Vision Statement, a narrative overview providing a confident and vivid projection of Inspiration Corporation's future. Although the organization has not yet achieved all of the goals set in its 2001-2004 strategic plan, many aspects of our 2004 Vision Statement ring remarkably true today:

Inspiration Cafe is a recognized leader in providing services to homeless adults and those who are precariously positioned on the brink of homelessness. The Cafe is well known for providing restaurant-style dining and other supportive services, and has recently been trumpeted for its social entrepreneurship due to uniquely designed job training programs. The Cafe Too program has evolved into a premier job-training program and is now run out of a separate restaurant serving the public and the Cafe has added a housing program.

These statements could be taken from one of the organization’s current grant proposals, but were written before Inspiration Corporation had a housing program, before its training program had reached session three, and before either of its mergers was even conceived.

The nuts and bolts of the strategic plan are its goals and objectives; these are listed below, along with a graded report on the organization’s outcomes related to each.

Goal 1: Provide innovative solutions to the challenges faced by homeless adults and those who are at risk, by facilitating the transition from homelessness to self-sufficiency, while providing an atmosphere that fosters a sense of dignity.

Objectives	Outcomes	Grade
Serve 400 people annually	Inspiration Corporation serves 1,600 people annually	A+
A graduation rate of 25%	Average graduation rate is 23%	B
160 “alumni in good standing”	250 “alumni in good standing”	A
Increase public education	Inspiration Corporation informs and engages thousands of Chicagoans through newsletters (7,500 subscribers), e-newsletters (3,500 subscribers) and earned media coverage	A
Increase volunteer support	700 individuals volunteer with Inspiration Corporation	A

Goal 2: Expand operations by increasing the number of Chicago locations and developing new products/services.

Objectives	Outcomes	Grade
Open Cafe Too restaurant	Cafe Too opened on September 29, 2005 and sales are strong and growing	B+
Open south side and west side Cafes (therapeutic communities)	The Living Room Cafe and Engagement Center are operating in renovated facilities, but no west side facility was opened	A-
Provide 6 transitional housing units	Inspiration Corporation rents 28 units of housing, with additional units planned	A+

Goal 3: Create a diverse foundation of financial resources to provide and expand programming, to compensate employees, to support staff development, and to create a growing operating reserve.

Objectives	Outcomes	Grade
Increase Budget to \$1.5 million	Inspiration Corporation's FY 2006 budget is \$2.8 million	A+
Earned income to be 10% of budget	Earned income is 7% of the budget, an increase of 359% from FY 2001 to FY 2006	B+
Increase foundation & individual support by 50%	Foundation support grew by 158%, and individual support by 12%, from FY 2001 to FY 2006	B
Increase Corporate income by 220%	Corporate support grew by 250% from FY 2001 to FY 2006	A
Government income = 15% of budget	Government support accounts for 46% of the organization's budget, an increase of 2,993% from FY 2001 to FY 2006	A+
15 Board members & 3 months reserve	Inspiration Corporation has 20 Board members, and a two-month line of credit	B

Goal 4: Create a culture of continuous quality improvement with the ability to track, document and communicate outcomes, and to support decision-making.

Objectives	Outcomes	Grade
Document standard operating procedures to allow for duplication of services in other locations and determine “best practices” in all functional areas.	Although this process has begun, this task is far from complete.	C
Develop tools for measuring participant success and conduct program evaluations using those tools.	Each program has a logic model and an annual program evaluation is performed by staff and board. Inspiration Corporation is also now an active user of the City of Chicago’s Homeless Management Information System (HMIS).	B+

Goal 5: Create a culture of self-motivated learning supported by strategic investment in staff development and the creation of career enhancement opportunities.

Objectives	Outcomes	Grade
Create staff education and training that links goals to employee evaluation, promotion and salary increases.	Inspiration University, the organization’s in-service training program, is a first step toward this goal.	B
Conduct an annual review process by May of each year.	Each staff member is reviewed formally each year and receives a quarterly performance update.	A
Annually review employee benefits.	Employee benefits are reviewed annually and include 403 (b) and Simplified Pension plans, PTO time, and staff development opportunities.	A
Create an annual staffing plan.	An annual staffing plan is created annually, corresponding to the agency budget.	B+

Overall, Inspiration Corporation is very pleased and excited about the growth and success the agency has enjoyed over the past five years. This success has its foundation in the vision of founder Lisa Nigro and the work of the founding volunteers and has been built upon by a creative and passionate team of board and staff members and supporters.

c. Overview of 2005-2010 Strategic Planning Process and Timeline

Inspiration Corporation sought to build upon the successful process that led to the development of its 2001-2004 strategic plan. Led by Deputy Directors John Pfeiffer and Shannon Stewart and planning facilitator Maureen O'Connor of MOC Associates, Inc., the organization's 2006-2010 strategic planning process included the following key elements:

Data Gathering and Planning

- Gathering stakeholder assessments and ideas through surveys (online and paper), interviews and focus groups with program participants, volunteers, donors, organizational partners, community leaders, elected officials and other stakeholders
- Conducting facilitator-led visioning and planning at a series of staff and board meetings, a guest and alumni retreat, and a staff and board retreat
- Developing specific programmatic and organizational development goals, objectives, timelines and budgets

Research and Data Analysis

- Comprehensive organizational review
 - Evaluation of implementation of the FY 2001-2004 strategic plan
 - Analysis of strengths, weaknesses, opportunities, threats and core competencies
- Environmental analysis
 - Assessment of external factors and trends affecting clients and operations
- Brand analysis and strategy -- prepared by graduate students from the Neighborhood Business Initiative of Northwestern University's Kellogg School of Management

Strategic Planning Timeline

Month	Activities
October 2005	<ul style="list-style-type: none"> • Conduct search and select plan facilitator • Develop work plan and planning tools • Organize all planning events
November 2005	10 Senior Staff Planning Session: SWOT Analysis 16 Board Meeting: SWOT Analysis 21 All-Staff Meeting: SWOT Analysis <ul style="list-style-type: none"> • Online SWOT surveys fielded • Online Branding Surveys and Brand Study
December 2005	5 Senior Staff Planning Session: Mission & Core Values 9 Final Presentation of Brand Study 14 All-Staff Meeting: Mission & Core Values <ul style="list-style-type: none"> • Executive Committee Planning Session • Online Planning Surveys
January 2006	9 Senior Staff Planning Session: Future Priorities 12 Focus Group: Foundation and Corporate Donors 21 Board and Staff Planning Retreat at Schiff Hardin, Sears Tower <ul style="list-style-type: none"> • Focus Group: North Side Nonprofit Partner Organizations • Board Meeting: Retreat Recap • Participant Survey
February 2006	4 Participant Retreat at Museum of Contemporary Art 7 All-Staff Meeting: Future Priorities 22 Focus Group: South Side Nonprofit Partner Organizations
March 2006	9 Distribute draft Strategic Plan to staff and board for comments 15 Board Meeting: Review Draft Strategic Plan 22 Focus Group: Individual Donors and Volunteers <ul style="list-style-type: none"> • Interviews with Key Partners
April 2006	<ul style="list-style-type: none"> • Senior Staff refine strategic plan
May 2006	24 Board Meeting: Refine Strategic Plan
June 2006	28 Board Meeting: Approve Strategic Plan

II. Environmental and Organizational Analysis

a. Environmental Scan

Homelessness first surfaced as a national social problem in the 1980s and steadily worsened. Ten years later, a more sophisticated understanding of homelessness began to emerge. Groundbreaking work by Dennis Culhane in the early 1990s identified distinct subpopulations among the larger homeless population, each with very different needs. The vast majority, about 80 percent, was homeless very

briefly. “In Philadelphia,” Culhane said, “the most common length of time that someone is homeless is one day. And the second most common length is two days.”

Another 10 percent was “episodically” homeless, tending to use services periodically for several weeks at a time, particularly in the winter. They tended to be younger and have addictions issues. The final 10 percent was “chronically homeless,” living in shelters or on the streets for years at a time. They tended to be older and have multiple challenges such as mental illness, addictions, and/or physical disability.

This understanding of the different needs of different homeless populations helped spark a fundamental shift in the response to homelessness: from managing the effects of homelessness to ending homelessness altogether. If the vast majority of people who experienced homelessness were in and out of the “system” in a day or two, investment in a vast shelter system did not make sense. A better approach would be to prioritize prevention and permanent housing and provide more specialized programs for the harder to serve chronically homeless population.

Chicago was among the first cities in the U.S. to create a 10-year plan to end homelessness, and its vision has received national recognition as one of the most ambitious. Chicago seeks to retool its entire system of services to emphasize prevention, permanent housing and “wrap-around” social services. Inspiration Corporation and scores of other service providers have participated actively in shaping Chicago’s plan and the implementation process, which is at the three-year mark.

Ending homelessness is not just humane, it is fiscally responsible. One study in New York, for example, looked at 10,000 people with mental illness who were homeless or at risk. Half of them were given government-funded housing and supportive services. The other half were left on their own. The second group ended up using publicly funded services, such as emergency rooms, that cost just as much as the resources the first group received. The key difference was that the people in the first group were able to begin rebuilding their lives, while the second group stayed homeless — and the taxpayers paid the same amount either way. (Center for Mental Health Policy and Services Research, University of Pennsylvania, 2001) Another study, sparked by the concerns of Nevada police officers who saw chronically homeless individuals end up in emergency rooms again and again, found that one homeless man over 10 years used publicly funded medical services worth a million dollars. As one police officer noted, “It

cost us one million dollars not to do something about Murray.” (Malcolm Gladwell, “Million-Dollar Murray,” *The New Yorker*, February 13, 2006)

The effort to end homelessness has become more urgent, as the level of need and the number of people vulnerable to homelessness has continued to grow. According to the *2005 Report on Illinois Poverty*, the population living in deep poverty (below 50 percent of the federal poverty line) has jumped 45 percent in recent years. More than 737,000 people in Illinois now live in deep poverty, an increase of more than 230,000 since 1998-1999. (Mid-America Institute on Poverty, 2005)

A high proportion of residents in the Uptown and Woodlawn communities that Inspiration Corporation serves are poor, meaning that they fall below the federal poverty threshold. According to the *2000 Census*, 24.9 percent of families and 21.7 percent of individuals in the Uptown community area are poor, and 39.4 percent of families and 34.6 percent of individuals in the Woodlawn community area are poor.

These sobering numbers actually paint an overly rosy picture. There is general agreement that the poverty guidelines established by the federal government are based on outdated data and assumptions and therefore inaccurate. A number of localities have conducted their own poverty studies aimed at determining a “living” or “self-sufficiency” threshold in the local market. One of the most authoritative studies in Chicago was conducted in 2001 by Diana Pearce and Jennifer Brooks. It was endorsed by the State of Illinois as an official standard for self-sufficient family income, and used by the Mayor’s Office of Workforce Development as an eligibility standard. Pearce and Brooks found that a self-sufficiency budget for a family of four in Chicago in 2001 was \$42,519 to \$47,074 depending on the exact family type and location. In contrast, the federal poverty guidelines published by the U.S. Department of Health and Human Services stated that the threshold for a family of four in 2001 was \$17,650. Five years later, the 2006 federal poverty threshold for a family of four is \$20,000, an increase of 13 percent since 2001. If a 13 percent increase is applied to the Pearce and Brooks results, the self-sufficiency threshold for a family of four in 2006 would be \$48,047 to \$53,194.

U.S. Poverty Measures for a Family of Four	2001	2006
Pearce and Brooks Self-sufficiency Threshold	\$42,519 - \$47,074	\$48,047 - \$53,194
Federal Poverty Guideline	\$17,650	\$20,000

The true levels of need in Uptown and Woodlawn are higher than the census figures suggest, and are compounded by the inability of working poor individuals and families to meet their basic needs with prevailing wages. Recent surveys of people seeking assistance from soup kitchens, food banks and shelters in Chicago indicate that 39 percent came from households in which at least one person had a job. (*Hunger in America 2005*, America's Second Harvest – The Nation's Food Bank Network, February 2006)

In its January 27, 2005 point-in-time count, the City of Chicago's Department of Human Services counted 4,988 sheltered and 1,727 unsheltered homeless persons in the city. The Chicago Coalition for the Homeless estimates that 166,000 persons in the city experience homelessness at some point during the year. According to an Illinois Department of Human Services study, 10 percent of the total homeless population of Chicago lives in Uptown on Chicago's north side, where Inspiration Corporation currently does the majority of its work. Further, most of these individuals are chronically homeless, with as many as 40 percent dually diagnosed with mental illness and substance use disorders. Inspiration Corporation's clientele is from this set of underserved low-income individuals in need of affordable housing and a connection to supportive services. Without linkage to social services, chronically homeless people who are housed will relapse into the continuous cycle of homelessness.

Woodlawn, on the city's south side, has less of a concentration of Chicago's homeless population, but also many fewer service providers. There is a cluster of programs further south, but few near Inspiration Corporation's Living Room Cafe location. Unlike the north side, homeless services on the south side are more often geared to the needs of families. According to the Chicago Homeless System Mapping Project, on the north side there are 42 percent more individual "beds" than family beds. On the south side there are 26 percent more family beds than individual beds. Beyond helping adults overcome barriers and build self-sufficiency, Inspiration Corporation works to strengthen entire families and meet the needs of children.

Most of Inspiration Corporation's clients are among the 28 percent of homeless people in the Chicago area who are chronically homeless — the hardest-to-serve subpopulation. Typically lacking marketable skills and recent or steady work experience, these homeless men and women face multiple barriers as they seek to enter the

workforce and rebuild their lives. These barriers include mental illness (40 percent), substance abuse history (79 percent), a disability (15 percent), and a history of incarceration (45 percent). The majority of Inspiration Corporation's clients are men, and nearly all are non-custodial parents. Most live in deep poverty (50 percent of the federal poverty guideline). They have few social skills or self-sufficiency skills. Too often they have been stripped of self-esteem and dignity and have no formal support network through friends or families.

Through Inspiration Corporation's supportive programs and therapeutic communities, homeless individuals have the opportunity to restore their sense of self-worth and rebuild their lives. Inspiration Corporation offers its participants a unique combination of services designed to help them become self-sufficient. The victories of people who complete Inspiration Corporation's programs are expensive in the short run. But in helping homeless people transform their lives, society realizes tremendous savings, while also improving the quality of life in the communities the organization serves.

b. Peer Organization Analysis

Inspiration Corporation reviewed the performance of a set of 10 peer organizations in Chicago from 2001 to 2004 to assess its relative performance during that period. The peer organizations reviewed include the CARA Program, Deborah's Place, Featherfist, Heartland Human Care Services, Lincoln Park Community Shelter, The Night Ministry, Residents for Effective Shelter Transitions (REST), St. Leonard's Ministries, Teen Living Programs and Sarah's Circle.

Revenue Growth (2002-2004):

Inspiration Corporation:	94.37%
Peer Organizations:	23.40%

(Source: IRS Form 990, line 12)

Expense Growth (2002-2004):

Inspiration Corporation:	89.00%
Peer Organizations:	6.93%

(Source: IRS Form 990, line 17)

Change in Net Assets (2002-2004):

Inspiration Corporation:	549.64%
Peer Organizations:	51.98%

(Source: IRS Form 990, line 21)

Percentage of Revenue from Government Sources (2004):

Inspiration Corporation:	50.30%
Peer Organizations:	65.00%

(Source: IRS Form 990, lines 1 and 2)

Percentage of Revenue from Private Donors (2004):

Inspiration Corporation:	49.70%
Peer Organizations:	32.00%

(Source: IRS Form 990, lines 1a-1b)

Percentage of Revenue Dedicated to Programs (2004):

Inspiration Corporation:	73.00%
Peer Organizations:	78.00%

(Source: IRS Form 990, lines 13-17)

Inspiration Corporation's revenues, expenses and net assets grew more rapidly than those of the selected peer organizations from 2002-2004, reflecting the organization's significant growth during this period. In 2004, Inspiration Corporation's revenue from government sources was 17.7 percent less than the average for the selected peer organizations, but revenue from foundation sources was 20.7 percent higher than the average for the selected peer organizations. Finally, Inspiration Corporation's percentage of revenue dedicated to programs was 7 percent less than the average for the selected peer organizations; however, this analysis does not include in-kind support for programs, which was valued at \$250,665 by Inspiration Corporation in FY 2006.

Trend Analysis

The following trends will inform Inspiration Corporation's strategies for programmatic and organizational development in the years 2006 through 2010:

Trends influencing programmatic development

- Growing poverty in the Uptown and Woodlawn communities, and in Chicago generally – including persistent poverty and food insecurity among low-wage workers and their families
- Rapid gentrification and condominium development in the Uptown and Woodlawn communities
- Prevailing assertion that housing – not prevention or social services – should be the first priority in assisting homeless people, as reflected in the priorities of the U.S. Department of Housing and Urban Development and Chicago's 10-Year Plan to End Homelessness

- Increasing donor emphasis on program outcomes measurement; generally, prescribed outcomes are not differentiated for hardest-to-serve clients such as chronically homeless people -- for whom longer-term and multiple service interventions are necessary for successful outcomes
- Minimal increases in public funding for social services, and proposed reductions in Community Development Block Grant and Workforce Investment Act funding
- No cost-of-living increases in government service contracts
- Growth of low-wage-paying sectors

Trends affecting organizational development

- Rapidly increasing costs of health insurance, gasoline and utilities
- Growing tendency for institutional donors to support program services rather than general operations
- Increasing donor scrutiny of programmatic versus administrative and fundraising expenditure, coupled with the high and rising costs of administration and fundraising required to meet reporting requirements and achieve funding growth and diversification

d. SWOT Analysis

Through anonymous surveys, focus groups, interviews and group meetings, Inspiration Corporation's internal and external stakeholders identified the following strengths, weaknesses, opportunities and threats, which will influence the organization's development over the next five years:

Strengths

High quality programs: leadership in our field; record of proven results; understanding our client base; holistic approach

Quality of staff and board: creative, resourceful, funny, professional, hard-working, mission-driven, help each other, diverse

Innovation: dynamic; proactive; entrepreneurial; willing to try new things

Culture nurtures dignity and respect; welcoming environment

Reputation: our name(s) and brand; public profile

Open collaboration: both internal and external; accepting of positive and negative feedback

Weaknesses

Infrastructure hasn't caught up to growth: expansion of programming, operations, and development without enough resources, policies, security

Limited financial resources: lack of general operating support, in-kind gifts, individual support base, major donors, cash reserve, endowment

Agency is understaffed: no full-time human resources director, public relations person, volunteer coordinator, accountant, public policy person

Staff development and diversity: not enough diversity at senior-staff level; expand professional development training; computer literacy

Opportunities

Partnerships with other leading organizations: merger prospects; hosting meetings at our sites; community relations on the south side

Finding new sources of financial and in-kind support: changing funding landscape; expansion of individual and major giving; regional funding; CDOH; SHPA; state

Chicago's 10-Year Plan to End Homelessness

Program improvement: serving more people; Living Room Cafe's new site and developer Andy Schcolnik; 4715 N. Sheridan Road

Cross-program learning; what we've learned from merging

Willingness to work with hardest-to-serve clients; serve outside dwellers

Threats

Threats to consumers: increased cost of living; gentrification; lack of affordable housing, livable employment; limited public safety net, health care; limited English proficiency

Growing too much, too quickly: lack of infrastructure, capital; not maintaining our core; delving into housing development without expertise; social enterprises may detract from mission

Withdrawal of government funding: shift toward housing and away from social services; funding focus on chronic, hard-to-house; federal budget cuts

More competition for scarce dollars: greater competition with more nonprofits; limited charitable giving pie; losing our freshness and funder-appeal

Changes in funders' focus: move to outcomes orientation (hard to satisfy funders with hard-to-serve clients); hard-to-serve clients are unpopular

Public ignorance about our consumers' challenges: prejudice against ex-offenders, drug addicts, poverty

e. Core Competencies & Competitive Advantages

Over 16 years of operation, Inspiration Corporation has developed considerable capacity and experience as a provider of services to people affected by homelessness and poverty. To better serve its clients, the organization seeks to build on its core competencies and leverage competitive advantages, including:

Core Competencies

- Consistently ***innovative and effective management of programs***, including clinical social services, employment services and permanent supportive housing
- Pioneering use of a ***therapeutic community model*** of social service delivery
- ***Development of replicable models of pre-employment and restaurant-skills training***
- ***Ability to successfully implement mergers and formal partnerships*** with organizations to leverage resources, improve service delivery and expand reach
- ***Effective utilization of volunteers*** to support meal service, employment preparation, massage and yoga, and other services

Competitive Advantages

- A large community of ***active program alumni*** who contribute to program quality
- A ***talented, mission-focused and diverse group of staff and interns***, including four former executive directors
- An ***outstanding board of directors and advisory board***, providing a high level of organizational stewardship, a wide range of professional expertise, considerable resources and great energy to the organization's work
- ***Recently renovated and well-equipped facilities***
- A ***widely recognized brand and strong reputation*** for innovation, compassion and effectiveness
- A ***loyal and growing group of individual donors and volunteers***

- A ***diversified base of funding sources***, including rapidly growing shares of income from corporate and foundation donors, government agencies, major individual donors and social entrepreneurship ventures
- ***Access to free or discounted professional services*** including legal, graphic design, public relations and marketing services

f. Brand Study

In the fall of 2005, Inspiration Corporation engaged a team from the Neighborhood Business Initiative, the student consulting club at Northwestern University's Kellogg School of Management, to conduct a study of Inspiration Corporation's brand. The six-member team employed a four-step methodology to develop Inspiration Corporation's brand strategy:

1. Conduct an online survey designed to quantify the awareness of Inspiration Corporation's various service offerings among donors/volunteers, understand current brand perceptions, and identify key motivators for our donors/volunteers
2. Analyze survey results to understand current brand state and determine opportunities
3. Determine how to bridge the gap between the current and desired state for the Inspiration Corporation brand
4. Recommend next steps on how to implement solution

In November 2005, the team fielded an online survey to individual donors and volunteers, staff members, board and advisory board members, and members of the general public (through a viral campaign). The online survey revealed that:

Current volunteers and donors do not understand the full scale of Inspiration Corporation. The organization offers a wide range of services that can be hard to conceptualize and supporters may not understand how each service relates to others. Supporters' diluted understanding of the individual programs or sub-brands of Inspiration Corporation reduces their overall understanding of the organization's mission and effectiveness.

There is a significant opportunity for geographic expansion of awareness and involvement. Current donors and volunteers are concentrated around Inspiration Corporation locations.

Word of mouth is the most common way that donors and volunteers learn about Inspiration Corporation. Currently, formal methods of communication (printed and electronic newsletters, web site, media relations, special events, etc.) are not producing significant effects relative to word-of-mouth communication.

This gap between what is said and what is heard presents a key opportunity for improvement. Better communication of Inspiration Corporation's holistic approach and service offerings as well as its emphasis on self-sufficiency as a point of differentiation will support continued growth.

The team's survey analysis uncovered specific opportunities for improvement in the following areas:

Awareness

- Awareness is limited to geographic areas immediately surrounding service locations
- Reach is attained primarily through word of mouth
- Awareness of the scope of services is limited among donors and volunteers

Understanding of Mission

- Corporate name does not reflect and support the organizational mission
- There is limited understanding of the functionality of all the pieces
- The core value proposition (a holistic approach to self-sufficiency) is not fully understood

Brand Attributes

- The brand is perceived as: Compassionate, Entrepreneurial, Inspiring and Reputable

- Opportunity for differentiation is an emphasis on innovation and efficacy
- Creating a tagline could reinforce the mission, emphasize community/nonprofit focus, and convey the brand personality

To build the Inspiration Corporation brand, the team offered the following recommendations:

Develop Brand Symbols: Name, Tagline, Logo

- Create a brand guide specifying what words should be used and with what personality or tone of language, and how images should look; communications should reflect the personal and holistic nature of services in a tone that conveys innovation and efficacy
- Make the branding more organized and all-inclusive to support a more widely spread perception that Inspiration Corporation is efficient and effective; use the logo to tie in various sub-organizations; incorporate Inspiration Corporation's logo into logos of sub-organizations (programs and social enterprises)
- Consider removing "Corporation" from name and/or add a tagline

Refine Communications to Educate

- Distribute orientation materials that communicate holistic program cycle to staff, donors and volunteers
- Create a boilerplate summary paragraph and a graphic representation of the interrelation of program services for communications
- Ally brand with local corporations for increased reach and to strengthen relationships
- Improve tracking of donors and volunteer participation
- Consciously chose words and imagery that reflect a personality of innovation, community and effectiveness
- Revisit staff and volunteer orientation programs

Promotions to Increase Awareness

- Market the holistic nature of the work Inspiration Corporation performs
- Pursue human interest coverage in Chicago area media outlets

- Institute a donor and volunteer referral program
- Expand viral marketing drives and get-the-word-out programs
- Expand corporate relations – invite more companies to volunteer and/or match funds

Finally, the team recommended the following next steps, which Inspiration Corporation is pursuing in 2006 with *pro bono* assistance from the Taproot Foundation and public relations and marketing volunteers:

1. Revisit Inspiration Corporation's name and logo
2. Develop meaningful tagline
3. Create brand guidelines
4. Communicate past successes (efficacy) to community
5. Regularly update website to reflect recent accomplishments and full range of services
6. Ensure that board members, staff, and volunteers/donors and public speak the same language

III. Strategic Vision

a. 2010 Vision Statement

The following statement should characterize Inspiration Corporation in 2010:

Inspiration Corporation is a recognized leader in providing clinical social services, employment training and housing to individuals and families affected by homelessness and poverty, serving more than 3,000 people annually. The organization has earned a national reputation for its collaborative and entrepreneurial approach to helping homeless and poor individuals transform their lives in an atmosphere of dignity and respect. The organization's Training and Employment Services programs annually assist more than 600 individuals seeking pre-employment and hard-skills training, academic and career planning, education, transitional employment, job placement assistance

and support to succeed in the workforce and increase self sufficiency. More than 1,400 phoneless job seekers have access to Community Voice Mail. Cafe Too is a popular restaurant and culinary-skills training center on Chicago's north side, a new Cafe Too has opened on the south side, and the Cafe Too training model has been replicated by other organizations. Clinical social services are fully integrated into each of Inspiration Corporation's programs and available to all participants. Inspiration Corporation provides more than 70 units of service-enriched, subsidized apartment housing to help program participants achieve and maintain stability. The organization employs a rigorous outcomes-measurement and quality-assurance program. Inspiration Corporation has a budget of more than \$4 million and an operating reserve equal to three months of operations. Its Board of Directors and Advisory Board includes more than 50 individuals of extraordinary commitment, skill and generosity.

b. Mission Statement and Core Values

In a series of planning meetings held in November and December 2005, members of the staff and board of directors of Inspiration Corporation reviewed the organization's mission statement and core values. To better reflect the current and future purpose, activities and culture of the organization, the group elected to refine the mission statement and core values.

Revised Mission Statement

In an atmosphere of dignity and respect, Inspiration Corporation helps people who are affected by homelessness and poverty to improve their lives and increase self-sufficiency through the provision of social services, employment training and housing.

Inspiration Corporation's Former Mission Statement

Inspiration Corporation helps people improve their lives through the provision of social services, employment training and housing in an atmosphere of dignity and respect.

The Employment Project's Former Mission Statement

Founded on the belief that every individual is worthy of acceptance, assistance, and support, The Employment Project helps people to recognize their options and acknowledges each individual's ability and right to make his or her own choices. Our mission is to help adults who are homeless, or at risk of becoming homeless, gain stability through employment. Working collaboratively with community organizations, The Employment Project has created a network of services that addresses the diverse needs of the people we serve.

Revised Core Values

- 1. We believe in treating all people with dignity and respect**
- 2. Sharing high quality meals is a foundation of our organization**
- 3. Inspiration Corporation does not work in isolation: honest, constructive and engaged relationships enable us to achieve our mission**
- 4. We are committed to quality, creativity and continuous improvement**
- 5. We cultivate a spirit of social entrepreneurship to support our mission**
- 6. Every person is worthy of acceptance, assistance and support and has the right to make his or her own choices**

Former Core Values

1. We believe that treating all people with dignity and respect is a pillar of social justice
 2. High quality food is a foundation of our diverse programming
 3. Vibrant relationships strengthen our organization
 4. We are committed to quality, creativity and continuous improvement in our endeavors
-

c. Guiding Strategies

Inspiration Corporation will follow these guiding strategies to achieve the programmatic and organizational development goals it has set for the period 2006 to 2010, which are presented on the following pages:

- a. Make appropriate investments in organizational infrastructure – including investments in the areas of staffing and benefits, volunteer coordination, financial management, outcomes evaluation, internal communication, and external relations and marketing
- b. Expand services in those areas in which the organization has developed competency, and in a manner closely consistent with the organization’s mission
- c. Pursue partnerships with organizations to leverage resources, improve service delivery and expand reach
- d. Continuously scan the landscape for opportunities to improve our programs and management through innovative strategies and state-of-the-art best practices
- e. Increase the diversity and facilitate the development of the organization’s staff, board of directors and advisory board

d. Programmatic and Organizational Development Goals

Strategic goals for each program and administrative department of Inspiration Corporation are presented below:

Clinical Services

1. Provide case management to all of Inspiration Corporation’s clients by integrating Clinical Services into every service area
2. Expand direct financial support for clients
3. Improve client outcomes and department outcome measurement tools
4. Become a model/leader in providing culturally competent clinical services to a diverse clientele, including women, people of color, immigrants, and members of the GLBT community

Training and Employment Services

1. Provide employment preparation (soft skills) training at more locations, including on the south side, and in collaborations with community colleges
2. Expand Business Services (employer outreach) through job fairs, company-sponsored training and other strategies

3. Bring the Cafe Too training program to new communities, including the south side
4. Redesign Cafe Too as modular, open-entry, open-exit program
5. Develop bridges to hard-skills training programs, apart from restaurant skills
6. Provide computer skills training to clients
7. Expand the Community Voice Mail program with Voice-over-Internet Protocol telephony

Housing Services

1. Expand the number of scattered site, subsidized apartments
2. Develop the 4715 N. Sheridan Building as project-based housing
3. Provide greater financial management assistance for working-poor housing tenants, including budgeting assistance, and banking and savings plans
4. Implement the Housing Locator project
5. Assist in developing family housing in Woodlawn

Development and External Relations

1. Develop and integrate volunteer coordination
2. Professionalize marketing and public relations; develop a consistent, integrated external relations program for Inspiration Corporation and Cafe Too
3. Grow the individual giving program
4. Continue to grow foundation and corporate giving

Finance and Administration

1. Establish financial policies and procedures that meet Generally Accepted Accounting Principles
2. Improve cash-flow management and banking relationships
3. Expand the employee benefits program
4. Improve grant and contract management
5. Standardize filing for all departments and sites
6. Create an annual salary plan and scale
7. Ensure compliance with government agency requirements

Executive

1. Ensure strong reporting and program evaluation
2. Continue to build and diversify Inspiration Corporation's Board of Directors, Advisory Board and staff
3. Create professional development opportunities through Inspiration University and partnerships

These goals also can also be categorized as growth, organizational development and program enrichment and integration goals:

Growth Goals

1. Provide employment preparation (soft skills) training at more locations, including on the south side
2. Bring the Cafe Too training program to new communities, including the south side
3. Expand the number of scattered site, subsidized apartments
4. Develop the 4715 N. Sheridan Building as project-based housing
5. Expand the Community Voice Mail program with Voice-over-Internet Protocol telephony
6. Grow the individual giving program
7. Continue to grow foundation and corporate giving

Organizational Development Goals

1. Continue to build and diversify Inspiration Corporation's Board of Directors, Advisory Board and staff
2. Develop and integrate volunteer coordination
3. Professionalize marketing and public relations; develop a consistent, integrated external relations program for Inspiration Corporation and Cafe Too
4. Establish financial policies and procedures that meet Generally Accepted Accounting Principles
5. Improve cash-flow management and banking relationships
6. Expand the employee benefits program
7. Improve grant and contract management
8. Standardize filing for all departments and sites
9. Create an annual salary plan and scale
10. Ensure compliance with government agency requirements

Program Enrichment and Integration Goals

1. Ensure strong reporting and program evaluation
2. Create professional development opportunities through Inspiration University and partnerships
3. Provide case management to all of Inspiration Corporation's clients by integrating Clinical Services into every service area
4. Expand direct financial support for clients
5. Improve client outcomes and department outcome measurement tools
6. Become a model/leader in providing culturally competent clinical services to a diverse clientele, including women, people of color, immigrants, and members of the GLBT community
7. Expand Business Services (employer outreach) through job fairs, company-sponsored training and other strategies
8. Redesign Cafe Too as modular, open-entry, open-exit program
9. Develop bridges to hard-skills training programs, apart from restaurant skills
10. Provide computer skills training to clients
11. Provide greater financial management assistance for working-poor housing tenants, including budgeting assistance, and banking and savings plans
12. Implement the Housing Locator project
13. Assist in developing family housing in Woodlawn

IV. Implementation Plan

a. Objectives by Goal

Clinical Services

Provide case management to all of Inspiration Corporation's clients by integrating Clinical Services into every service area

- Objective 1: Increase the number of permanent Clinical Services staff at both Inspiration Cafe and The Living Room Cafe. [Hire two full-time bachelor's-level social workers (one for IC, one for LRC) in FY 2007; hire a part-time support staff member for department and promote this staff member to a full-time case manager position in FY 2007 upon completion of training (IC); and hire one full-time master's-level social worker who has earned Certified Alcohol and Drug Counselor credentials (IC) in FY 2008]
- Objective 2: Revive the Program Flow committee to create and implement plans for blending and integrating all of Inspiration Corporation's services

Expand direct financial support for clients

- Objective 1: Conduct comprehensive needs assessment to determine the exact nature of clients' financial needs
- Objective 2: Develop strategies for raising additional revenue earmarked for direct financial support for clients (for example, fee revenue from clinical services trainings)

Improve client outcomes and department outcome measurement tools

- Objective 1: Improve intake and assessment procedures to pinpoint exact client needs and create service and treatment plans that are more individualized, thus ensuring stronger client participation and improved outcomes
- Objective 2: Adopt best practice methods as determined by the professional and academic literature and proven success of programs at other agencies
- Objective 3: Increase motivation for client change
 - a. Conduct needs assessment to determine the type of services that clients are looking for
 - b. Critically evaluate existing Clinical Services programming and modify as necessary using a harm reduction model with a motivational emphasis
 - c. Provide intensive training to staff on harm reduction and motivational interviewing
- Objective 4: Invest in outcome measurement software that utilizes outcome tools that are based on professional standards (proven reliability and validity, can be used with clientele that is diverse, generalizable, etc.)

Become a model/leader in providing culturally competent clinical services to a diverse clientele, including women, people of color, immigrants, and members of the GLBT community

- Objective 1: Develop internal training program that will produce culturally competent staff members
 - Objective 2: Invest in outside training opportunities for staff
 - Objective 3: Develop best practices model(s) based on professional and academic literature and proven success of programs at other agencies
-

- Objective 4: Develop outcome measurement tools to track and ensure client success and staff competency

Training and Employment Services

Provide employment preparation (soft skills) training at more locations, including on the south side.

- Objective 1: Conduct workshops at The Living Room Cafe
- Objective 2: Conduct workshops at Inspiration Cafe
- Objective 3: Develop additional fee-for-service training partnerships

Expand Business Services (employer outreach) through job fairs, company-sponsored training and other strategies

- Objective 1: Coordinate community job fairs in Uptown and Woodlawn
- Objective 2: Hire one additional full-time business services representative to research job growth opportunities and build relationships with employers

Bring the Cafe Too training program to new communities, including the south side

- Objective 1: Develop partnership with Bethel New Life
- Objective 2: Develop a south side training site
- Objective 3: Create a second restaurant site
- Objective 4: Increase case management, placement and retention support for participants

Redesign Cafe Too as modular, open-entry, open-exit program.

- Objective 1: Research open-entry, open-exit models
- Objective 2: Write new program design and launch at Inspiration Cafe

Develop bridges to hard-skills training programs, apart from restaurant skills

- Objective 1: Develop Career Connections training program at Truman College
- Objective 2: Research transitional jobs programs
- Objective 3: Implement a transitional jobs program linking participants with employers

Provide computer skills training to clients

- Objective 1: Designate staff to coordinate volunteer instructors at Inspiration Cafe and The Living Room Cafe
- Objective 2: Connect participants with formal training through the City Colleges and other agencies

Expand the Community Voice Mail program with Voice-over-Internet Protocol telephony

- Objective 1: Expand Community Voice Mail program beyond the City of Chicago to metropolitan Chicago and beyond, with more than 3,000 voice mail lines available for phoneless and homeless clients
- Objective 2: Recruit 15 new private and government agency clients to generate fee revenue to subsidize Community Voice Mail program service for phoneless and homeless clients

Housing Services

Expand the number of scattered-site, subsidized apartments

- Objective 1: Maintain quality of existing scattered-site program and preserve existing funding
- Objective 2: Offer safe and secure buildings and units
- Objective 3: Work with the Chicago Continuum of Care to advocate for more HUD subsidy funding
- Objective 4: Apply for additional funding through the Chicago Low Income Housing Trust Fund (CLIHTF) and the new Illinois Rental Housing Support Program
- Objective 5: Submit new applications to the Chicago Continuum of Care for HUD subsidies when available
- Objective 6: Research new funders for scattered-site housing subsidies

Develop the 4715 N. Sheridan Building as project-based housing

- Objective 1: Finish negotiations with landlord to purchase the building
- Objective 2: Work with Alderman Shiller to finalize options for City and TIF funding
- Objective 3: Create short-term and long-term financing plan
- Objective 4: Secure financing
- Objective 5: Develop a plan for the rehabilitation of the building (number and kind of units, common space, etc.)
- Objective 6: Rehab the building
- Objective 7: Develop operations plan
- Objective 8: Lease up and operate building

Provide greater financial management assistance for working-poor housing tenants, including budgeting assistance, and banking and savings plans

- Objective 1: Develop and implement a plan to provide greater financial management assistance to housing tenants, including outreach to banking institutions, in close collaboration with Clinical Services staff

Implement the Housing Locator project

- Objective 1: Hire a housing locator in FY 2007
- Objective 2: Implement housing locator plan to serve Inspiration Cafe plus four other agencies on the north side of Chicago
- Objective 3: Maintain fluid communications with referring case managers
- Objective 4: Build and maintain relationships with landlords to locate units
- Objective 5: Define criteria of referrals between collaborating organizations
- Objective 6: Establish and practice protocols for intake and referrals
- Objective 7: Assist clients in accessing affordable housing
- Objective 8: Ensure that clients who have been placed receive necessary social services to maintain housing
- Objective 9: Network and advocate to secure housing locator services for The Living Room Cafe and Employment Services clientele

Assist in developing family housing in Woodlawn

- Objective 1: Secure community support for family housing in Woodlawn

- Objective 2: Participate in community organizing to advocate for funding for a project-based building on 63rd St. and St. Lawrence
- Objective 3: Explore funding options for a whole-lease model or a scattered-site strategy

Development and External Relations

Develop and integrate volunteer coordination

- Objective 1: Hire a full-time volunteer coordinator in FY 2007; develop infrastructure, policies and procedures
- Objective 2: Involve volunteer coordinator in event planning and stewardship activities
- Objective 3: Develop "Homelessness 101" class and use for outreach
- Objective 4: Develop focus on recruitment of corporate and faith-based volunteer groups

Professionalize marketing and public relations; develop a consistent, integrated external relations program for Inspiration Corporation and Cafe Too

- Objective 1: Organize a marketing committee
- Objective 2: Develop annual, integrated external relations plans
- Objective 3: Create and maintain a partnership with a public relations firm

Grow the individual giving program

- Objective 1: Hire a full-time development associate in FY 2006
- Objective 2: Develop major donor and bridge (mid-level) donor groups and cultivate these donors more personally
- Objective 3: Improve the look and opening rate of our e-newsletters and e-appeals
- Objective 4: Evaluate the direct mail program to identify ways of improving response and size of gifts, and make appropriate investments

Continue to grow foundation and corporate giving

- Objective 1: Create strategies for expanded corporate outreach
- Objective 2: Develop relationships with regional and national donors
- Objective 3: Refine proposals in close collaboration with program directors

Finance and Administration

Establish financial policies and procedures that meet Generally Accepted Accounting Principles

- Objective 1: Review current and develop enhanced financial management policies and procedures, and ensure strict adherence
- Objective 2: Hire one full time bookkeeping/data-entry staff member in FY 2007
- Objective 3: Provide financial management training for all Inspiration Corporation staff

Improve cash-flow management and banking relationships

- Objective 1: Reduce the number of variations from cash-flow to bank statement

- Objective 2: Review and optimize banking to reduce the number of bank accounts, reduce bank charges and maximize interest income
- Objective 3: Develop a plan to increase our cash to a three-month reserve

Expand the employee benefits program

- Objective 1: Review current employee benefits, which include health and dental insurance, 403b plan and simplified employee pension plan
- Objective 2: Negotiate with insurance broker to consolidate all insurance options under one broker for cost efficiency and ease of administration
- Objective 3: Research additional employee benefits, such as vision care insurance, tuition reimbursement and possible daycare subsidies

Improve grant and contract management

- Objective 1: Update tracking system for all government grant and contract activity
- Objective 2: Develop a summary document describing critical elements of each government grant and contract, and share this with senior staff and board leadership
- Objective 3: Improve accounting for all government grants and contracts with new accounting software

Standardize filing for all departments and sites

- Objective 1: Create policies and procedures for standard filing for individual staff members' and shared agency files (including templates and technical assistance)
- Objective 2: Expand records retention capacity
- Objective 3: Investigate the cost to purchase fireproof cabinets for all essential documents

Create an annual salary plan and scale

- Objective 1: Create a policy for review and method for considering raises, and review this policy annually
- Objective 2: Create a policy linked to performance and evaluation by supervisor, and reviewed by executive staff

Ensure compliance with government-agency requirements

- Objective 1: Perform annual internal audits of all government grants and contracts and verify that all back-up documentation is on file

Executive

Ensure strong reporting and program evaluation

- Objective 1: Audit all reporting and program evaluation processes and tools
- Objective 2: Create a simplified and unified reporting and evaluation plan, including quantitative and qualitative data gathering and analysis
- Objective 3: Implement a simplified and unified reporting and evaluation plan

Continue to build and diversify Inspiration Corporation's Board of Directors, Advisory Board and staff

- Objective 1: Identify key traits for Board leadership, including diversity
- Objective 2: Identify 10 potential leaders to cultivate from 2006 to 2008

- Objective 3: Create a cultivation plan for each prospective member
- Objective 4: Meet annually with Advisory Board

Create professional development opportunities through Inspiration University and partnerships

- Objective 1: Develop annual calendar of in-service staff trainings (Inspiration University)
- Objective 2: Establish partnerships with outside training providers to enrich annual staff development opportunities

b. Implementation Timeline

Fiscal Year	Projected Outcomes
<p>2006</p>	<ul style="list-style-type: none"> • 2006-2010 strategic plan completed • Housing Locator program initiated • Pilot Cafe Too class at Bethel New Life completed • Program Flow Committee revived and plan for blending services between departments implemented Current financial management policies and procedures reviewed • Simplified and unified reporting and evaluation plan, including quantitative and qualitative data gathering and analysis, created • 10 percent increase in funding from private sources secured • Major and bridge donor groups created • Formal partnership with public relations firm forged
<p>2007</p>	<ul style="list-style-type: none"> • Housing Locator goals met: 100 people placed in housing • Funding for 4715 N. Sheridan Rd. identified and secured • Funding for 10 additional individual scattered-site housing units and services/operations staff secured • Employment Preparation Training initiated at The Living Room Cafe and Inspiration Cafe • New fee-for-service soft-skills training partnerships forged • South Side employment training sites investigated • Career Connections program launched with Truman College • Computer training launched at Inspiration Cafe & The Living Room Cafe • Transitional jobs program models researched • Open-entry, open-exit models for Cafe Too researched, and new program model developed • Improved intake and assessment procedures so that service and treatment plans are more individualized, which ensured stronger client participation and improved outcomes • Re-developed Clinical Services program based on best practices methods, including harm reduction and motivational interviewing • Invested in outcome measurement software that utilizes outcome tools that are based on professional standards • “Equalized” services so that LRC clients receive the same services that are offered at IC • Conducted needs assessment to determine client financial support needs • Cost-savings plan to increase our cash reserve developed • Enhanced financial management policies and procedures developed and staff trained • Analysis and simplification of the cash flow statements completed • All banking relationships reviewed for cost savings and optimization • Current employee benefits program reviewed for cost savings and optimization • Standard filing system created, including client files throughout all departments • Policies and procedures for record retention & imaging created • Case management, placement and retention support for Cafe Too

<p>2007 continued</p>	<p>participants expanded</p> <ul style="list-style-type: none"> • Simplified and unified reporting and evaluation plan launched • 10 percent increase in private funding secured • At least \$45,000 secured from major giving prospects • Direct mail program evaluated and revised • Corporate development action plan created • Relationships with two new regional donors forged
<p>2008</p>	<ul style="list-style-type: none"> • Housing Locator goals met: 100 people placed in housing • Housing Locator services for The Living Room Cafe and Employment Services clientele secured • Rehab completed at 4715 N. Sheridan Road • Funding secured for 10 family scattered-site housing units and services/operations staff • South Side Cafe Too restaurant and training site opened • Transitional jobs program implemented • Open-entry, open-exit design for Cafe Too launched • Began offering intensive addictions counseling services at IC by a new social worker with CADC and at LRC by clinical services manager • Invested in training to build cultural competence of staff • Research completed on additional employee benefits • Document imaging completed for record retention • 12 percent increase in private funding secured • Relationships forged with two new regional donors • Two new gifts of \$5,000 or more secured from individual donors
<p>2009</p>	<ul style="list-style-type: none"> • Housing Locator goals met: 100 people placed in housing • 20 - 25 units of affordable housing opened at 4715 N. Sheridan Road • New employee benefits package offered • 12 percent increase in private funding secured • Relationships forged with two new regional donors • Two new gifts of \$5,000 or more secured from individual donors
<p>2010</p>	<ul style="list-style-type: none"> • Housing Locator goals met: 100 people placed in housing • Funding secured for five additional scattered-site units (families or individuals depending on agency need) • Inspiration Corporation operates 70 units of affordable housing. • 12 percent increase in private funding secured • Relationships forged with two new regional donors • Two new gifts of \$5,000 or more secured from individual donors

Please refer to the client service projections for each program for fiscal years 2006 through 2010 presented on page 44.

c. Budget Projections

Historical Budget Information

(Historical budget information does not include financial data for The Living Room Cafe and The Employment Project for years prior to their merger with Inspiration Corporation in FY 2004 and FY 2006, respectively. Source: annual financial audits.)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Revenue				(LRC Merger)	
Growth rate		19%	16%	43%	26%
Individual	\$198,822	\$153,633	\$132,800	\$171,203	\$170,563
Corporate	\$29,169	\$45,975	\$89,035	\$114,198	\$83,226
Foundation	\$241,328	\$380,400	\$407,598	\$527,522	\$484,121
Government	\$38,354	\$25,879	\$99,122	\$223,006	\$559,255
In-Kind	\$150,800	\$189,052	\$189,050	\$213,000	\$240,000
Earned	\$37,757	\$30,202	\$39,724	\$121,424	\$188,466
Total Rev.	\$696,230	\$825,141	\$957,329	\$1,370,353	\$1,725,631
Expenses					
Growth rate		15%	14%	39%	27%
Personnel	\$496,022	\$589,146	\$682,225	\$815,197	\$957,131
Other	\$234,657	\$253,980	\$280,020	\$526,659	\$742,101
Total Exp.	\$730,679	\$843,126	\$962,245	\$1,341,856	\$1,699,232
Net Revenue	-\$34,449	-\$17,985	-\$4,916	\$28,497	\$26,399

Inspiration Corporation’s revenue grew at an average annual rate of 26 percent from FY 2001 through 2005, while its expenses grew at an average annual rate of 24 percent.

The significant growth in revenue and expenses seen in FY 2004 was due to Inspiration Corporation’s merger with The Living Room Cafe.

Budget Projections

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Revenue	(TEP Merger)				
Growth rate	61%	1%	12%	13%	12%
Individual	\$261,995	\$264,818	\$296,596	\$332,188	\$372,050
Corporate	\$138,503	\$138,565	\$155,193	\$173,816	\$194,674
Foundation	\$611,704	\$663,450	\$743,064	\$832,232	\$932,099
Government	\$1,248,710	\$1,165,618	\$1,305,492	\$1,462,151	\$1,637,609
In-Kind	\$300,001	\$300,000	\$336,000	\$376,320	\$421,478
Earned	\$213,129	\$274,026	\$306,909	\$383,636	\$429,673
Total Rev.	\$2,774,043	\$2,806,477	\$3,143,254	\$3,560,343	\$3,987,584
Expenses					
Growth rate	65%	-1%	4%	7%	8%
Personnel	\$1,826,282	\$1,763,281	\$1,833,812	\$1,962,179	\$2,119,153
Other	\$978,105	\$1,008,309	\$1,048,641	\$1,122,046	\$1,211,810
Total Exp.	\$2,804,387	\$2,771,590	\$2,882,454	\$3,084,225	\$3,330,963
Net Revenue	-\$30,344	\$34,887	\$260,801	\$476,118	\$656,621

Private revenue (from individuals, corporations and foundations) is projected to grow by 6 percent in FY 2007 and by 12 percent in FY 2008, 2009 and 2010.

Inspiration Corporation's total revenue is projected to grow at an average annual rate of 10 percent from FY 2007 through 2010, while its expenses are projected to grow at an average annual rate of 4 percent. The significant growth in revenue and expenses seen in FY 2006 was due to Inspiration Corporation's merger with The Employment Project. The 29 percent growth in earned revenue in FY 2007 is related to the first full year of sales at Cafe Too, and the 24 percent growth in earned revenue in FY 2008 is related to a full year of sales at a new Cafe Too on the south side.

Slowing the rate of expense growth will enable Inspiration Corporation to retire debt and build an operating reserve equal to three months of operations.

d. Client Service Projections

PROGRAM	INDIVIDUALS SERVED PER YEAR (Projected)				
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Clinical Services					
Inspiration Cafe (IC) Guests	56	60	65	65	65
IC Alumni in case management	24	25	25	25	25
IC Alumni participating in other services but not case management	50	50	50	50	50
IC open case management appts.	150	150	150	150	150
Living Room Cafe (LRC) Guests	64	65	70	70	70
LRC Alumni in case management	16	15	15	15	15
LRC Alumni participating in other services but not case management	10	10	10	10	10
LRC open case management appts.	185	185	185	185	185
Engagement Center intakes	200	200	200	200	200
Engagement Center Rollovers (assessed in prior years and attend EC in current FY)	150	150	150	150	150
	905	910	920	920	920
Employment Services					
The Employment Project	245	260	300	400	400
Cafe Too	131	70	115	145	200
Community Voice Mail	1,000	1,100	1,200	1,300	1,450
	1,376	1,430	1,615	1,845	2,050
Housing Services					
Housing Program	35	40	50	60	70
Housing Locator	15	100	100	100	100
	50	140	150	160	170
Total Individuals Served*	2,331	2,480	2,685	2,925	3,140

* Note: This is a duplicated count: some clients may receive services from multiple programs.

	MEALS SERVED PER YEAR (Projected)				
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Inspiration Cafe	15,224	15,500	15,500	15,500	15,500
Living Room Cafe	4,973	5,500	5,500	5,500	5,500
Total Meals Served	20,197	21,000	21,000	21,000	21,000

e. Evaluation and Control

Inspiration Corporation's senior staff and board of directors will monitor the implementation of its 2006-2010 strategic plan and annually review the organization's performance against goals, annual outcomes and budget projections. When necessary, the organization will refine strategic plan goals and objectives in response to unanticipated opportunities and threats. The senior staff will produce a brief annual report on strategic plan implementation and refinement for review by the board of directors at its July meetings.

V. Acknowledgements

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Inspiration Corporation Program Participants

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Public Officials

46th Ward Alderman Helen Shiller
State Representative Harry Osterman
Leslie Combs, Office of U.S. Representative Jan Schakowsky

Partner Organizations

Fran Bell, Group Vice President, YMCA
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Joyce Dugan, President and CEO, Uptown United
Karen King, Woodlawn New Communities Program, Woodlawn Preservation and Investment Corporation
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Gail Russell, Executive Director, Sarah's Circle
Joan Schwingen, Consultant, Heartland Human Care Services
Gail Taylor, Woodlawn Community Services Corporation
Jim Zangs, Director, Michael Barlow Center, St. Leonard's Ministries
...and others who completed anonymous surveys

Organizational Supporters

Sharon Bush, Program Officer, The Lloyd A. Fry Foundation
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Peter Handler, Richard H. Driehaus Foundation
Debbie Reznick, Program Officer, Polk Bros. Foundation
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