

COMMUNITY ECONOMIC DEVELOPMENT PROJECT:
Alternatives for Community Development,
Incorporated July 1982

Submitted by:

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Introduction

Alternatives for Community Development, Incorporated (ACDI) is a Massachusetts for profit community development corporation established in July, 1982. ACDI was formulated as a joint venture between two non profits local agencies, Three Pyramids, Inc., Fitchburg, MA and Montachusett Opportunity Council (MOC), Leominster, MA. Three Pyramids is a minority social service agency which currently administers various government contracts, i.e., After School Program, Nutrition Program, Information and Referral Program, as well as providing other services to meet the social and economic needs of minorities and low income area persons. MOC is a community action agency which services Leominster, Fitchburg and other surrounding areas. It is easily the largest social service/advocacy program in the area, with a wide base of funding (most recently topping \$10 million).

The Partnership agreement between the two non-profits delineates stock ownerships to the Boards of Directors of the two agencies with 51% of its corporate stock being owned by Three Pyramids, and 49% being owned by Montachusett Opportunity Council. This mix of control allows ACDI to be a minority business enterprise, thus affording eligibility for a variety of contracts and benefits as a minority business.

Conceptually the project was put together by the staff of both MOC and Three Pyramids, and neither board was involved until the package had been put together and specific authorization was required to proceed and formulate the new corporation. The two agencies believed that this partnership can exist because of the reservoir of trust that has been built over the past ten years. Three Pyramids Chief Executive Officer, Adrian Ford, has once served as the Vice-President of the MOC Board (previous to this formed relationship) and had several as a "loaned executive" to MOC as Director of the Research and Development Unit (the fore-runner of the ACDI idea). Three Pyramids currently contracts with MOC to do fiscal management and consultation services.

Dorothy Wms. Proctor currently is a member of the MOC Board of Directors, Chairperson of the Affirmative Action Committee, and a member of the Boards Personnel Committee. Both agencies believe that a common philosophy/purpose exists and both have identified the need for alternative strategies for both as a self dependency module, not being totally dependent on government funding. The common goal between the two agencies, ACDI, is the economic development of the community as a group effort, thus alleviating duplication of efforts, and more efficiently and effectively managing available resources.

Formation of ACDI

The concept of the formation of ACDI began in January 1982. At that time the Chief Executive Officer, Adrian Ford, Three Pyramids, Inc. began to work with the Executive Director and Fiscal Director of MOC on mechanism by which the two agencies could jointly meet the needs of the community without being totally dependent on government contracts. This concept was initiated as a result of current trends, cutbacks in funding, and cutbacks in the Human Service Administration in general. The concerns acknowledged by both agencies were in regards to budget cuts which were taking major chunks of funding out of human service programs, thus seriously decreasing the ability of low income and minority persons to access adequate support services. Primarily, both agencies agreed that both commitments and missions were focused on a common constituency, low income and minorities of the same community. Beyond that, both agencies agreed that, with the current sentiment in Washington, the current administration, which promoted little or no public support of human service programs, it was essential for the two agencies to:

- a) Design a mechanism for program support and development which was not dependent on public funds.
- b) Implement a development strategy which would gear clients/consumers toward a concept of self sufficiency and away from their dependency on the human service/social welfare system that has been largely affected by budget cuts.

These common interest and concerns implemented the formation of a Research and Development Unit within the structure of MOC, with Adrian Ford as Director of this Unit. The agreement was that research and development be done in the areas of Planning, Development and Communications. ACDI was formulated as a result of work being done by the Research and Development Unit, as a profit making venture for the two non-profit agencies. It was imperative that the two agencies were clear to both Boards, in terms of cross-contractual agreements and relationships . . . there had to be a clear line between what was "profit making" and what was "human services." It was understood that the risk was not with being legally improper, but the negative publicity that could result from the appearance of impropriety, as well as the lack of understanding from the public for these types of ventures. A lawyer was hired to assist in establishing the legal apparatus for the new corporation, much of the pre-work was completed by MOC and Three Pyramids staff.

Initial start-up monies became an issue for the new corporation. The bank approached for the venture capital was also MOC's bank for payroll and loans. (MOC maintains a \$250,000 credit line at the bank to facilitate short term loans due to funding delays of grant funds.) The dollars pushed through this local bank were significant and MOC believes it capitalized on this relationship in receiving the venture capital for ACDI. In what is perhaps a unique situation, ACDI was provided this capital without a business plan or anything in writing which resulted from a discussion of ideas and cooperative commitments to neighborhood and community development.

ACDI's note was co-signed by both MOC and Three Pyramids, since it was believed that each agency should share the risk and the possible rewards. MOC and Three Pyramids both provided collateral to cover this co-signed agreement.

It is important to note that MOC currently "sells" its bookkeeping and accounting services to other agencies in the community and has established its own in-house food service that vends the meals (over 800 per day) to its elderly congregate and Home Delivered Meals Program. These previous experiments probably aided in the agency's transition to a profit making subsidiary. It is also interesting to note that the Community Action Agency's Services are part of the regular agency structure and not a separate corporation as is ACDI. It was the feeling of both agencies that the situation should dictate the structure for the enterprise with the adoption of the structure that gives the best chance for success. Non-profit agencies seeking to establish profit making subsidiaries should keep the profit making venture totally separate from its service provision. A careful survey of community relationships, as well as community resources, should be done prior to the venture to see the opportunities for the new profit making enterprise. Initial community awareness of new venture is also very important in terms of soliciting community support for ventures, also in making others aware of the new venture and the possible benefits to the community as a whole.

Structure and Function of ACDI and its Components

Currently ACDI is being governed by a 7 person Board of Directors with four representatives appointed by Three Pyramids and three persons from MOC

upon appointment by MOC. The Chief Executive Officer is responsible for the overall operation of the corporation, i.e., planning, development, fiscal control communications, and marketing. Other staff includes a Management Director who is ultimately responsible to the Chief Executive Officer. This person is responsible for the daily operations of the Corporation (see Figure 1).

ACDI's commitment toward community development is realized through its stated goals and objectives with the community, low income and minority persons as its focal point, which is an indicator of its potential to benefit a large number of people as opposed to financial gain for a select few. ACDI's goals and objectives are:

- A.) To initiate and direct the economic development and revitalization of its immediate community, i.e., total community upgrading.
- B.) To provide subsidized training.
- C.) The exploration and application of possible technological contributions to community economic stability.
- D.) Involvement in economic development projects to benefit the area, both socially and economically.
- E.) The assisting of minorities and low income group to form and run economic development project.
- F.) The creation of jobs and entrepreneurial opportunities for area residents by providing training and/or the creation of business controlled by residents, generally to create the conditions whereas the community can participate in the economic advantage and growth of the rest of the society.

G.) The generation of revenues over and above the expenses of the corporation to become economically viable which would in turn pour profits in an equitable form back into the two non-profits entities that will sever their dependency on total government funding.

ACDI has implemented as one of its first and major ventures a Computer I Division. The Management Director is the person who is ultimately responsible for the staffing of this Division. Staff includes a System Design person and a Computer Programmer. Computer I specializes in the development of computer software for human service application and also in the application of computer technology to Human Service Management, as it pertains to planning, cost sharing, information sharing, and networking. With dollars and other resources shrinking for the provision of services, Human Service Providers are being forced to operate more efficiently, to document needs more accurately, and to use that documentation for planning and the allocation of limited resources. Approximately one year of extensive research by MOC and Three Pyramids staff prior to the establishment of ACDI showed that the application of computer technology to Human Service Management is the most effective way to meet those demands. Technology in Human Service Agencies also means that computer software and hardware are located in places where they rarely have been before. All hardware and software sales, computer training and other related functions are handled through Computer I. Computer I provides many services, i.e., free preliminary systems analysis, sale and/or lease of several hardware options, customized software development, "canned programming", data processing, word processing, and staff training. Training includes the formulation of locally-based

training centers. These centers will prepare children as well as adults for the wide variety of job opportunities currently arising as the result of the expansion of computerization.

To go along with this trend, ACDI has great expansion plans for the future. Corporate goals for the next 5 years include expanding the training focus to meet the need for computer education for area youths, adults and managers. The capabilities of ACDI and Computer I will grow toward increasing staff, and toward the development of a comprehensive marketing information system. ACDI will expand this concept through research and development of joint ventures with other organizations throughout the country.

Currently, in its beginning stages of Human Service computerization, ACDI is employing several tactics to meet its objectives. Market Research is being used to discover the areas, competition and resources. Currently, surveys are being conducted regarding the availability of computer software within the Human Services Administration in Central Massachusetts. Surveys will include information regarding brand names and the availability of various consultant services. Surveys are being mailed to over one hundred and forty Human Service Agencies within this locality to discover their current level of computerization, the type of service they have available and their level of satisfaction with their current system. Agencies are asked their interest level in regards to the use of computers and they are asked if they would be interested in attending a free Computer I workshop.

Market Research has shown that the computer service package being offered by ACDI's Computer I is the only one being offered in its immediate service area. Because of the assessed needs of this area, as being one of a service oriented community, there is a definite need for this type of venture. There is no other computer oriented corporation in this area with the combined knowledge of both Human Service Administration and Computer System Development which allows for a unique understanding to meet the specific needs of computerization for Human Service Agencies without compromising programs or interrupting service delivery.

Presently, ACDI is located at 305 Whitney Street in Leominster, MA. This space is shared with MOC's Central Administrative Staff and some of its operating programs. One office space is being used for ACDI's management staff and a larger office space is being used for the Computer I Division. This space is divided between office space, training and display space. The building is being rented by MOC from the City of Leominster. It is close to the area's major highways and is on the public transportation route, therefore, it is very accessible. ACDI pays rent to MOC at a minimal rate of one hundred dollars per month.

Company materials include the computer and a software package which will be used to computerize some of the area's Human Service Agencies. The corporation is using a IBC (Integrated Business Computer) multi-user micro-computer. A larger computer system will be implemented on site at Three Pyramids, 66 Day Street, Fitchburg, Massachusetts.

This system is being donated by Digital Equipment Corporation. It is their PDP4411 multi user Mini Computer System. Bi-weekly meetings are scheduled to discuss the implementation of a Computerized Management Information System (CMIS) for community-based agencies. This system will hopefully be used to fulfill the implementation of the CMIS System.

Computerized Information Management System

The CIMS System is a public/private cooperative effort designed to implement a community based information network with plans for improving the current information available to both the public and private sector.

This system will service as a tool which will increase and improve the accessibility and use of statistical data on available resources for social and economic cooperative planning, program development and consumer involvement. The system will make data information readily available as a tool to document needs of specific target groups, a particular area as well as agency needs. CIMS is designed around the organization of local agencies whose primary objectives are:

- Share Resources
- Control Waste
- Training/Job Creation
- Local control as to how problems and solutions are defined
- Cooperative planning designed to promote a community based social and economic development strategy

CIMS currently has fifteen members tied into a data consortium through various contracts with both consumers and providers in rural and urban areas (See figure 3). They reflect the important involvement of municipal and state governments, the academic and business community, labor, minorities, and various other groups that view the use of information as a powerful tool for cooperative community development. The benefits of this type of system will include:

- 1) the legitimatizing of the system as being necessary to improve the information base available to public and private sector decision making.
- 2) that a uniform data collection instrument (intake form) could be developed through a cooperative process.
- 3) that "grass roots" individuals not only can be, but must be, involved in defining and the resolution of problems if both individual and community growth is to occur.
- 4) that an information system can be used as a "common tool" for promoting social and economic cooperative planning and development.

This system will be used as a community tool for managing information, networking and resource sharing. At the local level, there is an increased awareness of the important role that statistical resources play in planning, management and evaluation of programs affecting a broad range of conditions. At the community level, people are beginning to better understand that "information analysis" is used to determine who gets what, how much, and why. Consequently, consumers and providers that have similar social and economic concerns have determined a real need

to establish a local information system where the factors of who, how much and why are not the traditional hierarchy model, but from the bottom up.

CIMS is a direct response to all the issues previously mentioned, particularly around:

- 1) allocation of scarce resources
- 2) a more efficient management of programs
- 3) involvement of local residents (particularly minorities and low income persons) through information development and determination as to its use.

Background (CIMS Development)

The concept of the development of the CIMS System originated as a major venture of ACDI's Computer I Division. Some major concerns of the neighborhood, representatives from the public sector (Massachusetts Department of Social Services, MOC and Three Pyramids staff) and from the education component (New Hampshire College Institute for Cooperative Development) all began to collaborate on the development of what is now the CIMS system. The Research and Development unit established by MOC began to work with the agency's program as well as Three Pyramids, programs to identify their information needs. Extensive research through a relationship with New Hampshire College's Institute for Community Cooperative Development, MOC Research and Development Unit, Three Pyramids staff, into the use of computers as an information management tool illustrated that the use of micro-computers could satisfy the key objectives of the proposed Information System.

The Massachusetts Department of Social Services had previously begun in one area of the state to use computers to facilitate networking capabilities, information sharing, and information management with community/neighborhood based agencies. As a funding agency, the Department of Social Services was using this generated information to receive feedback about community needs, and as a result, began to allocate resources more appropriately.

In early 1981 the Department of Social Services targeted funds to meet the growing unmet needs of minorities in North Central Massachusetts. As a result, four agencies were funded to establish an Information and Referral Program. Three Pyramids, Inc., one of the four agencies funded to implement the programming also received a small grant to develop a data collection tool for computer usage.

The overall collaborative effort resulted in:

- 1) the expansion of the program that included MOC, Three Pyramids, and its affiliate agencies.
- 2) The research and development of a micro-computer system which has the management and networking capabilities to operate a Computer Information Management System for a comprehensive data consortium.

Results and Benefits Expected

The expected results and benefits of the Computer Information Management System are:

- 1) the gathering of information uniformly on the social and economic needs of consumers throughout North Central Massachusetts;

- 2) the processing of information in such as way that the data is quantifiable;
- 3) to be able to easily identify the social and economic needs of specific populations, i.e., minorities, elderly and low income;
- 4) sharing data with consumers and the broader community in order to educate the community concerning unmet needs;
- 5) using the data to reallocate resources and to develop social and economic programs to specifically address unmet needs;
- 6) the ability to transmit and receive information instantaneously as well as share files and telecommunications;
- 7) individual agency capabilities can be augmented through the pooled resources of the Information and Referral system;
- 8) enhance the planning capabilities of the participating agencies;
- 9) through the use of micro-computer, computer technology is being introduced and operated by nontraditional human service provider agencies;
- 10) the Computer Management System provides for a clearing house service (data center) for the dissemination and exchange of information within the data consortium.

Application (CIMS)

CIMS will be divided into two major system design phases. Phase I will represent the first year of operations which shall end December 1983. Phase II will be the actual implementation of the automated system which will allow for data processing, computer networking and dissemination of reports.

Systems Design (Phase I)

When the original four agencies were funded by the Massachusetts Department of Social Services to establish an Information and Referral program, it was understood from the beginning that all of the programs funded would operate in a uniform manner. This could best be realized by using the same data collection forms.

Three Pyramids, Inc. was responsible for the development of the data collection form (Basic Information Form) and the service delivery form (Program Referral Action Form) through a grant from the Massachusetts Department of Social Services (Figure 4, 5). (The funds from the Department of Social Services were for the express purpose of developing the computerized tool. The funds for implementing a system capable of processing and managing the data would be sought from other sources.) However, the process of deciding the content of the forms came directly from the initial members involved in the CIMS system, the Department of Social Services and the Montachusett Opportunity Council, Inc., which later joined the CIMS systems through its affiliate agencies which spread across northern Worcester County. The collective process involved in developing the tool was very time consuming as well as very rewarding. The final product reflected the concerns and involvement of the various sectors of the community including funding agencies.

It is equally important to state that the design of the forms took into consideration the following factors:

- 1) The review of systems already in operation of which the two most logical choices were the United Way of America Service Identification System (UWASIS II) and the Central Massachusetts Service Identification System (CMIS II). Both are tools for the defining and coding of services.
- 2) Another factor considered the growing realization that client needs, programs, budgets, resources and sources of funds are intensely interrelated. For example, in the case of a client with several critical needs such as energy, food and transportation, it is well understood that the overall well-being of the client depends on the satisfaction of all of these needs and that providing assistance in only one area is not sufficient. This increase in complexity has been brought about by the growth and the number of potential clients and the diversity of their needs. This in turn has increased the type and volume of data to be collected, processed, and reported.
- 3) Through research of other systems, it was found that most of the reports did not provide accurate information because there was nothing in place to address the duplication of clients/contacts. Everybody involved in our system agreed that we wanted to obtain an unduplicated count of clients and contacts. To accomplish this, the computer had to be able to distinguish among clients. Therefore, our system has a unique "client identifier." This will allow confidentiality to be maintained while at the same time tracking clients within an agency and among agencies in the system.

Three Pyramids took into consideration all of the above mentioned concerns before the final design was completed and put into computerized form. Consequently, our completed design (Figure 4, 5) will have the advantage of compatibility for comparison purposes with data systems already in use and can easily be part of a greater data base management system. Our forms can be adapted to varied degrees of simplicity of complexity, depending on the level of detail that is sought in monitoring service requests.

Systems Implementation (Phase II)

During this phase we plan to implement an automated (Mini-computer) system which allows for the use of the tool which has been developed, computer networking and analysis and dissemination of reports.

Phase II will be implemented in the following stages:

- 1) The hardware (mini-computer system) which is an inkind donation to the project will be installed. The Research and Development Consultant and Systems Manager will be responsible for setting up the Data Center and implementing the computer networking system.
- 2) The network will be comprised of member agencies that are tied directly into the Computer Information Management System (this means members that use the same computerized forms ((see attached)) that were developed specifically for the CIMS System). The majority of these agencies will have the capacity to do direct entry of information via a terminal tied into the main systems at the Data Center.

The software which is currently being completed has been so designed that with a few hours of training, data entry can be done by regular staff who would ordinarily be responsible for filling out intake forms manually. Member agencies without terminals would simply complete the various forms manually and the data processing would be completed at the Data Management Center. The method of selecting who would have direct entry capabilities will be made on the basis of the level of operations. For example, a terminal could greatly enhance a small rural agency's capacity to cope with limited funding while at the same time, a terminal will also impact their feeling of isolation through their ability to share resources and exchange information with other members within the system.

- 3) Training and quality control. During this stage, training will be provided to all members involved in the system. Issues to be focused on will include clarifying the differences between information, referral and the need for follow-up, use of whatever coding form is developed; and understanding the reports produced from the monthly statistics. Both the quality control/data entry operator and the planner will be responsible for the training which will occur on a weekly basis for at least four to five months to ensure quality control.

Utilization and Dissemination

The final product of the whole system are the data reports that will be printed and distributed to the data consortium as well as others involved in social and economic cooperative planning and development.

The initial reports will include the following information:

- 1) breakdown of service requests by follow-up, and
- 2) breakdown of service requests by client demographic data.

Various other reports can be generated based upon this information.

The software was specifically developed to be compatible with our objective to introduce computer technology specifically to human services and the clients that they serve. Therefore, the software developed for this project can be used on a nationwide basis at minimal cost.

A very distinct way in which the project will share its experiences and finding will be through an audio visual project that is being developed by interns at Fitchburg State Collage who are using our Computer Information Management System as a model for their project which is based on the introduction of an automated MIS system for human services.

It is our intention to use the audio visual presentation as an instruction guide for other groups interested in implementing similar systems.

Technical Assistance (ACDI)

Technical assistance for this project has been provided through a variety of mechanism. As mentioned earlier in this narrative, New Hampshire College's Institute for Community Cooperative Development provided technical assistance initially in the developmental stages of Computer I CIMS System as well as toward the development of a Basic Information form and an Action Referral form to be used by the Human Service Agencies currently in ACDI Information Consortium. MOC provides both fiscal and administrative support to the current operation of ACDI. MOC's Director of Administration provides a significant amount of technical assistance around fiscal planning and control. Administrative support includes typing, filing, and follow-through on various administrative tasks. ACDI has enlisted the support of an attorney who has provided technical assistance around legal issue in the formulation as well as the operation of the corporation. A certified public accounting firm works on ACDI's audits and other corporate tax forms. The corporation works with a local insurance broker to meet the insurance needs of the corporation. ACDI is currently a member of the local Chamber of Commerce. ACDI has gotten support from and is working in cooperation with the Area Planning Commission and planning officials to develop alternative methods of Financing Economic Development. Local colleges have provided programming consultants, curriculum consultants, and student interns to gather market information and to develop a Market Information System.

Conclusion

ACDI is currently operating at full capacity and as a Certified Minority Business Enterprise. Its current venture, i.e., CIMS System as mentioned in above narrative, computer literacy training for both youths and adults, and economic development as a community strategy to combat the cutback in funding for its two non-profit agencies. ACDI is also currently studying the possibility of neighborhood revitalization, particularly to include Housing Rehabilitation.

The venture has indeed proven to be a learned experience and there are some identified changes that could have been done differently and are new in the process of being worked on. The corporation is currently working on the completion of a Business Plan, whereas the initial implementation of such a plan would have been quite beneficial to the corporation. With an initial Business Plan, the corporation would have developed a better knowledge of its market in terms of resources that were available, various investment opportunities, as well as a broader knowledge of what the existing competition is. The concept of an initial Business Plan would make the corporation realize its immediate benefits in terms of sales of its goods or product. The corporation could have used this tool to solicit more development into its market, which would ultimately yield a better understanding of the market, which is extremely important to the corporations' impact on sales.

The experience of ACDI's venture is a useful model for the development of a profit making venture which will enhance its two non-profit agencies

as well as its potential community benefits. The corporation can take initiatives on various types of ventures without approval from government because of its non dependency on government funding and other political trends affecting budgets. Market research shows that ACDI will contribute substantially to local Human Service Agencies' non-dependency on government funding, area resource development, job creation as well as other community development ventures.

Enclosures

ACDI's Organization Chart

* Basic Information Form

* Note: The attached form is not to be reproduce in any form or way unless approved by Mr. Adrian L. Ford or Mrs. Dorothy Wms. Proctor.