

## Case Study: The Southern Institute on Children and Families

### Snapshot

<b>Name of Organization:</b>	<a href="#">Southern Institute on Children and Families</a>
<b>Type of Organization:</b>	Health Policy Think-tank
<b>Type of Engagement:</b>	Pricing Strategy; Market Assessment
<b>Social Impact Area:</b>	Sustainability

### Background

The Southern Institute on Children and Families is an independent, non-profit organization that aims to improve the well-being of children and families in the seventeen Southern states and DC area through knowledge, leadership and action. Through research and policy analysis on issues impacting children and families such as, public healthcare and child care, the Southern Institute generates greater awareness and equips public and private sector leaders and organizations with knowledge to make informed policy decisions.

In 2000, The Southern Institute on Children and Families was selected by The Robert Wood Johnson Foundation (RWJF) to lead an initiative assisting states and large counties to investigate problems in their eligibility systems and processes that make it difficult for lower-income families to access or retain Medicaid, SCHIP or Food Stamps. Program participants tackled these difficulties which improved the accessibility of benefits for eligible children and adults. Through lessons learned and best practices, the program evolved into a process improvement collaborative model and was implemented with funding from RWJF through 2007.

To leverage the knowledge and experience gained during the seven year program, The Southern Institute on Children and Families launched the Southern Institute Process Improvement Center to focus on quality and procedural excellence in the health coverage eligibility processes under Medicaid and SCHIP. The Process Improvement Center utilizes quality improvement principles to assist public programs and related business leaders and administrators in cultivating a practical skill set and knowledge level to effectively implement procedural improvements in public programming and services that support lower-income children and families.

In 2007, The Southern Institute requested CWV's services in exploring fee-for-service opportunities for the Process Improvement Center, aiming to transform the Center into a self-supporting earned income venture.

### CWV's Solution

After initial research and meetings, Vicki and the Southern Institute staff had a clear vision for a for-profit consulting branch of the center. With this in mind, both the Southern Institute and CWV decided that what was most needed was strategic advice on the following aspects:

1. Business model – How to best structure the PIC to generate a margin.
2. Product Refinement – Developing different price point product offerings that allow the Center to leverage skills and knowledge, as well as meet customer needs.
3. Target Market – Identifying and creating a strategy that focuses on two potential and distinct markets, state governments and hospital associations.

4. Pricing – Appropriately re-pricing the products to serve the market and accurately account for internal costs.

Through a combination of interviews, primary and secondary research, CWV compiled a set of recommendations and resources for the Southern Institute focused on product and service offerings, target markets and pricing. Final deliverables included an hourly pricing model that could be implemented in consulting contracts for the Process Improvement Center.

## Results

The Southern Institute was impressed with CWV's ability to customize the consulting agreement to their needs and was able to integrate CWV's recommendations immediately into the Process Improvement Center. As a result of their engagement with CWV, the Southern Institute realized that it had an important value proposition for governments in terms of its process improvement strategies. The Southern Institute staff gained confidence in its ability to consult state and federal governments on procedural improvement. Additionally, the staff learned how to appropriately price and negotiate state contracts to bring the Southern Institute increased earned income.

The Southern Institute's Process Improvement Center has recorded the following results since it became a contract consulting division in July 2007:

- Earned over \$175,000 in unrestricted revenue from several contract engagements for the Process Improvement Center.
- Implemented CWV's suggested pricing structure and hourly bill rates for consultants.

*"We used CWV's customized pricing structure to achieve financial results that helped keep us afloat through unrestricted revenue. In addition, our impact in terms of mission has been right on target and very powerful."— Vicki Grant, VP for Process Improvement, Southern Institute*

## Lessons Learned

The engagement with the Southern Institute highlighted the importance of market research before launching a new initiative to determine the target market and what products to offer. CWV discovered that the Process Improvement Center did not have to change its products or research, but rather think about their work through a market-oriented lens in order to develop a successful earned-income venture.

*"We learned so much just in the interaction with CWV—their perspective broadened my knowledge of how to approach constructing contracts and the financial side of an engagement. Between CWV's recommendations and our growth from the interaction it was well worth our investment."—Vicki Grant*

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