

The Children's Literacy Initiative: Lessons for Success and Preparation for Challenges

Rebecca Maltzman and Shara D. Taylor 05 April 2011

Introduction

Founded in 1988 by Linda Katz and Pat Federman, the Children's Literacy Initiative (CLI) began as a book fair for the general public. After hearing a North Philadelphia father express his desire to begin reading regularly to his four-year-old, Linda saw the need to address the literacy gap between inner-city and suburban students. Soon, Linda decided to grow CLI into an educational services boutique that specializes in preparing kindergarten through third-grade teachers to improve their students' literacy skills. Known as "Model Classrooms," CLI's signature program gives teachers the tools they need to effectively raise their students' reading and comprehension levels.

Since then, the organization has grown significantly and become one of the national leaders in addressing the literacy gap challenging low-income, urban school districts. For two decades, Linda and the dedicated employees of CLI have demonstrated significant growth

by capitalizing on emerging opportunities and leveraging talented staff to bring projects to fruition.

Within the next five years, however, CLI expects to undergo major changes in leadership and funding. Chief among these changes is the retirement of Linda, the CEO, who has been the primary driving force since its inception. Added to the complexity of succession planning that is often accompanied by an adjusted or new direction is the issue of board composition. Because Linda has historically relied upon the support of a founder-created board, CLI must now work toward sustaining its current value with potentially new board and executive leadership.

In addition to the future seismic shift in leadership, CLI was recently awarded a five-year, \$22 million grant under the Investing in Innovation Fund (i3). This money will fund new Model Classrooms in 39 schools, as well as 39 other schools that will serve as the control group. Not surprisingly, the award has brought CLI new national recognition for its work. This grant marks the first time that CLI is able to put together a long-term business plan because it knows how much funding it will have available over the next five years. Although this business plan is still a work in progress, it bodes well for CLI as it imagines a future without its founder at the helm. This article discusses the factors that have made CLI successful since its beginning and the challenges it faces going forward.

Lessons for Success

In addition to the strong personal leadership provided by its founder and leader Linda, CLI's enormous success in its first 22 years can be attributed to five major organizational factors. Interestingly, and perhaps not surprisingly, these factors are also among the keys to success lauded by leading researchers of nonprofit organizations. Most evidently, CLI has capitalized on many of the six practices for high-performing nonprofit organizations described by Leslie Crutchfield and Heather McLeod Grant (2008) as well as the factors that can push an organization from good to great, as promoted by Jim Collins (2001).

It is important to highlight CLI's success factors, as well how they align with findings in the literature, for two main reasons. The first reason is the importance and usefulness of highlighting the positives or strengths in any evaluation conducted. Since these successful practices are ones that CLI has utilized in order to achieve—but ones that may or may not be utilized consciously—the organizational leadership should be made aware of what they are doing right. This encourages self-praise and recognition, which is important for morale

Secondly, this success analysis highlights CLI as a model nonprofit and as a proof point for the existing organizational research. CLI's success trajectory is evidence that the practices espoused by Crutchfield,

Grant and Collins really do work in real organizations. Therefore, this success analysis can be used by other organizations to reflect upon their own practices and strive to emulate CLI's success.

Success Factors

Success Factor #1: Integrating Business Models into Nonprofit Management

There is no question that during its first two decades, CLI has benefited enormously from being led by a business-minded Wharton MBA graduate. Not only has this influence transcended the way that Linda herself views her work and leads the organization, but it has also seeped deep into the organization's priorities and dynamics themselves. This business influence at CLI is evident, most primarily, through 1) the focus and attention placed on metrics, outcomes and effectiveness measures; and 2) the ability of the organization to harness market forces.

Focusing on outcome metrics.

In order to measure their own effectiveness and prove their worth to funders, and out of fairness to the clients they serve, great nonprofit organizations focus on outcome measurement. Organizations that accurately evaluate their impact can improve programs when

necessary and provide their executives with important information when faced with difficult programming decisions (Thomas 2005: 391-392). Along with other model organizations, CLI prioritizes measuring its outputs and impact in two central ways: through changes in teacher practice and through student achievement results.

To analyze teacher effects, CLI looks at the difference in teaching practice in a CLI classroom before and after instructional intervention, using the CLI-created Teachers' Effective Literacy Practices (TELP) rubric. Teachers are evaluated on these rubrics, which highlight more than thirty effective instructional practices, before their involvement with CLI and then afterwards. The rubric comparison numbers are then analyzed on an organizational level. While this measure could technically be considered an input in many education circles (as it measures teacher practice and not student outcomes), CLI is focused on developing teacher skill as its primary purpose, so the measure aligns with the specific organizational mission.

At the same time, as CLI acknowledges that its larger aim and reason for existence is and must be to improve the student achievement outcomes for urban students, it has adopted the use of student test scores as its second impact measure. This is a strong strategic choice for two reasons. One, student achievement is what funders care about and is the type of the evidence that makes news.

Two, this metric is aligned with what research organizations, such as OMG, use when conducting outside evaluations of CLI. This metric choice, therefore, ensures consistency in analyzing impact. While Linda has reasonable and substantial objections to the use of test scores as accurate measures of student knowledge, as many individuals do, she is also practical in recognizing that this is the type of student achievement evidence that exists and so she must rely on it.

CLI has also been able to go further with these student achievement results and calculate an organizational return on investment: for every \$500, CLI can ensure that one additional student is reading on grade level. This number was calculated as follows: Over the past 11 years, teachers in CLI classrooms have taught over a million kids, and as a result of this intervention, 11 percent more of those kids were reading on grade level than were the children in matched classrooms (OMG Center for Collaborative Learning 2010). Therefore, a total of 111,000 more students are on grade level as a result of CLI's work and dollars. What's more, this is likely a conservative estimate because it counts only students who are or are not on grade level, not students who simply improve their reading but do not yet reach grade level (which is very significant in and of itself). This specific ROI number allows CLI to not only measure its own effectiveness but also to prove to external parties, including funders, what can be accomplished.

While Linda states that a commitment to measurable outputs has always been a priority at CLI, it was only in the drafting of the 2010–2015 business plan that the mission of the organization was amended to reflect this commitment. The new mission reads: “Children’s Literacy Initiative works with teachers to *measurably* transform instruction so that children can become powerful readers, writers and thinkers” (emphasis added). Inclusion of the word “measurably” is likely related to the point in the organizational development cycle at which Linda places CLI. CLI has refined its model and learned that it is effective, and now wants to prove its widespread impact in a scientific and statistical manner. This revision to the mission and the codification of this business practice speaks very well to the organization’s continued and future attention to the crucial analytical practice of quantifying impact.

Harnessing market forces.

The most successful nonprofits harness market forces in order to increase their own impact. In doing so, these organizations prove that “social responsibility and profit aren’t mutually exclusive” (Crutchfield and Grant 2008: 58). One way to leverage business is to actually “run a business” and generate profit for the organization (Crutchfield and Grant 2008: 60).

As aligned with Linda’s business background and in adopting practices from the private business sector, CLI

has done just that. Whereas many, if not most, nonprofits must work to raise funds through grants and donations from the very beginning, CLI saw itself as a business from its inception. Linda began the organization by starting a book fair and selling high-quality literature to parents and teachers. She soon realized that teachers were a prime market and began to focus more on that customer—and then, later, transitioned into schools and school districts. In exhibiting such a strong business sense two decades ago, Linda placed CLI ahead of the curve of nonprofits in the development of the social enterprise movement (Massarsky 2005: 442).

What perhaps has made this practice most effective for CLI is that it has rooted itself in an industry into which billions of dollars are poured every year (the professional development of teachers) and in which there is a constant search by school districts for new and different practices. By harnessing itself as a force in a large and thriving market, CLI has made itself less dependent on private donations than most nonprofits. It has also helped the organization to have the unrestricted funds necessary for operational expenses. Indeed, this enterprising funding model has sustained CLI's growth and development to date.

Success Factor #2:Refining the Program Model

CLI has committed to finding what Jim Collins calls its

Hedgehog Concept and has continued to search for the essential balance of passion, excellence and economics in its program model. According to Collins,

The essence of a Hedgehog Concept is to attain piercing clarity about how to produce the best long-term results, and then exercising the relentless discipline to say, “No thank you” to opportunities that fail the hedgehog test. When we examined the Hedgehog Concepts of the good-to-great companies, we found they reflected deep understanding of three intersecting circles: 1) what you are deeply passionate about, 2) what you can be the best in the world at, and 3) what best drives your economic engine (Collins 2001).

This Hedgehog Concept mission has been of central importance to Linda and CLI’s leadership since the beginning and, after 22 years, they are more confident than ever that they have found it.

To start, passion is essential to everything that the leadership of CLI does—Linda always points to it as her most essential characteristic. The very idea for the entire organization was premised on her love of books and the fact that she credits her mother reading to her as what allowed her to be the first person in her family to go to college. While thinking about ways to expand and grow the organization, the leadership has never strayed away from their love for and belief in the power of high-quality children’s literature.

Finding the area in which CLI can be the best has been a little more of a struggle—but the organization continues to move closer and closer to that point. As discussed above, CLI started with book fairs and has since developed a Model Classroom program to train literacy teachers in instructional excellence. In developing this program, CLI has made sure to use data to figure out exactly where it excels and where it does not. For example, as of the 2010 business plan, CLI is no longer servicing stand-alone early childhood centers because this program has not been its most successful. In addition, the organization has refined its Model Classroom so it no longer coaches just one teacher in a grade level (which caused problems in the past), but provides support to whole grade-level staffs instead. Similarly, as Collins states, good-to-great companies “[do] not focus principally on what to do to become great; they [focus] equally on what not to do and what to stop doing” (Collins 2001: 11). These examples are also evidence that CLI has created a climate where its leadership faces the truth, even when negative, and make decisions accordingly (Collins 2001: 73).

The third circle of the Hedgehog Concept is the economic engine. As discussed above, CLI has been committed to finding a market in which they can be financially viable while retaining their passion.

Facing a time of significant transition, CLI must adapt to these new conditions while staying committed to refining and driving toward its Hedgehog Concept. In all likelihood,

this will be even more difficult than it has been in the past given the upcoming influx of funds and newfound national attention. At the same time, CLI has a great track record of success to build upon.

Success Factor #3: Thinking about the Future and Planning Accordingly

A third success factor for CLI has been its leadership's ability to think strategically about the future and to plan accordingly. This ability has arisen in two main contexts: when strategic planning and foresight has been structured as part of the organization's life cycle, and when thinking and planning have simply had to happen.

Beginning in 2009, CLI undertook a formalized strategic planning process after members of the staff, the board and funders convinced Linda and her senior leadership that it would be important to do so. Initially, CLI was going to hire and pay an outside consultant to complete this project. However, instead, they were able to employ a board member with significant strategic planning experience to lead the process. According to Cameron Voss, CLI's Deputy Director, this was helpful because the board member was already familiar with the organization so she did not have to spend time gathering background context before beginning the planning and because the organization avoided the costs associated with hiring an outside consultant.

The strategic plan that was created, while still in draft form, is well thought out and comprehensive. It covers the multiple aspects of CLI's work including professional development and policy impact. It also addresses the important aspects of CLI's operations and support system such as its board development and public relations. CLI also appears to be using the strategic plan in an interactive way, revising it based on new developments and not allowing it to sit on a shelf as plans tend to do in many nonprofits.

The second way in which CLI has succeeded due to planning and foresight is in its leadership's ability to foresee changes in the outside environment that would likely affect the organization in the future—and then to make strategic choices and changes accordingly. For example, Linda states that before the recession hit, she began to think that CLI should plan for an economic downturn and change their funding model as a result. At that time, they were fully dependent on their enterprising model and the services they sold to districts. Linda realized, however, through discussions with others and through her own thinking, that they needed to diversify their funding model because a recession would be likely to impact school districts in a severe way. Linda began targeting foundations and high-wealth individual givers. Then, once the recession hit, she was also able to capitalize on the federal government's stimulus money and the i3 grants. An executive leader's ability to "develop

an information network" (Herman and Heimovics 2005: 159) is a key to successful leadership—one that Linda has clearly exhibited and one that has served CLI well.

Success Factor #4: Organizing Based on Human Capital Strengths

The fourth key to CLI's success has been the senior staff's ability to reflect on their strengths and weaknesses and to structure the organization accordingly. In other words, CLI has not only gotten the right people "on the bus," it has gotten the "right people in the right seats" (Collins 2001: 13).

Linda founded the organization with Pat Federman. From the beginning, Linda acknowledged that internal management was not her strength and that she was more adept as the thought leader and external representative for the organization. Accordingly, for many years, Pat served as the deputy director and was responsible for the internal management while Linda represented the organization externally. However, Pat realized that while she was serving this role because it needed to be done, it was not aligned with her passion. She transitioned into more of a policy and client relations role, and Cameron was brought into the deputy director role. According to Linda, this role is ideal for Cameron's strengths—she is adept at managing internal conflict, ensuring staff satisfaction and overseeing operations. In other words, Cameron is now sitting "in the right seat." In addition, the

leadership structure of CLI is supported by the "Two at the Top" model promoted by Crutchfield and Grant (2008: 161): one in which strong executive leaders have a second-in-command who takes responsibility for internal management.

Success Factor #5: Maintaining Persistence and Passion

Finally, the organization's own commitment to making success happen and belief in its mission has driven CLI to high levels of achievement. From the beginning, CLI was convinced that it was contributing something positive and unique to the educational world. It kept working to improve the product and mission and to make others believe in it as well. This process came from a combination of persistence and passion. According to both Linda and Cameron, people who join CLI believe strongly in CLI's potential impact and are willing to work hard to make it happen.

These qualities are ones that Collins believes are central to good-to-great organizations. According to Collins, leaders of these organizations retain a "ferocious resolve," "an almost stoic determination to do whatever needs to be done to make the company great" and they are "fanatically driven, infected with an incurable need to produce results" (Collins 2001: 30). In addition, while these good-to-great companies face the brutal facts and address the truth when they are failing, they retain an

unwavering belief in what they are doing and how they will best serve their mission (Collins 2001: 81).

Facing Future Challenges

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There is no question that CLI has capitalized on these five factors to ensure success for the organization, and that it should continue to incorporate these same qualities moving forward. However, with its success and growth come new and different challenges. According to Linda, while these challenges are difficult, they are part of the “growing pains” and development of the organization—and they are all, in fact, great challenges to have. In light of where CLI is today and where it is likely to head over the next couple of years, we have highlighted two major areas in which upcoming challenges may fall: adapting to change and sustaining the organization’s leadership.

Challenge 1: Adapting to Change

In the face of external changes, excellent organizations master the art of adaptation and work to endlessly adjust to the changing world around them (Crutchfield and Grant 2008: 132). At the same time, top organizations stay true to their core values and remain committed to their Hedgehog Concept (Collins 2001: 15). Given extreme changes occurring around them and to them, CLI must seriously contemplate how to adapt to these changes

while remaining disciplined and focused on its mission.

The major question that CLI must ask itself, given the new influx of funds and the national attention, is what type of nonprofit organization it wants to be. Since its founding 22 years ago, CLI has defined itself as a small local boutique, largely because of the challenges of reaching funding sources on a large scale and its localized focus. Now that it has received the i3 grant, it has the ability to push itself, if it wishes, into a national model. . However, Linda has emphasized that she strongly wishes to remain a boutique. She does not want to spread CLI to every classroom in America. Instead, she wants to create a model that works and then to show other people how they can do the same thing in their locality. She acknowledges, however, that a future executive director may strongly disagree with this sentiment. Either way, we encourage Linda and CLI to exhibit due diligence before making this large organizational decision and to consider all of the arguments on both sides when undertaking this serious identity self-reflection.

Whatever model Linda and CLI choose, the organization must also make sure that their theory of change remains coherent and logical in the shifting external context (Hunter 2006: 193). When discussing their current theory of change and how they hope to use the i3 Model Classrooms that will now be implemented in Philadelphia, Camden and Newark to make an impact throughout the country, CLI must consider how this theory is impacted by

its new presence. This will likely take a significant investment of time and attention—but will pay off with more impact in the long run.

In addition, CLI might use this opportunity, as it clarifies its theory of action, to align organizational goals and objectives with the organization's vision. The vision relates to all children and a general opportunity to learn—even though CLI's work targets children in grades pre-K to 3 and relates to literacy instruction. It would seem appropriate to adjust this vision to align with the current theory of change and practice. This would also enable the organization to remain true to its Hedgehog Concept.

Challenge 2: Sustaining the Organization's Leadership

Change is currently under way, or being planned, in the two main sources of leadership for CLI: its board and its executive director. Historically, CLI has been governed by a "founder's board" that consisted mostly of individuals who supported the organizational vision. . Recently, Linda and the board have showed intent to strengthen their governance structure to include more responsibility and higher accountability. Specifically, there is a desire for the board to take a greater role in the development arena and they are looking for new members to take on this responsibility. Crutchfield and Grant's findings support this effort, as they have found that the best organizations are co-led by both strong boards and executive teams

(2008: 174).

Board reconfiguration and strengthening is especially important given the impending change in the executive director role. According to Linda, within three years, she will be transitioning out of her role, and she and the board are currently creating a succession plan. A strong board must be in place to shepherd this process. According to Collins (2001: 25), top organizational executives are usually adept at setting up successors for success and ensuring that the next generation excels. To do this, the leader must have ambition primarily for the organization and not for him or herself or the fame associated with having been the leader (25-26).

Conclusion

As is evident from the analysis above, Linda Katz and her team have founded and developed an exceptional organization and have brought CLI to an extraordinary place. We encourage the leadership to continue excelling in the areas it has mastered and to face the upcoming challenges head on. Success and change can bring new challenges, but with the foresight and passion that CLI has exhibited over the past two decades, we are confident that CLI will continue to excel.

Rebecca Maltzman is a third-year law student and Toll Public Interest Scholar at the University of Pennsylvania Law School. She is also Director of

Special Projects at Scholar Academies, a Philadelphia-based charter management organization. During law school, Rebecca has worked for the District of Columbia Public Schools, Teach For America and South Jersey Legal Services. Rebecca spent the 2009–2010 school year as a Zuckerman Fellow at the Harvard Graduate School of Education. Previously Rebecca was a 2005 Teach For American corps member, teaching second grade in Camden, New Jersey. She holds a master's degree in Education Policy and Management from Harvard University and a BS from Northwestern University.

Shara D. Taylor holds a Master of City Planning degree from the University of Pennsylvania and a Bachelor of Business Administration degree from Howard University. From 2006 until 2010, she served as a founding board member and Assistant Executive Director of The Young Friends Society of African Diasporan Institutions. She has interned with the Local Initiatives Support Corporation in Washington, D.C. and Philadelphia. Currently, Shara works at The Assisi Foundation of Memphis, where she is involved with the formation of a community development intermediary.

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