



FY17 operational plan

Q4 Board Meeting- June 13, 2016

Note: This document was submitted to the Board of Directors to support its FY16/Q4 review. Sensitive information related to particular donors and employees has been redacted. Content has been edited for clarity.

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FY16 Review

Expenses	Results	Efficiency metrics	
		Cost/unit	Unit
Total \$644 K	Connected 23,827 people with access to WASH and supported continued access for 98,183 people.	\$5	person
Program \$520 K	<ul style="list-style-type: none"> Constructed 55 improved water sources and 10 latrines, connecting 23,827 additional people to clean water and sanitation. Continued to monitor and support 242 improved water sources and 10 latrines constructed in prior years, rehabilitating 7 water points, and supporting 98,183 people. Significantly improved construction design to reduce contamination. 	\$7,599	new well
		\$1,786	rehab'd well
		\$7,114	new latrine
		\$0.10	existing well
		\$2	existing latrine
G&A \$57 K	<ul style="list-style-type: none"> Supported a team of 22 employees and maintained appropriate internal controls and reporting. 	\$2,606	employee
F'raising \$67 K	<ul style="list-style-type: none"> Raised approximately \$364 K in revenue. (Additional expenses funded from income raised in prior years.) 	\$0.18	dollar raised

FY16 Implications for FY17

- Significant outlay in construction of new infrastructure.
 - Major focus on piloting new approaches to transitioning ongoing operations to communities
- Significant improvements in program quality and professionalization
 - strong foundation to build innovative programs in FY17

FY17 Objectives

1. Bring clean water, sanitation, and hygiene education to 122,010 people through existing infrastructure and regular monitoring, including at least 14,310 through new infrastructure and rehabilitation projects.
2. Pilot novel approaches to increase capacity of local communities to operate and maintain infrastructure for future generations, as well as explore how WASH can be a platform for broader impact (decision to be taken in Q2).
3. Establish and implement an FY17-FY20 strategy that positions TWT to scale its impact. Modifications to FY17 objectives anticipated following Q2 strategy development.
4. Improve operational efficiency and capability through increasing staff technical capacity, standardizing work processes, and greater utilization of cloud-based systems.
5. Seek funding from new sources to increase revenue by 35% from FY16 and provide a more diverse portfolio to support greater expansion in FY18.

1. Bring clean water, sanitation, and hygiene education to 122,010 people through existing infrastructure and regular monitoring, including at least 14,310 through new infrastructure and rehabilitation projects.

	New infrastructure			Existing infrastructure		
Type	Water points	Rehabs	Latrines	Rehabs	Water points	Latrines
Number	14	-	-	80	256	21
People served	2,310	-	-	12,000	100,411	9,599

	FY17	Q1	Q2	Q3	Q4
New water points	14	0	10	4	0
Rehabs	78	8	29	36	5
Water quality tests	341	100	65	6	170

The emphasis will be on rehabilitating existing infrastructure and equipping communities to take greater ownership of continued operations and maintenance. New projects beyond this plan will depend on incremental grant funding. Quality targets (e.g., % of wells with 0 e.coli) will be added in the future to this objective.

2. Pilot novel approaches to increase capacity of local communities to operate and maintain infrastructure for future generations, as well as explore how WASH can be a platform for broader impact (decision to be taken in Q2).

- ❑ Q1: Develop relationships with peer organizations and researchers to inform development of new program concepts
- ❑ Q1: Conduct field research to inform program design decisions
- ❑ Q2: Develop 3-4 program concepts and begin staff training:
 - ❑ 2-3 focused on sustainability
 - ❑ 1-2 focused on increasing impact
- ❑ Q3: Begin implementation.
- ❑ Q4: Continue implementation in accordance with project plans, and develop partnerships to scale up promising approaches and/or refine program concepts for further testing

Focus on the intersection between the challenges facing rural Uganda and the global WASH sector's greatest programmatic questions.

3. Establish and implement an FY17-FY20 strategy that positions TWT to scale its impact. Modifications to FY17 objectives anticipated following Q2 strategy development.

- ❑ Q1: Conduct meetings with SMEs across NGO, government, research, and funder spaces
- ❑ Q1: Get staff input on possible strategic directions
- ❑ Q2: Board strategy discussions, get SME feedback on strategy memo, finalize strategy, and update FY17 operational objectives as necessary.
- ❑ Q3: Communicate strategy internally and externally, and begin implementation
- ❑ Q4: Continue implementation in accordance with project plans

TWT's strategy will build on its strong implementation foundation to position TWT at the frontier of cost-effective, innovative NGOs.

4. Improve operational efficiency and capability through increasing staff technical capacity, standardizing work processes, and greater utilization of cloud-based systems.

- ❑ Q1: Roll out new systems and policies/procedures for finance, human resources, and CRM.
- ❑ Q2: Roll out new visualizations for M&E data for internal program management and external communication.
- ❑ Q2: Complete analysis of staffing needs and begin implementation plan to add necessary capacity.
- ❑ Q2: Implement new project management and inventory management systems and procedures.
- ❑ Q3: Identify and implement performance management system and procedures.
- ❑ Q4: TBD

Following strategy development, this objective will be updated to reflect FY17 efforts to increase organizational capacity to realize TWT's long-term goals.

5. Seek funding from new sources to increase revenue by 35% from FY16 and provide a more diverse portfolio to support greater expansion in FY18.

					Target revenue by Quarter (incr)			
	FY17 Forecast	Secured* to date	To secure	% to secure	Q1	Q2	Q3	Q4
Forecast for total raised (even if not earned in FY17)	807,461	548,478	258,983	32%	150,000	446,104	146,612	64,746
Forecast for FY17 earned revenue	755,664	548,478	207,186	27%	150,000	426,680	127,188	51,797

*Includes one highly likely, unsecured grant.

NOTE: Incr = Incremental (not cumulative)

Donor category	FY17 Budget	Annual Targets			Target # of asks by Quarter (incr)			
		# of asks	Win rate	Average size	Q1	Q2	Q3	Q4
Renewals (mostly individuals)	93,983	141	70%	952	0	47	47	47
New donors	120,000	12	25%	40,000	0	3	5	4
Upgrades (incremental to renewal)	45,000	12	25%	15,000	0	6	4	2

NOTE: Additional objectives for board growth and diversity to be added in Q2.

Q1 is focused on strategy and identifying leads for fundraising outreach. At Q1 meeting, will present more nuanced fundraising plan based on Q1 research and board input which will include an aggressive target for securing revenue for FY18. Q2 will begin major fundraising push.

FY17 Budget overview

Activity statement				
	FY17	FY16	Variance	Variance (%)
Revenue	755,664	558,045	197,619	35%
Expenses	755,665	643,956	111,709	17%
Surplus/(deficit)	(0)	(85,911)	85,911	

Program ratio*	Actual	Target
	80%	>80%

*Estimated. TBD in Q2.

Cost center*	Expenses	FY17 Revenue at risk	
Program	604,532	Secured	548,478
Management	75,566	Unsecured	207,186
Development	75,566	Unsecured %	27%
Total	755,665		

*Estimated. TBD in Q2.

Will seek additional funding to support additional program activity. Exact capacity to absorb additional funds in FY17 will be determined in Q2.

FY17 Plan

Expenses	Results
Total \$756 K	Connect 14,310 people with access to WASH and support continued access for an additional 122,010 people.
Program \$605 K	<ul style="list-style-type: none"> • Develop and implement new approaches to equipping communities to operate and maintain 80 rehabilitated wells, serving 12,000 people and producing learnings that could help the WASH sector address the global sustainability challenge. • Develop and implement innovative new WASH programming that will broaden impact on key health outcomes. • Continue to monitor and support an additional 256 improved water sources and 21 latrines constructed in prior years. • Construct 14 improved water sources, connecting 2,310 additional people to clean water and sanitation.
G&A \$76 K	<ul style="list-style-type: none"> • Support a team of ≥ 22 employees and maintain appropriate internal controls and reporting.
F^raising \$76 K	<ul style="list-style-type: none"> • Raise approximately \$800 K in revenue.

Efficiency metrics to be added Q2 – pending creation of “R&D” Program subcategory

Special thematic discussion: Strategy

Observations to inform discussion

Our strengths

- Relationships, reputation, and presence in two districts.
- “Hardware” for water
- Mobile-based monitoring expertise
- Nimble and comfortable with smart risk
- Evidence-based decision-making in DNA

Note: These observations are intended to provide a foundation for strategy discussions continuing through July.

Key development sector trends

- Local government or community-led implementation; role of INGO as facilitator, technical expert, capacity-builder, quality oversight, creator of platforms to ease local implementation
- Partnerships and alliances, emphasis on public-private partnerships
- Evidence-based funding/programming decisions (rise of RCTs)
- Institutional donors targeting sophisticated NGOs and participating as thought partners
- Individuals desiring greater transparency and data.

Key programmatic trends

- Perception of evidence gap for WASH (may be fixed by randomized controlled trial in Kenya)
- Increased focus on sustainability/“market building” (i.e., influencing stakeholders to achieve impact rather than implementing directly.)
- Increased focus on equitable access (focus on marginalized groups)
- Significant and ever-increasing focus on girls/women
- Increased understanding of complementarity of WASH and adjacent sectors, e.g., nutrition, maternal health, livelihood, etc.)

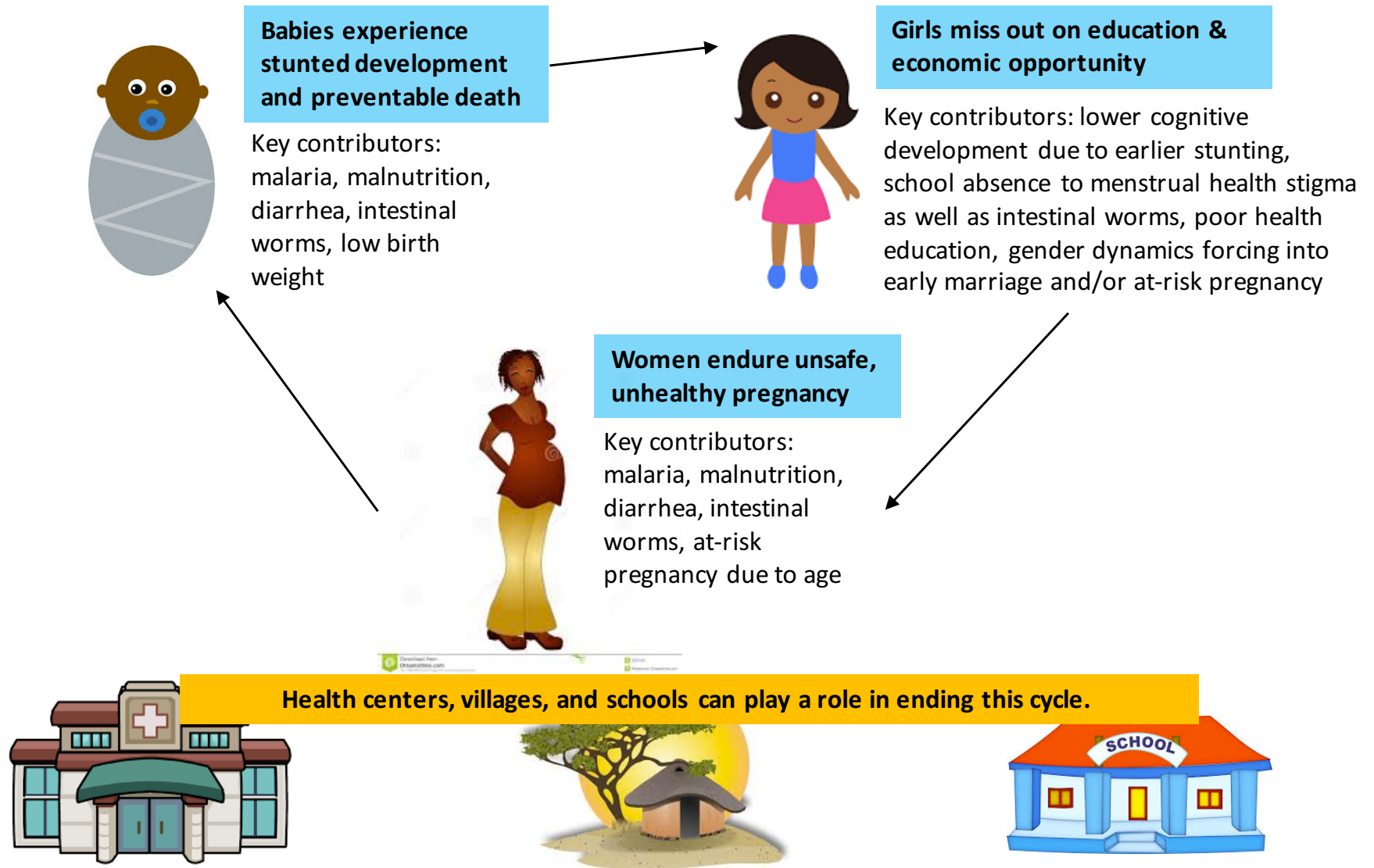
Strategy

Examples of different ways we could define ourselves

Definition of work:	Universal access to WASH	Universal healthy communities for children to grow...starting with WASH	Universal evidence-based solutions for tough problems...starting with WASH
<p>Evidence-based decision-making, focus on long-term impact & transparency</p> <p><i>Consistent throughout</i></p> <p>Scale through generating evidence & advocacy with governments/INGOs</p> <p>Annual budget target: \$2-3 M</p>			
WASH programming	Yes.	As long as cost-effective (or potential for C-E) for contributing to child health/development outcomes (yes.)	As long as top global challenge to solve (yes.)
Tackling toughest challenges w biggest impact on community	As long as directly related to WASH	As long as cost-effective for improving child health/development	Yes.
What could the next three years look like?	Develop most cost-effective rural WASH program; expand through partnerships/advocacy within Uganda and beyond, including pilots in urban areas.	Develop most cost-effective rural child health program; expand through partnerships/advocacy within Uganda and beyond, including pilots in urban areas.	Develop most cost-effective rural child health program; expand through partnerships/advocacy. Identify next most significant challenge and begin tackling (w/ partners.)

Note: This example is for illustrative purposes only.

The intergenerational cycle of preventable death and disease is perpetuated in three critical stages of life.



Note: This example is for illustrative purposes only.

Health centers, villages, and schools can play a role in ending this cycle.



Access to clean water, sanitation facilities, and hygiene education

- Effective supply chain mgmt & governance
- Trained staff
- Facilitate accessibility for distant communities

- Provide maternal care knowledge
- Influence cultural norms around gender
- Access to maternal care supplements, malaria prevention, and worm prevention

- Effective health curriculum
- Access to sanitary products
- Access to preventative worm treatment
- Influence cultural norms around gender

Incremental costs related to many constraints are low.

Issue	Approx. variable cost
Malaria	~\$6 per bednet
Worms	<\$1 per child dewormed
Maternal care supplements	<\$10 per mother/child
Sanitary pads	~\$7 per girl for ~2 years
Training/education	TBD

Thematic discussion: Organizational Strategy

Key questions

- What do you want to know before making a decision about strategic direction?
- What's concerning? What's exciting?
- What are you looking for in our strategy meeting in July?
- Should we plan on emphasizing the following more in our messaging?
 - **We think big:** while we work in one corner of Uganda, we are driven by the world's greatest challenges. We work on those where we think a small NGO with our competencies can have the biggest impact.
 - **We lean in to tough challenges:** while we're focused on cost-effectiveness, we see a lack of a proven solution to a tough challenge as an opportunity to add value through experimentation and learning.
 - Our work makes a **direct, lasting impact** in the communities **and tests new ideas** that **will make the whole sector work better**.
 - **We're results-driven:** We're not a construction company looking for more wells to dig, we're a health outcomes company that employs construction and other types of support to best improve health outcomes. Given our core competencies in construction and support of water, sanitation, and hygiene, we look to leverage our current competencies and expand our competencies to best improve health outcomes.