Henry Ford unveiled the Model T in 1908 in a defining moment that changed travel and manufacturing—and influenced American life for years. Ford’s innovation and others like it—the airplane, the television, the Internet and the mobile phone—shattered the status quo, introducing the next frontier in how people live and work. While it’s not the stuff of history books, human services innovation is equally powerful. It’s happening now, fueled by trends that help agencies deliver outcomes today while preparing for tomorrow.

**A Different Kind of Future**

Today’s do-more-with-less environment is more the rule than the exception. The political pressure to avoid displaying material reductions in service while costs increase and revenues fall is driving change in human services. Leaders know that processes, technologies and cultures must all be part of the change equation to deliver high-quality, cost-effective services. A recent survey of 2012 Human Services Summit attendees revealed a consensus around the value of progressing along the Human Services Value Curve (a framework developed by Antonio Oftelie at Harvard University), citing it as a high priority. Yet respondents acknowledged that moving their organizations to greater levels of maturity is a significant challenge.
How can agencies move through the challenges of change? What today’s pragmatic human services leaders understand is that innovation does not have to be an all-or-nothing proposition—and that it is never a one-size-fits-all proposition. Innovation can be about bold moves or subtle shifts, and it can occur all at once at scale or incrementally in pockets and across functional areas.

Whatever the future of human services innovation looks like, the key for organizations lies in making the most of the forces of change in alignment with their unique circumstances. It’s about harnessing burgeoning ideas, trends and innovations that can bring about outcomes and impact in the short term—and hold strong potential for continued progress five or even ten years from now. So what are the most promising trends in human services? And how can organizations take advantage of them to move to greater levels of outcomes and impact for the people they serve?

1. **Nontraditional Partnerships: Creating a New Human Services Ecosystem**

   Human services organizations sometimes have entrenched ways of working. It is not uncommon for service delivery functions within a single agency to be isolated from one another, despite redundancies that mean higher costs and lower-quality services. Government agencies and nonprofit community-based organizations often work in parallel, but rarely with explicitly common goals and practices.

   Recognizing the need to maximize resource use and offer fresh ideas, some human services organizations are breaking through longstanding barriers and exploring nontraditional partnerships with each other—both nonprofits and the private sector. The result is a new human services ecosystem where organizations forge interactive and interdependent relationships that are mutually beneficial and directed toward a common goal.

   This mix of new people and resources creates important advantages. Working together broadens the discussion around the role of human services with other state and community services. It forces every contributing organization to consider core competencies and determine how the collective can best function for greater, system-wide impact at less cost. It adds a client and community-centered approach to program-centered accountabilities, and creates stronger social services through collaboration.

   The relationship between the Arizona Commerce Authority and the Arizona Department of Economic Security reflects the potential of nontraditional collaboration. Once operating in isolation, the state’s job generation mechanism and its human services system are finding ways to come together to meet their distinct missions while seizing the potential for collaboration where clear intersections exist.

   If this trend continues over the next five years, human services delivery could change dramatically. Broad coalitions of organizations with the right skills and resources led by human services agencies would jointly provide coordinated, cradle-to-grave human services with a shared emphasis on work, higher paying jobs with skill-ready workers and early intervention—minimizing the need for deeper-end government services.
2. Creative Financing Models: Investing in Social Outcomes

An extension of this partnership climate, pay-for-success contracts are gaining traction as an alternative funding mechanism for human services programs that pays providers of goods or services when outcomes are met. These arrangements take on a variety of forms, and social financing is one of them. The basic principle is to encourage outside investment in preventive social interventions that ultimately benefit the common good—and reduce the need for costly future remediation for which taxpayers will have to pay.

In social financing, foundations or other non-government entities infuse capital for a specific intervention and, if a predefined social outcome is achieved, funders recoup their investment plus a reasonable rate of return. Prison recidivism programs in the United Kingdom and New York City number among those that have been funded via social financing. Similarly, Dakota County (Minnesotta) Community Services, supported by the Bush Foundation, has explored the business case for its Re-entry Assistance Program, developed an outcomes measurement framework, and a re-investment design to support social investment funding.

Not only do such pay-for-success models align incentives across sectors and promote the wise use of precious taxpayer dollars, they are rooted in a strong outcomes focus. To monetize social outcomes, value must be inherently data-driven and outcomes-based. This drives discussion on measurable impact and emphasizes return on social investment in an entirely new way. Non-government funding opportunities also tend to increase tolerance for the risks that accompany innovation. Continued momentum here could mean that, as soon as five years from now, agencies could regularly pay providers only when social outcomes are met or exceeded.

3. Predictive Analytics: Unlocking the Data That Matters

The proliferation of data and the sophistication of technology to draw insights from it is a double-edged sword for many human services organizations. While today’s data-rich environment has brought an ability to measure outputs and some outcomes, it can also create a swirl of complex questions without easy answers. What data do we have? What data should we be collecting? How do we protect our data’s integrity?

Descriptive and predictive analytics are at the heart of the information boon as organizations work to make data insight actionable. Human services agencies using analytics today are most often using descriptive analytics for simple reporting or to detect and correct non-compliance after transactions are completed. The more exciting promise of analytics lies in a more proactive application. Predictive analytics can increase understanding of the relative effectiveness of different programs so that interventions—and resources—can be smartly targeted for better outcomes. As one 2012 Human Services Summit attendee explained: “Analytics is the way we are going to be able to figure out where to target our resources.”

There is also tremendous potential for organizations to deepen analytics insight to develop preventive interventions that stave off later traumas and future reliance on the
social safety net among specific populations. Consider the story of the Hillside Work-Scholarship Connection, a public-private partnership focused on reducing dropout rates among at-risk youth, so they are ready for a productive life after high school.

Working in the Rochester, New York school district, Hillside used predictive analytics to understand the relationship of specific risk factors—attendance, suspensions and standardized test scores among them—to graduation rates. Hillside understood that some students would graduate without their intervention, and other students would not graduate even with it. The organization developed a data-driven recruitment strategy based on which students would be the most likely to benefit from the program. It’s an approach that improves return on investment for participants and funders alike.

As the use of analytics matures in the coming years, this success points to a future where key decisions, including resource allocation and service provisioning, are based on known impact and proven results in all aspects of human services delivery.

4. Industry Leading Practices: Looking to the Outside

While public human services delivery is unlike anything in the private sector, this does not mean that agencies have nothing to learn from commercial practices. Even before Henry Ford’s day, the private sector had an R&D model where innovation was valued.

The opportunity here is for human services leaders to fearlessly challenge “insider” mindsets that see only differences and inconsistencies between private sector and public sector services—a nd consider the potential of “outsider” innovations. The advantage lies in lower-risk innovation that aligns with consumers’ service delivery expectations. Agencies should consider the example of customer-centered organizations that use multichannel touch points, customer and product segmentation, targeted promotions and self-service options. Translated to the human services environment, such approaches could mean quicker access to jobs, job skill development, eligibility determination and other services, so that people can experience economic recovery faster.

Looking to service delivery innovators in retail, financial services, telecommunications and insurance, the Australia Department of Human Services is reaching people in new ways through service center experiences, self-managed channels and online and mobile options. Targeting students receiving stipends, the Department launched its first mobile app, which allows them to conduct a number of tasks from their smartphones. The Department reports that users are conducting an average of 40,000 transactions per week, which eases pressures on service centers.

As other human services agencies begin to explore such “outsider” practices, what’s business-as-usual in other industries may increasingly define the new face of human services delivery.

5. Health and Human Services Integration: Wrapping Around the Whole Person

Serving the whole individual, a tenet of human services transformation, is impossible without health and human services integration—from strategic vision through tactical
implementation. A 2012 Human Services Summit attendee explained the vision, “The challenge is sustaining a long term strategy to be able to view our customers from eligibility determination through delivery of services and assess health outcomes of the overall populations.”

In recent years, there has been increasing momentum around the connection between these areas, some of it spurred by the requirements of the Affordable Care Act (ACA). Opportunities for coordinated service delivery and holistic planning and economies of scale for infrastructure investments should create positive value where planned vision exists at the start.

As the mechanisms for paying for and delivering healthcare change post-ACA, it is an optimal time to come together and refocus on measuring the right kind of outcomes. This provides a richer understanding of how overall population health is often an indicator of the effectiveness of specific social programs, revealing “hot spots” for integration.

Consider the Home and Healthy for Good program in Massachusetts. It provides housing to homeless individuals as a first priority and then focuses on health issues. Data have shown a significant drop in participants’ Medicaid costs, revealing a link between housing and healthcare costs, and highlighting a place where continued and even broader interoperability would likely bring additional value.

As states integrate health and human services, the future vision is one where the distinction between health and human services fades, both in theory and in operation, and wellness is defined holistically as a function of a person’s social, economic, physical and mental state.

**Different Needs, Different Paths**

Henry Ford’s use of assembly line manufacturing and interchangeable parts helped make the Model T affordable to the common man. While human services organizations share common ground around the need for change, the paths to change are varied. Different organizations will be ripe for different trends. Some jurisdictions are already rich in an entrepreneurial atmosphere, while others may need legislative action as a first step to incubating change.

Yet for all, success will require adaptive leadership and a pragmatic approach that never lets the perfect be the enemy of the good. The search for improvement is continual, and reaching the next frontier requires the courage to lead.

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