



water for people



# **VESTED**<sup>®</sup> For Success Case Study

How *Water for People's* Quest to Vested is Redefining Success for Charities

A Report Authored By:

Kate Vitasek, Karl Manrodt and Jeanne Kling



## Laying the Foundation

Sustainable change. It is what almost all non-profits dream about. And it is Water For People - a nonprofit organization with the mission to eliminate water poverty – is achieving in eleven countries across the globe by applying a Vested® mindset and approach to working with their partners. And their success is taking notice – helping them be ranked as one of the Best of the Best nonprofits by Charity Navigator, an independent watchdog for ensuring non-profits are providing value with their generous donations.

But why is Water for People creating success where others have failed? And how do they apply Vested principles with their partners – whether those partners are local governments, local non-profits, or private entrepreneurs.

This case study shares how Water for People uses carefully crafted Vested® partnerships to not only get the water flowing – but also keep the water running long after they leave. Real sustainable change.

This study proves that seeking a Vested® mindset is not only good for a business bottom line – it can also help a small charity in Denver, Colorado to have a big impact across the globe.

## Why A Vested Approach Makes Sense For Non-Profits

The statistics are staggering. Water is implicated in 80% of all sicknesses and diseases worldwide. 19% of deaths from infection and disease are water-related and waterborne diseases contribute to nearly 4 million child deaths.<sup>1</sup> A child dies every three seconds from water and sanitation-related illness, often before his or her fifth birthday.

The United Nations estimates 884 million people globally do not have access to safe drinking water and 2.5 billion, including almost one billion children<sup>2</sup>, do not have basic sanitation. Water for People, a Denver-based non-profit organization is dedicated to making a difference. It offers straightforward Mission and Vision statements.<sup>3</sup>

“Water For People works to build a world where all people have access to safe drinking water and sanitation, and where no one suffers or dies from a water- or sanitation-related disease. This is our vision”.

“We’re on a mission. We work with people and partners to develop innovative and long-lasting solutions to the water, sanitation, and hygiene problems in the developing world. We strive to continually improve, to experiment with promising new ideas, and to leverage resources to multiply our impact.”

Most entities working to improve global water access measure effectiveness by numbers of people reached. Water For People follows a results-based philosophy. It measures its success in years of water and sanitation services provided. John Sauer is the Assistant Director of Thought Leadership. He explains the approach, “When we see a photograph of a celebration of



the opening of a community water source, we think of it as a BEFORE picture, not an AFTER picture. Installation is the beginning. Sustainability and replication– that’s the true goal.”

Water For People creates deep partnerships with a Vested<sup>®</sup> interest in the same desired outcome as Water For People. Their approach to building alliances in the fight against water poverty is remarkably similar to the approaches P&G, McDonald’s, Microsoft, and others deploy in that they follow the five fundamental Vested<sup>®</sup> principles. This story tells how passion, commitment, trust, and mutual consideration come together to demonstrate how, with a little help, people can reject being victims of nature to become victors of nature.

## Turning Passion To Power: Playing By The Vested Rules

Clearly, passion inspires action in nonprofit organizations. Without it, non-profits would not exist. However, passion without discipline creates activity, but not necessarily progress. And certainly not excellence or sustainable success. Sustainable results – indeed sustainable organizations – require a framework of rules that define and guide the work and provide accountability for those who support the cause.

Water For People has turned passion into power by creating partnerships that deliver sustainable solutions by playing by the Vested<sup>®</sup> rules.

### Rule #1: Focus On Outcomes, Not Transactions

The countryside of many developing countries is littered with broken wells and pumps. Women and children walk by remnants of good intentions and wasted money as they renew the daily trips back to the river to retrieve water that carries sickness. The equipment works for a few months, but, once broken down, is useless and serves no purpose other than building distrust for the next NGO that comes around.

For decades, governments and NGOs have thrown money at the problem, drilling wells and installing equipment. Water For People rejects the paradigm that simply installs water systems as gifts and assumes that beneficiaries will have water for the foreseeable future. They work toward a more durable solution. In collaboration with local governments, the private sector, and civil society, Water For People facilitates the provision of sustainable **services**. **Building the functional environment** – that’s what Water For People is all about.

CEO Ned Breslin explains, “What sustainability means to us is that beneficiaries counted today can still get safe water from functioning taps or pumps in 10 years. And when it’s time for a new water system, beneficiaries and local government partners can replace the hardware themselves without seeking financial and technical help from yet another development organization. Sustainability means that people who start using a latrine today will never have to go to the bathroom outside again. And when the pit fills up, they can sell the contents for compost, or call a pit-emptying service, or replace their pit latrine.”<sup>4</sup>



Keeping a laser-like focus on the outcome reinforces the determination to achieve. And, at the same time, allows going to a multitude of potential options with impunity. This is especially important when working in developing countries with sparse resources.

## **Rule #2: Focus On The WHAT, Not The HOW**

Water For People considers many factors when choosing a region in which to work: community motivation, costs, the availability of a trustworthy NGO partner, the support (financial and otherwise) of local government, and a safe environment. Vested thinking demands working models that work **with** communities, respecting their decisions and empowering their independence. As a development organization determined to meet its goals, Water For People's approach to alliances includes the perspective and active collaboration of **all** stakeholders – the people and the communities.

Water For People establishes approved government relationships and offices in the localities selected to receive assistance. Reaching out directly to local communities, Water for People and its partners define desired outcomes and set forward a clearly shared vision that the government and citizens can rally behind.

In-country Water for People leaders work with the individual regions to determine how to proceed. The parties use a Memorandum of Understanding (MoU) to list joint responsibilities as well as each partner's role and individual responsibilities. Joint responsibilities anticipate collaboration will establish baselines, determine the number and extent of projects, develop implementation plans, identify obstacles, and plan for ongoing monitoring and repair. Emphasis is explicit that all parties work to build communities' capacities to reach independence. That translates to finance and sustain water service for the future.

Whether coming up with a solution in the Bengal Region of Northern India or the District of Rulindo, the specific strategy for the HOW is left up to those in-country who can best define creative solutions to get the job done as long as they are focused on the primary outcome – to keep the water running.

## **Rule #3: Clearly Defined And Measurable Desired Outcomes**

Water for People has one primary clearly defined and measurable outcome:

"We measure our results over time so that we can prove that our solutions hold up for the people we serve. We use the long-term sustainability and effectiveness of our work as a gauge for those who donate, volunteer, and advocate on our behalf."<sup>5</sup>

Each and every project not only defines what needs to be accomplished, but also what success will look like. Water for People examines the efficacy of the various program results formally every 3, 6, and 10 years from each project's inception date is of particular significance. That way,



assurance is granted that the old programs are up and running, new programs are designed to last, and promises are kept.

Of course, nothing – not even sophisticated technology – takes the place of the question, “IS THE WATER STILL RUNNING?” In a world littered with failed and abandoned water systems and people desperate for safe water, asking the question keeps Water For People’s eyes on the prize.

### Rule #4: Pricing Model With Incentives

In simple terms, Water For People invests resources with local entrepreneurs, civil society, governments, and communities that invest their own energies and resources to ensure long-term, infectious results. They form Vested partnerships. All parties look beyond self-interest to what’s best for the other parties. They ask the questions, “What do we need to make this self-supporting?” “How can we expand the project to include others?” Are we safe-keeping Water For People’s reputation and fiduciary responsibility?” They stop thinking about “What’s In It For Me” (WIIFMe) and start to think about “What’s In It For We (WIIFWe)”

Shared investment becomes an important focus for the communities and creates a sense of accountability. When leaders of Cuchumuela, Bolivia, offered a neatly tied up handkerchief holding \$1,000 to Water For People to help pay for new water projects, they extended a commitment to help make the projects a success as well. Skin in the game creates ownership.

### Rule #5: Insight Versus Oversight Governance Structure

Shared governance starts with Water For People’s **FOUR GUIDING PRINCIPLES – ONE HUMAN NEED** philosophy. The principles form the consistent policy that underpins all action:

1. We believe in people.
2. We keep it local.
3. We keep good company.
4. We keep our promises.

Although individual agreements vary widely, the ethics that drive each and every commitment are constant. The principles are always adhered to, while tools and technologies change, case by case. This creates tight alignment while allowing for a great deal of flexibility

The power of governance is designed to be held by the leadership closest to the problem. Sometimes, this means a newly elected community board. Sometimes, it piggybacks onto an established PTA or council. But, always, it is the local citizens who make the important day-to-day policy decisions. Water For People supports the leaders with education, advice, and established tools.



## Results

Water For People is currently the only water and sanitation sector development organization that guarantees post-project monitoring for at least 10 years. Independent monitoring of its programs reported that an average of 96% of water systems are still functioning after four years. In locales such as Cuchumuela, Bolivia and Chinda, Honduras, Water For People reached 100%, full water coverage.

Water For People models results-based behaviors that achieve real success. The Water For People story shows that Vested principles can belong to any organization - public, private, for-profit, and nonprofit, very large entities, or one individual at a time.

## Acknowledgments

The University of Tennessee and the authors want to thank CH2M Hill and the dedicated professionals at Water For People for their assistance. Extensive information is readily accessible through the Water For People website. The complete case study is featured in our Executive Education classes and will be featured in the upcoming book [Vested: How P&G, McDonald's and Microsoft Are Redefining Winning in Business Relationships](#).

## About The Authors

**Kate Vitasek** is one of the world's authorities on highly collaborative win-win relationships for her award-winning research and Vested® business model. Author of seven books and a Graduate and Executive Education faculty member at the University of Tennessee Haslam College of Business, she has been lauded by World Trade Magazine as one of the “Fabulous 50+1” most influential people affecting global commerce. Vitasek is a contributor for Forbes magazine and has been featured on CNN International, Bloomberg, NPR and Fox Business News. You can reach her at [kvitasek@utk.edu](mailto:kvitasek@utk.edu)

**Karl Manrodt** is a Professor of Logistics at Georgia College & State University. The author of three books and over 50 scholarly articles, Dr. Manrodt was recognized as a “2004 Rainmaker” by DC Velocity Magazine and in 2005 was awarded the Eugene Bishop Award for Sustained Academic Excellence by the College of Business at Georgia Southern University. In addition to serving as an editor, reviewer or editorial board of numerous academic and practitioner journals, and co-author of six books, he has given over 150 presentations across the globe. He has also served the industry by leading two national studies in logistics, transportation and metrics. You can reach him at [karl.manrodt@gcsu.edu](mailto:karl.manrodt@gcsu.edu)

**Jeanne Kling** is a Research Associate with the Vested Outsourcing team at the University of Tennessee. She is a co-author of two Vested books and has played a critical role in many Vested case studies. Her passion for education runs deep, having been elected to public office three times and serving as President of the Minnesota State Board of Education. The Business and Professional Women Association named her “Minnesota Business Woman of the Year”.



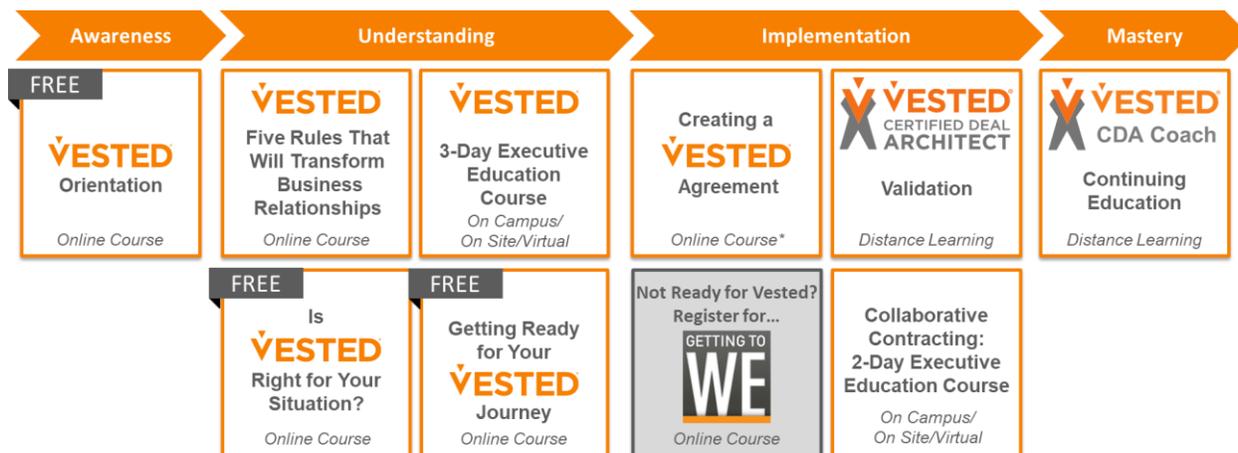
## For More Information

*The University of Tennessee* is highly regarded for its Graduate and Executive Education programs. Ranked #1 in the world in supply chain management research, researchers have authored seven books on the Vested business model and its application in strategic sourcing.



We encourage you to read the books on Vested, which can be found at most online book retailers (e.g., Amazon, Barnes and Noble) or at [www.vestedway.com/books](http://www.vestedway.com/books).

For those wanting to dig deeper, UT offers a blend of onsite and online courses including a capstone course where individuals get a chance to put the Vested theory into practice. Course content is designed to align to where you are in your journey ranging from Awareness to Mastery. For additional information, visit the University of Tennessee’s website dedicated to the Vested business model at <http://www.vestedway.com/> where you can learn more about our Executive Education courses in the Certified Deal Architect program. You can also visit our research library and download case studies, white papers and resources. For more information, contact [kvitasek@utk.edu](mailto:kvitasek@utk.edu).



\* Prerequisites for *Creating a Vested Agreement* class are:

*Five Rules*, *Is Vested Right?*, *Getting Ready*, and the *Vested 3-Day Executive Education Course*



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## Endnotes

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<sup>1</sup> Rehydration Project, [www.rehydrate.org/facts/progress\\_water.html](http://www.rehydrate.org/facts/progress_water.html)

<sup>2</sup> Source: World Health Organization (WHO) and United Nations Children Fund (UNICEF) Joint Monitoring Programme on Water Supply and Sanitation (JMP)

<sup>3</sup> Water For People website; [www.waterforpeople.org](http://www.waterforpeople.org)

<sup>4</sup> Water For People Connections, Volume 2, Number 3; Winter 2009

<sup>5</sup> From the Water For People website, page "Integrity and Accountability - Saying what we do and doing what we say"