



# Heads Up

VPP Investment Partner Series



# VPP Partnership Story: Heads Up

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## ■ Performance Summary and Fact Sheet

### Summary

Heads Up is a considerably stronger organization than it was in 2001, better serving its students, families and tutors. Its effectiveness and sustainability have increased substantially as well. Heads Up made this progress even as it navigated a leadership transition with the resignation of its founding Executive Director.

### Key Information

- *Date, years and stage of VPP Investment:*  
July 2001—4.5 years (Fully funded; late stage)
- *Capital Committed & Disbursed by VPP:*  
\$2,074,000 (fully funded)
- *Est. Children to be Served in 2010:* 1,400
- *Revenue Increase & % Budget Growth:*  
\$2.3 to \$3.0 million – 30% over 4 years
- *Leveraged funding:* \$3.9 million
- *Expansion to New Places and Coverage:*  
5 new schools covered

### Aspiration and Goals

- Serve 1200 children through ten sites by 2007
- Measurably demonstrate its programs' positive impact on children, teens, and college students
- Be considered by District of Columbia universities and undergraduates to be the preferred youth-related community service and service-learning program
- Play an influential role in shaping out-of-school-time public policy regionally and nationally
- Be a high-performing organization with excellent operations and highly effective, well-trained staff

### Investment rationale

- Strong executive and board leadership with openness to new ideas and commitment to strengthening their organization.
- A model program, producing concrete outcomes for children, with the potential to lead the market in out-of-school-time providers in the National Capital Region.
- Strong potential impact on thousands of DC youth through successful deepening and scaling its program and by becoming the premier youth-related community service program for local universities and undergraduates

### Innovations and New Thinking

Over the last four years, Heads Up has transformed its organization to become one of the leading providers of out of school-time programming for underserved youth in the District of Columbia and one of the preferred service-learning programs for local college students interested in giving back to their community. With a strong senior management team to handle operations, Darin McKeever has matured as a leader, shifting his focus to external issues, including field strengthening and advocacy, new school site expansion, and alignment with DC Public Schools reform initiatives. He has become increasingly sophisticated in his management approach and understanding of processes. Heads Up has new expectations of senior talent and understands the challenges of finding that talent. The board is one of the strongest boards for an organization of this type in the region with diverse talent, deep commitment by board members, and strong governance mechanisms. They have also made significant progress in improving their programs, both in quality and in structure, to more effectively serve children and their families.



## Key Accomplishments

Heads Up's increased effectiveness resulted in a more than doubling of the number of students served over four years, growing from 320 to 655; a 70% expansion of its hours of service; an increase in number of schools covered from 5 to 10; a substantially improved curriculum; an average increase in reading grade levels of 1.1 grades; and a high parental approval rating of 94%. Based on a study of available 2004 and 2005 SAT-9 standardized test reading scores for Heads Up's 3rd and 5th grade students:

- The average year-over-year gain in SAT-9 Normal Curve Equivalent scores was 4.0, greatly outpacing the expected average gain of zero for one full year's growth.
- The percentage of Heads Up students scoring at or above national average increased from 30.2% in 2004 to 38.1% in 2005.
- 59% of students had positive gain scores.

Other noteworthy accomplishments:

- **Planning and Focus:** Completed business planning in 2002, resulting in a well-defined expansion plan for how they would scale their tutoring program to serve more children in the District. Planning facilitated by McKinsey & Co.

- **Human Capital—Board and Management:**

- Successfully completed a leadership change
- Met goals to strengthen senior management, integrating a COO/CFO
- A good board was significantly improved and expanded, becoming more engaged, and has completed the transition from a founder-centric to governing board.

- **New Revenue:** Significantly fortified future revenue by securing a continuing, public source of per student funding for 300 students—a third of its students served. Increased awareness of Heads Up among high net worth donors in region after winning 2005 CharityWorks funding. More than quadrupled its annual support from AmeriCorps by winning a national competitive grant from the Corporation for National and Community Service.

- **Performance Reporting:** Defined and implemented outcomes assessment and performance management system, and now in process of redoing based on experience gained.

- **Innovative Partnership:** Forged a unique partnership with three well-respected companies—Scholastic, Inc.; Michaels Stores (arts and crafts materials); and Binney & Smith (parent of Crayola)—to produce “Read and Create Craft Packs” that opened up an opportunity for a new source of revenue, but more importantly, builds awareness of its efforts.



## ■ New Thinking Results in Greater Impact

### Big Impact in a Short Time

Heads Up founders Darin McKeever and Vin Pan had a dream. They believed that, by recruiting and training a cadre of college students to serve as tutors and mentors, they could have a significant impact on the conditions and aspirations of children living in some of the toughest neighborhoods in the National Capital Region.

In 2001, they were surprised to learn their organization was the fourth largest private provider of after-school services to children in the District of Columbia. After all, they had only opened their doors a few years before.

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### A Decade of Difference

As it approaches its tenth anniversary in 2006, Heads Up has fulfilled its long-term goals:

- Become the largest private after-school and summer program provider in the DC Public Schools
  - Measurably demonstrate programs' positive impact
  - Be considered a preferred community-service program by local universities
  - Play an influential role in shaping local public policy
  - Be a high-performing organization, with excellent operations and highly-performing, well-trained staff
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But four years later when McKeever proudly announced Heads Up was the largest nonprofit provider in DC Public Schools, he wasn't surprised at all; he knew exactly how much transformation the organization had undergone in a short amount of time, not just in size but also in the deep impact it has on children's lives. Heads Up tripled the number of children served, from 300 kids in five sites to almost 900 students in ten sites; but more importantly, their program design and curriculum have been greatly improved and their systems for measuring

impact are in place. With a now deeply engaged board and more robust and diversified financial base, the organization is more effective and its potential for sustainability is greater than ever.

### Background and History

McKeever and Pan met in the early 1990s working in Harvard University's community service organization, Phillips Brooks House Association. Inspired by their experiences and fueled with the desire to "give back," the two passed up the typical high-paying positions their peers were taking and instead decided to develop a program that both helped children in low-income neighborhoods and inspired college students through service. They were greatly encouraged and inspired by mentors like Greg Johnson, then executive director of Phillips Brooks House. McKeever remembers: "Johnson spoke often and eloquently (and still does) about the power of young people to change lives and be changed in the process—so in many senses his ideas and passion contributed to our original vision." McKeever and Pan spent 1996 carefully assessing the unmet needs in various communities in DC—needs articulated by residents and parents—making sure that they would not be duplicating any existing programs.

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### Long-lasting Results

Celine Fejeran served with Heads Up as a tutor for nearly her entire tenure as a student at American University. Upon graduation Celine became a teacher at LaSalle Elementary School—one of Heads Up's partner schools—and was nominated by her principal as Teacher of the Year in her first year of teaching. Celine is one of three Heads Up alumni who have gone on to teach in Heads Up partner schools.

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Over the next two years they launched Heads Up. The school-based program provided after-school tutoring, mentoring, and summer learning programs to children. College students were recruited, trained, and paid a small stipend to serve as tutors and mentors. Heads Up thus became one of the first organizations to respond to the goals set by the Presidents' Summit for America's Future and America's Promise in 1997.

### Growing in Strength and Numbers

By the time VPP and Heads Up formed a partnership in 2001 with Venture Philanthropy Partner's (VPP) initial investment of \$174,000 for a business planning process, the organization had grown to serve 300 children and 150 college students in six sites. While Heads Up was eager to grow further and make improvements to its programs and services, its founders and some of its board members were originally skeptical about their new potential partner. "From the beginning, there was a concern about VPP's level of involvement creeping into a level of control," recounts McKeever. The questioning that began in negotiation period continued through the planning process. Hiring a large management consulting firm known for its work with Fortune 100 clients—McKinsey & Company—was a new approach for the leaders, as were the kind of resources required for such expertise. As co-founder Vin Pan recounts, "Having not gone through that kind of [planning] process before, it was very difficult for us to anticipate how helpful it would be...I had a hard time getting over what seemed to be an awful lot of money to spend on consultants." Heads Up was also the first VPP investment, and it took some time to build trust between the two organizations. VPP was learning and refining its model, "That 'building the airplane while flying it' syndrome," said VPP partner Fred Bollerer, which also created some bumps in the road.

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#### Concrete Outcomes

Average grade level jump in reading skills over 2003-2004 program year: **1.1**

Parents who rate the improvement of children's attitude toward learning as "very good" or "excellent": **97%**

Parents reporting their children's grades have improved: **94%**

Undergraduate tutors who say they are considering a career in teaching or public service as a result of their participation in Heads Up: **50%**

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Ultimately, a deep trust developed between Heads Up and VPP, but it took significant time and effort and was a learning experience for both organizations. "The hours our teams spent together reviewing program trends, discussing the volatile funding and policy environment, and weighing strategy fed a deep and abiding trust built around mutual respect and transparency. In so many areas, we have a shared sense of purpose," said McKeever.

Tangible results from strategic planning helped foster that trust. The process clarified Heads Up's growth plans and gave leadership more information about the landscape in which they were working. "We didn't realize we were the fourth largest provider of after-school services in the National Capital Region until the McKinsey research proved it, and it gave us the data we needed to focus on how to become the largest provider in the area and the roadmap to improving our programs and building our organization," remembers McKeever.

Planning also reengaged and reenergized the Heads Up board, a result that surprised the co-founders. The board was further strengthened by the additions of Bollerer and



VPP investor Jack Davies. Overall, Heads Up has added eight more board members since the VPP partnership started and sees their board as stronger in every way. The board meets more frequently, as do board officers. They have developed effective committees for finance, executive committee, nominating, and programs. Board officers are also deeply committed to the organization. When Heads Up experienced a cash flow crisis in 2005 due to the length of time it took to get reimbursements from government funding sources, board members personally stepped up with an offer of up to \$150,000 to help the organization through the rough patch. In the end, Heads Up found its own sources to cover the gap, but McKeever was gratified by the board's demonstrated support and faith in the organization. And thanks in part to board members' guidance and contacts, Heads Up has now been able to secure necessary financing and shorten the time it takes to get the same reimbursements, a change that benefits other area nonprofits too. "We started out with a board that was a sounding board, one that we would bring updates to, one that was sensitive to the changes of a start-up and was, in some ways, a little more hands off. Now we have a board that understands that in order for us to get to where we want to go, we need more engagement around fundraising, around advocacy, and around program planning," McKeever reports.

VPP's follow-on investment of \$1,800,000 in March of 2003 helped the organization shore up its infrastructure. Over two years, they recruited and hired a senior management team and very successfully transitioned executive leadership from Pan to co-founder McKeever. They began to overhaul their curriculum and designed a tracking system to help them better manage enrollment and tutor distribution among sites. They also started measuring outcomes in new ways and are now able to report clear results for the kids they serve.

Along the way, Heads Up has diversified its funding streams, positioning itself as an approved Supplemental Education Service provider under the No Child Left Behind Law and getting new support from the prestigious local fundraising group, CharityWorks. The latter partnership resulted in over \$800,000 in funding for Heads Up in 2005 and 2006—a record total for CharityWorks—along with significant new visibility among a different kind of donor.

### **Refining the Delivery and Growth Model**

One of Heads Up's goals in 2001 was to study different options for growth and the best format for providing its services. The business planning process helped them create one model of expansion through increasing the number of Heads Up sites from five to 25. But as they began to grow, demand in current sites grew as did interest from new schools. The organization was presented with a choice: to expand deeper and/or broader to meet its growth aspirations. So McKeever and his team went back to their roots, having conversations with parents and schools about what they needed to make the most of Heads Up's programs. They also sought the advice of their board and other external advisors to get additional perspectives. It turned out that if they simply changed their offering to end at 6.30 pm instead of 6.00 pm and modified their schedule to more closely mirror the school's holiday schedule, they posited that Heads Up could serve the same or greater number of students, further align their efforts with DC Public Schools, and expand hours by 70%, all for about the same cost. "We had always matched our schedule more closely with the universities' because of our college student participants. But we realized we could fill their gap with teachers in the schools, both providing coverage that better matched parents' needs and more deeply engaged the schools in which we work," explained McKeever. Heads Up implemented the change in fall of 2005, adding at least



11 more weeks to its school-year program and extending program hours until 6:30 pm. They've learned that by focusing their resources on fewer schools, they can better marshal resources and staff support to ensure that families who have been anxious to receive services can, and the program will have a deeper, richer impact on the children at those schools.

McKeever reflects on the changes and his relationship with VPP: "Heads Up's growth over the last several years can be measured in the number of kids and college students we involve or the schools with which we partner,

and Venture Philanthropy Partners' support has been critical to our achievements in this respect. Yet it may be growth in a second respect where our relationship will have its most lasting impact. I believe there has been a more expansive idea of growth at work within Heads Up that is, at times, even more important—one that embraces not only the numbers of families served but the quality of the services delivered, the maturity of our operations, and the thoughtfulness we bring to our organization's development and the volatile policy and programming environment in which we live."

## ■ Innovation: Catalyst for Corporate Collaboration

Conventional wisdom says that in partnerships between corporations and nonprofits, it's the company who is the giver and the nonprofit who is the receiver. But a unique partnership between Heads Up and three well-respected corporations turns conventional wisdom on its ear. Through their association with Heads Up, the three companies—Scholastic, Inc.; Michaels Stores, a specialty retailer of arts and crafts materials; and Binney & Smith (parent of Crayola)—found a way to work together with each other beyond the traditional buyer/vendor relationship as active partners for a civic purpose. And Heads Up gained long-term partners who are helping it accomplish its goal of serving young people and families in the nation's capital.

Shortly after Heads Up became a VPP investment partner, VPP investor Jack Davies joined its board. Jack brought with him enthusiasm for Heads Up, corporate connections, and extensive experience in marketing. One of the first things Jack did was to encourage Scho-

lastic, Inc., on whose board he sits, to help stock Heads Up's on-site libraries with thousands of donated books. The donated books not only opened up the joy of reading for more Heads Up students, but the content these materials provided proved a major asset in helping Heads Up transform its curriculum.

Not long afterward, Heads Up Executive Director Darin McKeever contacted another VPP investor, Richard Hanlon, who had once worked with Jack at AOL and sits on the board of Michaels. Darin was hoping to secure product donations to support Heads Up programming. As it happened, Richard had been thinking of ways that Michaels could be more involved in their communities. He approached Michaels, which generously agreed to donate craft products to enrich Heads Up after-school and summer camp programs. It also offered training at two local stores to Heads Up summer instructors about ways to use the products with children. The trainings were a hit. Store managers and employees loved the interaction.



Heads Up took the crafts further, developing a collection of curricula that connected the stories in Scholastic Books with Michaels' crafts supplies. After reading a book together, the kids would craft a series of products that helped to bring the tale to life.

Darin showed Richard a few of these kits—the book, the curriculum, the list of required craft items, and assembly instructions. Impressed by the success of these kits with DC youth, Richard felt that these kits should be available on a wider basis. He took the concept to Michaels, which enthusiastically agreed to pursue it, assigning it one of their top buyers. Michaels then approached Binney & Smith/Crayola about providing crayons, as well as creating the packaging for the books, crafts, and Heads Up curricula. The Read and Create Craft Packs were born.

In late 2004, the Craft Packs hit Michaels Stores for a market test. In the first four weeks, 600 Craft Packs were sold, twice the average sales rate for Crayola's product offerings. Each of the corporate partners donated 25

cents of the unit sale price to Heads Up. But the real value for Heads Up is its expanded network of supporters who are providing not only financial help but advice, goods and services that strengthen its programming. The collaboration also demonstrates the tremendous value that nonprofits have to offer corporations. The Heads Up curricula brought the crafts, the reading, and crayons together, something the three companies had been exploring themselves but without success.

The Craft Packs are being sold by Michaels Stores for the 2005 holiday season. All of the parties involved are exploring ways to develop a whole product line based on Heads Up's curricula. Scholastic and Crayola would provide product, Michaels would provide retail space and promotion, and Heads Up would receive both the branding and a significant piece of the revenue. And, with the relationship with Michaels now established, there are interesting opportunities for events, products, and other activities that would involve the creativity of the Heads Up staff and the children they serve.

## ■ Profile

Heads Up delivers education and enrichment programs for children and families living in the most under-resourced parts of Washington, DC.

### Mission and History

Darin McKeever and Vincent Pan founded Heads Up in 1996 with a dual mission: to expand learning opportunities for children and youth in low-income neighborhoods and to increase the civic engagement and awareness of college students as they serve as Heads Up mentors and tutors.

McKeever and Pan met in college through their work running Harvard University's community service program. After graduation, they began their first Heads Up after-school program site in Barry Farm—the city's largest public housing developing and arguably one of the toughest neighborhoods in the District. The academic program has since expanded to eight locations throughout DC and partnerships with George Washington University, American University, Catholic University, Georgetown University, Howard University, the University of the District of Columbia, Trinity College, and AmeriCorps provide Heads Up with a total of 300 tutors.

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### Facts

**Founded:** 1996

**Executive Director:** Darin McKeever

**Chairman, Board of Directors:** David Sylvester

**2005-06 School Year:**

**Staff:** 19

**Budget:** \$3M

**Children Served:** 850

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### Services

Heads Up offers academically rich out-of-school-time programs to elementary school students of low-income families. Through year-round tutoring and mentoring after school and for full days during the summer, children are given individual academic attention, positive role models, and safe places in which to learn and grow. At the same time, Heads Up's service-learning and training activities for its college mentors and tutors aims to increase their understanding of social responsibility and helps them develop the leadership skills required to give back.

### Notable Awards and Honors

- CharityWorks 2005
- Stride Rite Public Service Fellowship
- Echoing Green Fellowship

## ■ Leaders

### Darin McKeever

#### Executive Director and Co-Founder



McKeever is largely responsible for creating and implementing Heads Up's original program design for tutoring and mentoring elementary school students. During the organization's start-up phase, he managed all finance and administrative functions,

including office administration, information technology, and human resources. He managed the organization's annual budget, which grew from \$150,000 to \$2 million between 1996 and 2002. McKeever also led an effort to increase Heads Up's visibility and gain greater public support through targeted outreach and improved print and online marketing materials.

In 1996, McKeever received his bachelor of arts in social studies from Harvard College and graduated Phi Beta Kappa. As an undergraduate, he served as the director of a student-run after-school program for at-risk youth in Boston. He was a recipient of the Stride Rite Community Service Fellowship in 1997 and is a former Echoing Green Foundation fellow. He is also a member of the Leadership Washington class of 2002.

### Brian Weed

#### President of the Board



Brian G. Weed is the Chief Operating Officer of Avendra, LLC, the leading procurement services company serving the hospitality and related industries. Weed oversees all customer care functions: account management, field support, and the customer service

call center. He also manages the company's marketing, communications, program management, and quality assurance functions. In addition, Weed is responsible for Avendra's Canadian operation and its Replenishment business. As part of Avendra's executive team, he helps guide the company's overall business strategy. He also serves as Secretary of the company's Board of Managers. Weed was formerly the Vice President of Strategic Planning at Hyatt Hotels Corp. In that position, he played a lead role in initiating and forming the venture that became Avendra. He served on Hyatt's Executive Management Committee and led various operational improvement and business development initiatives at Hyatt. Prior to joining Hyatt, Weed was a Vice President/Partner at The Boston Consulting Group, a leading strategy consulting firm. He was a member of BCG's Technology and Business Development Practice Groups. Weed graduated from Stanford University with a bachelor's degree in industrial engineering. He later graduated, with distinction, from Northwestern University's Kellogg Graduate School of Management with a master's degree in business administration.





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