

The Community Health Investment Model

By Stephen Horan, PhD

The *Community Health Investment Model* is a strategic approach for developing sustainable community health initiatives. The purpose of the *Community Health Investment Model* is to guide investment into new or existing community health initiatives which are most likely to deliver a demonstrable return on community investment over time.

The *Community Health Investment Model* can be used by funders to optimize their investments, or by community service providers to optimize their impact. In either case, the objective of the Model is the same: *To produce a community health initiative which delivers a demonstrable return on investment sufficient to sustain community support.*

Overview of the Model

The *Community Health Investment Model* was developed by Community Health Solutions based on our extensive experience in evaluating community health improvement projects. The Model is based on 22 key concepts which should be considered as part of any community investment decision. It is worth noting that these are not the only 22 factors you might want to consider. Also, in any given circumstance, it may be difficult or impossible to address all 22 factors. But in making the attempt, we can at least be assured of performing due diligence on the investment opportunity.

In outlining the concepts we repeatedly refer to 'the Venture.' By this we mean the policy, program, or project under consideration for investment. We analyze the investment potential of the Venture by considering its merits with respect to the 22 factors.

- 1. The Customer.** The 'customer' refers to the people to be served by the Venture. Who are they? How many? What are their characteristics?
- 2. The Partners.** Who will actually execute the Venture? Which organizations, institutions, & people?
- 3. The Investors.** Who is being asked to invest in the Venture? Business? Government? Philanthropy? Others?
- 4. The Territory.** What geographic region will the Venture serve? This can be an important strategic question if the Venture crosses boundaries of jurisdiction or provider service areas.
- 5. The Mission.** What is the purpose of the Venture? To improve health status? Access? Quality? Community capacity? Community investment?
- 6. The Vision.** How will we know success when we see it? What will be the status of the customers? The service system? The community?
- 7. The Goals.** What goals must the Venture achieve on its way to achieving its mission and vision? How will we know if they are achieved?

8. The Impact. What is the intended sustainable impact of the Venture on community health status, services, and capacity?

9. The Design. Is the Venture effectively designed to produce the intended results for the intended customers? Consider design from both a theoretical and operational perspective.

10. The Evaluation. How will the Venture be evaluated? Will the evaluation produce the information we need to make investment decisions?

11. The Capital. What kinds of capital are required for the Venture? Consider not only financial capital, but social capital, intellectual capital, and other kinds of capital.

12. The Value Proposition. What specific value does this Venture propose to create for the customer, each investor, each partner, and the community as a whole?

13. The Value Requirement. What specific value does each investor and partner *expect* from this Venture? How does the value requirement match up with the value proposition? Is there a potential positive return on investment for each investor and partner?

14. Return on Investment. What kind of return will investors and partners expect? Again, not only in terms of financial capital, but also in terms of social, intellectual, and other kinds of capital.

15. Leveraging. How will our investment in this Venture be used to attract additional investment of capital from the community and other sources?

16. Sustainability. How will the Venture sustain itself over time? Who will invest, and why?

17. Growth. Does the Venture aim to grow over time? If so: Is it scalable? Is it replicable?

18. Scalability. Can the Venture be *grown* while: a) sustaining or increasing customer quality; b) sustaining or reducing unit costs; and c) delivering a continuing ROI?

19. Replicability. Can the Venture be replicated while: a) sustaining or increasing customer quality; b) sustaining or reducing unit costs; and c) delivering a continuing ROI?

20. Strategic Value. What is the strategic value of this Venture to our organization? How will it advance our mission, vision, goals, and values?

21. Strategic Risk. What are the risks of investing in this Venture? What are the risks of *not* investing in this Venture? Consider not just financial risk, but strategic risk, and social & political risk.

22. Opportunity Cost. All things considered, does this Venture have the best potential ROI compared to our other investment options?

To learn more, contact Steve Horan at shoran@chsresults.com or 804.673.0166