STRATEGIC PLAN 2018

2430 East Kemper Rd
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INTRODUCTION
A Child’s Hope Int’l (ACHI) has sustained consistent growth year to year since inception in 2008. Throughout this period, the mission remained the same to motivate and mobilize the church and the community to care for orphans and vulnerable children in their distress. As of this strategic plan date, ACHI is providing high protein food, clean drinking water, and life-giving hope supplies to 10,000 orphans and vulnerable children a day – every day. In addition, over 100 orphans have been adopted in loving homes by the advocacy and support resources of ACHI.

The initial strategic plan included a set of core values, mission, vision, and strategy built upon four bridges of care: adoption, foster care, orphan care and humanitarian relief.
The mission of the organization remains unchanged since the founding of A Child's Hope Int'l which is to motivate and mobilize the church and the community to care for orphans and vulnerable children in their distress.

MISSION

Our mission is to motivate and mobilize the Church and the community to care for the orphans in their distress.

(This includes the children within U.S. foster care, the orphans of the world and vulnerable children suffering from hunger, thirst and poverty.)
To meet the needs of children suffering from the effects of drinking dirty and unsafe water, ACHI established a relationship with the P&G Clean Drinking Water program. The result of this agreement allowed ACHI to purchase and distribute P&G Purifiers of Water to domestic and international ACHI partners within our Hope Boxes™ and other programs. To cover the expense of these lifesaving materials, ACHI established the Promise Water™ program to raise funds through donations and sales of Promise Water™ bottled water. ACHI promised to deliver at least one million gallons of clean drinking water per year. That promise has been fulfilled to this date and in some cases has been exceeded.

The financial stewardship of ACHI, a 501(c)(3) non-profit organization, was a foundational requirement to maintain an exceptionally high program expense ratio (PER). Given the expense of supplies and the focus on helping as many orphans and vulnerable children as possible, ACHI kept administration and fund-raising expenses at a minimum so that program expenses could be maximized. On average, throughout the history of ACHI the ongoing average of the PER exceeded 90%. Sacrifices were made at the staffing, compensation, and benefit levels as well as ancillary expenses that would negatively affect the desired PER.

Strategies are defined to fulfill the vision which remains the long-term focus of the organization. These strategies are subject to change as the situation warrants. Some aspects or supporting avenues of the strategy change as opportunities close or “roadblocks” are encountered. In all cases however, the mission does not change nor does the long-term vision.
Each of the four bridges of care presents different aspects of commitment, cost, and sustainability. By offering a set of four bridges, it was believed that at least one bridge would be attractive. This set of four bridges offered flexibility, cost variances and commitment variances without locking a church, community partner or individual into a response that well suited to them at the time.
It is important to note that there are millions of vulnerable children who do not qualify as orphans per se as they may have a partial or complete nuclear family. Extreme poverty, however, puts these children at risk from malnutrition, poor health, lack of clean drinking water and other supplies children need to grow properly. Frequently, these children need the same resources as a single or double orphan. Rather than combine both bridges into one category, ACHI separated these two groups of children into two, separate but distinct bridges: orphan care and humanitarian relief.

One of the great challenges that orphans, and vulnerable children face daily is receiving enough protein fortified food and clean drinking water for them to not only survive but to grow healthy and strong. To meet that need, A Child's Hope Int'l built used a proven food formula that would be affordable, easily produced, have a long shelf life, and be accepted by various cultures. Over the years that formula has evolved into what is known as Hands Against Hunger® which is a high protein food product and can be produced for 25¢ per meal.

The ingredients are purchased at market prevailing prices from reputable sources in the US. Although machines could be used to produce the food, part of the strategy was to use volunteers so they would become more aware of the worldwide crisis and become a solution provider. Rather than receive government support and the restrictions and reporting required, personal donations, support from businesses, churches and local organizations are used to support the program.

Volunteers are recruited to produce Hands Against Hunger® and donations are encouraged by all who attend. These donations are predominantly used to pay for the essential ingredients. To encourage involvement by volunteers and financial support, it was important to present...
and maintain an efficient, “lean” operation devoid of fancy buildings, large number of employees and debt. The efficiency of a non-profit organization is generally measured by the Program Expense Ratio (PER).

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A high PER (>90%) goal required the recruitment and retention of a large group of Red Shirt Team™ volunteers who would manage the events that ACHI offered. As the number of events increased in volume and attendance, the numbers of RST needed rose commensurately.

A Child's Hope Int'l has moved to different facilities five times since 2008. Each facility became increasingly more difficult given the number of “moving pieces”, supplies, plumbing, electrical, loading dock changes, etc. to make the latest facility a viable space. Since May 2011, the Hope Factory™ has been in a leased facility at the current address. The lease agreement, which has been renewed every three years, provides stability, a fixed operating cost and a below market lease rate (without NNN). All utility costs are fixed within the current lease agreement.

FIVE YEAR PLAN
During the history of A Child's Hope Int'l, the numbers of orphans and vulnerable children around the world have continued to grow due to conflict, poverty, climate disasters, government factors and other contributing factors. A Child's Hope Int'l developed a five-year strategic plan to address the needs of this worldwide problem consistent with the mission and vision of the organization.

The five-year strategic plan for A Child's Hope Int'l established three primary goals:

1. Increase the number of orphans vulnerable children from 10,000 a day to 20,000 per day who would receive high protein food, clean drinking water and life-giving hope supplies.
2. Double the level of adoption and foster care advocacy and support.
3. Establish a second location for Hope Factory II to support increased production and additional Red Shirt Team members.

Increasing production at Hope Factory™ I was reviewed for viability and long-term sustainability. To meet the needs of 10,000 orphans and vulnerable children a day, production at the Hope Factory™ required bi-weekly production events throughout the year. This would
also require a significant increase in the number of Red Shirt Team™ members. A failure in either one of these requirements would hinder the production goals.

For that reason, the five-year plan included Hope Factory™ II which would operate in parallel with the primary location. The location was envisioned to be 50 miles from Hope Factory™ in an area with a high per capita income, many churches, companies, and schools. The plan was to increase production at the facility over a five-year period to meet the intended target of 20,000 orphans and vulnerable children per day. Many Red Shirt Team™ members would be recruited from the community and church partners to accommodate the events. The five-year budget plan driven by the strategic plan was enacted with a gradual increase in production at Hope Factory™ II, an increase of expenses and requisite income to fund the increase.
FIVE YEAR PLAN UPDATE
In 2020, the COVID worldwide pandemic effected far greater numbers of children than ever before. More children were at risk from hunger and deprivation. More children would become single or double orphans while available resources to care for these children would be reduced.

Lockdowns, travel restrictions, closed factories and non-profits forced to close their doors meant that more children would suffer. As a result, A Child’s Hope Int'l accelerated the five-year plan by doubling the production to help 20,000 children a day within one year.

To meet this demand in the absence of volunteer and Red Shirt Team™ members, A Child's Hope Int'l contracted with a food processing company to meet the demand with the excess capacity on their machines.

The cost however of this plan was not sustainable due to contracted manufacturing costs, shipping costs both ways along with no guarantee that this method would continue. The costs of this solution added substantial unbudgeted expenses and risks to the operation.

The production events for Hands Against Hunger® in 2020 included the opening of Hope Factory™ II in Dayton. This additional volunteer site would add additional production amounts in the range of 10-20% in 2020 increasing each year over the 5-year period. Events with churches, schools and for-profit businesses were on the calendar – many of which were to be completed by the end of 2Q20. That all changed with the sudden onset of COVID-19 and mandated shutdowns in early March 2020.

Events were cancelled by ACHI or were withdrawn by the host organization. In addition, volunteers were discouraged from being at the Hope Factory™ until the peak of the problem passed. Cancelled events and production activities severely hurt the financial resources of ACHI as well as the production schedule. The ability to produce even 4M high protein meals in 2020 was at risk and 8M was considered impossible.

COVID-19 was a sudden, major disruptive threat for a variety of reasons including:
- Sanitation and hygiene protocols
- Social distancing
- Fewer volunteers
- Cancelled events

Those same risk factors could continue although to different degrees.

The COVID-19 pandemic disrupted the operation of A Child's Hope Int'l and severely limited the production of Hands Against Hunger® needed worldwide by orphans and vulnerable children. There was no assurance that COVID-19 had abated or that a subsequent wave of the virus will not shutdown the ministry for an extended time. It is imperative that a counterbalance strategy be developed to protect the organization from rapidly rising costs, and to protect the lives of orphans and vulnerable children who rely upon Hands Against Hunger®.
Hope Factory™ II was suspended as was the recruitment from the area of new Red Shirt Team™ members and volunteer centric organizations.

Fortunately, in 2020, 15 countries received lifesaving supplies so they could provide 20,000 orphans and vulnerable children a day - every day – with high protein food, clean drinking water and life-giving hope supplies.

Although the five-year plan was satisfied in essentially one operating year, a further change in the plan was needed. This change in strategy would change the way that Hands Against Hunger® operates, the expense of production as well as how A Child's Hope Int'l responds to future threats.

Children represent roughly a third of the world's population but account for almost half of all people living in extreme poverty (UNICEF).