



THE UPPER VALLEY HAVEN RESPONDS TO IRENE¹

INTRODUCTION

“The midst of a disaster is the poorest possible time to establish new relationships and to introduce ourselves to new organizations... When you have taken the time to build rapport, then you can make a call at 2 A.M. when the river’s rising and expect to launch a well-planned, smoothly conducted response”

-- Elizabeth Dole, president, American Red Cross

Driving into work the morning of August 29, Executive Director of the Upper Valley Haven, Sara Kobylenski surveyed the damage along the roadside as she headed south through Vermont’s Upper Valley region. As she saw the impacts the floodwaters had on her neighbors and surrounding community, she began to realize the extent of the impact Hurricane Irene had on the Upper Valley community. She called one of her deputies at the Upper Valley Haven, Jennifer Fontaine, who was seeing the same things as she approached the Haven. The two of them met as soon as they pulled into the parking lot at the Haven’s White River Junction, Vermont campus to discuss what they should do now.

HURRICANE IRENE

In August, 2011, Hurricane Irene (“Irene”) came to Northern New England. It left in its wake over \$10 billion in damages and displaced both businesses and residents in the Upper Valley, a bi-state region of New England comprising the towns stretched east and west alongside the Connecticut River -- from Walpole, NH, and Westminster, VT, in the south to Bath, NH, and Ryegate, VT, in the north (Exhibit 1). The storm struck a community already devastated by the national recession that had significantly raised homelessness levels in the Upper Valley area over several years, and left many other families on the brink of financial crisis. Irene significantly impacted nearly everyone in the Upper Valley, but hit particularly hard on the working poor whose livelihoods are often dependent upon reliable public transportation, and for whom days of work missed translate very quickly to non-payments on rent and other bills. From 2009-2010, the severely cost-burdened poor renter households of Vermont increased by 43%, the largest state-level increase nationwide,

¹ This case was written by Kelly M. Sennatt T’12 and Abigail.J Whitbeck T’12 under the direction of Professors Joe Hall and M. Eric Johnson of the Tuck School of Business at Dartmouth. It was written as a basis for class discussion and not to illustrate effective management practices. Version: September 4, 2012.

Hurricane Irene, which was officially at Tropical Storm by the time it reached the Upper Valley, was one of the costliest storms on record in the Northeast. As a Hurricane churning across southern states, it was estimated to have caused over \$7 billion in damage and at least 47 deaths throughout its path of destruction in the US, making it the sixth most costly US Atlantic hurricane of record. Almost every river and stream in Vermont flooded, resulting in at least three deaths and one missing. Throughout Vermont, extensive road damage isolated nearly a dozen rural towns that would require helicopter air-lifts of necessities in the days immediately following the storm. The primary impact of Irene in the Upper Valley was the result of flash flooding of rivers and streams in Vermont. It was the worst flooding the state had seen in 84 years and resulted in several fatalities, with dozens of towns being cut off from the outside world and many residents and businesses losing many or all of their belongings and homes to the floods. Dozens of homes were destroyed or badly damaged across the state by the flash flooding, which also closed a state office complex and left roads and bridges in tatters.

Significant warnings appeared in all major media outlets at least three days in advance of the storm's landfall in the Northeast. In Vermont, Governor Peter Shumlin declared a state of emergency on August 27, in preparation for the hurricane's arrival. The National Weather Service stated that it anticipated 3–7 inches in the Green Mountains and eastern Vermont, with the risk of flooding near streams and rivers and an anticipated sustained wind speeds of 30–45 miles per hour and gusts of up to 45–65 miles per hour, causing significant tree damage and damage to power lines

THE UPPER VALLEY HAVEN: OVERVIEW

The Upper Valley Haven was a non-profit that provides temporary shelter and educational programming for homeless families and adults as well as food and clothing to anyone in need. Additionally, the Haven provided human services including Shelter Advocacy, Aftercare, Outreach and Education Programs. The Haven was open 365 days per year and never charged for any of its services. The Haven served over 6,800 people per year from their three-building campus in White River Junction, VT, and operated on an approximately \$2 million annual operating budget (Exhibit 2).

The Upper Valley Haven was founded in 1980 as a temporary shelter for homeless families. Throughout the 1980s and 90s the Haven steadily grew to include a food shelf and clothing room as well as educational programming for the community it served. In the mid 2000s, the Upper Valley Haven began a period of rapid growth, expanding to a second building to more efficiently serve the community with its non-shelter services. This period of growth culminated in 2010 when the Upper Valley Haven added a second shelter to serve single guests in addition to its family shelter and programming.

By 2011, the Upper Valley Haven had capped the period of expansion by professionalizing its staff and board. The Haven had managed to double its size, increase its mission and increase the support of the community throughout the recession due to its strong staff and the support it received from a trusting community due to the reputation it had built over the last several decades.

With this backdrop in place, the Upper Valley Haven was challenged yet again to stretch its capabilities and mission by the impact of Irene.

UVH'S IMMEDIATE RESPONSE

In the aftermath of Irene, the Haven stepped up to serve three critical roles in the Upper Valley:

RECEIVING

In the Upper Valley, the Red Cross immediately set-up a shelter at Hartford High School, but, in keeping with their policies, did not take donations of food, clothing or supplies from the public. As a result, the Haven recognized that, absent their involvement, there was great potential for significant chaos to emerge as members of the surrounding areas sought to donate food and supplies but didn't have clear guidance as to where to give. The Haven served as the Red Cross regional response center for both collecting donations (clothing, other durable goods, food and money) and distributing donations.

As described in Exhibit 5a, the number of donations to the Haven increased significantly following Hurricane Irene, both relative to previous months and the same period the prior year. The volume of donations exceeded the Haven's capacity to sort and store the donations. However, not only was the volume of donations important, but also the rate of donations. Each individual donation was a touch point for the Haven that drew on staff or volunteer time to receive the donation, sort it and distribute it to the appropriate recipients.

Not only did the Haven take donations delivered to its door, but it also re-purposed its only vehicle to make more than 37 pick-ups from more than twelve towns in the surrounding area that had established sub-scale donations centers. These towns represented areas where the damage from the storm was relatively limited, but the local population was as interested in donating as were populations in more directly-impacted towns. In order to connect the goodwill of these neighboring areas with those most in need, the Haven's off-site collection spanned to towns more than 60 miles away from its White River Junction, VT campus.

In order to manage the unprecedented volume of donations, well-beyond its normal capacity for inventory, the Haven acquired off-campus warehouse space, both through donation as well as paid-contracting. Initially, the Haven took space at a local neighboring church with which it already had significant shared operations related to community dinners and other outreach programming for its shelter guests. It quickly outgrew this space, though, as the donations increased faster than its ability to distribute, and within days, looked to other historic partners to serve its need for space.

The local-area Toys for Tots ("T4T") program proved to be an ideal partner. The Tots program had storage capacity built to handle the volume of donations received during its peak holiday season. At the time of Irene, this facility was idle and easily re-oriented to provide much-needed storage capacity to the Haven as donations accumulated. Having in place an existing and ongoing dialogue with the T4T team, contacting them to inquire about storage was much

more efficient than trying to navigate the many points-of-contact it might have otherwise required to reach a local decision-maker.

In this capacity, the Haven also acted as a place for those in the community who had the need to give back and be able to contribute to their community. Providing a place for donations, volunteers and others to feel connected to helping their community recover was as important as the support the Haven was able to give to victims of Irene throughout the first few months after the event.

In addition to in-kind donations, the Haven received a significant influx of monetary donations marked specifically for victims of Irene, totaling more than \$175,000. As custodian of these dollars, the Haven became responsible for ensuring that the money was used to directly serve people whose situations, and thus needs, were directly impacted by Irene. The Haven, however, had historically not captured substantial data on the circumstances of visitors to the food shelf, with the exception of those limited data required for state-level reporting. Relying in-large on philanthropic contributions, not public grants or subsidies, the Haven had benefitted from limited compliance demands, and also avoided upsetting its guests who didn't wish to be tracked.

Taking donations specifically designated for Irene, though, created two operational challenges for the Haven: First, designing the organization and book-keeping activities to ensure that money was appropriately spent. Second, and more worrisome, was determining whether gifts made to Irene would be harmful to the Haven's overall fund-raising needs from its supporters. Would givers continue to support the Haven during the upcoming holiday season, for example, having already made sizable contributions months earlier? Those unrestricted gifts would be paramount to ensuring the continued operations of the Haven's core functions, many of which were not identifiably tied to or increased by Irene.

At the same time, perhaps Irene brought into the Haven's donor circle a new number of donors who were attracted to the organization's leadership and ability to connect contributions to those in need. If these new donors could be cultivated to continue supporting the Haven in years to come, then the impact of Irene on existing donors might be mitigated.

Exhibit 5b shows an analysis the Director of Development performed at the end of the fiscal year (March 31, 2012) to tease apart the impact of Irene on the Haven's historic and new donors.

GIVING

The Haven continued to serve the Upper Valley community's elevated needs by providing shelter, outreach and case management, and food and clothing to those without, regardless of whether they were directly affected by Irene. In September, the Haven received 933 visits to its food shelf and received 231 inquiries from community members seeking shelter and housing. Both figures were higher than in any previous month of 2011. Those numbers continued to climb into October, to 936 and 277, respectively. At the same time, the visits to the clothing room (the on-campus room designated for giving away new and gently worn clothing for free)

grew from less than 500 in September to more than 800 in October, almost 25% higher than the peak over the previous nine months.

While distributing a significant amount of goods and food directly from its doors, the Haven also undertook to make regional deliveries in order to provide some assistance to outlying communities that were largely inaccessible by road. The team at the Haven considered it more reasonable to have one vehicle, theirs, braving the roads rather than several individuals uniquely attempting to travel on the flooded and damaged Vermont highways. Thirteen deliveries were made to ten towns; these deliveries were typically more substantial in quantity than the pick-ups.

The Haven also acted as a place for respite and reflection for individuals who had yet to process the losses they'd suffered. Sara noted the frequency with which community members arrived at the Haven without being able to initially express their needs.

LEADERSHIP

As Irene struck the area, there was a leadership void in the Upper Valley due to a lack of existing infrastructure for responding to natural disasters in a coordinated way. In the very first day following the storm, the Haven realized that there was an opportunity for the Haven to step up and take on this role in the community due to its strong existing relationships and ability to coordinate volunteers and donations due to its campus infrastructure.

Along with other non-profit organizations in the Upper Valley, the Haven formed the regional FEMA long-term recovery committee, Upper Valley Strong. Recognizing early FEMA's imperative that the Upper Valley area have a community-wide umbrella group dedicated to the needs of victims of the storm, the Haven led a number of non-profits to join in coordinating their efforts to solicit FEMA funds and, in accordance, to respond to community needs. Exhibit 6 shows how the collection of organizations, working together under the umbrella Upper Valley Strong, addressed the diversity of needs that victims of Irene would face in the months following the storm.

CRISIS MANAGEMENT

Once the initial response phase was completed, the Haven decided to look back at its response and evaluate what it had done well and what it could do better in the future. One framework they used was from an article called, "Managing the Crisis You Tried to Prevent" (Augustine, 1995)

In it, the author described the phases of a response to a crisis, which the Haven adapted to its own scenario as follows:

- I. Preparing: have in place action plans, communication plans, drills, essential relationships and having selected in advance the members of the crisis team
- II. Recognizing: take a step back to properly classify the problem, keep the customer at the center of your decision making process and realize that perception is reality

- III. Containing: dedicate a group of individuals to full-time containment, and let others run the day-to-day business, with senior leaders in charge of both operations
- IV. Resolving: focus on responding as quickly as possible to the crisis—speed is important to a successful response
- V. Profiting: use the response to the crisis to build institutional trust and confidence in the organization

Overall, the Haven felt that its strengths were in recognizing the crisis, and to an extent containing it from impacting its normal operations of continuing to serve its shelter guests and the community's food and clothing needs. However, the Haven senior staff believed there was room for improvement across the board for their next crisis.

PREPARING FOR THE NEXT CRISIS

As the immediate activity from the storm began to subside, the Upper Valley Haven was facing what FEMA estimated to be a two year recovery from Irene as well as the continuing aftermath from the recent recession. Kobylenski decided to take a step back and evaluate how the Haven had coped with the different pace and demands of handling a crisis like Irene, and how the Haven should approach a future crisis.

This was the first time the Haven responded to a disaster of this scale in the capacity that it did. Even before the storm, the Haven had already been running at a high capacity due to the impacts of the recent recession. As a result, the Haven had to “step up” its operations in order to respond to the community needs.

Kobylenski realized at the time Irene hit that it was within the Haven's mission to respond to the crisis, but that it also took a different skill set to respond to such a crisis. Further, successfully supporting the community during a time of need would help the Haven's reputation within the community it served as well as help it develop capabilities for the future. However, there was risk involved, including distracting the staff from the core operations of the Haven: serving the homeless in their shelters as well as those in need in the Upper Valley community through outreach, food and clothing banks and educational services.

Looking back at the history of hurricanes in New England (see Exhibit 4), Kobylenski saw that seven major hurricanes made landfall in New England in the 20th century. However, Kobylenski also realized that Hurricanes were not the only types of crisis that may impact the Upper Valley community that the Haven serves.

As a result, Kobylenski gathered her senior staff and the board of directors to brainstorm types of crisis that the Haven may face in the future in order to start thinking about how they may differently impact both the local community and the Haven's own operations. The group outlined four categories of potential crisis:

- I. Ongoing and external, such as the current recession
- II. Ongoing and internal: such as issues with employees or guests stealing

III. Acute and external, such as Hurricane Irene

IV. Acute and internal: such as a crime or death on the Haven campus

Each of these crises posed different challenges for the Haven, could draw upon different resources, and needed different kinds of preparation. In this context, Kobylenski considered the vision of the Haven, “we will create a community where people find hope and discover possibility” and asked herself and her team, “what do we do to prepare ourselves for the next crisis?”

KEY QUESTIONS

1. What context was the Haven operating in before Irene?
2. What operational processes changed during the Irene response?
3. How can the Haven better prepare for the next disaster by institutionalizing some of the processes and learning what did and did not work well during this experience?
4. What can the Haven do to prepare for the next incident (recession, natural disaster or otherwise)?
5. What operational frameworks can we apply to the Haven and what adjustments need to be made to focus the goal on human outcomes rather than profits?
6. How can the Haven, and local/regional non-profits more generally, build operational flexibility?

EXHIBITS:

EXHIBIT 1. IMAGES FROM THE STORM

Special Edition: Tropical Storm Irene

MONDAY
AUGUST 29, 2011
7th
THE NEWSPAPER OF THE UPPER VALLEY

Irene Swamps Upper Valley

Dam Overflows, Bridge Torn Away, Rte. 12A Flooded

Anguish Rises Across the Valley

In Lebanon, a Brook Rages



FLOODWATERS FROM TROPICAL STORM IRENE WERE STARTING TO RECEDE AT UPPER VALLEY PLAZA ON ROUTE 12A IN WEST LEBANON. (VALLEY NEWS — JENNIFER HAUCK)
[HTTP://WWW.VNEWS.COM/08302011/8007536.HTM](http://www.vnews.com/08302011/8007536.htm)

EXHIBIT 2. THE UPPER VALLEY HAVEN CAMPUS



EXHIBIT 3. HISTORY OF STORMS IN THE UPPER VALLEY

Storm	<u>Category</u> (Intensity at landfall)	Season
New England Hurricane of 1938	Category 3	1938
1944 Great Atlantic Hurricane	Category 1	1944
Hurricane Able	Tropical Depression	1952
Hurricane Carol	Category 3	1954
Hurricane Edna	Category 1	1954
Hurricane Diane	Tropical Storm	1955
Hurricane Cindy	Tropical Storm	1959
Hurricane Donna	Category 2	1960
Hurricane Esther	Tropical Storm	1961
Hurricane Alma	Extr. Storm	1966
Tropical Storm Doria	Tropical storm	1971
Hurricane Agnes	Tropical Storm	1972
Tropical Storm Carrie	Tropical Storm	1972
Subtropical Storm Alfa	Subtropical Storm	1973
Hurricane Belle	Category 1	1976
Hurricane Gloria	Category 1	1985
Tropical Storm Henri	Tropical Depression	1985
Tropical Storm Chris	Tropical Depression	1988
Hurricane Bob	Category 2	1991
Hurricane Bertha	Tropical Storm	1996
Hurricane Floyd	Tropical Storm	1999

EXHIBIT 4. TIMELINE OF EVENTS OF IRENE & UVH'S RESPONSE

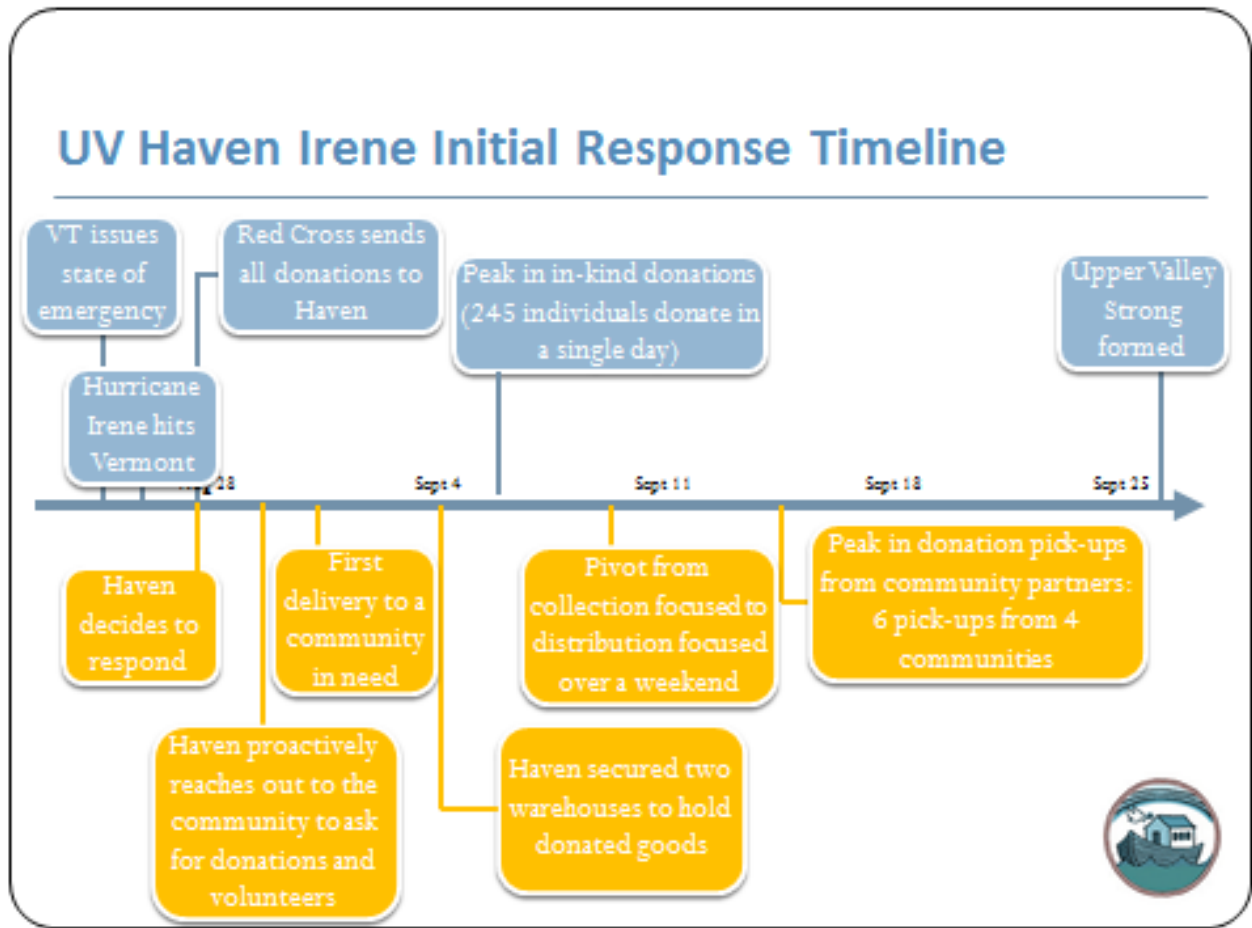


EXHIBIT 5A. IN-KIND DONATIONS

In-kind donations

The rate of donations and volume of donations impact staffing and storage, respectively

Cumulative In-Kind Donations August 30-December 31

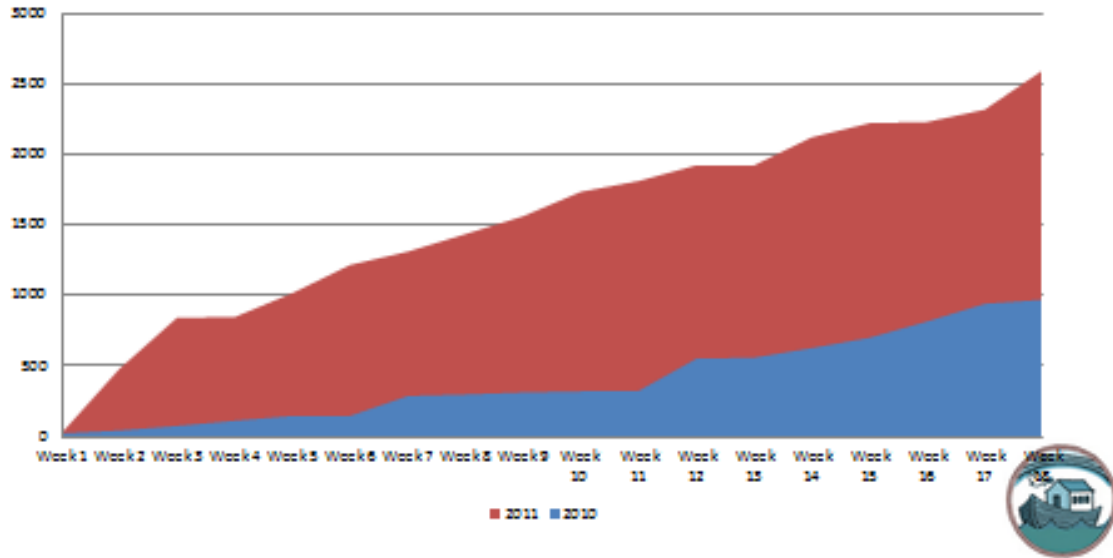
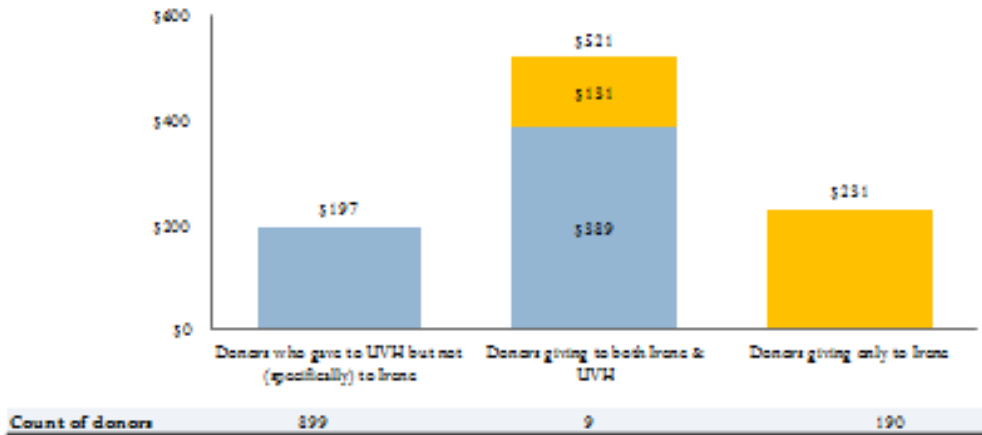


EXHIBIT 5B. MONETARY DONATIONS

Monetary donations – New donors

1 in 20 new “Irene” donors also gave directly to the UVH in FY2012

Average Donations by New Donors in FY2012



Note: Excludes gifts from family foundations and other non-individuals

EXHIBIT 6. UPPER VALLEY STRONG MATRIX OF SERVICES

Matrix of Services

	COVER	CV/CAC	HAVEN	SE/CA	TPHT	SUS WOOD	WH/WT	UV STRONG
ESQUIRES/VT APPLICATION HELP		XX		XX				
CASE MANAGEMENT- EVERYDAY ISSUES		XX	XX	XX				
CASE MANAGEMENT- IRENE ISSUES		XX	XX	XX				XX
CLOTHING			XX					
FOOD		XX	XX	XX				
FUNDING			XX			XX		XX
GENERAL ASSISTANCE (THROUGH STATE)		XX		XX				
HOME OWNERSHIP DOWN-PYMT PROGRAM					XX			
HOME REPAIR	XX							XX
HOUSES FOR SALE (BELOW MARKET)					XX			
HOUSING ASSISTANCE		XX	XX	XX				
MOBILE HOMES-RENE		XX						
MORTGAGE/FORECLOSURE COUNSELING							XX	
PHYSICAL PROPERTY ASSESSMENTS							XX	
RENTAL HOUSING					XX			
SHelter			XX					
WEATHERIZATION	XX	XX		XX				