



GiveSmart

Donor Decision Tool

How to Research a Nonprofit's Strategy and Results—Deep-Dive Approach

Collaborating to accelerate social impact

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Do you and your potential grantee share the same goals? It's important to find out, because no matter how strong an organization is, if there is a mismatch between your goals and what that nonprofit is aiming to do, the partnership isn't likely to achieve the results you desire.

While the research needed to reach clarity will vary in each case, what's constant is the importance—and power—of shared goals. To paraphrase Antoine de Saint Exupéry's famous quotation about love: "Results do not consist in donor and grantee gazing at each other but in looking together in the same direction."

To assess whether you are "looking in the same direction":

- Learn about the programs the organization runs: How do they work? What makes them different from other approaches?
- Ask what assumptions underlie the organization's programs (for example, that extending the school day will lead to better academic achievement).
- Determine if you believe in the connection between the organization's programs and the results it seeks. This is sometimes called a "theory of change."

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You'll also benefit from learning about where this organization fits in the broader field. Just as donors can't go it alone, nonprofits often rely on one another to meet their goals. For example, a charter school might recruit its teachers from a local teacher training program or send its graduating eighth-graders to a magnet high school. Ask the nonprofit's leaders whether other organizations step in to help create the desired outcomes and how they do so.

Finally, you will want to gather external perspectives on the nonprofit's work. Scanning secondary literature for articles written about the organization and speaking with external experts will help you determine the nonprofit's reputation in the field.

Your research into a nonprofit's strategy should consider the mission and goals of the organization and the activities it engages in to reach these objectives—its **program design**. The natural question to ask once you understand an organization's strategy is: Does this actually work? In addition, you'll want to understand whether the organization is refining its model with a focus on

improving results. Continue your investigation by seeking to understand the organization's **program effectiveness**.

Program design

How does an organization turn its strategy into action? Among other possibilities, a nonprofit's work might consist of offering a direct service, such as afterschool tutoring or job training, developing an advocacy campaign, or conducting research. For simplicity, we will refer to the work an organization does to get results as its "program" (or "programs"). The ability to get results is deeply tied to how an organization designs and delivers its programs.

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An organization's ability to get results also rests on its unique qualities. What specific elements differentiate this organization?

In the course of your research, try to answer these questions to help you understand an organization's program design and what it aims to deliver.

Key Questions

How has the organization defined the problem it is trying to solve?

- What is the unmet need the organization is addressing?
- How, specifically, does the organization describe this problem? (For example, a nonprofit supporting youth in foster care could anchor on the challenges directly facing the youth, the court system, or the foster families, to name a few.)
- How does the organization's work fit with other organizations in this field? (Who does the organization partner with? Who does it believe takes a different perspective?)

Has the organization defined its goals and approach to achieving them?

- Can the organization provide a clear and consistent statement of its goals or mission?
- What specific outcomes does the organization seek? Do these align with how the organization articulates the problem it aspires to solve? (For example, outcomes could be better educational outcomes for foster youth, reduced time foster youth spend in the court system, or reduced foster family turnover.)
- Is it clear how the organization believes its programs are designed to reach its goals?

- What are other organizations doing to tackle this problem? How does this organization work with and/or distinguish itself from these organizations and their approaches? Is there any evidence that this organization's approach is superior?

If the programs don't directly forward the organization's core mission (for example, sometimes organizations have "legacy" programs that don't seem aligned with the main focus), why is that the case? What is the rationale for programs that are not directly aligned?

- Do these programs generate or absorb funding?
- How much time does the leader spend on these programs?

Can the leaders make the tough decisions necessary for maintaining the organization's focus?

- What is the hardest decision the organization has made, and how did the leadership evaluate the tradeoffs involved?
- How does the organization decide whether to say yes or no to new opportunities?

Nonprofit program effectiveness

Is the nonprofit you are thinking of funding getting results? Finding out means taking on the difficult task of attempting to assign credit to the organization for creating outcomes that otherwise would not have occurred. This can be challenging in the absence of a rigorous, formal evaluation, which very few nonprofits have undertaken.

Your best course of action is to take advantage of existing data and knowledge about the field, starting with a survey of secondary literature and also reviewing any research the nonprofit organization has on hand. Consulting with an expert or two in the field is another way to learn more about how effective the organization's methods may be.

Consider the questions on the following pages as you research the nonprofit's program or programs.

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Key Questions

What evidence does the organization have about its outcomes?

- Has the organization conducted a third-party impact evaluation of its programs? If so, what did these evaluations conclude and what did the nonprofit learn as a result?
- If not, what data does the organization use internally to measure its results?
 - How accurate and representative of the full set of program participants do you sense the data is?
 - To what extent are you able to compare the results of the program against what “would have happened” in the absence of the program (for example, there has been research about youth who applied for charter schools but did not win the lottery, and compares outcomes of those youth to those who did go to the charter school)?

Does the organization have support from external experts in the field?

- What literature exists in support of the organization’s approach?
- Has the organization been invited to conferences or profiled in publications?
- Have experts in the field (for example, academics, folks working for think tanks, etc.) joined the board or shown other signs of support?
- What do peer organizations have to say about the organization?
- Do well-respected funders in the space support the organization?

Learning and improvement

Separate but related to your assessment of program effectiveness is your research into the organization’s focus on results and its process for learning and improvement.

You will also want to assess the extent to which a nonprofit focuses on outcomes and uses outcome data to get better over time.

It can be tempting for nonprofits to rely on individual success stories and a strong reputation in the field. In order to ensure that an organization is capable of getting sustained positive outcomes through its work, you will also want to assess the extent to which it focuses on outcomes and uses outcome data to get better over time.

Performance measurement has emerged as a hot topic within the nonprofit sector and ideally the organization has thought carefully about how to measure results and use targeted data

to improve. Be realistic, however: Not all organizations are ready to devote the resources to evaluation and measurement.

If you believe the nonprofit has a genuine desire to institute a system around performance measurement, perhaps this is something you can work together on rather than simply disregard the organization for not having it perfectly set up at the moment.

The questions on the next page can serve as a litmus test to gauge the extent to which the organization is focused on learning and improving.

To understand...	Ask the organization...
<p>... who or what causes the organization serves, to what end, and how the leaders believe change will come about ...</p>	<p>Tell me about your organization's strategy. How has it evolved? What sorts of experiences, or outside expertise, have influenced the strategy? Why do you think this approach is the best, given what you want to accomplish?</p>
<p>... if the organization collects the right data about its investments or activities and their results in order to make decisions ...</p>	<p>What processes and systems do you have in place to collect data? What exactly do you measure, and how does the data you collect help you make decisions?</p>
<p>... whether stakeholders contribute to or use the information the organization collects, and the value they gain from it ...</p>	<p>Is there any data you collect solely because one stakeholder (a funder, or partner) asks you for it? What pieces of data does each stakeholder ask for?</p>
<p>... if the organization has created the right forums—both internally and for stakeholders—to wrestle with data, share constructive feedback, and use it to drive improvements ...</p>	<p>Would you tell me about how you and your team discuss the data you collect? How do you share constructive feedback with one another?</p>
<p>... whether the organization uses the data and feedback it collects to make decisions ...</p>	<p>Can you think of a time when you used data or feedback to make a decision?</p>

SOURCES USED FOR THIS ARTICLE:

- Bridgespan, 2011
- Jeri Eckhart-Queenan and Matt Forti, "Measurement as Learning: What Nonprofit CEOs, Board Members, and Philanthropists Need to Know to Keep Improving," The Bridgespan Group, 2011