
THE NONPROFIT

Effectiveness Framework

Six Critical Elements to Nonprofit Work



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THE EFFECTIVENESS FRAMEWORK

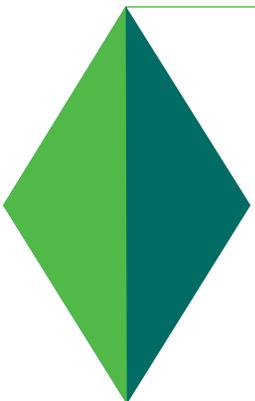
Introduction

In 2014, Mission Capital conducted extensive research into the state of the nonprofit sector in Central Texas. Our findings, included in the report, [On the Verge: Value and Vulnerability of Austin's Nonprofit Sector](#), detailed the size, scope, and economic impact of the sector. We learned that while nonprofits are indeed a powerful force for good in our community, many organizations are struggling with key organizational components: overall strategy, leadership, board engagement, fundraising capacity, and financial stability. It is critical for nonprofits to address these challenges to strengthen their ability to deliver on their mission.

Mission Capital recognizes that every nonprofit is (and should be) different from its peers in a host of ways. Yet, in the same way that all houses begin with the basic elements: a strong foundation, thoughtful framing, a blueprint for the layout of rooms, and the goal of housing a family, a nonprofit also needs a basic framework around which to live out its mission. Thus, we developed the nonprofit “effectiveness framework,” detailing core components that are essential to a nonprofit’s overall effectiveness.

To determine these elements, Mission Capital reviewed more than a dozen nonprofit frameworks and assessment tools developed by foundations, consultants and researchers from across the country.¹ While each one has a slightly different variations on what qualities are most critical for nonprofit effectiveness, we identified many common attributes. We also drew from Mission Capital’s 15-year experience consulting to and partnering with nonprofits as well as our in-house research of management best practices. We believe these six key elements are relevant to any organization, regardless of size, scope or mission.

We invite you to assess your organization’s strengths and weaknesses via this framework, celebrate successes, and consider how you can begin to target areas for improvement. This guide provides definitions, guidance, tools and resources to help you understand the elements of the Effectiveness Framework. The Mission Capital team is also ready to assist you with a multi-faceted suite of offerings customized to help you achieve a higher level of performance.



The Six Elements of the Framework

- **Clarity of Purpose** – How you define and align your work and impact
- **Sustainable Business Model** – How you develop resources to position your organization for success
- **The Right Leadership** – How staff and board leaders steer and steward organizational effort
- **Smart Operations** – How you manage and marshal organizational resources
- **Implementation and Improvement** – How you use information to adapt, innovate and improve
- **Strategic Collaboration** – How you leverage others for greater impact

¹ For more information regarding our favorite frameworks, check out: *The Performance Imperative* (www.leapofreason.org); *Forces for Good* (<http://www.forcesforgood.net/>); and the *Organizational Capacity Assessment Tool* (<http://mckinseysociety.com/ocat/>).

CLARITY OF PURPOSE

Why does an organization exist? What results is it trying to achieve and how does the work create this impact? Effective nonprofits are guided by their core mission, theory of change and strategic plan, and they work hard to stay on the right path in order to achieve greater impact.



HOW YOU DEFINE AND ALIGN YOUR WORK AND IMPACT

MISSION

Our mission statement is clear, compelling, and used as a guide toward reaching our intended impact.

A mission statement should serve as a guiding star, describing the reason an organization exists and what it hopes to achieve. Typically mission statements are “tight on ends, loose on means,” providing clarity about what the organization aspires to do, but doesn’t necessarily restrain how it gets there. In addition to a mission statement, many organizations use vision statements to articulate how the world will be a better place if their mission is met.

SOUND ANALYSIS

Our work is based on sound analysis and understanding of the issues and best practices in our field.

Sound analysis comes when an organization spends the time and effort to get a firm understanding of its landscape. What is the need or problem the nonprofit is addressing? How does that fit within the larger context of others working to address this same issue? How might changes in the larger ecosystem (e.g. specific mission area, geography of where services are delivered) influence the organization’s ability to meet its mission? Are the programs based on research and/or industry-wide best practices? Have insights been gathered from program participants or beneficiaries? These are just a few of the questions for a nonprofit to consider as it seeks clarity regarding its programming, its intended impact, and how it is uniquely positioned to address a specific community need.

THEORY OF CHANGE

We have a Theory of Change for our core programming, which clearly defines our target population and outlines how our organization's programs will achieve desired results.

A Theory of Change (TOC) is a road-map that describes how an organization's resources and activities lead to intended outcomes. A TOC also clarifies which groups or individuals an organization serves (i.e. target audience). It can be helpful to develop an overall organizational level TOC, along with a theory for each core program. A TOC can be a written narrative, or depicted through the use of a graphic, such as a logic model.

STRATEGIC PLANNING

Our strategic plan serves as an effective guide for making decisions about opportunities and policies.

Strategic planning is designed to help an organization chart a course and provide an action plan for the next three to five years. The strategic planning process should help an organization think about its financial viability and mission impact, and the relationship between the two. During the process it is also critical to gather data from key stakeholders to take account of current realities. While the final form of the strategic plan will vary, the process should help answer critical questions related to community need and market, core programming and impact, staffing and governance, and business model.

STRATEGIC PLAN INTEGRATION

We have a strategic plan that guides our daily work.

Once a strategic plan is created, it should be fully integrated into the day-to-day work of the organization. Nonprofits create a detailed, annual operating plan which includes a coordinated set of tasks for carrying out strategic goals. Other ideas include regularly tracking, analyzing and reporting on key metrics included in the strategic plan and tying employee performance goals to strategic goals. One of the top responsibilities of a nonprofit Board of Directors is ensuring strategic direction, so it is essential that the board has a clear way to monitor the plan's progress at a high level, particularly any metrics related to the board's own work.

PROGRAM MIX

We have the right mix of programs and services to achieve our mission and strategy.

The programs a nonprofit operates should reflect the highest and best use of organizational resources. It is important to periodically assess the perceived impact, as well as the financial viability, of each core program and service. Often nonprofits must make difficult choices about which programs to eliminate in order to better allocate resources to more impactful programs that reflect current community need and strategic priorities. Considerations such as scale (how many people it reaches), depth (how deeply does it impact participants) and whether it is filling an important need that participants can't meet elsewhere should be taken into account during this evaluation of program mix.

TOOLS AND RESOURCES

Mission Capital Services and Resources

Strategic Business Planning – <https://missioncapital.org/what-we-do/consulting>

Our team of consultants can help you assess your organization, identify goals and consider how to direct your resources to achieve those goals.

Organizational Diagnostic – <https://missioncapital.org/what-we-do/consulting>

Using The Effectiveness Framework as a guide, we assess where your organization is right now and its likely trajectory, as well as providing useful recommendations that become a prioritized action plan.

Learning and Leadership Courses – <https://missioncapital.org/what-we-do/learning-leadership>

Attend expert-led courses with topics ranging from strategic business planning to outcomes management.

How to Approach Strategic Planning Consulting Like a Nonprofit Consultant – <https://missioncapital.org/insights-and-ideas/blog/approach-strategic-planning-like-nonprofit-consultant/>

Every nonprofit ought to have a clear direction, but the strategic planning process can be complex. The Mission Capital approach ensures that you come out with a helpful planning tool.

Theory of Change Template – <https://missioncapital.org/?p=4145>

Use this template to assist in the creation of a logic model, outlining how your programs will lead to desired outcomes.

Other Resources

Working Hard & Working Well, by David Hunter – <http://leapofreason.org/get-the-books/working-hard-and-working-well/>

This practical guidebook offers a step-by step process to develop an organizational theory of change.

Zeroing in On Impact – http://www.ssireview.org/articles/entry/zeroing_in_on_impact/

This article provides examples of nonprofits, including the Harlem Children's Zone, who have gone through a process of developing an organizational-wide theory of change.

Ten Keys to Successful Strategic Planning for Nonprofit and Foundation Leaders –

http://www.tccgrp.com/pdfs/per_brief_tenkeys.pdf

This document provides a review of the 10 key components of an effective strategic planning process.

Matrix Map – <http://nonprofitquarterly.org/2014/04/01/the-matrix-map-a-powerful-tool-for-mission-focused-nonprofits/>

Use this tool (and the book, *The Sustainability Mindset*) to plot your organizational activities into a single picture of mission and financial impact.

SUSTAINABLE BUSINESS MODEL

How does an organization raise and spend money to fulfill its mission and strategic goals? Effective nonprofits are thoughtful of the financial drivers that sustain the organization. They build their business model on a well-developed understanding of the market, work to ensure all programs are financially viable and cultivate a strong culture of philanthropy.



HOW YOU DEVELOP RESOURCES TO POSITION YOUR ORGANIZATION FOR SUCCESS

FINANCIAL VIABILITY

Our programs are financially viable and incorporate earned revenue opportunities where possible.

Every nonprofit program should have a clear revenue strategy. In some cases, this may be an earned income model, such as a fee-for-service. In other cases a fundraising mix may include philanthropic contributions from individuals, charitable foundation grants and government contracts. Programming should contribute financially to an organization's bottom line from clearly defined and continuing revenue sources (be it contributed or earned), with relatively few programs requiring a subsidy from unrestricted funds. All programming, including fundraising efforts, should work together to create a financially viable picture.²

VALUE PROPOSITION

We have a well-developed understanding of our competitive and cooperative landscape, and clearly position ourselves as a unique value to key audiences and stakeholders.

In order to fuel a nonprofit's economic engine, an organization must be able to clearly define its unique value proposition. A value proposition is an important base for a business model, and requires regular reflection and tweaking as the community need and the target audience and market evolve. What sets you apart from others vying for foundation dollars? If you operate a fee-for-service program, why should a potential client choose you over another nonprofit or for-profit competitor? In seeking charitable gifts from individuals, why should a potential donor give to you instead of other nonprofits? These are critical questions to consider when messaging your organization's unique value to stakeholders.

BUDGETING

Our budget process and financial reporting are fiscally sound, transparent, and based on realistic assumptions and projections.

A nonprofit's annual budget is a critical tool which reflects the strategic priorities of the organization. It should be based on realistic assumptions, with every line item assessed individually, taking into account future projected changes in funding. Organizations should also establish and use financial policies and procedures that keep both board and staff accountable.

CULTURE OF PHILANTHROPY

We have a strong culture of philanthropy, which includes board and staff operating as ambassadors, regularly and visibly interacting with donors in fundraising efforts.

In order to support successful and sustainable fundraising efforts, an organization should focus on cultivating a "culture of philanthropy." Fundraising must be viewed as a mission-aligned program, with both the board and the Executive Director being committed and personally involved in fundraising initiatives. In addition, all staff and board should serve as advocates and champions for the organization and participate in fundraising efforts.

DEVELOPMENT PLAN

We have a comprehensive, actionable fund development plan that guides our strategy, staffing and activities.

A comprehensive fund development plan outlines how board and staff will work together to raise philanthropic dollars to support the organization's mission. The plan should be owned by the organization as a whole, not simply development staff. It details several key components, including strategic and financial goals, identification of target markets, cultivation and solicitation strategies, metrics and timetables, and key roles and responsibilities.

STABLE FUNDING

Our funding portfolio is stable and predictable.

While funding diversification can be critical to insulating an organization from risk, perhaps even more important is the stability and predictability of funding sources. For example, an organization that is heavily reliant on grants may find that this funding source is not predictable enough year to year. In this case, it would be important to explore other avenues for building out diverse revenue streams such as individual giving or earned income. A stable and predictable funding mix ensures the organization can continue to work toward its mission and sustain key programs.

TOOLS AND RESOURCES

Mission Capital Services and Resources

Alternative Financing and Earned Revenue Consulting – <https://missioncapital.org/what-we-do/consulting>

Let us help you evaluate your nonprofit's revenue strategies and determine the skills, tools and financial plans needed to fuel your work.

Learning and Leadership Courses – <https://missioncapital.org/what-we-do/learning-leadership>

Attend expert-led courses with topics ranging from strategic business planning to outcomes management and leadership development.

UnderDeveloped in Central Texas – <https://missioncapital.org/?p=4198>

This report includes insights from Austin-area EDs and development directors about the state of fundraising and the fundraising profession in our region, along with recommendations for building more effective fundraising practices.

Analyzing Nonprofit Financial Reports – <https://missioncapital.org/?p=4147>

A set of questions and considerations to use when analyzing financial reports.

Nonprofit Financial Matters Checklist – <https://missioncapital.org/?p=4181>

This checklist can help nonprofit board and staff evaluate the strength of an organization's finances.

Social Impact Investors Provide “Creative Capital for Nonprofits” –

<https://missioncapital.org/insights-and-ideas/blog/social-impact-investors-provide-creative-capital-for-nonprofits/>

For nonprofits with an Earned Revenue Model, we've seen an emergence of social impact investing options such as loans, impact investments, and program related investments (PRIs) that provide new funding alternatives for organizations willing to seek them out

Business Framework for Assessing Nonprofit Programs –

<https://missioncapital.org/insights-and-ideas/blog/business-framework-for-assessing-nonprofit-programs>

The Business Model Canvas can help nonprofits create a framework and structured approach to tactical planning as well as building a case for funding.

Other Resources

Building a Culture of Philanthropy in Your Organization –

<http://nonprofitquarterly.org/2015/03/27/building-a-culture-of-philanthropy-in-your-organization/>

Strategies and concrete ideas for building board and staff responsibility related to fund development and philanthropy.

Business Model Statements – <http://www.blueavocado.org/content/nonprofit-business-model-statements>

This article offers ideas for creating a business model statement which spells out your organization's economic drivers.

How To Craft a Unique Value Proposition for Your Organization –

<http://pulsemarketingagency.com/how-to-craft-a-unique-value-proposition-for-your-non-profit-organization/>

Developing a strong, convincing unique value proposition is a critical first step in developing a successful development plan.

Creating a Fund Development Plan That Produces Ownership and Results –

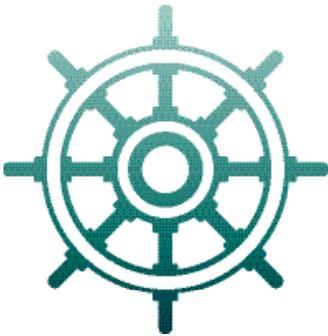
<http://www.simonejoyaux.com/downloads/lanning.pdf>

This resource provides tips and tools to use when creating a fund development plan.

² See *The Sustainability Mindset* by Zimmerman and Bell for more information <http://www.nonprofitsustainability.org>.

THE RIGHT LEADERSHIP

At the helm of any great organization are strong, visionary leaders who can chart a course for the future and marshal resources, all the while maintaining a laser sharp focus on results. They must be able to inspire and motivate, as well as plan, organize and coordinate efforts. This responsibility is spearheaded by the Executive Director/CEO, who champions the organization in partnership with senior staff and the board of directors. Together, this leadership team focuses on building individual, organizational, and systems capacity with the ultimate goal of creating lasting social change.



HOW STAFF AND BOARD LEADERS STEER AND STEWARD ORGANIZATIONAL EFFORT

RESULTS-DRIVEN

Our staff and board leaders responsibly work and motivate others towards meaningful, measurable and financially-sustainable results.

The end goal of any nonprofit is to deliver results for the people or causes it exists to serve. It is the responsibility of board and staff leaders to ensure that appropriate resources of the organization, including board and staff, are directed toward this end. Through their direct work and supervision of staff and volunteer efforts, leaders of effective organizations work to ensure that programs are strategically-designed and well-implemented. They are passionate about pushing the organization to continually improve.

MODEL VALUES

Our leadership models core organizational values.

Organizational values serve as the underlying principles guiding how a nonprofit operates, as well as how it interacts with the community. Core values are also foundational to the development of a healthy organizational culture. While the specific values are unique to each organization, examples include principles such as service excellence, innovation, integrity, commitment, community, and team-work. The leadership team and board should embody the values of the organization and model them throughout the organization and in the communities they serve.

EXECUTIVE DIRECTOR / CEO

Our Executive Director is the right leader for this organization at this point in our growth.

All nonprofits experience different phases of growth and development as they move across their life cycle. During each of these phases, the Executive Director/CEO is called upon to lead and manage in unique ways. For example, during a stability phase, a well-rounded executive who can chart a steady course is important. During a renewal phase, a highly-motivated, innovative leader who can act decisively and rally the organization around new programs may be most important. Regardless of an organization's life-cycle phase, the sector overall continues to experience major shifts and disruptions. The Executive Director must be able to continually scan the external environment to anticipate changes, adapt and respond.

BOARD CAPITAL

Our board contributes strategic capital through their leadership, time, financial resources, networks and skills.

Behind almost every strong nonprofit is a strong board. Just like the Executive Director, the board must be forward-thinking with an ability to anticipate and respond to shifts in the sector, the community and the organization's clients and stakeholders. In addition to this type of strategic leadership, it is critical for board members to meaningfully support the organization through their time, talent and treasure, and serve as stewards and ambassadors for its work and mission.

BOARD OVERSIGHT

Our board provides effective oversight of the organization, the Executive Director, and the board itself.

A nonprofit's board of directors has a critical responsibility to oversee the work of the organization and protect the public interest. It is important for the board to understand that they have an actual legal obligation as part of their charge. This governance role includes both financial and legal oversight, as well as regular monitoring of the organization's key programmatic work. The board is also responsible for selecting and regularly evaluating the Executive Director's performance. A good board also evaluates its own performance and considers ways, both individually and collectively, that the work of the board can be strengthened.

LEADERSHIP SUCCESSION

Our organization is prepared for succession of board and senior staff.

Succession planning is the process of identifying and developing staff and board members with the potential to fill key leadership positions. This leadership development pipeline provides confidence that there will be continuity in the organization's work and demonstrates to employees that there is a path to future success and leadership in the organization.

Succession planning also includes developing a process for how interim leadership will be handled in the event of unexpected or expected staff or board turnover. Succession planning work is critical in order to ensure that the organization can continue to achieve its mission and deliver its key programs and operations during times of leadership change.

TOOLS AND RESOURCES

Mission Capital Services and Resources

Board Development Consulting – <https://missioncapital.org/what-we-do/consulting>

We provide consulting support to help you develop an engaged board that leads your organization to success, and utilizes effective board models and strategies.

Executive Director Transitions – <https://missioncapital.org/what-we-do/consulting>

Turn a time of organizational change into one of opportunity and progress with professional, trained, objective guidance.

Learning and Leadership Courses – <https://missioncapital.org/what-we-do/learning-leadership>

Attend expert-led courses with topics ranging from strategic business planning to outcomes management and leadership development, such as Board Essentials, our 2 hour training for board members.

OnBoard – <http://www.501community.org/onboard>

OnBoard features resources for those new to board service, looking to become board leaders, as well as nonprofit staff charged with board development.

Central Texas Board Report – <https://missioncapital.org/?p=4183>

This study evaluates the specific struggles of Central Texas nonprofits and their boards, and provides recommendations for key areas of growth.

Board Job Descriptions – <https://missioncapital.org/?p=4154>

This document includes job descriptions for chair, vice-chair, treasurer, secretary, committee chair and general board members.

Board Member Agreement – <https://missioncapital.org/?p=4156>

This sample agreement/contract outlines the duties and expectations of board members.

Board's Role in Financial Oversight – <https://missioncapital.org/?p=4179>

This document outlines the board's role in the financial oversight of the organization.

Discussion Questions for Board Self-Assessment – <https://missioncapital.org/?p=4161>

A list of questions that can kick-start a board's self-assessment and evaluation.

How to Evaluate the Executive Director – <https://missioncapital.org/?p=4165>

A resource packet that includes tips, checklists and templates to help a board evaluate the Executive Director.

Other Resources

What Social Sector Leaders Need to Succeed –

http://www.mckinsey.com/insights/social_sector/what_social_sector_leaders_need_to_succeed/

This McKinsey & Company article which argues for the critical importance of committing more funds across the sector to leadership development.

Nonprofit Leadership Development: What's Your "Plan A" for Growing Future Leaders –

<http://www.bridgespan.org/Publications-and-Tools/Career-Professional-Development/Develop-My-Staff/Plan-A-How-Successful-Nonprofits-Develop-Leaders.aspx#.ViEn0itLU74/>

This guide helps nonprofit leaders build a proactive and systematic pipeline of future leaders.

The Dawn of Systems Leadership – http://ssir.org/articles/entry/the_dawn_of_system_leadership

This article illustrates the core capabilities required for system leadership through stories of successful practitioners.

The Nonprofit Leadership Development Deficit –

http://ssir.org/articles/entry/the_nonprofit_leadership_development_deficit

Succession planning is a significant concern for nonprofits nation-wide, but they are failing to develop their most promising pool of talent: the homegrown leader.

SMART OPERATIONS

Great leaders, a solid business plan and a strategy are all necessary components of organizational success. However, to achieve lasting success, organizations must build and manage internal operations to carry out their mission. They must recruit and retain the right people, build a strong brand and culture and ensure necessary resources and procedures are in place to support day-to-day activities.



HOW YOU MANAGE AND MARSHAL ORGANIZATIONAL RESOURCES

HUMAN CAPITAL

We recruit, develop and retain the right people to achieve our mission and effectively support our organization.

Staff are a nonprofit's most important asset. Organizations must be intentional about identifying the specific skills sets, qualities and attributes needed to build a successful team. In addition, it's important to think strategically and creatively about how to attract and retain that talent, particularly in today's competitive environment. This also means it is important to recognize when certain staff are no longer contributing to the organization's success and potentially having the difficult conversation to end their employment.

APPROPRIATE RESOURCES

Our staff and volunteers have what they need to do their jobs (including technology, facilities, supplies).

Organizations must prioritize investing in the resources and tools that staff, board and volunteers need to carry out the mission of the organization. For example, are facilities conducive to the types of work the nonprofit is engaged in? Is the right hardware and software available? Securing the proper resources for the team to deliver the organization's mission must be prioritized when developing annual budgets and strategic plans.

INFORMATION MANAGEMENT

We have practical information management systems to track important operational and programmatic data.

Nonprofits have increasingly come to rely on databases and other information management systems to track donors, volunteers, organizational and programmatic data. These systems should be integrated into day-to-day workflow, helping make their jobs easier. Systems should also allow for greater automation and enhanced consistency.

POLICIES & PROCEDURES

We use written policies and procedures to support efficient operations and appropriately protect our organization from risk.

Well-developed policies and procedures help define and guide day-to-day operations, as well as enhance organizational stability. Financial, human resources, audit and whistle-blower policies also help to protect the organization from risk. Ideally policies and procedures are developed in collaboration with key stakeholders and connected to broader organizational strategy. They also should be well-communicated and easily understood by board, staff and volunteers.

BRAND

We have a robust organizational brand that we build through our strategy, marketing and communications.

Brand is a shorthand for the construct that stakeholders use to understand the identity of an organization. It includes all public perceptions about a nonprofit's character, what it stands for, what it does, and its social impact.³ Building a strong brand requires an organization to clearly and consistently communicate its mission, vision and impact to the community across all channels. Brands are invaluable to nonprofits, helping to attract the resources and support that organizations need to grow and deliver on their mission.

CORE VALUES & CULTURE

We have core values and integrate them to build a strong organizational culture.

Organizational culture is the way people communicate with each other, how they resolve conflict, how they celebrate, how they lead, manage, and do their work, and how they relate to each other.⁴ A fundamental building block of a strong culture is a set of shared values. These core values should be developed in close collaboration with staff and board, and then integrated into day-to-day work. Both an organization's core values and culture must be regularly tended to.

WORK PLANS & INCENTIVES

Staff understands their role in achieving our ultimate impact and have clear work plans with meaningful incentives.

Staff and volunteers are at the heart of a nonprofit's mission-delivery service, and it is critical they understand their role in contributing to the success of the organization. Work plans should clarify employees' expectations and how specific tasks relate to larger strategic goals. Staff and volunteers also need to know that the organization values their work and recognizes and rewards exemplary performance. Incentives can span the gamut from bonuses and raises to extra time-off to a reserved parking spot; it is important to consider what your organization can make possible and what employees find valuable.

TOOLS AND RESOURCES

Mission Capital Services and Resources

The New Nonprofit Workforce: Emerging Trends and Recommendations – <https://missioncapital.org/?p=4196>

This study includes which five major career trends in the evolving nonprofit workforce, along with recommendations for nonprofits and individuals.

DISC Assessment

The DISC is a personal assessment tool which is used to improve work productivity, teamwork and communication. Contact Amber at amberf@missioncapital.org for more information.

Staff Performance Evaluation – <https://missioncapital.org/?p=4174>

This document provides a sample staff performance evaluation and tips to manage review sessions.

Other Resources

The Eight Building Blocks of Strong Nonprofit Brands –

<https://nonprofitquarterly.org/2015/10/02/the-eight-building-blocks-of-strong-nonprofit-brands/>

This article identifies eight key components in building a strong brand.

Talent Matters – http://ssir.org/talent_matters

A series of articles from the Stanford Social Innovation Review which explores how to make talent a bigger priority in the social sector.

A Culture of Care Without Compromise – http://ssir.org/articles/entry/a_culture_of_care_without_compromise

Four ways nonprofits can better advance their mission by building respect, kindness, responsibility and honesty into their organizational culture.

³ See Peter Frumkin's article, *The Eight Building Blocks of Nonprofit Brand*. <https://nonprofitquarterly.org/2015/10/02/the-eight-building-blocks-of-strong-nonprofit-brands/>.

⁴ The definition of core values comes from David LaPiana <http://lapiana.org/>.

IMPLEMENTATION AND IMPROVEMENT

High-performing nonprofits work hard to deliver quality programming and build a strong culture of learning and improvement. These organizations value the regular use of data to track progress and strengthen program implementation. They encourage intelligent risk-taking and regularly experiment with new ideas and approaches. There is a strong focus on professional development and actionable, continuous learning. All of this is done in service to delivering better results to clients and the community.



HOW YOU USE INFORMATION TO ADAPT, INNOVATE AND IMPROVE

PROGRAM QUALITY

We implement our programs with consistent high quality.

Effective nonprofits understand that even the most well-designed programs will not lead to measurable results without a strong focus on the quality of service and program delivery. They work to ensure all staff and volunteers are well-trained and regularly monitor various aspects of program implementation. They recognize that quality matters and strive to consistently meet and exceed their client's expectations, and best practice standards.

METRICS

We have the right metrics to track our progress and measure our outcomes.

Operational and programmatic metrics allow organizations to assess the degree to which they are making progress on important goals. While output metrics such as number of people served can be important to track, even more important are outcome metrics which help determine if the work is leading to actual change in clients or participants.

INTERNAL EVALUATION

We regularly analyze and discuss our data to continually improve our work.

It is not enough to simply collect data on program and operational outputs and outcomes. Organizations must also gather this data into actionable, easily-accessible formats, such as through the use of a dashboard. Nonprofits also must make time to discuss the data and use it to guide improvements. Developing a systematic process for internal evaluation will help organizations better understand their programs and operations and ultimately achieve a higher level of performance.

EXPERIMENTATION

We experiment with and test new ideas and approaches to improve our work.

While long-term planning is crucial, effective nonprofits also recognize the value of iterative learning through experimentation. In recent years, “lean” experimentation has entered the social sector. Lean experimentation focuses on quickly turning new ideas for programs, services, or even new revenue models, into iterative experiments.⁵ This allows organizations to speed up the process of testing ideas, quickly weeding out those that won’t work and validating those that do.

PROFESSIONAL DEVELOPMENT

We invest in learning and keeping up with best practices in our field through professional development and peer learning.

Professional development is critical to help ensure that staff keep up with the trends, resources and evolving ideas that will help advance the mission of the organization, and their own growth and development. Organizations should proactively budget for professional development, and make staff learning and leadership goals an organizational priority. This could include formal resources such as trainings, conferences, courses and certification programs and more informal resources of mentoring, books, blogs and webinars.

COMMITMENT TO LEARNING

We have an organizational culture that values learning; we recognize that failures are opportunities for improvement.

Creating and sustaining a culture that values learning is a necessity for effective nonprofits. In a true learning organization, employees are given the time and resources to make learning a priority, and they are encouraged to take risks and iterate. Leaders provide constructive feedback and honest appraisals of what is working and what is not. Furthermore, they acknowledge that failure is a necessary part of learning and growth.

TOOLS AND RESOURCES

Mission Capital Services and Resources

Learning and Leadership Courses – <https://missioncapital.org/what-we-do/learning-leadership>

Attend expert-led courses with topics ranging from strategic business planning to outcomes management and leadership development.

Is Your Nonprofit Managing to Outcomes? –

<https://missioncapital.org/insights-and-ideas/blog/is-your-nonprofit-managing-to-outcomes/>

A set of guiding questions for nonprofits to consider as they work to develop a culture that uses outcome data to improve programs and services.

Sharing Your Impact: Combining Story-telling with Outcome Data –

<https://missioncapital.org/insights-and-ideas/blog/sharing-your-impact-combining-storytelling-and-outcome-data/>

Learn about how your organization can effectively combine qualitative and quantitative data to tell your story.

Theory of Change Template – <https://missioncapital.org/?p=4145>

Use this template to create a logic model, outlining how your programs will lead to desired outcomes.

Other Resources

Leap of Reason – <http://leapofreason.org>

This website includes videos, articles, books and other free resources to inspire and support leaders and funders in creating more meaningful, measurable good for those they serve.

PerformWell – <http://www.performwell.org>

A website that provides measurement tools and free on-demand webinars on the topics of outcomes management and evaluation.

Kellogg Foundation Logic Model Development Guide – <http://www.smartgivers.org/uploads/logicmodelguidepdf.pdf>

This guide was developed to provide practical assistance to organizations working to develop a logic model for a specific program or service.

A Nonprofit Dashboard – <http://www.blueavocado.org/content/nonprofit-dashboard-and-signal-light-boards>

Easy tips and tools for creating a dashboard for finances, programming, fundraising, etc.

The Promise of Lean Experimentation – http://ssir.org/articles/entry/the_promise_of_lean_experimentation

Article on the “lean” model which can be used to launch, test and implement new programs and services more efficiently and effectively.

If You Have To Fail--And You Do-- Fail Forward –

<http://www.forbes.com/sites/mikemaddock/2012/10/10/if-you-have-to-fail-and-you-do-fail-forward/>

The most inventive people are usually the best at failing forward, i.e. learning from what went wrong.

STRATEGIC COLLABORATION

The scale and complexity of social problems means that effective nonprofits are prepared to think differently about how best to achieve real community progress. They recognize that isolated approaches rarely result in lasting change. Instead, they apply a systems-wide lens to their work and look for ways to be actively involved in networks, coalitions or other collaborative projects. They look beyond the internal management of their organization to create new and different ways of working with nonprofit, for-profit and public sector players.



HOW YOU LEVERAGE OTHERS FOR GREATER IMPACT

EXTERNAL RESOURCES

We cultivate the partners and external resources necessary to deliver on our mission.

Effective nonprofits are always working to build their connections in the broader community. Being actively engaged in the community leads to organizational and individual relationships that can be leveraged to better support their work. From these relationships, organizations can exchange information and ideas, make and receive referrals, share resources, and in other ways advance the mission of the organization.

COMMUNITY PARTNERSHIPS

We have formal partnerships with public, private and nonprofit players to achieve greater impact.

The nonprofit sector is seeing an increased need, eagerness and even expectation to collaborate. This convergence allows for greater dialogue and partnership among nonprofit, corporate and government leaders. Formalizing these partnerships with appropriate contracts, Memoranda of Understanding and agreements secures the interests of all parties by specifying roles, responsibilities and expectations. Effective nonprofits recognize that they can achieve more together than they can independently.

ROLE IN LARGER SYSTEM

We understand our organization's role addressing complex community challenges.

Most organizations don't have the capacity to dramatically scale up programs and services, or to reach every individual in their target client population. However, nonprofits of every size have the potential to help "move the needle" on community challenges. Nonprofits can do this by becoming clear about their ultimate goal or vision for community change, and the specific role they intend to play in the overall solution.⁶ They share their model with others so that best practices can be replicated; they advocate for specific policy changes; or they participate in community-wide change efforts, to name just a few approaches.

SYSTEM CHANGE

We are involved in a network, coalition, or other systems-change initiative designed to achieve community improvement.

There are numerous system-change efforts taking place in our community, formed to tackle the region's most complex challenges through collective approaches. No matter the size of organization, there are ways to support and get involved with these efforts. Often these collaborative projects bring groups together who are approaching the same problem from different perspectives or playing complementary roles in addressing a similar need.

SYSTEM LEADERSHIP

We openly provide information and guidance when others seek our leadership and wisdom in order to amplify our impact.

Organizations modeling system leadership use their knowledge and wisdom to work with others to develop lasting solutions to the challenges facing a community. They serve as strong advocates for social change, encouraging dialogue, collaboration and information sharing. They focus on the whole system and what is needed to change it, rather than solely concentrating on their own organization's individual outcomes and sustainability.

TOOLS AND RESOURCES

Mission Capital Services and Resources

Partnerships – <https://missioncapital.org/what-we-do/consulting>

Explore strategic collaborations, evaluate your partnerships and identify new ways of working together to extend your community impact.

System Change – <https://missioncapital.org/what-we-do/collaborative-projects/>

Solving complex problems requires intentional and productive collaborations. Our systems-impact services focus on helping organizations work together across sectors to achieve greater impact.

Nonprofit Mergers: A Strategic Tool for Impact and Sustainability – <https://missioncapital.org/?p=4189>

This report offers an in-depth understanding of the benefits, challenges and complexities of nonprofit mergers.

Nonprofit Partnership: Motivations and Desired Outcomes – <https://missioncapital.org/?p=4200>

A worksheet which provides guidance on motivations for pursuing merger or other forms of strategic collaboration based on the outcomes organizations want to achieve.

Collective Impact for Austin-Area Foster Children – <https://missioncapital.org/what-we-do/impact-stories/tccc/>

Learn how several nonprofits, funders, community activists and government agencies are collectively leading a project aimed at improving the foster care system in Austin.

Transforming Our Communities Requires Transforming Our Thinking –

<https://missioncapital.org/insights-and-ideas/blog/transforming-our-communities-requires-transforming-our-thinking/>

If Central Texas nonprofits want to move the needle on the really big issues, we need to take a fundamentally different approach, one that recognizes the complexity of the problem and opens our minds to new and different ways of working together.

501(c)ommunity – <http://www.501community.org/>

This private, online community provides nonprofit professionals, board members and volunteers with a place to connect and share information, experiences and ideas.

Other Resources

Local Forces for Good – http://www.ssireview.org/articles/entry/local_forces_for_good

The authors of the influential book, *Forces for Good*, examine how their framework, including the concept of “Nurturing Nonprofit Networks,” applies to local and smaller organizations.

Dawn of System Leadership – http://ssir.org/articles/entry/the_dawn_of_system_leadership

This article illustrates the core capabilities required for system leadership through the stories of successful practitioners.

Collective Impact Forum – <http://collectiveimpactforum.org/>

This website includes an online community and resource for practitioners and funders seeking to utilize the collective impact approach.

Stanford Social Innovation Review Collective Impact Articles – http://www.ssireview.org/articles/entry/collective_impact

This website includes a variety of resources on the topic of “collective impact” for systems change.

The Partnering Toolbox – <http://thepartneringinitiative.org/publications/toolbook-series/the-partnering-toolbook/>

A free, online book offers a concise overview of the essential elements that make for effective partnering.

⁶ For more information on this topic, see *What’s Your End Game?* http://ssir.org/articles/entry/whats_your_endgame.

ABOUT MISSION CAPITAL

While Austin experiences significant growth, our community remains overwhelmed by persistent social challenges. Mission Capital provides the tools and guidance needed to tackle these complex issues and create lasting social change. We combine human, financial, intellectual, social and political capital to fuel the work of mission-driven people and organizations.



***WE PROVIDE THE POWERFUL
SOLUTIONS AND EXPERTISE
YOU SEEK***

Consulting Services

Regardless of your organization's size or focus, our team of consultants serve as trusted advisors and customize each project to meet your goals.

Learning and Leadership Programs

Throughout the year, we provide in-depth courses that increase your capacity in leadership development, strategic business planning, outcomes management and more.

Mission Accelerator

Each year, a select group of nonprofits work alongside business entrepreneurs and our consulting team to refine a vision for growth that will significantly increase their community impact and better attract investors.

A Network for Social Change Leaders

From nonprofit leaders, to social entrepreneurs, community activists, philanthropists, funders and other investors, we provide connect you to a community of leaders who share your passion and can help move your vision forward.

MissionCapital.org



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