

Outcomes Measurement – Now More Than Ever

By Hedda Rublin

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It is rare these days to open a nonprofit journal or the popular press without coming across an article about accountability. While such articles most often focus on how funds have been spent, the more fundamental but less often asked question is really: How well is any nonprofit achieving its core mission?

One way of answering this question is through outcomes measurement – a uniquely effective vehicle for ensuring a nonprofit's accountability to *all* of its key stakeholders. In this article, we will posit that outcomes measurement is a powerful way to guide meaningful performance improvement and facilitate an organization's effort to fulfill its core mission.

Outcomes measurement is a vital activity that should be pursued in good economic times and in bad. If your organization measures outcomes simply to satisfy funders, you will have missed a critical opportunity to define success for yourselves and make tangible progress towards achieving it.

What is Outcomes Measurement? How Does it Differ from Program Evaluation?

What do we mean by “outcomes”? You may be familiar with tracking such information as the number of clients served, or the quantity of services, programs or activities provided. While these are important data points, they represent mere “outputs” of an organization's activities rather than true outcomes.

Outcomes refer to the changes that a nonprofit organization brings about in the behavior, attitudes or condition of its customers or clients. Outcomes measurement confirms answers the central organizational question – why does what we do matter? Examples of outcome measurements might include improved school performance, reduced homelessness, increased appreciation of an art form, a clearer understanding of history, or better health. If your organization is only collecting output data, you may be expending a lot of time, money and effort for minimal results. You are answering the question “How many people did you serve?” as opposed to “How well did you serve them?”

Unlike comprehensive, longitudinal program evaluations (which is often what people think of when hearing the words “outcomes measurement”), which can be complex, expensive and time-consuming, a more targeted effort at measuring a set of defined outcomes can be relatively straightforward while yielding useful and powerful information.

Why Measure Outcomes?

If a nonprofit's fundamental responsibility is to continually strive towards its mission, how can it track its progress without ongoing outcomes measurement? Such an effort is critical to ensuring an organization's accountability to all of its important stakeholders, including the individuals it seeks to serve, the communities in which it operates, and the institutions and individuals who support its efforts with monetary and volunteer resources. When well designed, outcomes measurement can also help an organization achieve other important objectives:

It helps an organization measure its success. When clearly tied to an organization's core purpose, ongoing outcomes measurement helps the nonprofit assess how successful its efforts have been; identify where significant problems exist; and motivate staff to strive for continuous service improvement. Effective performance measures can energize an organization, shift or create a new focus, define resource allocation, and communicate to all key stakeholders – from volunteers to staff to board members – where an organization is headed.

It allows an organization to focus its resources to achieve the greatest impact. This process is particularly critical in a time of scarce resources, helping an organization do more with less, and make a more powerful case for additional funds. It allows a nonprofit to streamline its programs to be their most effective, determine which areas could be scaled back for cost savings with minimal impact on effectiveness, and demonstrate the organization's impact to funders.

It enables an organization to be more competitive in its quest for funding. If done well, outcomes measurement can also help a nonprofit distinguish itself in an increasingly competitive funding environment. Tangible outcomes data demonstrates to funders the real impact that an organization is having, that it has clear and realistic program objectives, and that it is able to adapt its programs over time to achieve the greatest impact.

It informs better program planning. A well-planned program will naturally lend itself to a system for measuring outcomes. In light of this, as you plan your programs, also develop your outcomes measures. There can be no effective program planning without a consideration of that program's core objectives and a means for measuring progress against those objectives. In designing programs, nonprofit leaders must ask themselves from the outset "Did we meaningfully improve people's lives in a way that we can measure?" If we do not, we will run the risk of trying to demonstrate program success by answering the less-compelling question, "How busy were we?"

It lets an organization – not its funders – define outcomes. Nonprofits that fail to assert their own accountability agendas may find that they have outcomes defined for them by grantmakers as a condition of funding. Often, donors can be

overly optimistic regarding the impact that a single organization can have. We would encourage all organizations to be proactive and manage funders' expectations. Define for yourselves what success would look like for your organization, and engage your funders in a dialogue about your programs' core objectives and how you will measure your progress.

Jumping the Outcomes Measurement Hurdle

If outcomes measurement is so important, why aren't more organizations doing it? In our work with hundreds of nonprofit clients, we have seen that there are many worries regarding outcomes measurement that are perceived to be insurmountable. Most often, nonprofits simply believe that outcomes measurement will be expensive and time-consuming, and because of this, it falls to the bottom of their to-do list. Two of the most common concerns are:

- *“What my organization does is ‘soft.’ What would I measure?”*

Some nonprofit leaders would argue that their work does not lend itself to being measured through quantitative means, and that outcomes measurement is, therefore, not an effective tool for their organization. However, the truth is that progress towards many goals that may seem fundamentally qualitative (i.e., improved self-esteem) can, in fact, be measured quantitatively (i.e., through existing and well regarded self-esteem assessment tools). There is no question that outcomes measurement in such cases is less precise than measuring the number of students in a tutoring program who pass a standardized test, for example. But it nonetheless provides important qualitative and quantitative information on the impact that a program is having with those people with whom it has been engaged.

- *“I don't have anyone on my team with any expertise in this area, and I just don't think that we have the capacity to do this right now. Do I need to bring in an outside evaluator?”*

We agree that the complex jargon of outcomes measurement—logic models, inputs, indicators, targets and outcomes—can be confusing and intimidating at first blush. Even so, we believe that by taking the right steps, mastering a few techniques and committing yourself to educating yourself and your organization, you will be able to implement a helpful outcomes measurement system.

Steps to Take

While it is true that outcomes measurement must be undertaken with a strong understanding of the appropriate techniques, there are several straightforward steps an organization can take to implement a measurement process:

- ◆ **First – read!** Several excellent publications offer clear and concise information about how to undertake outcomes measurement. TDC highly recommends the *Kellogg Foundation Evaluation Handbook* and its *Logic Model Development Guide*, and the *United Way’s Outcome Measurement Resource Network*.
- ◆ **Attend training classes.** There are several excellent sources of training available. Once you have grounded yourself in the basics and have some initial ideas about what outcomes you may wish to measure, it’s often a great idea to take a training class. This gives you the chance to test your initial ideas and see how the approach may work in practice. Check with local training providers, peers, consultants, and foundations to identify training opportunities.
- ◆ **Consult with peers.** Many different sectors of the nonprofit world are working through how to undertake effective measurement system. Seek out peers who are have undertaken the process. For example, the United Way has encouraged the formation of peer groups to share effective practices in outcomes measurement. Check with funders and associations to learn about how to identify peers in your area who are working on outcomes measurement.
- ◆ **Seek professional expertise.** Sometimes it is helpful to hire a professional to aid in the creation of a measurement system and train appropriate staff. This includes both the outcomes measurement *design* as well as the *technology* needed to support data collection and analysis. This is best done after undertaking the steps outlined above. While an organization rarely needs ongoing outside expertise, well focused help on the front end can often assure a solid initial design and effective implementation for your outcomes measurement system.
- ◆ **Create an internal team.** When planned well from the outset, outcomes measurement is something that can and should be implemented in-house. As with other planning processes, creating the right team of staff, board and other key stakeholders to design the outcomes measurement process will be critical to success.

We encourage all nonprofits—whether small or larger and in any field of endeavor—to take the first steps toward designing and implementing an outcomes measurement system, keeping in mind that the adoption of an outcomes measurement program can be gradual and gets easier over time.

As you approach this challenge, don’t be intimidated or discouraged. There are many resources to help you and your team, whether you are in the earliest stages of designing a process or are struggling to refine a system that has been in place for some time. Over our 35-year history, TDC has worked with countless organizations of all types as they have sought to demonstrate their accountability to their stakeholders and improve their programs’ performance. Many others, including the United Way and the Kellogg Foundation, have been pioneers in this area and can offer you resources and support as you define success for yourselves and strive to fulfill your important missions in society.

For more information about TDC’s services, please visit their website, www.tdcorp.org.