

Community Foundation of Jackson Hole

Building Sustainability for Nonprofit Organizations

Evaluating Effectiveness



**NEWLEVEL
GROUP**

Take The Next Step

Table of Contents

Welcome	1
Learning Objectives.....	2
Purpose & Agenda:.....	3
Capacity	4
Organizational Sustainability Assessment	6
Traits of Effective Teams	9
Team Effectiveness Assessment.....	12
Sample Board Effectiveness Assessment	15
Evaluating the ED	18
Staff Evaluation Tool.....	20
Activity	21
Impact	23
Recommended Reading List.....	27
About NewLevel Group	29

Building Sustainability for Nonprofit Organizations

© 2008-2015 NewLevel Group, LLC

All rights reserved. No part of this product may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher.



Welcome

Building Nonprofit Organizations That Will Last

Increasingly, funders and supporters are requiring nonprofits to demonstrate the sustainability of their efforts. But what does that mean and how is it accomplished? Identifying the elements and processes that make an organization strong and charting a clear course for implementation are the first steps.

This workshop focuses on the principles of effective nonprofit governance, along with practical, easy-to-implement advice and tools for developing and building the strength of the board.

Evaluating Effectiveness

Community Foundation of Jackson Hole

July, 2015



Learning Objectives

- Learn the critical elements of sustainability
- Determine where your organization is on the road to sustainability by completing an organizational effectiveness assessment
- Identify practical approaches for evaluating the capacity, activities, and impacts of a nonprofit organization
- Through interactive peer discussion, discover how other organizations are increasing effectiveness
- Find answers to your questions about evaluating your organization's effectiveness and gain practical information and tools you can put into immediate action



Purpose & Agenda:

Meeting Purpose

For Board members and staff of nonprofit organizations to explore how to evaluate and increase the overall effectiveness of their organizations, determine metrics for mission-related program outcomes, and check-in on the performance of board and staff to manage expectations.

Agenda

Welcome and Getting Started:

- Objectives, Agenda, Ground Rules
- Introductions
- What does success look like?

Measuring Capacity, Activity, Impact

- Capacity
 - Elements of Sustainability
 - Evaluating Team Performance
 - Reviewing Board & Staff Effectiveness
- Activities
 - Determine measurable program goals
 - Use Program Evaluation Matrix to describe program, needs, participants, outcomes, impact
- Impact
 - Determine key outcomes to monitor

Wrap up

- Next Steps
- Evaluation



Capacity

The Five Elements of Sustainability

“To make the greatest impact on society requires first and foremost a great organization, not just a great program.”

– Jim Collins, *Good to Great and the Social Sectors*

While there is no one formula for building a high-performance social sector organization, there are elements and processes that effective nonprofit organizations have in common. The following is a checklist of some of those fundamental components.

Clear and Compelling Vision

Brief, well-defined vision and/or mission statement

Statement of core values

Community assessment and feedback processes

Focused approach that is not redundant with other organizations' programs

Defined measures of success

Passionate and Engaged Board of Directors

Strategic approach to board recruitment and succession

Board members are articulate advocates for the organization

Clearly defined and consistently practiced roles and responsibilities

Clear expectations and accountability for board members

Written policies and procedures

Effective Communications and Marketing

Strategic marketing plan

Clear, jargon-free messaging with great stories to demonstrate impact

Proactive communications to constituents and the communities served

Network of key influencers

Strong, content-rich website

Strategic Approaches for Funding

Strategic funding plan

Demonstrated support and participation by the board

Balanced portfolio of funding sources

Donor/funder relationship management programs

Endowments and reserve funds

Motivated, Professional Staff

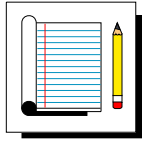
Clearly defined roles and expectations

Skills and experience commensurate with needs

Appropriate compensation

Respectful, supportive work environment with regular, constructive feedback

Adequate resources available



Organizational Sustainability Assessment

Use the scale below to indicate how each statement applies to your organization.

3 = yes, we have this **2** = we're working on it **1** = no, we don't have this

I - Clear and Compelling Vision

SCORE

		SCORE
1	Brief, well-defined vision and/or mission statement	
2	Statement of core values	
3	Community assessment and feedback processes	
4	Focused approach that is not redundant with other organizations' programs	
5	Defined measures of success	

SUBTOTAL _____

II - Passionate and Engaged Board of Directors

6	Strategic approach to board recruitment and succession	
7	Board members are articulate advocates for the organization	
8	Clearly defined and consistently practiced roles and responsibilities	
9	Clear expectations and accountability for board and staff	
10	Written policies and procedures	

SUBTOTAL _____

III - Effective Communications and Marketing

11	Strategic marketing plan	
12	Clear, jargon-free messaging with great stories to demonstrate impact	
13	Proactive communications to constituents and the communities served	
14	Network of key influencers	
15	Strong, content-rich website	

SUBTOTAL _____**IV - Strategic Approaches for Funding**

16	Strategic funding plan	
17	Demonstrated support and participation by the board	
18	Balanced portfolio of funding sources	
19	Donor/funder relationship management programs	
20	Endowments and reserve funds	

SUBTOTAL _____**V - Motivated, Professional Staff**

21	Clearly defined roles and expectations	
22	Skills and experience commensurate with needs	
23	Appropriate compensation	
24	Respectful, supportive work environment with regular, constructive feedback	
25	Adequate resources available	

SUBTOTAL

Record your Sub-Totals here:

- I: Clear and Compelling Vision** _____
- II: Passionate, Engaged Board of Directors** _____
- III: Effective Communications and Marketing** _____
- IV: Strategic Approaches for Funding** _____
- V: Motivated, Professional Staff** _____

For any Section Score that is between 5 – 7, roll-up your sleeves and keep listening.

For any Section Score that is between 8 – 11, there is still room for improvement.

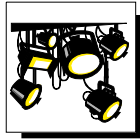
For any Section Score that is between 12 – 15, congratulations! You are well on your way to sustainability.

Notes/Observations from completed Assessment:

- What “ah-ha!” did you have, from completing this assessment?

- Which of the five elements are ‘best practices’ in your organization?

- Which elements do you need to explore further?



Traits of Effective Teams

TRUST

Members of teams with an absence of trust...

- Conceal their weaknesses and mistakes from one another
- Hesitate to ask for help or provide constructive feedback
- Hesitate to offer help outside their own areas of responsibility
- Jump to conclusions about the intentions and aptitudes of others without attempting to clarify them
- Fail to recognize and tap into one another's skills and experiences
- Waste time and energy managing their behaviors for effect
- Hold grudges
- Dread meetings and find reasons to avoid spending time together

Members of trusting teams...

- Admit weaknesses and mistakes
- Ask for help
- Accept questions and input about their areas of responsibility
- Give one another the benefit of the doubt before arriving at a negative conclusion
- Take risks in offering feedback and assistance
- Appreciate and tap into one another's skills and experiences
- Focus time and energy on important issues, not politics
- Offer and accept apologies without hesitation
- Look forward to meetings and other opportunities to work as a group

CONSTRUCTIVE CONFLICT

Teams that fear conflict...

- Have boring meetings
- Create environments where back-channel politics and personal attacks thrive
- Ignore controversial topics that are critical to team success
- Fail to tap into all the opinions and perspectives of team members
- Waste time and energy with posturing and interpersonal risk management

Teams that engage in conflict...

- Have lively, interesting meetings
- Extract and exploit the ideas of all team members
- Solve real problems quickly
- Minimize politics
- Put critical topics on the table for discussion

COMMITMENT

A team that fails to commit...

- Creates ambiguity among the team members about direction and priorities
- Watches windows of opportunity close due to excessive analysis and unnecessary delay
- Breeds lack of confidence and fear of failure
- Revisits discussions and decisions again and again
- Encourages second-guessing among board members

A team that commits...

- Creates clarity around direction and priorities
- Aligns the entire team around common objectives
- Develops an ability to learn from mistakes
- Takes advantage of opportunities before competitors do
- Moves forward without hesitation
- Changes direction without hesitation or guilt

ACCOUNTABILITY

A team that avoids accountability...

- Creates resentment among team members who have different standards of performance
- Encourages mediocrity
- Misses deadlines and key deliverables
- Places an undue burden on the team leader as the sole source of discipline

A team that holds one another accountable...

- Ensures that poor performers feel pressure to improve
- Identifies potential problems quickly by questioning one another's approaches without hesitation
- Establishes respect among team members who are held to the same high standards
- Avoids excessive bureaucracy around performance management and corrective action

ATTENTION TO RESULTS

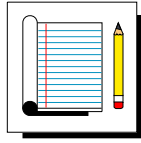
A team that is not focused on results...

- Stagnates/fails to grow
- Rarely defeats competitors
- Loses achievement-oriented employees
- Encourages team members to focus on their own careers and individual goals
- Is easily distracted

A team that focuses on collective results...

- Retains achievement-oriented members
- Minimizes individualistic behavior
- Enjoys success and suffers failure acutely
- Benefits from individuals who subjugate their own goals/interests for the good of the team
- Avoids distraction

¹ Adapted from Patrick Lencioni, *The Five Dysfunctions of a Team*



Team Effectiveness Assessment

Use the scale below to indicate how each statement applies to your board.

3 = Usually 2 = Sometimes 1 = Rarely

It is important to evaluate the statements honestly and without over-thinking your answers.

- 1. Team members are passionate and unguarded in their discussion of issues.
- 2. Team members call out one another's unproductive behaviors when they occur.
- 3. Team members know what their peers are working on and how they contribute to the good of the organization.
- 4. Team members quickly and genuinely apologize to one another when they say or do something inappropriate or possibly damaging to the team.
- 5. Team members willingly make sacrifices (such as budget, turf, staff resources) in their committees or areas of expertise for the good of the organization.
- 6. Team members openly admit their weaknesses and mistakes.
- 7. Team meetings are compelling, and not boring.
- 8. Team members leave meetings confident that their peers are completely committed to the decisions that were agreed on, even if there was initial disagreement.
- 9. Team members express disappointment at the failure to achieve team goals.
- 10. During meetings, the most important-and difficult-issues are put on the table to be resolved.

- ___ 11. Team members are genuinely concerned about the prospect of letting down their peers.
- ___ 12. Team members care about one another's personal lives and are comfortable inquiring about them.
- ___ 13. Team members end discussions with clear and specific resolutions and calls to action.
- ___ 14. Team members challenge one another about their plans and approaches.
- ___ 15. Team members are slow to seek credit for their own contributions, but quick to point out those of others.

Team Effectiveness Assessment - Scoring

Combine your scores for the preceding statements as indicated below.

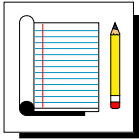
Function 1:	Function 2:	Function 3:	Function 4:	Function 5:
Trust	Constructive Conflict	Commitment	Accountability	Results
Statement 4: _____	Statement 1: _____	Statement 3: _____	Statement 2: _____	Statement 5: _____
Statement 6: _____	Statement 7: _____	Statement 8: _____	Statement 11: _____	Statement 9: _____
Statement 12: _____	Statement 10: _____	Statement 13: _____	Statement 14: _____	Statement 15: _____
<hr/>				
Total: _____	Total: _____	Total: _____	Total: _____	Total: _____

A score of 8 or 9 is a probable indication that the function is not a problem for your team

A score of 6 or 7 indicates that the function could be a problem

A score of 3 to 5 is probably an indication that there is dysfunction that needs to be addressed

Regardless of your scores, it is important to keep in mind that every team needs constant work, because without it, even the best ones deviate toward dysfunction.



Sample Board Effectiveness Assessment

How Does Your Board Measure Up

Rate your board using the following scale:

- 0** – No, this doesn't exist on our board
- 1** – We're working on it
- 2** – Yes, we're in great shape on this item

Selection & Composition	Rating
<ul style="list-style-type: none">• The board is composed of persons vitally interested in the work of the organization.	
<ul style="list-style-type: none">• The board is representative of its constituency with regard to race, class, gender, and sexual orientation.	
<ul style="list-style-type: none">• There is a balance of new and experienced board members to guarantee both continuity and new thinking.	
<ul style="list-style-type: none">• Board members have the combination of skills (e.g., fundraising, management, legal, fiscal, etc.) necessary to do their work.	
<ul style="list-style-type: none">• The number of consecutive terms a board member can serve is limited. (No life terms!)	
<ul style="list-style-type: none">• The organization has a pool of potential board members identified for the future.	
<ul style="list-style-type: none">• The organization develops future board members through the use of volunteers on committees.	
<ul style="list-style-type: none">• New board members are recruited and selected using a thorough review process.	
Subtotal (out of a subtotal maximum of 16 points)	

Orientation & Training	Rating
<ul style="list-style-type: none"> • There is a statement of agreement outlining the responsibilities of board members that all board members sign. 	
<ul style="list-style-type: none"> • The board understands its legal liability. 	
<ul style="list-style-type: none"> • The organization provides an orientation for new board members. 	
<ul style="list-style-type: none"> • The organization supplies a board manual to all board members that includes, but is not limited to, descriptions of current programs, a list of board members, budget and funding information, bylaws, and personnel policies. 	
<ul style="list-style-type: none"> • The organization makes training opportunities available for board members to increase skills related to their board responsibilities. 	
Subtotal (out of a subtotal maximum of 10 points)	
Board Structure & Organization	Rating
<ul style="list-style-type: none"> • The board has a simple, concise set of bylaws that describes the duties of board members and officers, and the procedures by which the board conducts its business. 	
<ul style="list-style-type: none"> • The board has a mechanism (such as an executive committee) for handling matters that must be addressed between meetings. 	
<ul style="list-style-type: none"> • The board elects a chair (or co-chairs) to provide leadership and coordinate the on-going work of the board and its committees. 	
<ul style="list-style-type: none"> • Committee assignments are reviewed and evaluated periodically. 	
<ul style="list-style-type: none"> • Board and staff members are clear about their respective responsibilities. 	
<ul style="list-style-type: none"> • The board has active committees (e.g., fund-raising personnel, nominating, long-range planning) with specific responsibilities. 	
<ul style="list-style-type: none"> • Working relations between the board chair and the executive director are strong and productive. 	
<ul style="list-style-type: none"> • Relations between the staff and board are characterized by mutual respect and good rapport. 	
Subtotal (out of a Subtotal maximum of 16 points)	

The Board at Work	Rating
<ul style="list-style-type: none"> • There are regularly scheduled board meetings at least 4 times a year. 	
<ul style="list-style-type: none"> • Meetings begin and end on time per an agreed-upon schedule. 	
<ul style="list-style-type: none"> • There is adequate preparation and distribution of material, including agendas, study documents, etc., in advance of board meetings. 	
<ul style="list-style-type: none"> • Board meetings are characterized by open discussion, general participation, and active thinking. 	
<ul style="list-style-type: none"> • Board members deal primarily with policy formulation; program, financial, and long-range planning; financial review; and evaluating the work of the organization. 	
<ul style="list-style-type: none"> • Minutes of the board and committee meetings are written and circulated to the members. 	
<ul style="list-style-type: none"> • Committees are active and complete assigned tasks in a timely manner. 	
<ul style="list-style-type: none"> • The board is aware of matters of community, state, and nationwide concern within the organization's field of interest. 	
<ul style="list-style-type: none"> • The individual board members accept and carry out assignments within the area of their talents and expertise. 	
<ul style="list-style-type: none"> • Board members follow through on their commitments in a timely manner. 	
<ul style="list-style-type: none"> • Board members make a generous financial contribution (self-defined) to the organization on an annual basis. 	
<ul style="list-style-type: none"> • All board members are involved in some aspect of fundraising for the organization. 	
<ul style="list-style-type: none"> • The board conducts an annual review of its own organization and work. 	
<ul style="list-style-type: none"> • New leadership is emerging consistently from the board and its committees. 	
<p style="text-align: center;">Subtotal (out of a subtotal maximum of 28 points)</p>	
<p style="text-align: center;">TOTAL SCORE (out of a maximum of 70 points)</p>	



Evaluating the ED

Guidelines

- Do it....and do it annually.
- Do it in a constructive way.
- Make it a regular exercise for the ED, for the board, and for the organization.
- Include the ED in all aspects of the process and content of the performance evaluation.

Content

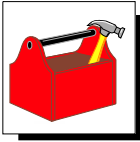
- Link your organization's goals and strategies to the ED's performance to support and ensure the implementation of your most important efforts
- Establish measurable objectives with the ED related to your organization's goals and to leadership and management qualities.
- Assess the quality of the ED's relationship with the board, staff, funders, government agencies, the community, stakeholders, and consumers.

Issues that Shape the Evaluation Process

- Who has the primary responsibility: the Executive Committee? Board Chair? Full board?
- How will agreement be reached with the full board on the criteria for the evaluation?
- What is the timeframe for the evaluation?
- Will staff, community, and/or clients be involved?
- What opportunity will the ED have to participate in and respond to the evaluation?
- How will the final evaluation be shared with the full board?

Key Questions for Assessing the ED's Performance

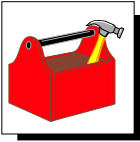
1. What are the major objectives of your organization:
 - short term (1-2 years)
 - long term (5-10 years)
2. How well are these objectives being realized?
3. Does the ED have the necessary knowledge and skills?
4. Does the ED have the necessary personal qualities and characteristics?
5. Does the ED recruit, supervise, and retain staff?
6. What are the ED's major strengths?
7. What are the ED's major weaknesses?
8. What external factors, if any, have interfered with the ED's ability to achieve organizational goals?
9. What specific decisions and actions will be desirable or necessary to:
 - Strengthen the ED's performance?
 - Clarify the respective roles of the ED and the board?
 - Enhance the effectiveness of the organization?



Staff Evaluation Tool

Balanced Scorecard

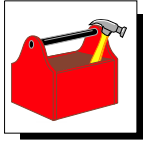
Financial		Internal Processes	
Goals	Measures	Goals	Measures
Customer Experience		Growth & Learning	
Goals	Measures	Goals	Measures



Activity

Program Evaluation - SAMPLE

Program	Statement of Need	Target/Participants	Goals/Outcomes	Impact on Mission	Findings to Date
Strong Families	Families suffer from stress, isolation, instability and acculturation issues that can cause dysfunction.	45 families work in the program each year. Currently working with 25 families.	<ul style="list-style-type: none"> • %↑ in families' self-assessment of "Family Relations"; "Mental Health"; and "Finance" • %↑ in families who meet majority of stated goals. 		•
Family Academy	Parents are often isolated and lack opportunities to interact with other parents and to gain information about discipline and child development.	Parents of young children and adolescents experiencing transition. Approximately 180 parents participate in leadership groups and parenting classes.	<ul style="list-style-type: none"> • %↑ in parents' confidence in their parenting abilities • %↓ in reported social isolation • ↑ in amount of preschool activities at home • ↑ in parents' confidence in being child's first teacher 		•
Family Economic Success	65% of children live in poverty. Families lack affordable housing, stable employment and financial understanding.	180 low-income families participate in the tax clinic, financial classes, literacy training and business development programs.	<ul style="list-style-type: none"> • %↑ in families meeting financial and savings goals • %↑ in confidence in ability to manage finances • Increased usage of financial institutions • Improvement in families' financial stability • %↑ of families filing taxes for the first time 		•



Program Evaluation - TEMPLATE

Program	Statement of Need	Target/Participants	Goals/Outcomes	Impact on Mission	Findings to Date
			•		•
			•		•
			•		•



Mission Impossible?

Measuring Success in Nonprofit Organizations

John C. Sawhill, David Williamson

The difficulty of measuring performance in the nonprofit sector has long been recognized. The following is taken from a case study summary detailing how one organization, The Nature Conservancy, tackled the challenge of moving beyond measuring activity to measuring mission impact. After several false starts, the Conservancy developed a model for measuring success, divided into three broad areas: impact, activity, and capacity.

The excerpt below provides some lessons learned about performance measurement in the nonprofit sector.

Lessons Learned

Our experience at The Nature Conservancy and our interviews with other organizations have reinforced our conviction that performance measures must be tailored to the missions and goals of individual institutions. Based on our observations, it seems clear that no generic scorecard nor any universal set of indicators will work in all cases for all nonprofits. That said, we do believe that nonprofits tackling the issue of measuring success can draw valuable lessons from the experiences of other organizations.

Lesson 1: Measuring Mission Depends on Measurable Goals

For most nonprofits, measuring mission success really is mission impossible. It is simply too difficult and too expensive to establish a direct linkage between an organization's annual efforts and the impact of those efforts on the organization's mission. To be sure, given unlimited resources, some nonprofit organizations might be able to make some headway on this question. The Nature Conservancy, for example, could conceivably collect comprehensive data on the status of biodiversity if it were willing to pay for it. But the benefits that this information would provide in terms of measuring staff performance and revising strategies simply do not justify the astronomical cost of collecting and analyzing the data.

We found that nonprofits, rather than pouring resources into measuring mission, had more luck in setting a measurable, mission-oriented goal and then assessing progress against that goal. If properly conceived and directly connected to the organization's mission, these kinds of goals can serve as acceptable surrogates for the mission when measuring performance and assessing overall institutional progress. The best of these goals, in our judgment, were those that (1) set the bar high, but not too high, (2) helped focus the organization on high-leverage strategies (3) mobilized the staff and donors, and (4) served multiple purposes, such as setting the larger public agenda about a certain issue.

Alternatively, organizations can narrow their mission statements. Goodwill Industries and America's Second Harvest, for example, have tightly focused, measurable missions and, as a consequence, they are able to collect and apply detailed information about their institutional

Rather than pouring resources into measuring mission, nonprofits had more luck in setting a measurable, mission-oriented goal and then assessing progress against that goal

Our interviews persuaded us that the success of a system of nonprofit measures is directly proportional to its simplicity

progress. Both of these organizations report that the clear definition of success that appears in their mission has played a critical role in their ability to manage performance, develop new strategies, and avoid mission drift.

Lesson 2: Keep Measures Simple and Easy to Communicate

Our interviews persuaded us that the success of a system of nonprofit measures is directly proportional to its simplicity. One of the organizations in our sample, for instance, did The Nature Conservancy one better: instead of 98 separate measures, it launched a program with 169! Needless to say, the staff spent inordinate amounts of time collecting data, and managers also spent inordinate amounts of time trying to analyze it. “And the whole time we were doing that,” noted a senior executive, “we weren’t improving our programs.”

Developing measures that can be easily understood and communicated is almost as important as keeping measures simple. Measures that require little interpretation or that can be presented graphically allow staff members, donors, and key stakeholders—including the critical media audience—to see how the organization is doing. Organizations that seek to use their measures for public positioning have a greater incentive to make their measures easy to communicate, but clarity in expressing organizational progress is a worthy objective for any nonprofit.

In keeping with our injunction to keep measures simple, nonprofits should also consider the relative effort they want to place on assessing their impact, activity, and capacity. Larger, more mature organizations, for example, should probably focus much of their time on developing good surrogates for mission impact. However, smaller and newer organizations will likely want to focus on ensuring that they are building a sound foundation in such areas as membership and fundraising before trying too hard to measure impact.

Lesson 3: Measures Are Marketable

We believe that measures of success can serve as powerful marketing tools for nonprofit organizations. Although the impetus for developing measures has largely been from the professional staff at nonprofits, many of our respondents anticipate in the near term a dramatic increase in interest in this issue on the part of boards of trustees, major donors, members, and public officials. Accountability in the independent sector has been a long time coming, but a more sophisticated group of boards and major donors, particularly in the foundation world, is bringing the question of measures rapidly to the fore. Nonprofits that have adopted and implemented effective systems of performance measures will be well positioned to take advantage of this trend.

Measures can serve other marketing purposes as well. Groups such as the Chesapeake Bay Foundation and the American Cancer

Societies have used measurable goals as a way of influencing public opinion and setting the public policy agenda. Measures can also be very useful in communicating to a nonprofit's membership about the performance of the organization. To the lay public, measures impart a sense of focus and businesslike competence on the part of a nonprofit, which can be enormously comforting to donors who want to make sure that their charitable dollars are being used in the most efficient and effective manner possible.

Lesson 4: Manage with Measures

Measures are only as good as the use to which organizations put them. All the data on density for the BSA—or the excellent demographic research done by the GSUSA—would be useless if those organizations did not apply that information in making day-to-day management decisions and in setting long-term strategy.

We found that measures served two primary managerial purposes for nonprofits. First, and perhaps most important, the existence of systems of measures helps establish a culture of accountability within nonprofits. For years, the independent sector has gotten a free ride in this regard; very few donors or boards ever held management accountable for results, and on the rare occasions when they did, it took a long time to gather the necessary evidence to act. Performance measures of the type we have described here vastly simplify that process—for boards, senior managers, and program managers alike. If one of the operating units of Goodwill Industries is experiencing inexplicable declines in the numbers of people it serves, management knows about it in short order and can take corrective action. That spirit of accountability then trickles down throughout the organization.

Over the longer term, meanwhile, a unified set of goals and measures can also help align an organization, especially groups that are structured as federations. The national offices of organizations such as Goodwill, the American Cancer Society, the Boy Scouts of America, and the Girl Scouts of the USA have very limited authority over their local branches; at most, they control the use of the logo or can refuse to renew the charter of a local chapter. But by taking a leadership role in developing and then gaining organization-wide acceptance for a single goal and set of measures, these national offices can greatly increase their influence, particularly by aligning competing factions within the organization around a common purpose.

Conclusion

This final lesson underscores a critical point. An integrated system of performance measures is no substitute for a compelling mission, uplifting vision, clear goals, and innovative strategies. It would be a serious error to imagine that a nonprofit can develop effective measures in the absence of strategic alignment. Indeed, a sound system of measures—the impact-activity-capacity model, or some other—is strongest when it helps bind together and unify the other components of organizational strategy. In the race to develop measures, therefore, nonprofits need to ensure that they take care of first things first—and then worry about assessing progress.

To the lay public, measures impart a sense of focus and businesslike competence on the part of a nonprofit, which can be enormously comforting to donors who want to make sure that their charitable dollars are being used in the most efficient and effective manner possible

An integrated system of performance measures is no substitute for a compelling mission, uplifting vision, clear goals, and innovative strategies

THE LATE JOHN C. SAWHILL served as president and CEO of The Nature Conservancy, the world's largest conservation organization, from 1990 until his death in May 2000. He also served as a senior lecturer at Harvard Business School's Initiative on Social Enterprise.

DAVID WILLIAMSON is director of communications at The Nature Conservancy. He is currently working on a book on managerial excellence in the nonprofit sector.

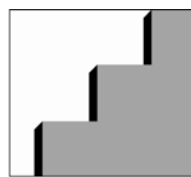
References

- Bryson, J. M. *Strategic Planning for Public and Nonprofit Organizations*. (2nd ed.) San Francisco: Jossey-Bass, 1995. Drucker, P. F. *Managing the Nonprofit Organization: Practices and Principles*. New York: HarperCollins, 1990.
- Forbes, D. P. "Measuring the Unmeasurable: Empirical Studies of Nonprofit Effectiveness from 1977 to 1997." *Nonprofit and Voluntary Sector Quarterly*, 1998, 27 (2), 183–202.
- Kanter, R. M., and Summers, D. V. "Doing Well While Doing Good: Dilemmas of Performance Measurement in Nonprofit Organizations and the Need for a Multiple-Constituency Approach." In W. W. Powell (ed.), *The Nonprofit Sector: A Research Handbook*. New Haven, Conn.: Yale University Press, 1987, 154–166. O'Neill, M., and Young, D. R. (eds.). *Educating Managers of Nonprofit Organizations*. New York: Praeger, 1988. Oster, S. M. *Strategic Management for Nonprofit Organizations: Theory and Cases*. New York: Oxford University Press, 1995.
- Sheehan, R. "Mission Accomplishment as Philanthropic Effectiveness: Key Findings from the Excellence in Philanthropy Project." *Nonprofit and Voluntary Sector Quarterly*, 1996, 25 (1), 110–123.



Recommended Reading List

- Begging for Change, by Robert Egger, HarperCollins (www.harpercollins.com)
- Boards That Make a Difference, by John Carver, Josey-Bass 2nd Ed.
- Self-Assessment Tool for Non-Profit Organizations, by Peter Drucker, The Peter Drucker Foundation for Non-Profit Management
- Welcome to the Board, by Fisher Howe, Josey-Bass
- The Nonprofit Answer Book: Practical Guide for Board Members and Chief Executives, by Andringa and Engstrom (available through Boardsource.org)
- The Nonprofit Answer Book II: Beyond the Basics, by R. Andringa, (available through Boardsource.org)
- Called to Serve: Creating and Nurturing the Effective Volunteer Board, by Max De Pree
- Governing Boards by Cyril O. Houle
- Beyond Profit by Fred Setterberg and Kary Schulman
- The Nonprofit Organization: An Operating Manual by Thomas Wolf
- The Knowing-Doing Gap by Jeffery Pfeffer and Robert Sutton
- Governance as Leadership by Richard Chiat, William Ryan, Barbara Taylor
- Fundraising for Non-Profits by P. Burke Keegan, Harper-Collins (www.harpercollins.com)



NEWLEVEL
G R O U P

Take the Next Step

About NewLevel Group...

Who we are

NewLevel Group is a values-driven consulting firm supporting the work of socially responsible organizations and their leaders in advancing missions that benefit people, profits, and planet.

Our team is made up of seasoned professionals who look at challenges from various perspectives honed from decades of experience in the business and nonprofit sectors. We plan as well as implement, never losing sight of our goal to deliver your desired results.

What we do

First and foremost, we listen. We listen to you, your board, your clients, and your colleagues to fully understand the challenges you face. Then, we form a team that will partner with you to identify your goals, outline strategies to achieve them, and, if needed, work with you to implement the tactics.

How we do it

Our approach to helping organizations improve their results reflects our shared values of collaboration, commitment, and community. We are different from other consulting and management firms in several significant ways:

- We work collaboratively; not just treating symptoms, but finding solutions for the underlying causes.
- We implement; we don't just create pretty plans, but roll up our sleeves to get the job done.
- We're focused on results; a good process is important, but the outcome is what really matters.

Supporting the work of social impact organizations and their leaders in advancing missions that benefit people, planet, and profits

Strategic Planning • Marketing & Communications • Research • Sustainability • Meeting Facilitation • Management & Governance Development • Organizational Effectiveness • Nonprofit and Foundation Management

1303 Jefferson Street Suite 100A Napa, CA 94559

Tel 707.255.5555 Fax 707.255.5547

www.newlevelgroup.com