AN AGENDA FOR ACTION

OUTCOME MANAGEMENT IN NONPROFIT ORGANIZATIONS

Edited by
Harry Hatry and Linda Lampkin

The Urban Institute
Washington, D.C.

Aspen Institute's Nonprofit Sector Research Fund
Independent Sector
United Way of America

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Acknowledgments

The participants in the Symposium on Outcome Management for Nonprofit Organizations, held at the Urban Institute on June 6–7, 2001, provided the rich list of ideas for the action agenda presented in this report. The group, whose members are listed at the front of this report, truly outdid itself in providing many diverse ideas and perspectives.

The symposium was cosponsored by the Aspen Institute's Nonprofit Sector Research Fund, INDEPENDENT SECTOR (IS), United Way of America (UWA), and the Urban Institute (UI). Margaret Plantz (UWA), Susan Wiener (IS), Elizabeth Boris (UI), and Alan Abramson (Aspen) played major roles in the symposium at all stages, including its planning and content and review of the drafts of this report. We are very grateful to them for their excellent and extensive assistance.

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Harry Hatry and Linda Lampkin

Contents

List of Symposium Participants

Alan Abramson
The Aspen Institute

James R. Bernard
Environmental Management Consulting

Bruce Black
American Cancer Society

Elizabeth Boris
The Urban Institute

Jonathan D. Breul
U.S. Office of Management & Budget

Donald Buchholtz
United Way of Massachusetts Bay, Inc.

Bailey R. Center
United Community Ministries of Alexandria, VA

Tom Curtis
Big Brothers Big Sisters of America

Stacey Daniels-Young
Ewing Marion Kauffman Foundation

Carol De Vita
The Urban Institute

James Dimas
The Annie E. Casey Foundation

Barbara A. Duffy
MY TURN, Inc. of Brockton, MA

Allen Grossman
Harvard Business School

Norma B. Hall
William Byrd Community House of Richmond, VA

Keoki Hansen
Big Brothers Big Sisters of America

Harry Hatry
The Urban Institute

David Julian
Community Research Partners

Linda Lampkin
The Urban Institute

Laura M. Line
The Pew Charitable Trusts

Karen MacDonald
Boys and Girls Clubs of America

James McKittrick
Cerebral Palsy Association of Chester County, PA

Elaine Morley
The Urban Institute

Heather Johnston Nicholson
Girls Incorporated

Stephanie Pacinella
Council on Accreditation for Children and Family Services

Margaret C. Plantz
United Way of America

Kathleen J. Pritchard
United Way of Greater Milwaukee, Inc.

Maxine L. Rockoff
Clark, Rockoff and Associates

Sue Dahling Sullivan
Boston Lyric Opera

Russy D. Sumariwalla
Consultant

Evelyn Taylor
GE Fund

Joseph Wholey
University of Southern California

Susan Wiener
INDEPENDENT SECTOR

Deborah Wilkerson
The Rehabilitation Accreditation Commission

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SECTION

INTRODUCTION

It seems that now, more than ever, everyone wants to know about outcomes: What changes are occurring because of nonprofit programs and services? The pressure for nonprofits to become more accountable, effective, and efficient has increased in recent years. At first, efforts focused on counting inputs and formal evaluations after the completion of projects, but now nonprofits are being encouraged to develop relevant measures of outcomes and to collect data on a regular basis, as part of ongoing projects. Some funders now require on-going measurements to help evaluate the impact of services and programs.

For years, many foundation and government funders have asked nonprofit organizations to collect information on their grant activities—typically on outputs such as number of clients served, booklets distributed, and presentations made. In some cases, there were periodic evaluations conducted by outside consultants to assess the impact of their programs, services, and activities. But only rarely have charities collected information on the outcomes of their efforts for their own use.

Most of the nonprofits that track the outcomes of their work collect the data to respond to funder requirements. While some charities have begun to use the information in their marketing efforts, relatively few actually use the data to improve their own services.

Outcome measurement data can be used to inform management decisions about ways to allocate scarce resources and methods and approaches of delivering services that will help nonprofit practitioners, researchers, and funders improve their outcomes. The result will be more accountable and effective organizations. While this approach has worked for some organizations, much more work needs to be done to demonstrate this new management approach and disseminate information about its use to all stakeholders.

This report represents an effort by nonprofit representatives, with a variety of perspectives in this diverse sector, to explore outcome measurement by nonprofit service providers and the use of the resulting information to better inform management of the programs.

SETTING THE AGENDA FOR ACTION

A Symposium on Outcome Management for Nonprofit Organizations was convened on June 6 and 7, 2001, at the Urban Institute in Washington, D.C. Cosponsors of the symposium were the Urban Institute, the Aspen Institute's Nonprofit Sector Research Fund, INDEPENDENT SECTOR, and United Way of America. Funding was provided by the Aspen Institute's Nonprofit Sector Research Fund, the General Electric Fund, United Way of America, and the Urban Institute.

The symposium brought together a group with a wide variety of experiences with and perspectives on outcome measurement and outcome management. Participants, listed at the front of this report, included representatives of local and national service organizations, funding organizations, accreditation bodies, researchers, and government. Also included were charities tracking outcomes for different types of programs and services, especially youth, environmental, performing arts, family services, and faith-based organizations.

The symposium was designed to encourage discussion among the participants. There were no formal presentations; rather, background papers were distributed before the meeting, along with a series of discussion questions. Sequential discussions of three topics—first, the state of the art in outcome measurement; second, the state of the practice of using outcome information; and third, the barriers/obstacles to outcome management—led to the fourth and final session, on developing an agenda for future action to encourage the use of outcome management. Four small groups, comprising representatives of a variety of interests, addressed each topic and reported back to the whole group in plenary sessions.

The findings from the fourth discussion session were summarized in a draft report. All participants were asked to review the draft and add agenda items that were not raised at the symposium. This report is based on the symposium discussions and the subsequent additions and modifications from the participants.

SCOPE OF THE AGENDA

The *Agenda for Action* seeks to encourage nonprofit organizations to focus their management practices and decisions on the results they intend to achieve for their participants. This focus goes beyond just measuring the results to actually using the results to increase the effectiveness of their services and improve their service outcomes. Put another way, the agenda encourages not just **outcome measurement**, but **outcome management** as well. Other performance measurement elements, such as financial condition and efficiency of operations, although important, are not addressed.

In developing an agenda for action, symposium participants focused on nonprofit organizations that deliver services or programs to members of the public. Therefore, some agenda items may not be relevant for research organizations, hospitals, colleges, and universities.

POINTS OF CONSENSUS

Even with the wide variety of perspectives from participants, there was consensus that promoting outcome measurement and outcome-based management in the nonprofit sector is desirable. Overall conclusions included:

- Broad organizational and cultural changes are needed within the nonprofit sector to make effective use of this approach.
- Common terminology, an array of validated data collection instruments relevant to a broad range of outcomes and indicators, inexpensive training opportunities, and better communication and information exchange are needed.
- Funding organizations and accreditation bodies should encourage nonprofits to

  1. integrate data collection on outcomes into standard organizational operating procedures;
  2. use the data not only for marketing their programs, but to improve their programs, activities, and services; and
  3. develop the necessary resources to build nonprofits' capacity for using the data.

- More tools and research findings are needed for funders and practitioners to build the interest and the capacity of nonprofits to track the results of their programs.
- Nonprofits should build staff time and resources for outcome measurement into program budgets and use the resulting information to improve what they do.
- An agenda to advance the collection and use of outcome data to help the sector become more effective requires changes by national and local charities, funding organizations, accreditation bodies, and the research community.

CAVEATS/LIMITATIONS OF USING OUTCOME DATA FOR MANAGEMENT

Although outcome measurement data are useful for decisionmaking in nonprofit organizations, there are many other relevant elements to consider, including costs, personnel, and funding. Further, outcome data obtained from even the best procedures will not demonstrate that the program is solely responsible for observed client changes. Only more in-depth examination of the data can identify the degree to which the activities of the nonprofit organization cause an outcome.

Nevertheless, focusing on results for program clients or participants, and reasonable attempts to measure those results, should help nonprofits in their efforts to provide services that effectively assist their clients and their communities.

Finally, the participants agreed that if the outcome information coming from a nonprofit organization's outcome measurement system is not used for helping the organization improve its services, the time and effort for information collection will have been wasted.

REPORT FORMAT

This report presents the Symposium's *Agenda for Action* in two sections. First, the principal recommendations are organized by five areas of action, as follows:

Section 2. An Agenda for Action, by Type of Activity

- Promoting Leadership and Building the Field
- Training and Technical Assistance/Staff Capacity
- Resources
- Technology
- Research

Next, the activities are grouped by the type of organization that could best undertake them.

Section 3. An Agenda for Action, by Type of Organization

- Funding Organizations, including foundations, government, businesses, individual philanthropists, and United Ways and other supporting organizations
- National Service Organizations (NSOs)
- Accreditation Bodies
- Research Community
- Local Service Organizations
- Multiple Categories of Organizations

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SECTION

AN AGENDA FOR ACTION:

TYPE OF ACTIVITY

The key elements of the actions needed to encourage the use of outcome measurement and outcome management are categorized below.

- Promoting Leadership and Building the Field
- Training and Technical Assistance/Staff Capacity
- Resources
- Technology
- Research

PROMOTING LEADERSHIP AND BUILDING THE FIELD

1. Develop partnerships among various stakeholders (foundations, government, clients, umbrella organizations, accreditation or standard-setting agencies, etc.) to promote the concept—and increase the acceptance—of outcome management.
2. Create programs to increase understanding and involvement in outcome management for all levels of nonprofit organizations, including board members and top management as well as those involved in service delivery.
3. Improve communication and increase information exchange—for example, create a national clearinghouse of information on training and technical assistance resources, and have those with similar programs share with others their experiences with program outcome indicators, where appropriate.
4. Increase the visibility of outcome management—for example, establish a national awards program or a presidential commission, hold a summit of nonprofit leaders, or recruit a high-profile individual as a spokesperson.

5. Prepare and encourage representatives from all parts of the nonprofit sector to increase outcome measurement and the use of the information to inform decision-making.
6. Consider including progress in outcome management as one of the criteria for funding local nonprofit service organizations. This might include the extent to which the local service organization has shown improvement in outcomes, has made substantial progress in using outcome information, or has achieved good outcomes.

TRAINING AND TECHNICAL ASSISTANCE/STAFF CAPACITY

1. Develop training materials and training programs, modified for different types of stakeholders, to help increase the understanding of outcome measurement, its uses, and its limitations (including its relation to more in-depth, special program evaluation studies); to enable the collection of appropriate data; and to support the use of outcome information to improve the effectiveness of nonprofit programs. Stakeholders should include nonprofit leaders such as executive directors and board members (not just staff directly involved in programs), in addition to funders and others.
2. Modify the curricula of undergraduate and graduate-level programs for nonprofit personnel and of in-service management training to incorporate outcome management as an integral part of the management of nonprofit organizations.
3. Incorporate principles of outcome management in job descriptions and expectations of nonprofit staff members.

RESOURCES

1. Ensure easy access by local nonprofit service organizations to qualified assistance providers, consultants, and experts; academic researchers; technical resources; and information on effective practices.
2. Produce a wide variety of educational materials on outcome management, from introductory to advanced levels, with specific guidance for collecting and using outcome data for different types and sizes of nonprofits.
3. Develop case studies that illustrate the use of outcome data by managers, funding organizations, and national service organizations.
4. Encourage funders to provide adequate resources to local nonprofit service organizations for outcome management, especially when it is first introduced. In the long run, though, ongoing implementation should be considered one of the components of good management. Outcome measurement costs should be considered a basic cost of operation, similar to financial accounting, with resources provided by funders as a matter of course.

TECHNOLOGY

1. Improve existing software to facilitate collection and analysis of data, including Web-based and desktop alternatives, and investigate the use of handheld hardware for field work.
2. Explore the use of technology to standardize and streamline reporting requirements to funders (such as foundations, government, and United Ways), to help minimize the burden of reporting and make the resulting reports more useful to nonprofit managers and funders.
3. Build the technological capacity of nonprofit service organizations to use software and hardware to ease outcome data collection and analysis.

RESEARCH

1. Explore and identify procedures for nonprofit service organizations to use outcome information to help improve services to their communities.
2. Document and disseminate the most effective practices for increasing cooperation (response) rates in follow-up surveys of clients.
3. Explore the use of incentives for staff members, and for nonprofit service organizations themselves, to measure outcomes and use the information for managing outcomes.
4. Develop appropriate outcome indicators for hard-to-measure outcomes, such as changes in attitudes or illegal/highly unacceptable behavior, or for programs whose participants are difficult to track individually, such as homeless programs, hot lines, civic education, and advocacy programs.

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SECTION

AN AGENDA FOR ACTION:

TYPE OF ORGANIZATION

In this section, the various agenda items needed to encourage the use of outcome measurement and outcome management are assigned to different types of organizations for action. Although one group might take the lead role, most of these actions, in fact, would be most effective if there were partnerships among the various groups. Many of the agenda items are listed in more than one place, because each group has its own role to play. The types of organizations include the following:

- Funding Organizations, including foundations, government, individual philanthropists, businesses, and supporting organizations such as United Ways
- National Service Organizations (NSOs)
- Accreditation Bodies
- Research Community
- Local Service Delivery Organizations
- Issues for Multiple Categories of Organizations

Within each group, the agenda items are listed according to the categories in Section 2: Promoting Leadership and Building the Field, Training and Technical Assistance/Staff Capacity, Resources, Technology, and Research.

Symposium participants did not attempt to attach priorities to the items for each organization category. However, there was clearly a consensus that actions to promote leadership and build the field are very high in priority at this stage of nonprofit outcome management. A second major consensus was the importance of developing knowledge of how outcome information can be used to improve results for nonprofit clients and their communities.

Funding Organizations

Funding organizations—such as private national and community foundations, United Ways, individual philanthropists, businesses, and federal, state, and local government agencies—have considerable influence on the activities of the local service organizations that seek funding from them. Funders have this critical influence because they choose (a) the purposes for which they provide funds, (b) the information they require from organizations as part of proposal requests, (c) the characteristics of organizations they reward through funding decisions, and (d) the information required from grantees in reports.

Proposed action steps for funding organizations are identified below.

PROMOTING LEADERSHIP AND BUILDING THE FIELD

1. Provide leadership in the community that will encourage local service organizations to take an outcome management approach. (This element was the one most emphasized by symposium participants.)
2. Consider outcome management factors—such as a potential grantee's progress in implementing an outcome management process and past outcome levels—in award decisions for future grants or contracts. (But outcome information, while important, should not be the only consideration in allocating funds among the organizations requesting funds.)
3. Coordinate with other funders, if necessary, on reporting requirements for grantees to avoid conflicting requirements and to standardize the information to be reported, definitions for data elements, data collection procedures, and timing of data requirements. This will reduce the reporting burden for grantees.
4. Subsidize technical and management support organizations that could help nonprofits with the technical aspects of outcome measurement. Many small local service organizations will have problems with technical elements, such as computer use, reliable outcome data collection (e.g., design of client follow-up questionnaires, sampling procedures, and questionnaire administration), data entry, and data tabulation and analysis.
5. Provide support where local service organizations providing similar services in a community choose to work together to identify a core set of common outcome indicators or measurement tools.
6. Promote the use of common terminology in outcome measurement among the nonprofit community. However, it is less important to come to a consensus on definitions than to explain how terms are being used and how the definitions differ among users.
7. Provide funding to NSOs for initial development activities that encourage outcome management by their constituents. Because NSOs inevitably will face resistance in procuring support from their constituents, funding to support the needed tools and materials provided by NSOs to their local service organizations is crucial.

The Washington Post provides grants for "Awards for Excellence in Nonprofit Management," operated by the Washington Council of Agencies. The Ford Foundation provides funds to Harvard University to operate an extensive annual government awards program.

8. Provide funding for awarding and publicizing awards to local nonprofit service organizations that have implemented sound outcome measurement systems, shown substantial improvement in outcomes, or made substantial progress in the use of outcome information. National funders might provide such funding to individual NSOs, to any local service organization in the nation, or to one providing a certain kind of program. Local funders might aim such awards either at all local service organizations in the community or at individual local service organizations providing a certain kind of program. If the awards are monetary, special care must be taken in the selection process to consider different circumstances and to avoid encouraging service organizations to focus on the easiest-to-help clients.

   Both national and local award programs would be desirable. (Community foundations and the local United Way, of course, would be prime candidates for sponsoring local performance awards, with national foundations sponsoring national awards.) The awards might be for particular services or be more general in nature.

United Way of America maintains the Outcome Measurement Resource Network at *www.unitedway.org/outcomes*. Independent Sector's Web-based Nonprofit Pathfinder at *www.independentsector.org/pathfinder/impact/index.html* provides information and links to various outcome measurement tools, literature, and resources.

9. Support national clearinghouses that provide up-to-date information on available outcome management resources, including training and technical assistance resources.

10. Support an outcome management approach for funders and provide training in outcome measurement and management for funding staff. Training and training manuals geared toward funders would help them understand better the whole process of outcome management. Program officers could then provide better guidance to grant applicants and have reasonable expectations of results from nonprofit grantees.

TRAINING AND TECHNICAL ASSISTANCE/STAFF CAPACITY

11. Subsidize outcome management training efforts for both individual local service organizations and throughout the community. This training should cover outcome measurement, its limitations, and ways to use the outcome information effectively. Although initial implementation requires training, there is also a need for ongoing training because of staff turnover and progress in outcome measurement techniques and outcome management methods.

17. Fund the creation of programs and manuals for training trainers in outcome management (including outcome measurement) that are specialized for different groups, types of services, and depth of experience in outcome management, and even for the staff of funding organizations themselves. These materials could be based on existing manuals that have already been produced, such as the United Way of America manual and materials already developed by some of the NSOs.
18. Provide funding for national clearinghouses of information on outcome management in the nonprofit sector that would include information on training and technical assistance resources. (The details of the scope would have to be worked out—for example, to what extent, if any, materials would be screened and who would do the screening.)
19. Support the identification and development of local resources, such as academic personnel (professors and students), consultants, and volunteers in the community who might be available to provide training and technical assistance to individual local service organizations. Businesses in the community might donate training and technical assistance to local service organizations, especially on technical elements such as on data handling.
20. Support independent efforts to identify and disseminate information on successful practices.
21. Fund an examination of how best to report on outcomes, especially for external uses, such as the general public, the media, and funders.
22. Provide funding for research into important emerging outcome measurement needs and ways to use outcome information more effectively (see Research Community Agenda for more specifics).

TECHNOLOGY

23. Provide funding, where needed, to local service organizations for computer and related technology and training. Without these capacity-building efforts, local service organizations will not be able to handle their outcome data efficiently.
24. Support the development of software, especially by NSOs, to facilitate collection, analysis, and reporting of outcome data.
25. Support adaptation of the latest technology, such as various distance learning approaches, that would make training in outcome management less expensive and more accessible for nonprofit organizations throughout the nation.

RESEARCH

26. Support research aimed at improving the state of knowledge in various aspects of outcome management. (The subsection on Research Community includes suggestions for a research agenda.)

National Service Organizations

NSOs are defined here as organizations that furnish support services to local affiliates providing direct services to their communities. The local service organizations typically make annual payments ("dues") to help support the NSO.

Proposed action steps are outlined below, but NSOs will need to work closely with their local service organizations in order to identify specific steps.

PROMOTING LEADERSHIP AND BUILDING THE FIELD

1. Take a leadership role in encouraging the use of outcome management in their service organizations, rather than waiting for funders to impose such requirements. This would include providing affiliates with supporting materials, such as "how-to" manuals, and guidance on obtaining funds for outcome management efforts.
2. Assign a senior staff member to be responsible for encouraging outcome management with affiliates, along with the resources needed to implement and maintain the effort.
3. Ask for outcome indicator data from local service organizations in a standard format and provide comparative data back to them. Differences among characteristics of programs and clients must be taken into account to ensure fair comparisons.
4. Establish awards or other incentives to local affiliates that have shown substantial improvement in outcomes, or have made substantial progress in the implementation of outcome measurement and the use of outcome information.
5. Identify affiliates that have had experience with outcome management, or that are particularly interested in implementing outcome management, to help lead the efforts.

The American Cancer Society has developed service-specific examples to illustrate how United Way of America's generic manual relates to American Cancer Society state division and local units.

TRAINING AND TECHNICAL ASSISTANCE/STAFF CAPACITY

6. Provide training and technical assistance to local service organizations in the outcome measurement process and the effective use of outcome information to improve service outcomes. This should include the use of computers and the related technology that is needed to help nonprofits efficiently handle their outcome data.

RESOURCES

7. Consider using "mentors" from affiliates with successful experience in outcome measurement and outcome management to help others. This arrangement would require, at a minimum, funds to cover travel expenses.

OPERA America has a project that matches professionals in the field to small opera organizations. In exchange for a small stipend plus expenses, the consultant conducts several phone interviews and a one- or two-day visit and then prepares a paper outlining possible solutions.

8. Identify and disseminate information to local service organizations on successful service practices, based in part on the use of outcome measurement data.
9. Help develop procedures for local service organizations to follow when there are unexpected outcomes, whether good or bad. The key is to increase understanding about the linkage between service or client characteristics and outcomes.
10. Offer direct help to local affiliates in data gathering, tabulation, analysis, data quality control, and reporting of outcome information.
11. Work with local affiliates to identify key characteristics or data elements that affiliates should consider for collection and analysis. For example, most human service organizations might break out their aggregate outcome data by various client demographics, such as age, gender, race/ethnicity, income, and residential neighborhood. These details can considerably enhance the usefulness of outcome information, enabling local service organizations to target problems and inequities.

    Methods could also be created to characterize incoming clients by the expected level of difficulty needed to produce successful outcomes. This information could be used to identify the client mix and to track changes over time. Such a procedure would also reduce incentives to focus on easier-to-help clients at the expense of harder-to-help clients, just to improve success rates.

Boys and Girls Clubs of America (BGCA) developed questionnaires (with individual ones tailored to three age groups) and suggested data collection procedures for its local affiliates to obtain outcome information from the youth they serve. The local clubs can, if they wish, use BGCA software to enter the responses electronically and obtain the tabulations and cross-tabulations they need. BGCA provides free training and technical assistance.

12. Include outcome measurement and management issues, suggestions, lessons learned, and resources in membership newsletters, conferences, Web sites, and other communication vehicles.
13. Provide guidance on reporting outcome findings to ensure that they are reader-friendly and attractive, present detailed findings in an easily understood format, and appropriately address issues of poor outcomes, if necessary.

TECHNOLOGY

14. Explore ways that new technology can facilitate outcome measurement. For example, hand-held computers could be used to record observations on the condition of clients and facilities (such as residential facilities and animal shelters), record results of water tests, and administer client surveys. Their use would greatly reduce data entry time. Geographic Information Systems could be used to help collect location-based outcome data (see Research Community agenda).

RESEARCH

15. Identify a basic core set of outcome indicators, including specific definitions for each indicator and suggested data collection procedures, that local service organizations would be encouraged to use.
16. Initiate and support efforts to improve the quality of outcome measurement and management practices in affiliated local organizations. This could include (a) improving the technical quality of outcome measurements, such as data collection procedures; (b) exploring low-cost data collection procedure options; and (c) identifying more effective ways to use outcome information to improve service outcomes and gain public support. The NSO might undertake such activities itself or work with researchers or management service organizations.
17. In addition to supporting the outcome measurement efforts of local affiliates, undertake occasional in-depth program evaluations that use outcome measurement data to help identify what procedures and practices seem to work and why.

Accreditation Bodies

PROMOTING LEADERSHIP AND BUILDING THE FIELD

1. Include as a criterion for accreditation that organizations have a meaningful outcome measurement process in place and produce regular outcome reports.
2. Require that accredited organizations have in place, or are planning and implementing, appropriate systems for using outcome information to identify program improvements.

The Council on Accreditation for Children and Family Services (COA) includes this criterion: "The organization has an outcome measurement system in each of its programs which evaluates individual progress and program effectiveness." COA expects to change the designation of this criterion from "critical" to "mandatory."

3. Consider whether accredited organizations could identify a basic core set of outcome indicators, with definitions, data collection procedures, and data quality control procedures. These indicators could then serve as part of the outcome measurement process for the set of accredited organizations. (Some symposium participants, however, felt that this might not be an effective approach to useful measurement or effective management.)
4. Explore the feasibility of setting minimum outcome levels that accredited organizations are expected to achieve. This is not appropriate for many services at this time because the state of the art of outcome measurement is not yet sufficiently developed.

TRAINING AND TECHNICAL ASSISTANCE/STAFF CAPACITY

5. Offer training on outcome measurement and outcome management for organizations seeking accreditation.

RESOURCES

6. Develop written guides on outcome measurement and outcome management and provide them to organizations seeking accreditation.

Research Community

The research community has the potential to make a major contribution to the effective implementation of outcome measurement and outcome management in the nonprofit sector. The field will be advanced the most if research remains practitioner-oriented.

TECHNOLOGY

1. Design computer-based training packages and do-it-yourself aids, using CD-ROMs or a Web-based system, as inexpensive, accessible, and high-quality ways of introducing outcome measurement and management to organizations. A package might include both basic core modules and modules tailored to specific services (for example, family counseling or home health care).
2. Develop software for local service organizations that facilitates the collection, analysis, and reporting of outcome data. This includes (a) construction of tailored client-tracking forms; (b) aggregation of data and calculations to produce data on specific indicators; (c) disaggregation of data for outcomes in various client subgroups; and (d) translation of outcome data into user-friendly reports.
3. Explore ways that new technology could facilitate outcome measurement. For example, handheld computers could be used to record observations on the condition of clients and facilities (such as residential facilities and animal shelters), record the results of water tests, and administer client surveys. Their use would greatly reduce data entry time. Geographic Information Systems could be used, for example, to help collect location-based outcome data.

RESEARCH

4. Develop and test reliable, valid, and low-cost outcome measurement procedures for activities and outcomes that do not yet have such procedures (for example, homeless programs, hot lines, civic education, and advocacy programs). Model survey questionnaires for individual services could be used by many local service organizations, provided some tailoring is done for specific services and programs. Procedures should be tailored to different levels of resources and technical capability within local service organizations.

5. Develop and test efficient, low-cost ways to survey clients and former clients, including transient populations. How to follow up and survey former clients, perhaps three, six, or twelve months after those clients have left the programs, is of particular concern. Research would be useful on the effectiveness of low-cost incentives that local service organizations can use to encourage client participation in follow-ups.

6. Develop procedures to analyze and present outcome information for use by local service organizations.

7. Design procedures to follow when there are unexpected outcomes, whether good or bad, to help ensure reasonably valid explanations. This will require study of the linkage between service or client characteristics and outcomes. The role of in-depth, ad hoc program evaluations should be better described, along with appropriate procedures for comparison groups, if they are used.

8. Develop guidelines, case studies, and other materials to help local service organizations use outcome information to improve their services and service outcomes. Symposium participants identified this as one of the major gaps in outcome management today.

9. Research incentives that appear effective in encouraging local service organizations to move toward becoming an outcome-oriented organization. The focus should be on positive incentives that can reduce the fear of outcome measurement among nonprofit managers and staff.

10. Develop procedures for reporting outcome results based on program and client characteristics to allow the reasonable and fair comparison of programs that provide similar services in different locations.

11. Use outcome information to identify and disseminate successful practices (often labeled "best practices") to local service organizations.

Research from the American Cancer Society shows that individuals who have not begun smoking by age 18 are not likely to begin smoking later in life. Thus, if youth-serving programs achieve the outcome "at age 18, youths are non-smokers," research can link that program outcome to the long-term result "adults do not smoke," and the even longer-term outcome "adults have a lower incidence of smoking-related disease.

12. Research ways that local service organizations can relate costs to outcomes.
13. Conduct experimental studies of links between intermediate program outcomes and desired long-term results. This will enable programs to focus on earlier outcomes for which data can be obtained sooner and much more feasibly, thus reducing the cost of data collection considerably.

Local Service Organizations

The local service organizations are where the action is on outcome measurement and outcome management. They provide the services and programs in communities. The first three items below are together intended to help bring about a "cultural" change—that is, to encourage organizations to focus more intently on the outcomes they seek as a result of their programs.

Local nonprofit service organizations should be engaged in outcome management, not because a funder requires it, but because it is an important way to achieve continuous service/program improvement and deliver improved outcomes to clients and the community.

PROMOTING LEADERSHIP AND BUILDING THE FIELD

1. Gain the leadership and support of the executive director and board members, aided by support from the appropriate NSO, the local United Way, local governments, local private foundations, and written materials from the research community.
2. Include "providing outcome management support" in the job descriptions of the executive director and other senior nonprofit staff.
3. Work with staff and board members to identify the mission, desired outcomes, client groups on whom outcome information should be sought, and basic data collection procedures.
4. Designate a staff member as the outcome measurement person in the organization, and give that person the needed responsibility and resources to implement and maintain the process.
5. Identify client characteristics—for example, age, gender, and education—that seem likely to affect client success in achieving sought-after outcomes. (These characteristics will vary for different organizations and outcomes.) Outcome data for clients in different subgroups of each characteristic (e.g., did female clients achieve an outcome more often than male clients?) should be analyzed. This will help identify client subgroups for which the organization may need different approaches or additional services.

   Another useful way of subdividing client outcome data for analysis is by program characteristics. For example, the outcomes of clients served by one staff unit or service method can be compared with the outcomes of clients served by another staff unit or service method. Such analyses yield insight into more and less effective service practices, staff training methods, follow-up procedures, and other program attributes.
6. Work with other organizations that provide similar services in the community to identify a core set of common outcome indicators and ways of taking into account differences in program and client characteristics that will allow instructive comparisons and identify effective practices.

7. Generate reports on outcomes at regular intervals throughout the year (such as monthly or quarterly) and disseminate them promptly to all staff. These could be posted in prominent locations in the office.
8. Use information from the outcome measurement process to help identify opportunities for improvement, perhaps by holding "How-Are-We-Doing" sessions with staff soon after each performance report becomes available. Explanations for poorer-than-expected outcomes and for differences in outcome attainment between client groups should be sought, and action plans developed to make necessary changes. After changes have been made, subsequent performance reports can be examined to assess whether the expected improved outcomes actually occurred.
9. Publicize the successes, but do not hide the problems. If the outcomes are not as good as expected, the organization should try to identify the causes and develop plans for correcting problems.
10. Review outcome data to relate costs to outcomes, at least once the research community has provided feasible options. This activity is likely to be needed especially by local service organizations that provide multiple services.
11. With other local service organizations, and perhaps with support from a community foundation, develop awards for excellence in nonprofit services that include as a criterion sustained outcome management performance. Local media support and publicity for the awards program should be sought.

TRAINING AND TECHNICAL ASSISTANCE/STAFF CAPACITY

12. Provide training in outcome measurement and outcome management to staff (preferably all staff, whether or not they are directly involved in data collection and use), board members, and volunteers. This should include, or at least be linked to, the concept of customer service.

RESOURCES

13. Identify sources of help, such as the NSO (if appropriate), experienced staff in other local nonprofit organizations, local universities or colleges, volunteers, management support organizations, and technical support organizations, to implement and maintain a sound outcome measurement process. These sources should understand the limits on available resources.
14. With other local nonprofit organizations, establish a local "mentoring" network in which staff experienced in outcome measurement and outcome management would provide help to others. Mentors could be from the local community or from organizations in other communities.
15. Develop procedures for reporting performance findings to staff, board members, funders, and the public.
16. Convene a meeting of local service organizations providing services in the same community to discuss and work on common issues and problems in outcome management.

Issues for Multiple Categories of Organizations

PROMOTING LEADERSHIP AND BUILDING THE FIELD

The University of Texas and the State of Texas have been sponsoring a well-attended biennial conference on "Managing for Results," focused on state and local government efforts. It has been cosponsored by many national associations with an interest in government.

1. Identify and obtain the support of a recognized, well-regarded individual to serve as a "champion" of outcome management in the nonprofit sector—to promote its visibility and gain wide acceptance. Someone like Peter Drucker, Louis Gerstner (CEO of IBM), Jack Welch (retired General Electric CEO), or Paul Newman could be effective.

2. Establish a network of representatives from the various categories of organizations (those included above and others, such as INDEPENDENT SECTOR and the Council of Foundations) to take leadership roles in encouraging greater focus on outcome management among nonprofit organizations.

3. Create a continuing forum to provide regular interaction opportunities for persons involved in outcome measurement and outcome management in different organizations to discuss issues, problems, approaches, and solutions.

   A related approach is to hold an annual "summit" on the topic, for at least a few years.

RESOURCES

4. Encourage greater communication and information exchange on outcome measurement and outcome management among the various categories of organizations. This could include creating the national clearinghouse, included as an agenda item for Funding Organizations, using the network mentioned above.

5. Encourage cooperation and coordination within the community among local government, local foundations, local businesses, United Way, nonprofits, and others to work on common issues and problems—such as strengthening leadership, providing training and technical assistance, and in general increasing the understanding of outcome management among local organizations in the community and the public.

For more information, see the following Web sites:

http://www.nccs.urban.org
http://www.nonprofitresearch.org
http://www.indepsec.org
http://national.unitedway.org/index.cfm

The Urban
Institute
2100 M Street, N.W.
Washington, D.C. 20037

Phone: 202.833.7200
Fax: 202.429.0687
E-Mail: paffairs@ui.urban.org
http://www.urban.org

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