Unsticking the Sector: Leveling Power for Systems Change

THE STUCK POINT

The social sector is stuck.

The vividly inequitable impacts of the 2020 COVID pandemic led to heightened awareness of nonprofits needing sustained and flexible, general operating support. Especially during quarantine – and global economic uncertainty – nonprofits were on the front line, responding and innovating in the context of entirely new and rapidly intensifying community needs. That same year, the murders of George Floyd, Ahmaud Arbery, and Breonna Taylor brought social inequities and enduring structures of white supremacy into piercing focus. Again, nonprofits were called on to be the first responders, asked to scaffold the building of equitable systems and the elimination of disparities.

The social sector is uniquely poised to address these kinds of needs and crises, but resourcing their work is a persistent struggle. How do funders pick which under-resourced nonprofits to fund when they're all providing critical services to chronically disenfranchised communities? Wealthy, often white-led, foundations and other philanthropic entities are stuck in an impossible power imbalance that hinders building trust. Innovative funding models, including sustained general operating support, help counteract the scarcity mindset and programming fragmentation by helping funders and nonprofits focus on long-term impact. But they are just a start. **How do we fully realize truly collaborative social planning and design? To this end, how do we ground and support generative discussions about goals, progress, and community impact?**

One answer is found in the private sector. Private sector markets have developed well-established structures, defined metrics, and dedicated organizational capacity which support collaborative discussions. This enables shared decision-making aimed at increasing return on investment; but these are missing in the social sector. **The social sector is stuck because we have not figured out how to systematically structure and resource data-driven decision-making that can guide authentic partnerships for innovation and systems change.**

THE DATA STRUGGLE

I spent the mid-aughts helping nonprofits fulfill requests from funders to deliver evidence-based programming and show impact. I never met a nonprofit professional who didn't deeply care about how

they were impacting people. However, the unstructured task of gathering and using data to prove their value and impact was unwieldy and overwhelming. A lot of unfunded effort went into trying.

In 2011, I excitedly became the founding Director for Program Evaluation and Community Consultation at Youth-Nex, the Center for Positive Youth Development at the University of Virginia. My PhD in social science and eight years of experience in the social sector made me a perfect fit for championing evidence-based programming, evaluating how Virginia's youth-serving programs were working, and developing structured data systems. I even created a clever tagline: "Bringing science to life."

This is young me. Super excited but trying to look casual.

Spoiler-alert: The real-life nonprofit world was far too complex and ever-changing for the structured program evaluation science needed to confidently demonstrate impact. Everyone found the program evaluation language confusing, and no one was even slightly interested in the unfamiliar scientific procedures required. Life didn't *want* that science.

> Our funder is really focused on ensuring kids go to college. We help middle- and high-school students learn critical computer skills, which certainly increases their chances of success. But how can we prove it helps them get into college? Where do we find a comparison group?
>
> – Kala, Executive Director

Nevertheless, and despite how hard can be, the value of gathering impact and using client feedback is rarely disputed. Most nonprofits and funders *want* to collect and use data. Unfortunately, the majority, 82% of respondents in one sector survey, find it too resource intensive, expensive, and/or complicated.

> How do we know what questions to ask of the data? How do we know what data to collect so we can answer our questions?
>
> – Mike, Foundation Board Chair

Foundations, even those with staff specifically focusing on data, rate their top three struggles as: (1) capturing the complexity of impact, (2) identifying useful lessons for nonprofit grantees, and (3) finding meaningful insight for themselves.

> This database is a waste of time and money. Even though we dutifully enter all our data, there is still all this work needed to figure out our impact. I thought the database would tell us.
>
> – Heather, Executive Director

Fewer than 1 in 5 nonprofits have the data they need and the ability to use it. When they do have data, they struggle because they don't have a guiding structure, the time, or the ability to identify actionable insights. What's more, small nonprofits – those closest to the most critical community needs – are twice as likely than their larger peers to have no access to data. None.

Typically, nonprofit capacity builders (such as Centers for Nonprofit Management or United Ways) are the go-to support for ensuring strong nonprofits and effective nonprofit-funder relationships. Their programming focuses on leadership development, staff and volunteer capacity, networking, and organizational growth and vitality. **Little, if any, programming is focused on tracking and using impact**. Experience tells me this is because "program evaluation" is considered a sprawling consulting service provided by an expert, external evaluator, and it's expected to be cumbersome (if not outright disruptive) to service provision.

We haven't come up with an elegant solution for making this doable. But it should <u>not</u> be a struggle. **Having and using impact data should not be more difficult than tracking and using a budget.**

REARTICULATING THE NEED

Small, mighty, and on-the-ground every day, local nonprofits fill service gaps, provide hope, and cultivate equitable communities. But limited resources mean **they consistently miss out on having impact data to improve programming, support staff, and communicate their success to funders and other stakeholders**.

> *The data need to work for the staff, not the other way around. How do we collect data that helps them do their job at the same time we're collecting data we need for grants?*
>
> *— Mary, Executive Director*

> *How can we capture the impact of our priority portfolios? How do we talk about the impact we are making? Can we even claim to be making an impact?*
>
> *— Scott, community foundation Chief Community Impact Officer*

Community foundations, corporate foundations, other philanthropic entities, and even individual donors are increasingly aspiring to level power through **trust-based philanthropy** but need to know when to persist in partnerships and when to redirect resources. They also want to **understand impact in terms of progress being made toward systems change**.

If our goals really are to adequately resource nonprofits to be responsive, innovative, and able to cultivate equitable systems, as well as to generate authentic partnerships between nonprofits and funders, then the following is abundantly clear:

> We must establish uncomplicated, sector-specific structures and defined metrics, create capacity for tracking, analyzing, and using impact data, and articulate strategies for identifying insights and making data-driven decisions. All this must be accessible, affordable, and sustainable for even the smallest social sector organizations.

THE SOLUTION

These days, I simply tell social sector leaders: **"Program evaluation is NOT your job."**

The social sector can – and does! – successfully partner with program evaluation scientists and consultants to develop and scale new programs, understand community needs, or dig deep into organizational knots.

However, day-in and day-out, **nonprofits and their funders' missions are to deliver goodness so people can achieve long-term goals.** These missions are critical work in and in of themselves.

Nonprofits and foundations are like physicians and insurance companies. Nonprofits should be using programs (i.e., delivering medicine) rooted in the science of what we know works to help people. Foundations are partnering to fund that service delivery (because markets do not). **Neither partner needs to re-prove programming results in long-term change**; that's already been done by the program evaluation scientists.

Additionally, because nonprofit clients are not purchasing services, and rarely have choices about where to receive them, the only way to know if clients are really getting what they need is to ask them directly. This means what's essential is an **uncomplicated strategy with defined metrics and dedicated capacity for sustainably identifying and tracking client achievements and feedback.**

Extending initiatives focused on capturing client satisfaction, such a strategy would provide everything social sector partners need to understand three key metrics: (a) what clients receive from programming, (b) how likely they are to use what they receive in the future, and (c) how satisfied they are with what they received. True to sector values, tracking client feedback also activates authentic voice (inclusion) and power in shaping programming (equity).

There you have it. No fancy scientific program evaluation needed.

As straightforward to resource, understand, and use as a budget, such a strategy can facilitate authentically collaborative learning and knowledge building. **Co-generated knowledge allows social sector partners to be responsive to community needs and effectively develop programs on a path towards systems-change goals.**

The uncomplicated, three-steps of the innovative **ImpactStory™ Strategy** includes all the tools and resources needed to create and sustain impact tracking and storytelling processes that lead to informed action. The Strategy ensures social sector partners *always* have quality metrics to reflect on, structures in place for turning data into powerful action, and their impact stories at their fingertips.

		A Solid Framework	Programs that Work
Map Out Your Strategy *CLEAR*	**1**	A Strategic Impact Map™ elegantly connects your mission to immediate impact and then to your vision for systems change. All the links are clear.	An Impact Statement clearly articulates why your programming is expected to result in short- and long-term impact. Everyone is on the same page.
		Smart Surveys	Painless Data Analysis
Gather the Pieces *CONFIDENT*	**2**	Tracking achievements, plus smart surveys, result in efficient data collection. With defined metrics you can be responsive to clients and see how you're meeting your mission.	Using only a handful of Excel formulas and two graphs, an Impact and Learning Team is the structure for co-creating knowledge and turning data into action.
		Masterful DataViz	Powerful Impact Stories
Tell Your Story *COMPELLING*	**3**	Creating engaging graphics and dashboards people *want* to look at is essential for each of the four types of impact stories.	Client narratives and meaningful, contextualized impact produce connection and credibility. Powerful stories move people to action.

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Not the practice of program evaluation science, but emerging from it, the ImpactStory™ Strategy provides the structure, defined metrics, and intuitive language which allows nonprofits, and their funders: to be *CLEAR* about the specific impact they are working toward, to be *CONFIDENT* in the data being collected and how to understand and use it, and to tell *COMPELLING* impact stories that move people to action.

When the Strategy is fully implemented, social sector leaders are unstuck, and the following opportunities materialize:

The solid framework creates **clarity around what a nonprofit does**, what they don't do, and **why what they do is expected to work**. This helps manage mission-drift and focus resources. This is the basis of a **strong case** for sustaining investments because it is clear what long-term changes clients gain the ability to make. Funders are similarly able to use the solid framework for **guiding value-driven investments aimed at systems change**.

A video of me now. Considerably older and wiser.

Confidently collecting defined metrics gives social sector partners the ability to talk about real and immediate **returns on investment**, know where additional resources are needed, and how new investments are expected to additionally improve impact.

Meaningful impact data **builds trust** with the communities served, as well as between partners and other stakeholders. The process of identifying insights and co-creating knowledge is the **process for leveling power** and having productive conversations about program improvements and growth.

When people have access to data, they become more **motivated to set and reach goals**. Data helps supervisors and grants managers alike ask the right questions and provide the right support.

The Strategy results in valid, meaningful knowledge to **guide decision-making**. Unmet goals become priorities for growth, including potential realignment of resources and programming. Opportunities are unlocked.

Not unlike establishing an accounting system, the strategy takes some time and effort to set up. Unlike an accounting system, impact tracking must evolve as programming changes. **Once the strategy structures are in place, impact tracking, data-driven decision-making, and powerful storytelling simply become part of the fabric of the organization.**

ACCESSING THE STRATEGY

The **ImpactStory™ Strategy Toolkit** is the focus of the live, on-line ImpactStory™ Academy. The 9-week Academy orients **nonprofit leaders** to all parts of the Strategy, gives them a chance to start building their systems, and includes all the tools for putting it fully into place.

Click to play video.

Uncomplicated sustainability is the promise, so Academy participants also get forever access to a me, as well as a community of like-minded peers for ongoing support and resource exchange. A **funders**-only Academy is available upon request.

Many nonprofits and funders simply do not have the staff capacity to actualize the Strategy, even with all the knowledge, structure, and tools in hand. The **Impact Specialist Partnership** is an innovative model of partnership which provides **just the right amount of staff capacity** for embedding the ImpactStory™ Strategy within a nonprofit-funder relationship.

The Impact Specialist Partnership supports a thriving, strengths-based, growth-oriented, and actionable data-culture for both **nonprofits** and **funders** by:

(1) building uncomplicated, sustainable structures needed to ensure high-quality metrics are always available, and

(2) on-going support of high-quality data collection, expert guidance in capturing insights for turning data into action, and capacity for contextualizing data and weaving in client narratives for powerful storytelling.

> When uncomplicated, sustainable, and right-sized strategies are in place for defining, tracking, and using impact, social sector partners have access to powerful knowledge that can dramatically increase the vitality, agility, and visionary impact of the whole sector.

> *Partnerships for Strategic Impact® seeks to use impact to promote democracy, social justice, equity, and activate the power of those who have been disenfranchised.*
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