

‘Measuring impact, why it matters and why so many organisations need to sharpen up their performance.’

In his article on the first of January, Matthew Parris, the Times journalist wrote about his recent trip to Malawi with Pump Aid, the Times Christmas Appeal charity. He described the amazement he felt at seeing how a simple rope and pump system was changing the lives of local villagers near Lake Malawi by providing safe and clean water.

What you might not know is that Parris is a self-confirmed sceptic of overseas aid. He is not one to be easily won over by charity’s stories and appeals, and like many journalists is a tough nut to crack..

I think you can approach this story in two ways.

You can see it as an affirmation of the great work of charities and of their ability to convert even hard core sceptics like Parris through their inspiring frontline projects.

Or you can see it, as I do, as a challenge.

A challenge for other charities, big charities in particular, to show us what they achieve.

A relatively small charity like Pump Aid can demonstrate the impact of its projects by taking supporters to see a newly built well, or a school vegetable patch flourishing from a new, regular water supply.

But this ‘seeing is believing’ approach just doesn’t cut it for larger charities.

It is not enough for them simply to measure and talk about the success of individual projects. They must prove their effectiveness by measuring and showing us the impact they create overall, their value added. They need to show that the whole is greater than the sum of the parts.

The organisation I work for, New Philanthropy Capital, helps charities of all sizes to demonstrate their impact. Matthew Bishop of The Economist described us in his recent book as ‘simultaneously a service (for donors) and cause (for everyone).’ He could also have added that we are a service for charities too.

One of our recent developments has been to build a new charity analysis framework to help large charities with the challenging task of measuring and articulating their performance. And our tools team continues to build a number of free and easy-to-apply tools which help charities to measure and put numbers on all kinds of seemingly intangible results, from the success of an awareness raising campaign to a charity’s impact on a child’s well-being.

At present our team at NPC doesn’t see much evidence of impact measurement from charities. We see charities’ drive, their enthusiasm, their commitment to service users, but not their evidence.

More could be done. And I think this presents an exciting opportunity for charity communications staff to change this situation—this lack of focus on results.



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Donors care about results. Evidence from the US shows that the two most important things for donors are results and trust. In our own experience, a number of NPC's own donors have increased the amount they planned to give, or changed the issues they choose to fund after seeing the impressive results of our recommended charities.

A recent article from the ERSC stated 'Lapsed donors rarely claim they couldn't afford to carry on giving, but they often say they lost faith in the effectiveness of their giving.' In other words, they lost faith because they couldn't see any evidence of impact. Nobody was telling them what their donation had achieved.

This loss of faith is something charities can ill afford in current times. It may be true that we have not yet seen a massive drop in donations as a result of the credit crunch. Indeed Children in Need smashed last year's targets in November and the NCVO/CAF Individual Giving survey showed that people actually gave more last year than they did the year before. But it will certainly not be all plain sailing for charities in 2009 and it would be prudent to say they will have to work harder for their income. Especially as past recessions have not seen the industries which create wealth hit the same way as they have been in this current crunch.

As an industry, charity communications and fundraising have not been good at teaching or talking about impact. Look at the Fundraising Standards Board. No mention of impact. Look at the Certificate in Fundraising Management. No mention of impact. Ironically, even the IMPACT coalition doesn't mention impact.

But I think the credit crunch could be the spark to move discussions with donors onto a new and better track focusing on what matters, namely the results of charities' work.

Comms teams determine the way a charity communicates with donors. They are perfectly placed to provide the pressure for change, and to respond to the latent, if poorly articulated desires of donors to learn about, reward and invest in good results. They can push charities to measure results seriously—to collect, collate and produce the evidence for a richer dialogue with donors.

More and more, charities are coming to realise the benefits on offer from measuring and communicating impact.

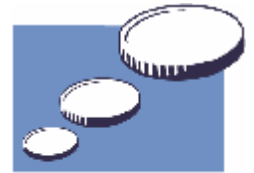
The ability to adapt and improve services.

Like Chance UK the mentoring charity which following an evaluation, changed its approach after learning that male mentors were best suited to children with behavioural difficulties while children with emotional problems responded best to female mentors.

The ability to differentiate your organisation and win funds.

Like The Place 2Be which works in primary schools and has received significant funding through NPC clients who like its focus on results, its ability to demonstrate these and its culture of caring about performance and being accountable to donors.

The ability to attract support even when your cause is unappealing.



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Like the Lucy Faithfull Foundation which helps paedophiles. Its emphasis on a coherent narrative and evidence of impact, led four donors to fund the charity last year.

And alongside these reasons is the increasing pressure from public sector commissioners to provide evidence of impact. Charities should pay heed to the public administration select commitment report from July 08 which claimed it was unable to corroborate the claim that 'third sector organisations can deliver services in distinctive ways which improve outcomes for service users' because of a lack of evidence.

I should probably outline in a bit more detail what I mean by impact. When NPC analyses the effectiveness of a charity we look for evidence of four key things –

One, importance;
Two, effectiveness;
Three, efficiency; and
Four, ambition.

Importance is whether the charity focuses on important issues or 'needs'. Effectiveness asks: can the charity show that what it does works?

Efficiency is about how the charity manages its resources, and ambition looks at if the charity works to reach more people and strives to improve its services.

We will be publishing a report containing this framework and outlining more of NPC's approach next month as an update on how we analyse charities.

Put simply, demonstrating impact is about being able to provide evidence that your work has changed policy, changed attitudes or changed beneficiaries lives directly.

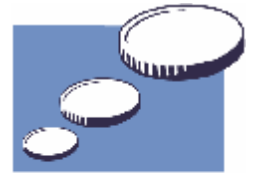
Like UNLOCK, which campaigned and worked with the insurance industry to provide affordable insurance for offenders and their families. Before UNLOCK, no insurers provided cover to former offenders.

Or St Basil's the youth homelessness charity which goes into schools to change young people's opinions about the best age to leave home. Their data shows that 55% showed a marked difference in the age that they thought it was right to move home after the session— the mean age rose from 16 to 19.

I know that measuring and communicating impact is not an easy thing to do. Which is one reason why we set up the tools team at NPC. One example of a tool being developed, which I alluded to earlier, is a questionnaire currently being piloted with Barnardo's and The Princes' Trust which is designed to help charities measure the impact of their work on children's well-being. We want to challenge charities to achieve impressive results and to raise their accountability to funders and to themselves, but we also want to help them achieve this.

But the question begs to be asked, if we all appreciate the importance of demonstrating impact and there is help out there for charities, then why aren't more communication staff driving the results agenda within their organisations?

I don't have a clear answer to this.



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Maybe it's because comms teams have never been asked about results, either by donors or by their chief execs.

Adam Sampson from Shelter commented recently on the lack of a customer feedback loop in the charitable sector, saying 'We are a curious sector - the people who pay for our work are not the same as the people who use our services'. The result of this can be that sometimes charities focus on the needs of the people using their service, and neglect to hold meaningful conversations with those funding it. A charity may think that it is not hearing a demand for results from donors when in reality it may be because they have never asked them.

Maybe it's because comms teams have not been resourced to drive the agenda.

It does take effort and investment to measure results. I was recently sitting at a dinner next to a trustee from a large children's charity who said to me. 'it's terribly hard demonstrating and measuring impact, isn't it?' In the case of that charity their internal team was just four strong for an organisation spending tens of millions of pounds. I'd argue that if this is the case in your organisation then it is your job as part of the comms team to put more pressure on the chief exec to invest in measuring impact. You will benefit in the long run.

Maybe it's because there isn't a strong results culture within charities.

Shifting an organisation's momentum to focus on results is not something a comms team can do by itself. But I think you should see yourselves as catalysts, and use your communication skills to build the case internally and to get buy-in from all staff, from those on the ground right up to chief execs. You won't achieve huge changes overnight but there are lots of small steps you can take to improve the way you communicate your impact.

For example, our comms team at NPC work closely with our quantitative analysts to build what we call 'go figures'. These sticky stories explain the social return on investment a donor can expect from a charity in an easy in accessible way.

One go figure calculated the return on offer from giving £1 to a homeless charity which helped homeless people into work, compared to giving £1 to someone begging on the street. Another showed that each successful case of a domestic violence charity, which helps victims put their attacker behind bars, costs less than a holiday in the sun for a family of four.

I think we all agree here that charities should be rewarded and supported on the basis of results. But a charity can't be rewarded for its good results if it doesn't measure or tell anyone about them. A donor doesn't feel inspired to give if he or she can't see what their money is achieving.

I don't know about you but the reason I'm here is because I care about charities being rewarded for the fantastic work they do. And I think that they should receive these rewards based on their results.

It is in your gift to change your dialogue with donors and focus on results and impact. If we all do this, then we'll be able to convert a lot more sceptics like Matthew Parris.

Martin Brookes was speaking at the CharityComms seminar: 'Measuring impact, communicating results.'

22 January 2009.