

## Questions to Guide Your Evolution to Managing to Outcomes

*Important Note: The following list of questions is a companion piece to [“Social Outcomes: A Revolution in the Making.”](#)*

In “Social Outcomes: A Revolution in the Making,” I presented a framework to provoke introspection about whether your organization has gained real clarity on the change you are trying to create in the lives of those you serve, has figured out what information is most helpful for determining how you’re doing, and is using this information to guide your key decisions and actions.

To make use of this framework, please consider answering the following questions. If you’re a leader already working hard to manage to outcomes, I hope the questions will provide a constructive means to affirm or trigger a rethink of your work. If your organization has not made that step into the world of outcomes, I hope these questions will help guide your thinking to get there.

### **TRIGGERS**

- ❑ Strong Board Stewardship
  - ❑ Does your board know how the organization actually delivers its services and how it is run?
  - ❑ Does your board see governance and stewardship as leadership, where board members and executives work together to ensure the success of the organization, or is the board primarily focused on fundraising?
  - ❑ Does your board accept responsibility for oversight of the organization’s quality and ensure that what you do benefits those you serve in material, measurable, and sustainable ways?

#### **My Core Assumptions**

*The board of directors must take every step necessary to ensure the organization has clarity of purpose, the right leadership in place, and a performance culture. It must also have a deep understanding of those the organization serves and the outcomes it aims to achieve. It must have the wherewithal to assess what it does, course correct, and improve. When it comes to managing to outcomes, the buck stops with the executive director. But when it comes to assuring that the executive director manages to the **right** outcomes, the buck ultimately stops with the board.*

- ❑ Visionary Executive Leadership
  - ❑ Do you have a strong desire and commitment to drive higher performance by managing to outcomes? Are there others on your senior leadership team who share this commitment?
  - ❑ Are the individuals who share a commitment to managing to outcomes the type who “get things done” and have the stature within the organization to influence others?

#### **My Core Assumptions**

*Evolving your organization to manage to outcomes requires, for most nonprofits, a fundamental change in mindset and behavior. This bold change doesn't come from an endless series of planning sessions, outsourcing the task to consultants, or delegating it "to be implemented." It is driven by visionary leaders who are willing and able to disrupt the old way of working and who often show the same obsessive tendencies you see in successful entrepreneurs. These leaders win over "early adopters" and understand how to introduce change in manageable doses. Ideally, as the lead executive, you are either the person who provides this life force or you are smart enough to put in place the talent who will implement this new way of working.*

- ❑ Performance Culture
  - ❑ Are you confident that the right people are in the right positions? If not, do you have a plan and the conviction to make necessary changes?
  - ❑ Has everyone—staff, managers, executive team, and board—fully bought into the reality that, when all is said and done, nothing matters if your organization's beneficiaries have not gained materially, measurably, and sustainably from your products or services?
  - ❑ Do all members of your organization know in reasonably clear terms what you expect of them?
  - ❑ Do you take time to work with staff, alone and in teams, to amplify their best thinking and constructively critique their weaknesses?

#### **My Core Assumptions**

*Making the commitment to be an outcomes-focused organization is a quantum step, and leadership has to want to do it. You'll need staff who will enthusiastically want to learn and make this transformation happen. Measurement and systems take honed skills to be done right—this is not an opinion, but a demonstrated fact—so you'll need to invest in developing your staff. For example, the organization that develops the internal capacity to engage and educate management and staff on the disciplined use of information will get great returns and continue to improve over time. Those that don't are almost assured of an ineffective operation and, eventually, an atrophied system. A performance culture makes the difference.*

#### **THE WHY AND WHAT**

- ❑ Clarity of Purpose
  - ❑ What is your organization's purpose—that is, what are you in business to do?
  - ❑ Is your mission so clear and grounded that executives, managers, and front-line staff members know it; apply it as *the* litmus test for all decisions and actions; and use it to motivate themselves?
  - ❑ What are the guiding principles and/or core beliefs that underpin your organization's very existence—and are they instilled and accepted throughout your organization?
  - ❑ Can you state clearly whom you are in business to serve? To what degree do you serve only the group or set of groups you intended, and to what degree do you serve others?
  - ❑ Does your board keep you focused on your mission, your guiding principles, and intended beneficiaries?
  - ❑ Do you make time to revisit and refine your purpose and strategies on a regular basis?

### **My Core Assumptions**

*I have been both villain and victim when it comes to clarity of purpose and cannot stress enough the importance of being clear and focused on what you do and expect. Be explicitly clear on purpose, guiding principles, and whom you serve. As my good friend Marc Morgenstern so correctly said, "An expectation unarticulated is a disappointment guaranteed." In this case, an outcome not articulated and assessed is a disappointment guaranteed!*

- ❑ Logic Model for Change (also referred to as the "theory of change")
  - ❑ Can you clearly define and describe the range of programs and services you provide?
  - ❑ Can you state clearly the outcomes you are trying to achieve for your intended beneficiaries through each program and service your organization offers?
  - ❑ Can you define, with reasonable specificity, what each of your programs and services actually does that leads to these outcomes?
  - ❑ Can you demonstrate that your programs and services are informed by available, relevant research and/or the proven practices of others in the field?

### **My Core Assumptions**

*An excerpt from "Daniel and the rhinoceros," which David Hunter wrote when he was the Director of Evaluation at the Edna McConnell Clark Foundation, captures my assumptions much better than I can: "The [Edna McConnell Clark] Foundation has learned that grantees benefit from consultations provided in the area of evaluation, in which they are assisted in specifying the group(s) they seek to serve, clarifying outcome objectives for programs' participants, describing program elements through which they intend to help participants achieve targeted outcomes, and identifying the human, material, organizational and fiscal resources needed to deliver systems as intended. ...This amounts to developing a theory of change—a formal rendering of the approach adopted by the organization to change something about the world...and becomes the guide whereby the organization structures its daily activities to achieve its strategic goals and objectives. It also provides the framework within which each organization can examine what works and what does not work within its own programming and manage performance for continuous improvement."*

## **MEASUREMENT AND DATA USE**

- ❑ Disposition to Use Data
  - ❑ Are you confident that you and your staff are ready to take on more advanced outcomes thinking and assessment? Do you have concrete examples of your predisposition to outcomes thinking?
  - ❑ Does your organization systematically collect and use information, however basic, to guide your programmatic and operational decisions and execution? In other words, is there a base upon which to build, or is it a start-from-scratch situation?
  - ❑ Do people at each level buy in to the importance and utility of information as a fundamental benefit and responsibility of their work?
  - ❑ Can you show tangible examples of how you use information in the daily course of business? For example, do you have a well-defined budget with regular expense-to-

budget reporting? Do you engage in regular collection and reporting of basic operational data (e.g., a school might track the number of applications, enrollment, student turnover, faculty turnover and churn within the year, etc.)?

#### **My Core Assumptions**

*The aphorism “You can lead a horse to water, but you can’t make it drink” is especially applicable to measurement, use of data, and managing to outcomes. All the flashy systems, aesthetics, and favorable circumstances won’t make someone do something he or she doesn’t want to do. At the outset, do not make the mistake of mandating or imposing. Instead seek out and work with those who have a demonstrated predisposition to use information to do what they do better—or at least do not have a mental block against it. These past behaviors are reasonable predictors of their affinity for a performance-management approach. Orchestrate it so that front-line staff have early victories when working with data, and then highlight these victories so that the whole staff sees how data can help them do their jobs better. As the value becomes clearer, others will come on board.*

- ❑ Metrics and Indicators
  - ❑ Can you identify the two or three most important pieces of information for managing to your outcomes?
  - ❑ Can you define the few leading indicators that help you predict if those you serve are on track and that you are doing the right things to eventually achieve the outcome you intend for that person?
  - ❑ Were the people at various levels of your organization intimately involved in identifying the information they need to do their jobs and you need to guide your efforts?

#### **My Core Assumptions**

*Think of each outcome as what you have to manage toward. Ask what you need to know that will tell you when the outcome has been achieved and what leading indicators inform you that you are on track to get there. Most strong organizations track more than two or three measures, but they prioritize the top two or three to stay focused on what really matters. **PLEASE don’t make the cardinal sin of “information design”**— basing the definition of metrics on what you know is available versus what you need! Be meticulous and absolutely demanding in scrutinizing each metric. Ask, why have you selected these metrics? Could there be better ones? Easier ones that would serve as well? Are there measurements that do not contribute to driving performance and effectiveness? How are you focused on cutting down unnecessary measurement so that your organization does not drown in data? Invest heavily in defining your first set of metrics, while recognizing that the definition is a continuous learning process and that the metrics and your ability to use them will evolve and be refined over time.*

### **THE MANAGEMENT-TO-OUTCOMES PRACTICE**

- ❑ Performance-Management Mindset and System
  - ❑ Is responsibility for establishing a performance-management mindset, process, and system vested in a senior member of the leadership team who has a title such as Chief/Head of Mission Effectiveness?

- Can you encapsulate and codify the metrics and indicators into an organized system that regularly collects, assimilates, stores, analyzes, reports, and is accessible for inquiry?
- Is the system designed to be simple, intuitive, visually appealing, and fast?
- Are staff, managers, leaders, and the board sufficiently trained in how the performance-management system works so they can monitor and manage their own performance and the performance of staff under their scope of responsibility?
- Do you expect—even demand—that staff and managers apply relevant information (planning, operational, demographics, etc.) to drive decision-making and execution?
- Is there a high adoption rate by leadership and staff in using the system itself and information that comes from it?
- Are you willing to share your organization’s performance with your board? With your funders? With those you serve?
- Do you have processes in place to explore and improve your system over time?

### **My Core Assumptions**

*The definition of system is “a set of interacting or interdependent entities forming an integrated whole.” The inanimate entities of a performance-management system are the raw data, collection processes, information architecture, data store, reports, and user interface. But the leadership and staff bring life to the data and processes through keen judgment and decision-making; curiosity and desire for continuous improvement; and the technical know-how to ensure system integrity and accuracy.*

*No performance-management system is perfect, so the strongest organizations encourage continuous refinement of their systems to make them simpler, more intuitive, more visually appealing, and more beneficial.*