

# Next Gen Nonprofits: Measuring the Mission

Nancy Moses 31 January 2010

This column is called Next Gen Nonprofits, and in case you are wondering what it's all about, I thought I would begin by defining the term.

Next Gen – short for “next generation” – Nonprofits describes organizations that use business techniques to exponentially increase their social impact. These organizations take tools and technologies that corporate America uses to create and sell product, and repurposes them to create and propel broad societal change.

While Next Gens are as diverse as the nonprofit sector as a whole, they do evidence some common elements. They use data to drive management decisions and measure progress toward their mission. They employ social marketing and social media to expand their reach, promote their cause, and foster transparency. They strive to earn money rather than raise it because earned income allows for more freedom. They cultivate ongoing and mutually-supporting relationships with stakeholders, donors, the media, peers, and even competitors. Most are led by executives who come from business backgrounds or have recently graduated with degrees in business, nonprofit management, or related fields.

Many organizations incorporate a couple of items on this list, but only Next Gens feature all or most of them<sup>1</sup>. Take, for example, the Philadelphia Zoological Society. Some very exciting things are happening at the Zoo under the leadership of president and CEO Vickram Dewan, and not all of them have to do with baby orangutans or bird aviaries. Actually, one has to do with a subject that may seem rudimentary but can be quite complex: measuring the mission.

Performance measurement is nothing new in the nonprofit world: foundations and other donors have been calling for these data for decades. With the Great Recession, these calls have become more strident. The economic downturn has sliced into all sources, from the largest foundations to people with smaller charitable budgets, like you and me. Increasingly we want evidence that our philanthropic investments are as prudent as our financial investments. We want to know our donations are making a difference.

Many nonprofit leaders have been slower than their funders to catch on to this trend, but not those with business backgrounds. Corporate types are trained to track progress, analyze the data, and use it for business planning. It, therefore, makes all kinds of sense that they would carry these skills into the nonprofit world.

Vik Dewan came to the Zoo from Corporate America; his last job was president of Wachovia Bank's Philadelphia and Delaware region. Believing in the business school

mantra, "if you can't measure it, you can't manage it," Vik began introducing measurement early in his tenure. There are a number of ways to track performance and many are now used by the Zoo. Metrics – quantitative data – are collected on expenditures, website visits, attendance, visitor satisfaction with the food service and exhibits. Information is also collected along qualitative dimensions.

"Here's an example," Vik Dewan told me on a blustery, cold day. "The Zoo, like many complex organizations, has long operated in silos, with very little cross-over among departments. Now, we are trying to foster teamwork. One of our departments may meet its metrics, but if it can't be counted a true success unless how it happens reinforces teamwork, leveraging resources, and working toward common objectives. These qualitative measures – the *how's* – are just as important as the *what's* – the hard metrics."

So, applying the techniques of corporate America, the Philadelphia Zoo now collects and analyzes both quantitative and qualitative data that tells what it's doing, how well it's doing, and the manner in which it is doing it. It also distributes the data monthly to all its staff and board members because it strives for transparency, another trait of Next Gen Nonprofits.

Management by measurement seems to be making a difference: between 2005 and 2009, Zoo attendance grew by over 27% to 1.4 million. This gain, especially in

light of the Great Recession, may be enough to satisfy a corporate board but not a nonprofit. To be truly effective, nonprofits must also measure how well they are advancing their mission.

This to Vik is more than a theoretical desire; it is a managerial necessity. "In nonprofits, resources are so very limited," he said. "You can have a vision but if you don't have a way to measure progress, you can't direct your internal resources or your capacity building or make sure you are doing it as effectively as possible."

While no one would argue about the need to measure the mission, the challenge comes in how to do it. Mission statements are aspirational, and progress toward aspirations is tough to measure. Correlations between cause and effect are illusive, data are unreliable, and there are always a host of intervening factors that will throw off the analysis. There's a whole lot of bad evaluation out there: I was particularly appalled when an organization proudly showed me the report proving the students who attended their dance performance showed a marked increase in math test scores.

Evaluation can be shockingly expensive and few donors are willing to pay for it. Despite these challenges, organizations see tremendous gains from measuring their mission.

Big Brothers Big Sisters of America is a case on point. It

was just one of a number of worthwhile causes until it got smart and hired Judy Vredenberg. Judy had spent much of her career at Federated Department Stores. She, in turn, hired a research firm to see if there was any way to draw a correlation between student performance and mentoring by Big Brothers and Big Sisters. There was: in a carefully monitored study, the students who had been mentored for 18 months were measurably less likely to use drugs, get into fights or skip school<sup>2</sup>. Finally, the organization could document – in hard numbers – the good it does. And these data allowed Big Brother Big Sisters to soar: when President George Bush used his 2003 State of the Union speech to announce a \$450 million mentoring initiative, he cited the results achieved by Big Brothers/Big Sisters. Judy and her team were in the audience.

The Philadelphia Zoo's mission is to *Advance discovery, understanding and stewardship of the natural world through compelling exhibition and interpretation of living animals and plants.*

"How do you measure that?" I asked Vik.

"We have two objectives," he explained. "One set speaks to education: changing perceptions. For this, we can conduct longitudinal studies, following children for a couple of years. Measuring the conservation mission is much more difficult. We can give you the metrics: we invest well over \$100,000 each year plus hundreds of

hours of staff time in 12 conservation organizations that preserve animal species and habitats. The Zoo itself conducts amphibian conservation on frogs around the world and in our back yard. But it's tough to connect these investments with changes in attitudes towards conservation."

Rather than walk away from the mission/measurement challenge, Vik and his Zoo colleagues walked toward it. At the suggestion of its Teacher Advisory Council, the Zoo is joining with area school districts and independent charter schools in piloting a new service learning program where students will learn about conservation by doing conservation --restoring habitat areas and saving migratory birds. Everyone is excited about the potential of this pilot to inspire students to action to preserve the natural world.

This experiment in service learning is also an experiment in measuring the mission. If things work out as planned, every year a fresh cadre of young people will exhibit measurable levels of attitude and behavioral change. They will not only talk the conservation talk, they will walk the walk. If they don't, then Vik and his team will figure out something else.

Because there really is no choice. The greatest difference between a bank and a zoo is that, at the end of the day, the measure of success is not how much money you made but how far you take the mission.

"Who are as an organization, our vision, is the impact we make in the world," said Vik.

1. ^ To learn about the best next gen nonprofits on a national scale, read "Forces for Good: the Six Practices of High-Impact Nonprofits," by Leslie Crutchfield and Heather McLeod.
2. ^ Tierney, J.P., Grossman, J.B., and Resch, N.L. (1995) Making a Difference: An Impact Study of Big Brothers Big Sisters. Philadelphia: Public/Private Ventures