

# Elements of a modern nonprofit

Or: what you need to do it well and  
increase your impact

# VISION

- What you ultimately hope to accomplish: a « horizon » view. WHY you do what you do.
- In short, the vision statement should outline what the world would look like if you accomplish your mission.

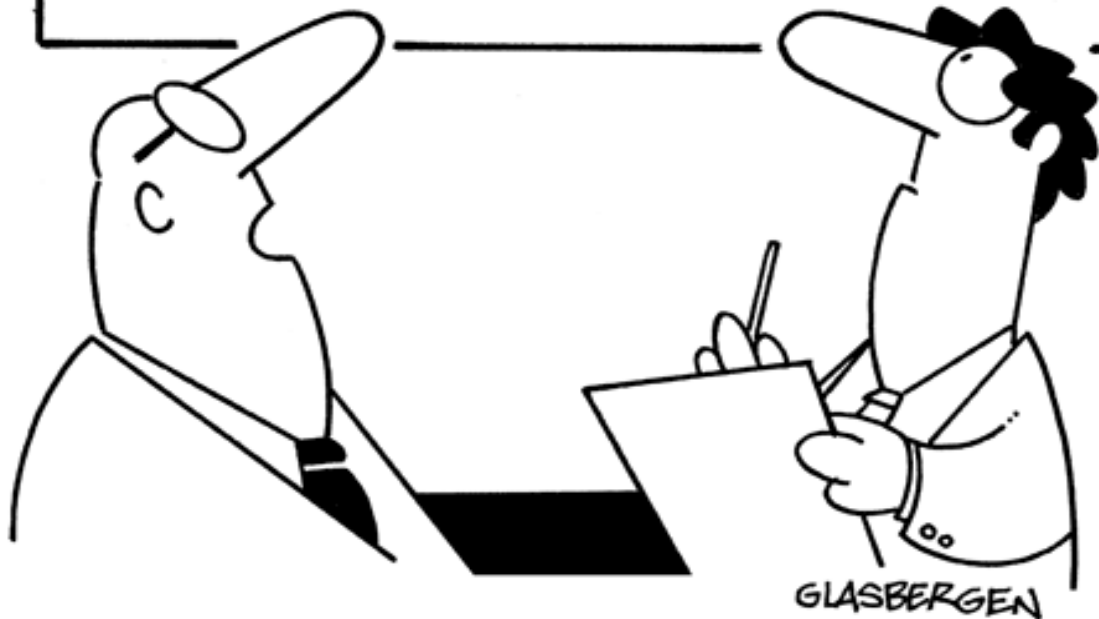
# MISSION

- If VISION is WHY, MISSION is WHAT: the operational side.
- This is a non-profit's raison d'être.
- Careful definition: must be operational (otherwise just good intentions). Also: who's your audience?
- Should be clear, focused, not all things to all people.
- Look at opportunities and needs—what can a specific organization do to make a difference that another cannot?



**"You're on the right track. But usually mission statements have more detail."**

*Manifest excellence beyond a paradigm of betterment with magnitude for implementation of probity and cohesion with coalescence and diversity of purpose steadfast, bounded only by our prescience and predestination as we gloriously emanate eminence for the divine unified triumph toward quintessential destiny!*



**“I’m not satisfied with the new mission statement.  
I can still understand parts of it.”**

# VALUES

- This is about the HOW, the manner in which you will carry out the WHAT of MISSION to fulfill the WHY of your VISION.
- A set of core beliefs, a touchstone against which to measure the appropriateness of actions by the nonprofit.

# Example

- Biloxi AIDS Service
- Vision: Our ultimate goal is a world without AIDS
- Mission: to help people both infected and affected by HIV/AIDS to secure adequate nutritional and health support to enhance their lives.
- Values: \_\_\_\_\_?

# One version: Elements of a successful nonprofit

- A needs assessment to determine if the need for their charity exists and can be justified;
- Determination of the organization to attract long-term financial and volunteer support;
- Creation of a clearly defined mission statement and strategic and business plan;
- Establishment of a board of directors that "owns" the mission, vision and values of the founding leaders;
- Committees that must include development, operations and programs;
- A full- or part-time staff member that runs the day-to-day operations and budget;
- Development of a marketing and branding program plus database;
- Ability to research best-of-class examples to include both successes and failures;
- Ability to develop priorities, prospects, processes — are you going to be a local, regional, national or international charity?;
- Sustained initial funding and continual funding sources.



# Boards

- What is the role of a board in a nonprofit?
  - Strategy, not operations
  - governance
- Responsibilities?
  - Keeping the rudder straight on the ship: keeping the telescope focused on the mission
  - Ethics, prudence, no self-dealing
- Set policies:
  - Explicit
  - Current
  - Literal (and clear!)
  - Brief
  - Comprehensive

# METRICS

- How do you measure the bottom line when there is no bottom line?
- Measure what matters:
  - **Impact measures** – Metrics aligned with the long-term focus or mission of the organization
  - **Activity Measures** – Metrics aligned with the day-to-day operational effectiveness of the staff
  - **Capacity Measures** – Metrics aligned with funding, fund-raising, and resource mobilization

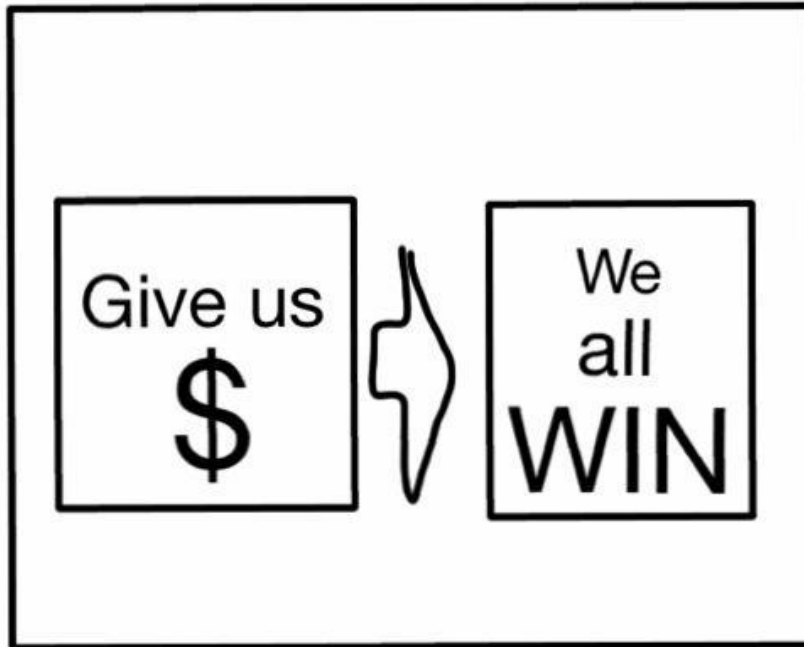
How to not really evaluate, in 3 cartoons

I am funded,  
therefore I am.



Start by believing you are doing good work,  
because you were funded

# Create a "logic model"

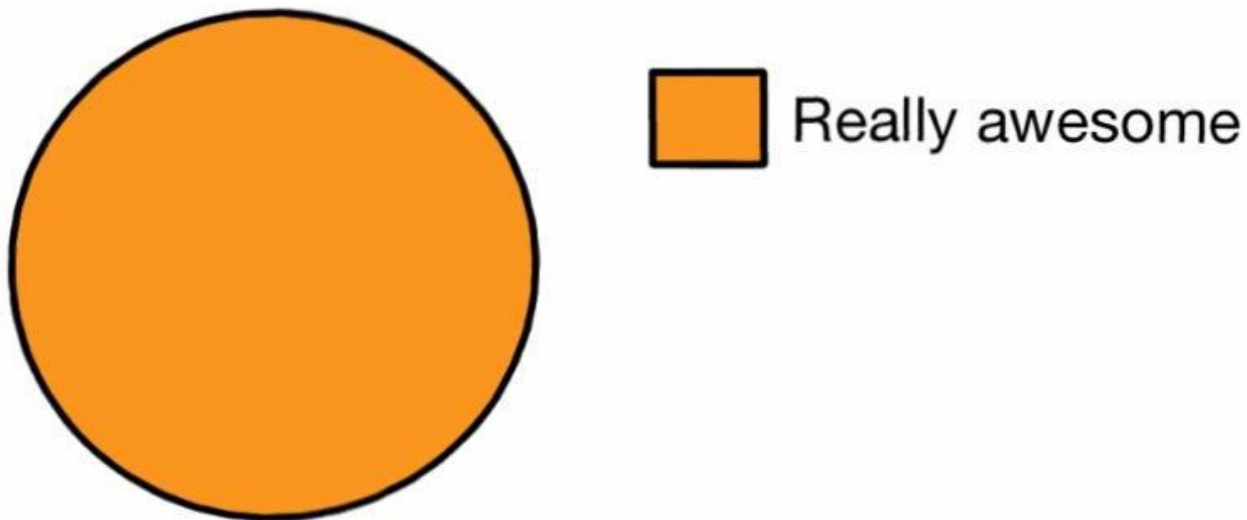


Here is our  
new simplified  
logic model



# Write "reports" using "data"

Figure 1. How awesome we are



SOURCE: Because we said so

# Outputs/Outcomes

- **Outputs:** These are the activities done by the nonprofit. The meals served by a soup kitchen are outputs. Policy studies are outputs.
- **Outcomes:** These are the observed effects of the outputs on the nonprofit's target audience. The degree to which the meals served by the soup kitchen reduce hunger in the population served by the soup kitchen.
- **Impact:** This is the degree to which the outcomes observed by a nonprofit are attributable to its activities. The impact of the soup kitchen is the degree to which a reduction of hunger in the population they serve is attributable to its efforts. While a soup kitchen might serve a lot of meals and correctly observe that hunger is subsequently less prevalent in the population it serves, the reduction in hunger might simply be attributable to an improving economy, or a new school lunch program or some other activities that are not part of the soup kitchen's efforts.

# How do you measure them?

- **Outputs:** Relatively easy to count. Are often selected based only on a theory about what is helpful. If the outputs counted do not lead to anything meaningful, the “results” are meaningless.
- **Outcomes:** More difficult to measure. Do measure the observed effects of the nonprofit’s activities. However, the observed outcomes may not actually be due to the nonprofit’s activities. If so, the “results” are meaningless.
- **Impact:** Very difficult to measure. Requires some form of analysis which attempts to hold static the effects of other influences. This is the gold standard because the results are proven.

# Sawhill and Williamson suggest:

- Narrowly define the mission so progress can be quantified and measured directly
- Invest in research studies to quantify the impact of programs and services
- Identify “microlevel” goals that, when achieved, suggest the organization is having the same impact on a broader scale



# SROI?

- **Involve stakeholders** Understand the way in which the organisation creates change through a dialogue with stakeholders
- **Understand what changes** Acknowledge and articulate all the values, objectives and stakeholders of the organisation before agreeing which aspects of the organisation are to be included in the scope; and determine what must be included in the account in order that stakeholders can make reasonable decisions
- **Value the things that matter** Use financial proxies for indicators in order to include the values of those excluded from markets in same terms as used in markets
- **Only include what is material** Articulate clearly how activities create change and evaluate this through the evidence gathered
- **Do not over-claim** Make comparisons of performance and impact using appropriate benchmarks, targets and external standards.
- **Be transparent** Demonstrate the basis on which the findings may be considered accurate and honest; and showing that they will be reported to and discussed with stakeholders
- **Verify the result** Ensure appropriate independent verification of the account