

# Getting to a better future



In this section, we discuss innovative ideas and sources of inspiration for each of the Three Characteristics for a better future. You can read across all Three Characteristics or dig more deeply into one as you prioritize actions to try for your organization and the issue areas in which you work.

## What do the trends mean for this characteristic

For each of the Three Characteristics, we begin with a review of trends that are relevant for that characteristic. This is meant to help stimulate thinking about new realities we need to adapt to and new opportunities we can harness. Then for each element we discuss:

- **Bright spots**

We provide multiple examples of bright spot organizations that are already succeeding or showing promise in one or more of elements of the Three Characteristics. These are meant to provide inspiration and examples of how innovative practices have actually been implemented.

- **Collected bright spot practices**

We list practices distilled from bright spots and research that you can integrate into your organization as you innovate in a specific element. A summary of opportunities for all of the elements can also be found in the appendices.

- **Where else can we find inspiration?**

We share an example from an adjacency that might help generate new or adaptive ideas to improve a better future element. Additional examples of adjacencies to spur innovation thinking are available as part of our supplemental innovation materials.

- **Calls to action**

At the end of the sections for each of the Three Characteristics, we list promising new ideas, some for individual organizations and some that can be done in collaboration, to test additional hypotheses about how to propel the field forward. These calls to action were developed through research, our innovation lab, and multiple convenings. Some calls to action will be more or less relevant, depending on your organization and issue area, but they are meant to cover a range of opportunities.

## Key resources

While not listed in this section, note that in the appendices there are additional materials for creating change for each of the Three Characteristics. These are not exhaustive, but they include practical guides, tools, and other resources that may be particularly helpful.

A better future:

More effectively putting decision-making at the center

## More effectively putting decision-making at the center

### A better future

...for putting decision-making at the center is one where:

- *Information for on-the-ground decision-making is prioritized*
- *Learning is embedded and continuous*
- *There is greater investment in monitoring, evaluation, and learning capacity*
- *The data and methods needed to inform decisions are available*

### What do the trends mean for this characteristic

#### The larger context

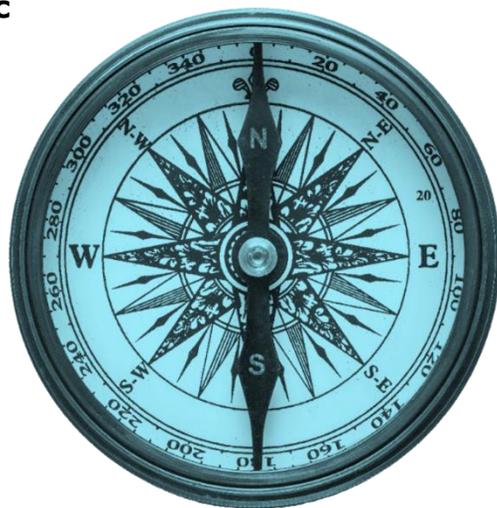
What is knowable has been utterly transformed, as the sheer speed, quantity, and accessibility of data that organizations can produce has exploded. Ninety percent of all data presently available did not exist two years ago."<sup>10</sup> Millennials, along with "digital native" organizations that fundamentally integrate technology into their business models, are changing expectations about what data should be available and how data is collected, analyzed, and integrated into organizational decision-making. However, because digital data is not universally or evenly distributed, it puts those without access at an increasing disadvantage.

More data also does not necessarily mean better decision-making for behavior change and can lead to further confusion or decision paralysis. There is a strong focus in data analytics on techniques that use large amounts of data for predictive (i.e. using statistical models to determine "what could happen") and even prescriptive (i.e. using optimization and simulation algorithms to determine "what should we do") purposes. Technology start-ups have pioneered lean analytics methods to use data to quickly iterate and learn. These fit into larger agile management approaches that prioritize a rapid, incremental and adaptive method of management with a strong user-centered focus.

The transformation in data availability and speed has been complemented by a growing sophistication about, and recognition of the limitations of, how people make decisions. Providing people with even the most clear and compelling information will not necessarily lead to changes in decision-making or behavioral change. Behavioral design incorporates behavioral science insights around common decision-making heuristics and barriers to action and integrates them into product and service design development. We are also seeing the emerging application of customer design thinking to employees, as organizations how to apply user-centered design principles internally for a better employee experience and improved decision-making.

#### Within the social sector

Across the social sector, there has been an increase in demand for measurement and evaluation driven by board members, new philanthropists, and government. There is greater emphasis on right-sized and cost-effective monitoring and evaluation, as well as greater variation in monitoring and evaluation approaches. A focus on organizational learning has been added to more traditional monitoring and



evaluation efforts across many organizations. However, there is considerable uncertainty about what this means in practice, and there are continued challenges to the effective use of data for organizational and strategic decision-making.

Nonprofits, foundations, informal associations, and social movements increasingly rely on digital technologies. From their networked printers to document storage in the cloud to the use of CRM and payment systems hosted by commercial vendors, today's social sector is built almost entirely on third party servers and data collection systems. Digital data is changing expectations about what we can know about social impact and how data is collected and analyzed. However, the market of software solutions that would allow nonprofits to control their data with the same alignment to mission that they control their money is underdeveloped, as open source and nonprofit-built software solutions are harder to find and to use.<sup>11</sup>

**“Organizations are flying the plane with 2/3 of the instruments in the cockpit functioning. They do not have a stream of data coming back on the impact they’re creating, and their purpose is to create impact.”**

**- Funder senior leader**

Data analytics efforts in the social sector have considerably lagged efforts in the private and social sector, and the sector has both struggled with a lack both of sufficient data to make many of the data analytics techniques applicable and of sufficiently high-quality data throughout data supply chains.

As a result, we heard expectations of incremental progress rather than real change in the expected future. Without serious efforts to institutionalize changes in practice, most small- to mid-sized nonprofits will continue to operate with extremely limited capacity. Monitoring and evaluation will continue to be seen by many as an add-on or burden, and the reporting burden on grantees will remain high. It is expected that many evaluation staff at larger nonprofits and foundations will not be adequately prepared for the new demands of their roles (e.g., data science, facilitation, cultural competence). Being a learning organization will remain an elusive concept for most organizations in the expected future, and many nonprofits and foundations will continue to suffer from a lack of sufficient and high-quality data.

**Where do we look for inspiration to get to a better future?**

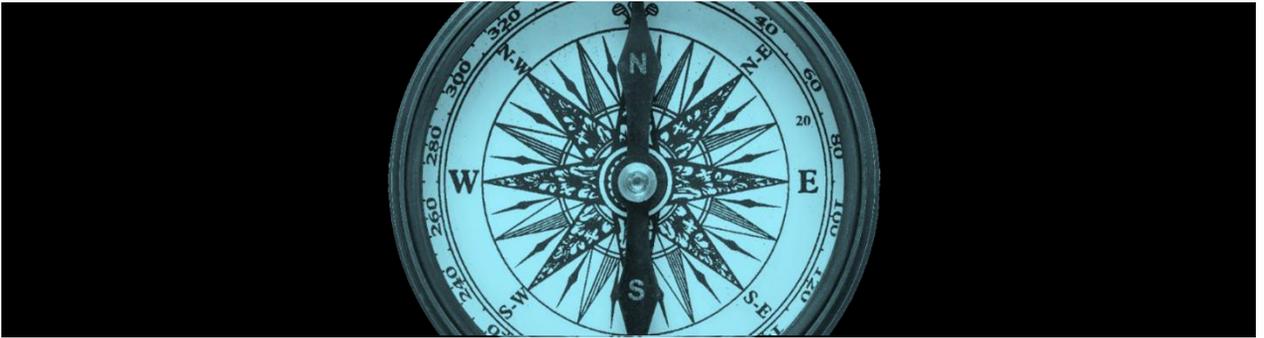
In the social sector, there are innovation efforts along multiple fronts that can be more widely supported and/or scaled. Performance management efforts that incorporate a continuous improvement mindset, combined with advances in understanding what makes a learning organization, provide useful tools and practices for integrating evidence into strategic planning and decision-making.

There are bright spots among funders to promote evaluative thinking and capacity building beyond the individual grantee level, working to promote learning across multiple grantees and providing resources for the field. Some funders are providing greater flexibility and working with grantees to determine the most useful metrics and shared sources of learning across grantees. While the incorporation of data analytics has been slow in the social sector compared to the private and public sectors, there are some isolated digital native nonprofits that point the way to a more data-focused future, as well as some adoption of rapid cycle and lean approaches to increase the speed and connection from insight to action.

**“The evidence and evaluation structure need to correspond with the decision the decision maker is trying to make.”**

**- Community foundation CEO**

## More effectively putting decision-making at the center



A better future for putting decision-making at the center is one where:

### Information for on-the-ground decision-making is prioritized

In a better future, data collection, methods, and analytic tools balance the need for rigor with practicality, relevance, and responsiveness. Funders consistently work with grantees to agree on reporting that informs grantee decision-making, reduces the grantee reporting burden, and satisfies funder needs. Priority is given to the information needed on the ground by grantees to best serve constituents.

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### Bright spot practices to prioritize on-the-ground decision-making at your organization

- **Reduce grantee reporting burden** and simplify what's needed by funders to minimize diversion of time and resources
- **Begin with data needed by front-line for decision-making** and build reporting requirements from there
- **Leverage data as by-product of user actions** and transactions when possible
- **Support the development of low-cost tools** useful for front-line users
- **Attend to totality of data collectors' and data users' experience**, addressing individual motivations and abilities

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### Existing bright spots in the field <sup>12</sup>

- *Reducing grantee reporting burden through a blended mix of in-person and online approaches*

**DentaQuest Foundation**, a corporate funder focused on promoting oral health in the United States, lessens the reporting burden on grantees by paying significant attention to making its evaluation requirements useful for the grantee. DentaQuest provides opportunities for grantees to shape their overall evaluation strategy and approach, invites (rather than requires) grantees to participate in learning-focused monitoring and evaluation efforts led by its external evaluator, and encourages grantees to develop reporting and evaluation products (such as videos and communication collateral) that allow grantees to share their impact not only with DentaQuest but with their local stakeholders. The intention is to balance accountability and learning and make evaluation processes and products useful tools for the grantees to advance their strategies—in effect, building reporting requirements into the kinds of data-collection efforts that the grantees would have wanted to pursue anyway to guide decisions on interventions and methods of engagement.

- *Using low-cost technologies to gather social and market data that enterprises actually use*

**Acumen**, a nonprofit impact investor, prioritizes the collection and use of data that their investees actually value. Its approach, which it calls Lean Data, uses surveys delivered largely by mobile to gather quality data directly from end consumers as cost and time efficiently as possible. This data enables Acumen and its social entrepreneurs to listen at scale to the people whose lives they aim to improve, allowing them to better understand the impact of their work as well as a range of fundamental customer feedback topics. In the last two years Acumen has worked with more than 40 companies inside and outside of their portfolio to implement Lean Data projects to have conversations with more than 25,000 Base of the Pyramid customers. For example, Acumen used mobile interviews to reach the customers of d.light, a global enterprise that sells solar products. The data revealed a range of positive social benefits but also that 36 percent of customers that had experienced an issue with their product did not reach out to the company. The company has since made more proactive steps to reach out to customers.

- *Conducting low-cost randomized control trials (RCTs) to demonstrate program value*

**Family Connects** in Durham, North Carolina (**Durham Connects**) is a community-wide home visiting program that provides nurse visits to parents of newborns in Durham County at no cost to families. The investigators designed a relatively inexpensive RCT to demonstrate the program's value. Durham Connects had sufficient funding to conduct brief evaluation interviews with families when infants were approximately six months old, but not enough funding at the time to evaluate long-term program impacts. The program addressed this limitation by using hospital billing records to conduct a low-cost evaluation of program impacts on mother and child medical emergency care (emergency department visits plus hospital overnight admissions) utilization through child age 24 months. By finding a solution that relied on existing administrative records rather than new data collection, Durham Connects demonstrated evidence of impact while staying within financial constraints.

- *Using behavioral insights to overcome resistance to evidence-based decision-making*

**Root Solutions**, a nonprofit organization working with environmental leaders, uses behavioral science to bridge the gap between data and decision-making. The organization provides conservationists and policy makers with tools and resources specifically driven by behavioral science principles such as setting the appropriate expected and social modeling and framing, to help organizations tailor energy, water, and habitat data and messaging to promote behavior change and increase the impact of environmental initiatives.

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## Where else can we find inspiration?

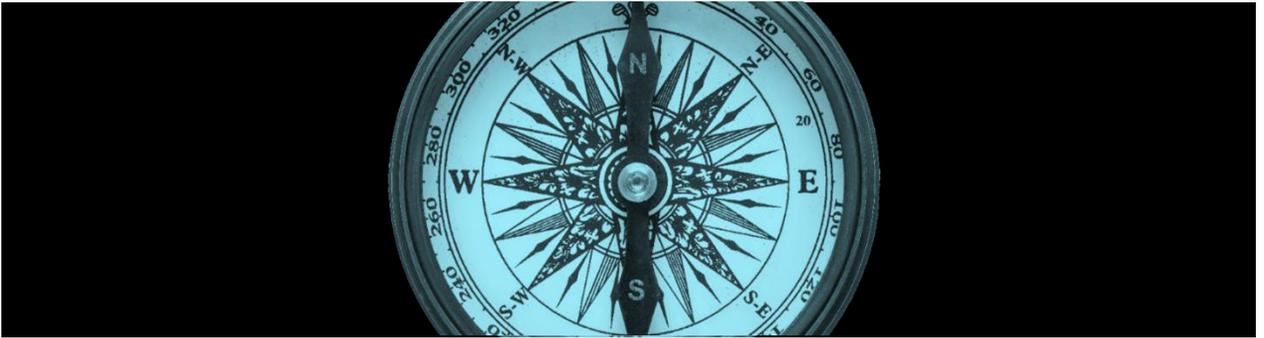
*Developing common standards to reduce the reporting burden*

**The Common Application** is an undergraduate college admission application that applicants may use to apply to more than 700 member institutions from around the world. The Common Application reduces the administrative burden on students for low-value tasks (e.g., data entry), allowing them to allocate more time to high-value tasks (e.g., essays), while still enabling member institutions to collect information core to their decision processes through supplemental information requests.<sup>13</sup>

*What would it look like if funders could agree on common standards that eased the reporting burden on grantees?*

For more examples of agencies related to more effectively putting decision-making at the center, see companion adjacency materials.

## More effectively putting decision-making at the center



A better future for putting decision-making at the center is one where:

### Learning is embedded and continuous

In a better future, reflective practice is embedded in foundation and nonprofit culture. Practitioners no longer say “I want to but I don’t have time” when learning initiatives are mentioned. Continuous learning allows for experimentation to iteratively test approaches.

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### Bright spot practices to promote embedded and continuous learning at your organization

- **Embed experimentation, hypothesis-testing, and course correction** to continuously improve
- **Focus on what works and what doesn’t for improvement** rather than identifying success and failure
- **Focus on closing feedback loops** with behavior change as a result of new learnings
- **Create incentives** for data use, learning, and adaptation throughout the organization
- **Maintain a supportive learning environment** that is open to new ideas and differences of opinion, and that provides time for reflection
- **Develop concrete learning processes and practices** with clear purpose and goals
- **Have leadership promote and reinforce** the value of learning processes and practices

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### Existing bright spots in the field

- *Embedding experimentation to discover the best methods and continuously improve results*

**One Acre Fund (OAF)**, a nonprofit that supports smallholder farmers in East Africa, embeds experimentation in its work by gathering data to test, prototype and refine approaches with new changes in place for each crop season. Every innovation is moved through a rigorous, multi-phase trial process, and if proven successful, is scaled across its farmer network. For example, OAF found that many smallholder farmers want to grow green leafy vegetables like collard, but lacked the seed supply and know-how to plant it correctly. OAF created a collard seed support package that now reaches hundreds of thousands of farmers.

- *Shifting the emphasis from program staff “grading” to learning and adaptation*

**The Open Society Foundations (OSF)**, the international philanthropic network founded by George Soros, are shifting their emphasis to learning and adaptation. The organization separates conversations focused on learning from conversations about strategy approval and funding allocation. Every two years on a rolling basis, it conducts a “portfolio review” of each area of work with program staff and board members to self-critique their activities and assess what has worked and what has not. Program allocation decisions then occur separately as part of a strategy and budget review up to two years later that reflects not just program performance, but also refinements to OSF’s approach that emerge from the learning-focused portfolio review.

- *Prioritizing learning in addressing systems-level change*

**Omidyar Network (ON)**, the “philanthropic investment firm” founded by eBay founder Pierre Omidyar, has developed a deliberate, learning-focused model that recognizes the difficulty of proving causality and the non-linear nature of systems-level change. ON explicitly seeks evidence of both direct and sector-level routes to impact, where sector-level impact may include pioneering a new business model, providing industry infrastructure, or influencing policy.

- *Developing and deploying easy-to-use tools to support emergent learning*

**Fourth Quadrant Partners** is a technical assistance provider that employs a set of principles and a suite of tools collectively called “Emergent Learning.” Delivered directly and through certified practitioners, emergent learning helps teams build learning and reflection directly into the work itself instead of learning that happens away from work or in a classroom. Emergent learning stresses making thinking visible and turning work into learning calls to action as a means of accelerating results through the use of such tools as Before- and After-Action Reviews and Emergent Learning Tables. Teams use these and other emergent learning methods to plan, test, track results and adapt iteratively, to help them improve their ability to engage in real-time learning in simple, fit-for-purpose ways.

- *Integrating behavioral science and iterative user-centered design to create solutions*

**HopeLab**, a social innovation lab focused on designing science-based technologies to improve the health and well-being of teens and young adults, makes connections between social processes, human behavior, neuroscience, and the human genome to create effective digital solutions. The organization identifies promising behaviors that support health and well-being, researches the psychology that motivates or inhibits those behaviors, tests potential solutions in rapid feedback cycles using user-centered design principles, and creates technology that engages psychology drivers to change behavior. For example, HopeLab developed the “Mood Meter” app in collaboration with Marc Brackett of the Yale Center for Emotional Intelligence to develop emotional awareness by helping users plot their feelings and providing tools and strategies to help users shift their mood to a more positive state.

- *Promoting cultures of data and learning to drive performance in the social sector*

**Performance Imperative (PI)** is a framework developed collaboratively by the Leap Ambassadors Community, a group of nonprofit leaders, funders, and thought leaders working to advance the mission-critical message that “performance matters.” PI provides a clear definition of “high-performance organizations” for the social sector and lays out the pillars and principles that promote high-performance. The pillars include a culture that values learning, internal monitoring for continuous improvement, and external evaluation for mission effectiveness. For each of the PI’s principles, the Performance Imperative Organizational Self-Assessment (PIOSA) presents one or more specific practices or behaviors that represent manifestations of that principle in action.

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## Where else can we find inspiration?

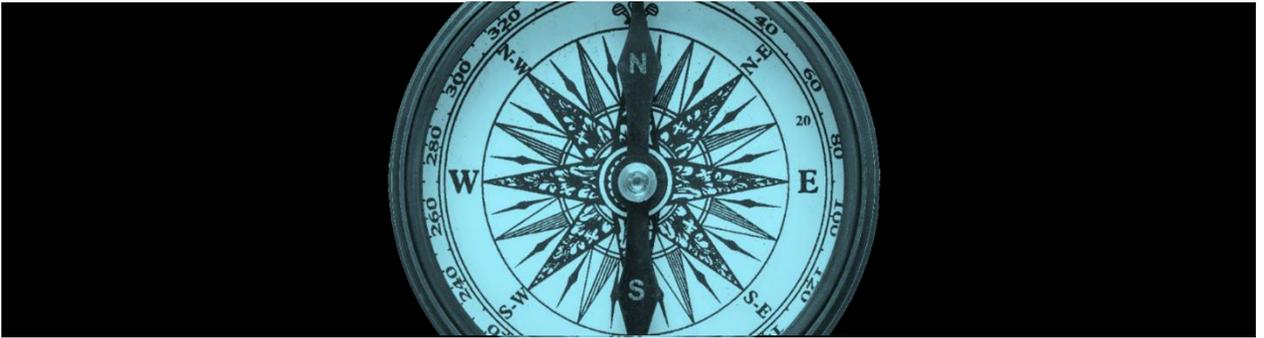
*Creating a widespread culture of learning*

**Intuit** has created experimentation platforms for all their workers, ranging from customer support to logistics and marketing. Workers across the company are encouraged to brainstorm many possible solutions and then quickly test the best ideas, creating an environment where people can rapidly learn and are allowed to fail.<sup>14</sup>

*What would it look like if funders built platforms for grantees expressly focused on facilitating experimentation and learning?*

For more examples of adjacencies related to more effectively putting decision-making at the center, see companion adjacency materials.

## More effectively putting decision-making at the center



A better future for putting decision-making at the center is one where:

### **There is greater investment in monitoring, evaluation, and learning capacity**

In a better future, it is standard to have sufficient capacity among nonprofits and foundation staff to analyze data and think evaluatively. Funders prioritize building capacity in ways that benefit the field broadly.

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### **Bright spot practices to better invest in monitoring, evaluation, and learning capacity at your organization**

- **Ensure nonprofits have sufficient resources** for funder data requests, including funding for monitoring, evaluation, and learning design
- **Promote broad and in-depth data-oriented capacity building** that integrates data use into organizational culture and leadership practices, technology, data processes, and strategy development
- **Provide “embedded resources”** to help organizations better use data and evaluative thinking
- **Promote peer, individual organization, and group learning** and training
- **Create time for more and deeper discussions between funders and grantees** about learnings, including what hasn't worked

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### **Existing bright spots in the field**

- *Providing a long-term training program to build evaluation capacity and encourage evaluative thinking*

**Building Evaluation Capacity (BEC)**, an eighteen-month program co-created by the Hartford Foundation for Public Giving and Anita Baker, E.D., of Evaluation Services, provides nonprofit leadership and staff with comprehensive, long-term training to increase both evaluation capacity and organization-wide use of evaluative thinking. This program is offered to the nonprofit community through the foundation's Nonprofit Support Program (NSP). Participants are selected from the foundation's existing grantees and potential grantees. As part of BEC, participants receive training sessions and dedicated guidance through the development and implementation of a rigorous evaluation design for a selected program from each organization. Forty-five organizations have completed BEC since its introduction in 2006, with a new cohort of organizations starting the program every other year.

- *Building nonprofit evaluation capacities through communities of practice*

**Measure4Change**, an initiative of Urban Institute and the World Bank Group, hosts a community of practice for nonprofit evaluation staff in the Washington, DC area to enable them to learn from one another. The community meets quarterly and the sessions are intended to make performance management more accessible by helping nonprofit leaders learn from their peers. By participating in the community of practice, nonprofit leaders can better understand the range of performance management practices, assess their programs compared to their peers, and explore how they can advance their work. In addition to the community of practice, Measure4Change also offers grant support and one-on-one technical assistance to small cohorts of nonprofits and a series of knowledge briefs bear on strategic management and policy decisions. Among other efforts, the Project trains and places “data fellows” in partner organizations to provide in-house data analytics support, help develop evidence-informed policy, and improve the organization’s ability to leverage strategic analytics.

- *Providing a multi-pronged approach to help nonprofits create data and learning-oriented cultures*

**Edna McConnell Clark (EMCF)’s PropelNext**, an integrated three-year program for selected youth organizations, promotes “results-driven nonprofit cultures” by helping organizations strengthen their capacity to collect, analyze, and apply data for ongoing improvement and learning. The program provides grantees with support from coaches and consultants with program design and performance management expertise, group learning sessions, a peer network and online learning community, and unrestricted funding. A recent assessment found that the combination of each of these elements working together was important to overall performance improvement. The 13 organizations that completed the program in 2015 have expanded their impact, attracted new resources and funding, and built partnerships to further amplify their impact on the lives of disadvantaged youth.

- *Providing “embedded resources” to help organizations develop their evaluative thinking and data capabilities*

**Harvard’s Strategic Data Project**, an initiative of the Center for Education Policy Research at Harvard University, partners with school districts, states, and nonprofits to bring high-quality research methods and data analysis to bear on strategic management and policy decisions. Among other efforts, the Project trains and places “data fellows” in partner organizations to provide in-house data analytics support, help develop evidence-informed policy, and improve the organization’s ability to leverage strategic analytics.

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## Where else can we find inspiration?

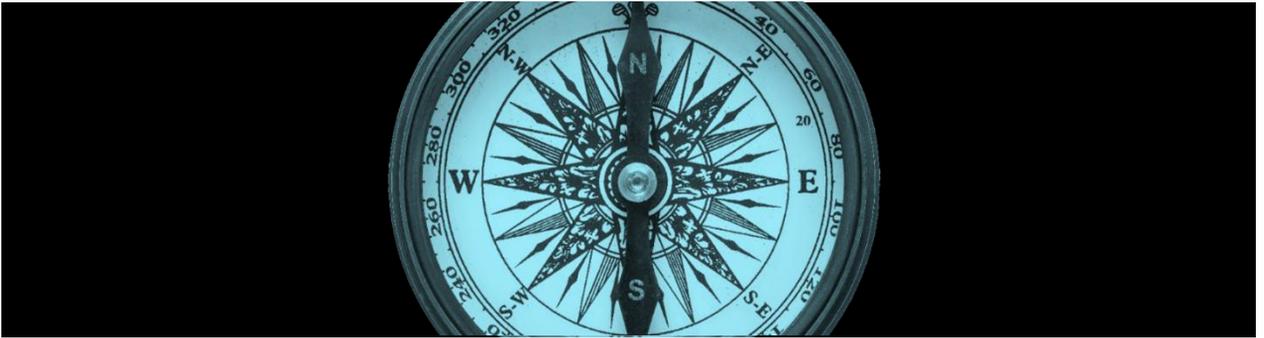
*Using technology to increase access to specialized expertise*

**Project ECHO** is an initiative to make specialized medical knowledge more accessible in rural and underserved communities. Specialist teams at academic medical centers connect to local clinicians through virtual clinics, where they provide case-based training and mentorship in treating patients with complex conditions. The initiative has expanded from its original focus on treatment for hepatitis C to now address more than 55 diseases in more than 20 countries.<sup>15</sup>

*What would it look like to use technology to spread specialized evaluation expertise to organizations that couldn’t otherwise afford it?*

For more examples of adjacencies related to more effectively putting decision-making at the center, see companion adjacency materials.

## More effectively putting decision-making at the center



A better future for putting decision-making at the center is one where:

### The data and methods needed to inform decisions are available

In a better future, greater investment in the supply chain of data addresses the often insufficient and low-quality data that is currently pervasive in the social sector. With greater investment in data, big data and data analytics tools and techniques like predictive analytics are increasingly helpful in answering key questions. Further, social science and data science methods are integrated so that practitioners can use the best approach (or a hybrid approach) for a given decision.

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### Bright spot practices to ensure data and methods needed to inform decisions at your organization

- **Invest in data and analytics infrastructure** needed for learning and decision-making
- **Incentivize good data collection throughout the data supply chain** by making sure it's relevant to data collectors and informed by user needs
- **Support the development of tools** for non-expert users
- **Use compatible applications across the organization** to enable timely and ongoing data sharing, with the ability to parse information in different ways

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### Existing bright spots in the field

- *Investing in data and analytics infrastructure to build understanding and guide programming*

**Polaris**, a nonprofit that combats human trafficking, invests in large-scale data collection and analysis to more effectively understand and prevent trafficking. Since December 2007, Polaris has operated the National Human Trafficking Hotline and established the Polaris BeFree textline in March, 2013. Polaris realized that each human trafficking situation reported to these helplines contained untapped data. Polaris invested in meticulously coding and documenting nuanced information about the more than 30,000 suspected incidence of human trafficking which have been reported to the helplines. The organization then analyzed this data and connected it with public sources to create a detailed picture of how trafficking networks operate. That knowledge, in turn, shaped Polaris's prevention efforts, policy work, and even law-enforcement investigations.

- *Using data mining to improve understanding of key ingredients for successful programs*

**Algorhythm**, a technology company dedicated to fostering greater social impact through data-driven decision-making, used analytics and data from 27 youth development organizations, 80 programs, and more than 3,000 youth to understand the various positive youth development practices that drive success for young people in out-of-school programs. Algorhythm found thirteen “positive deviant” programs that significantly outperformed their peers, posting twice the gains on social and emotional learning outcomes than peer organizations. Using this analysis, Algorhythm identified four key areas of practice that drove better performance and identified actions that improve the likelihood of a positive outcome.

- *Creating low-cost tools to make rigorous assessment easier and more affordable*

**Mathematica Policy Research**, a nonpartisan research organization that conducts policy research, data collection, and data analytics, has launched a new software tool, **RCT-YES**, which enables organizations to more easily assess the impact of their programs. RCT-YES, which can be downloaded for free, allows users to enter program inputs and then produces an R or Stata computer program that calculates and presents analysis results in formatted tables and graphs. For example, if a school district randomly sent half of its teachers an email encouraging them to participate in a new technology training course, the RCT-YES software would help non-evaluation experts quickly and cheaply determine answers to questions like “*Did the invitation lead to increased usage of the technology?*” And, “*Did the technology lead to improved outcomes for students?*”

- *Creating a highly replicable, data-driven model that enables wide-ranging comparisons*

**Rare**, an international conservation organization, uses a social marketing approach with the motto “find what works and repeat it” to promote environmental behavior change in more than 50 countries. The organization embraces a data-driven culture that includes training local partners to establish baselines and to track knowledge, attitudes, and behavior change. Since the basic social marketing approach is the same whether it’s applied, for example, to preventing slash and burn agroforestry techniques or to stopping trash dumping in protected marshland, the organization can track and compare percentage point changes in behavior across a wide range of projects and countries.

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## Where else can we find inspiration?

*Using predictive analytics to anticipate challenges*

**The Pennsylvania Bureau of Child Support Enforcement** built a predictive model that yielded a “payment score calculator” to estimate how likely individual parents are to meet their child support commitment. Because the system shows the drivers of a low score, caseworkers can address potential problems —such as explaining the importance of contacting the agency in case of job loss — and suggest programs to help struggling parents.<sup>16</sup>

*What would it take to widely use predictive analytics in the social sector?*

For more examples of agencies related to more effectively putting decision-making at the center, see companion adjacency materials.

# Calls to action

## More effectively putting decision-making at the center

Through our research, innovation lab and multiple convenings, we've gathered promising calls to action to inspire innovation. These calls to action include actions that individual organizations can undertake, as well as calls to action for collections of organizations. They are hypotheses about what can spur decision-making at the center, and they are meant to provoke further ideas, adaptations, and refinements.

1

### Information for on-the-ground decision-making is prioritized

Putting decision-making at the center means first and foremost that front-line decision-makers serving constituents directly have the information they need for effective decision-making beyond a focus on accountability reporting. These calls to action explore possible calls to action to reach that goal:



**Innovating new ways of creating and sharing monitoring results:** Grant reports are typically a great deal of work for grantees, yet are too often left unread and are seldom used in significant ways by foundations for ongoing decision-making. What could it look like if grant reporting was fundamentally rethought? What if a funder worked with grantees (individually or in related clusters) to use data that is meaningful for the grantees first and foremost, or data that is already collected by the grantees, but would suffice for compliance and monitoring purposes for the foundation?



**Differentiating the roles of funders and nonprofits in developing evidence:** Nonprofits do not generally have the resources, skills, or incentives to rigorously evaluate impact. What if a foundation or group of foundations took responsibility for testing the quality of broad ideas (e.g. does microfinance work) and nonprofits were only responsible for assessing the quality of their implementation (e.g. monitoring)?<sup>17</sup>

2

### Learning is embedded and continuous

To get to a better future where foundation and nonprofit cultures better promote ongoing learning for improvement, possible approaches include a focus on barriers, incentives, and promoting innovation:



**Applying behavioral design principles to help organizations better understand the barriers to organizational learning:** Many foundations and nonprofits aspire to be "learning organizations," but struggle with how in practical terms to embed organizational learning into their culture and operations. Can we adapt materials in the rapidly emerging behavioral design space to create a diagnostic and tools to help funders and/or nonprofits understand where and why measurement processes break down and better implement organizational learning?



**Incentivizing iterative, rapid-cycle and adaptive learning:** The fear of sharing negative information can stifle innovation and growth. Can a group of funders systematically experiment with multiple approaches that reward grantees for identifying problems and solutions rather than the results themselves?



**Lifting up learning as a core pillar:** Given that establishing learning cultures in the social sector continues to be a challenge, what if funders explored how to promote "decision-based evidence making"? What if a group of funders held a challenge or offered incentives for organizations that developed innovations in testing hypotheses and experimenting to promote action-oriented learning?



**Developing ratings and benchmarking of philanthropies on their setting of strategic goals and their learning:** Using established learning organization best practices, can we develop ways to assess how well organizations are integrating strategic learning into their practices to drive improvement and accountability?

# Calls to action

More effectively putting decision-making at the center

## 3 There is greater investment in monitoring, evaluation, and learning capacity

Beyond simply increasing resources spent on individual capacity-building, we have heard ideas to promote realistic expectations for leadership and efforts to promote creative ways to serve the field more broadly:



**Training board members to set more realistic expectations for evaluation:** Board members play a crucial role in determining the priorities of their organizations, yet they often have little knowledge about the challenges and limitations for assessing impact. Can we create board training materials that both inform board members of what to look for and set realistic expectations for evidence development?



**Developing a “minute-clinic”-like mass MEL offering:** With a focus on right-sized and cost-effective approaches, can evaluators move beyond an individualized approach to provide mass customization serving large numbers of nonprofits as needed? Could a funder pilot an offering that promoted widely available, “good enough” services?



**Promoting rotating resources:** What if funders supported evaluation “circuit riders” who could cost-effectively rotate through a number of nonprofit organizations to act as coaches in evaluative thinking and the use of available organizational and issue area evidence?

## 4 The data and methods needed to inform decisions are available

To get to a better future with higher quality and more sufficient data, we need to think beyond incremental improvements. The following are calls to action that could be tried to jump-start wider analytics and technology use in the sector:



**Creating integrated data and social science MEL approach(es) for evidence development:** The role of data scientists in the social sector is likely to grow substantially over time, yet data scientists and social scientists have very different training, knowledge, and assumptions. What if data scientists and social scientists were brought together in a systematic effort to define an integrated approach to roles and evidence creation in the social sector?



**Creating embedded technology capacity to develop widely needed tools:** Insufficient and low-quality data is pervasive in the social sector. Technology tools and infrastructure development could help simplify MEL tasks for organizations, and cross-functional teams could help build internal capacity. What if a funder or funders promoted a “Code for America”-like model with MEL and data analytics teams for a year of service to develop digital tools? The team could be embedded in a single foundation, but could would work on organizational-level tools and technologies that would be relevant across an issue area.



**Conducting R&D on promising technologies:** There is some debate about the efficacy and biases of new technologies and techniques for the social sector, such as predictive analytics and machine learning. What if a funder supported an R&D initiative to test the applicability and usefulness of data analytics approaches (i.e. how accurate and effective were they, given concerns about underlying data)?

### About Deloitte

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