

Outcome Management for Neighborhood Networks Centers and Consortia

What is Outcome Management?

Outcome management allows Neighborhood Networks consortia and centers to track the extent to which their activities impact the clients they serve. It helps organizations assess what they are doing effectively and what areas might need improvement. Outcome management is most effective when it is done on an ongoing basis and in an organized way. When done appropriately, outcome management has many benefits for Neighborhood Networks consortia and centers.

Why is Outcome Management Important?

Nonprofit organizations and their stakeholders are becoming increasingly concerned with understanding the impact of their work on the people and communities they serve. In other words, service providers, funders, volunteers, and the public all want to know whether organizations actually make a positive difference in people's lives. Understanding outcomes is important in holding organizations accountable for the resources they use, including funds, staff, and supplies.

Benefits of Outcome Management

Outcome management helps Neighborhood Networks consortia and centers significantly improve the programs and services they provide. It is difficult for an organization to become more effective without first fully understanding how its current work is affecting its clients. Regularly measuring outcomes provides essential feedback to centers and consortia about what they are doing well and what they need to improve.

Developing an outcome management system can have an immediate positive effect on an organization's effectiveness. When Neighborhood Networks consortia and centers establish outcome measures, staff and volunteers focus more intently on their organization's mission as well as the purpose of specific activities. With this increased focus comes the ability to address clients' needs more directly. Such efforts ultimately benefit the organization both internally and externally.

By highlighting an organization's strengths and weaknesses, outcome management helps organizations accomplish the following internally:

- Strengthen existing programs and services.
- Target effective programs and services for expansion.
- Identify staff and volunteer training needs.
- Develop and justify budgets.
- Prepare long-term plans.
- Focus board members' attention on programmatic issues.

By showing that program activities really do produce positive results, outcome management helps organizations accomplish the following externally:

- Recruit and retain talented staff.
- Enlist and motivate capable volunteers.
- Attract new participants.
- Enhance the organization's public image.
- Engage partners and other community members.
- Garner support for innovative efforts.
- Win designation as a model site.
- Retain and increase funding.
- Gain favorable public recognition.

In addition to specific internal and external benefits, outcome management helps organizations accomplish the following overall objectives:

- Focus on shared goals.
- Communicate results to stakeholders.
- Clarify program purpose.
- Identify effective practices.
- Compete for resources.
- Enhance recordkeeping.
- Improve service delivery.

Key Terms in Outcome Management

Most Neighborhood Networks consortia and centers do not have a great deal of information about their program outcomes. Organizations most commonly report on the activities they do, the staff they have, and the number of people who participate in their programs. However, this type of data is not actually a reflection of outcomes, but rather a reflection of inputs, activities, and outputs.

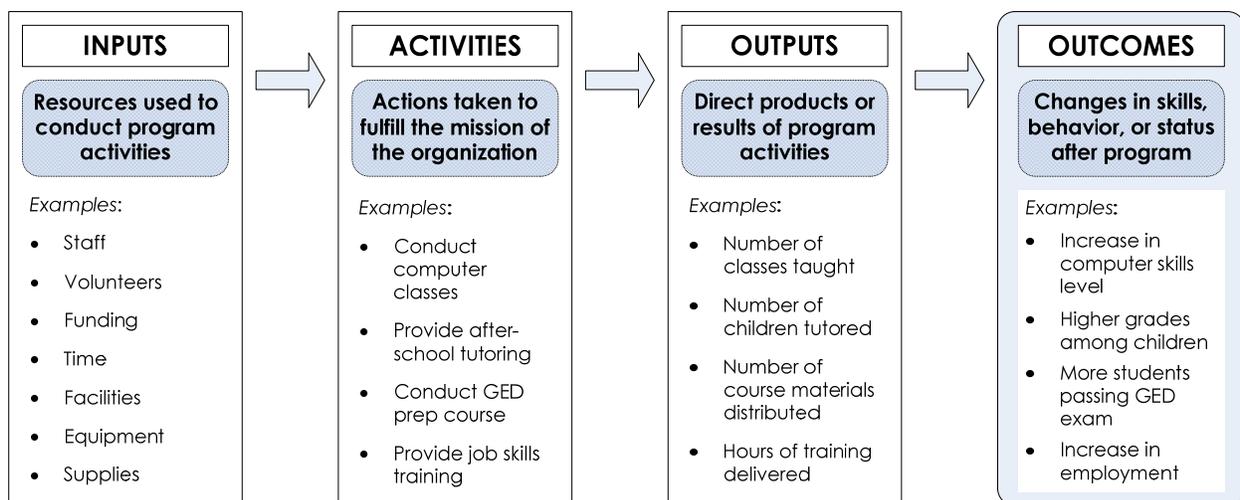
- **Inputs** are the resources Neighborhood Networks consortia and centers use for their activities and daily operations. Inputs also include program constraints like laws and regulations.

- **Activities** are actions taken by an organization to fulfill its mission. They are essentially the strategies and techniques used to address client needs.
- **Outputs** are the direct products of an organization's activities and are usually easy to measure. Organizations can usually control program outputs, given that they have adequate resources.

Tracking outputs helps organizations assess compliance with program delivery standards, but not the overall effectiveness of programs. Outputs are meaningful because they are meant to lead to desired outcomes. Outputs directly affect outcomes, but are not the outcomes themselves.

- **Outcomes** are the perceived benefits or changes in behavior that individuals and/or populations experience as the result of participation in a particular program activity. They are the desired products identified during program development.

The diagram below illustrates the relationship between inputs, activities, outputs, and outcomes:



Outcomes are often confused with outcome indicators and outcome targets.

- **Indicators** are the specific data items that a center or consortium tracks to determine the outcomes of a program.
 - As an example, one outcome indicator for a computer training class could be the percentage of participants who improve their score on a computer skills assessment.
- **Targets** are the objectives established by the organization at the start of the program. Actual outcomes may or may not meet the targets.
 - In the same example as above, an outcome target could be an improvement in at least 50 percent of program participants' scores on a computer skills assessment.

Debunking Outcome Management Myths

Small nonprofit organizations often choose not to focus on outcome management because they are intimidated by the process. To overcome this obstacle, it is important to understand the truth behind some common myths about outcome management:

Myth: Outcome management represents a whole new set of practices and will therefore require additional resources.

Truth: Most of the activities involved in outcome management are activities that Neighborhood Networks consortia and centers should be carrying out on a routine basis to help them move forward and accomplish their goals.

Myth: There is only one “right” way to conduct outcome management.

Truth: The outcome management process varies greatly, and must be tailored to fit the nature and needs of an organization.

Myth: Outcome evaluation is a one-time event.

Truth: Consortia and center staff should measure outcomes and report findings as an ongoing process throughout the life of their organizations.

Developing an Outcomes Evaluation Plan

Step One: Getting Ready

Every outcomes evaluation is different, so Neighborhood Networks consortia leaders and center staff must be their own experts on the outcome evaluation process. However, centers and consortia that need added support and guidance for outcome management should consider pursuing a grant specifically for that purpose. Grants that provide technical assistance in addition to funding are particularly helpful, because they connect organizations with program area experts who can review evaluation plans and make recommendations.

Organizations should evaluate outcomes for only one program at a time. It is not recommended to attempt to evaluate multiple programs at once. Also, at least one staff member and one board member should be involved in the evaluation process and trained on the plan. This will ensure that knowledge about outcome management practices is maintained in the organization, even if one person leaves.

Step Two: Choosing Outcomes

When selecting outcomes, organizations should imagine their clients after they complete the program being evaluated and ask the following two questions: 1) What kinds of changes would you like to see in the clients, and 2) What kinds of changes do you actually see? Consider changes in behavior, status, attitude, knowledge, and skills. Keep in mind, outcomes often begin with the following modifiers: *Enhanced, Increased, More, New, or Altered*.

Neighborhood Networks consortia and centers should first identify short-term outcomes, changes that occur within 0 to 6 months of completion of the program. Then consider intermediate outcomes (changes occurring within 3 to 9 months) and long-term outcomes (changes occurring within 6 to 12 months). Short-term, intermediate, and long-term outcomes are linked by “If...then...” statements. In other words:

“If [Short-term Outcome 1] occurs, then [Intermediate Outcome 1] occurs; and, if [Intermediate Outcome 1] occurs, then [Long-term Outcome 1] occurs.”

It can be difficult to choose outcomes for some programs. In such cases, consortia and centers should consult with other organizations that have similar programs to assess how they have evaluated those programs.

Step Three: Selecting Indicators

After outcomes have been chosen, each must then be assigned at least one outcome indicator. When considering indicators, organizations should ask, “What would I see, hear, or read about that would signify a client’s progress toward the outcome?” Remember, outcome indicators are the signals that show that a particular outcome has indeed occurred. Outcome indicators are often quantitative and can be expressed in numbers and percentages.

Step Four: Gathering Information

Once an organization has identified at least one outcome indicator for each outcome, the next step is to identify the data that is needed to assess each indicator. Data collection is a process that requires some planning ahead. Organizations should consider the following before collecting outcome data:

Who?

- Assign data collection responsibilities to staff members.
- Organizations may also seek outside assistance from experts who can make recommendations about data collection methods.

What?

- At least one data item is needed for each outcome indicator.
- Centers and consortia should fully exhaust the data sources they already have, such as program records and feedback from past program participants, staff, volunteers, etc.

When?

- Be mindful that data items for different outcome indicators may have to be collected at different times, and plan accordingly. Decide which data will need to be collected before the start of the program, and which will be collected after the program has been completed.

How?

- Choose the data collection method appropriate for each data item (questionnaires/surveys, interviews, document review, etc.).
- Research the organizational costs (money, time, and other resources) of collecting data before moving ahead with gathering information. Organizations should only attempt to use data collection methods that are appropriate for their size, budget, and staff.

Once consortia and centers decide what data to collect, what methods to use, and who will be responsible, the staff members leading the effort should develop a brief write-up describing the protocol to be followed by all parties involved in data collection. This write-up will ensure that everyone understands the process and will help protect the integrity of the data gathered.

Step Five: Testing Your Evaluation Plan

Small nonprofit organizations can designate their first year of implementing the outcome measurement process as their pilot year. During this time, they should pay attention to how well the process works and how effectively it produces the desired information. Notice strengths, weaknesses, problems, and areas needing improvement. Document these observations to ensure that the plan can be improved upon in the future.

Step Six: Analyzing Data

Although outcome management is an essential component of ensuring that an organization's goals are being met, outcomes do not tell the whole story by themselves. They require interpretation and proper context in order to be useful. Outcomes alone do not accomplish the following:

- Show whether the correct outcomes have been measured.
- Prove statistically that the program caused the outcomes.
- Explain why a particular level of outcome was achieved.
- Determine what to change to improve the outcome.

Organizations involved in outcomes evaluation must thoroughly analyze collected data to interpret and apply it correctly. The process of analyzing data depends greatly on the nature of data that has been collected. Analyzing numerical data is usually straightforward and easier than analyzing narrative data. For numerical data, Neighborhood Networks consortia and centers should consider computing means (or averages) for each data item. To compute the mean or average, add the values of all the entries, then divide by the number of entries. For narrative data, begin by reading through information from all data sources. Then, organize the data into categories and label each category. Finally, attempt to identify patterns, associations, or causal relationships. As a rule of thumb, always make copies of your original data before performing any analysis. It is crucial to maintain data in its original form to be included in official records for future reference.

Step Seven: Reporting Your Findings

Reporting on outcomes in a way that is clear, comprehensive, and easy to understand is an essential step often skipped for organizations engaged in regular outcome management. Outcome reports should be well-organized and edited by several staff and/or board members before being distributed outside the organization. Below are some tips for writing an outcomes report:

- Keep language simple and concise.
- Include a summary of major points.
- Define all unfamiliar terms.
- Define all outcome indicators.
- Include charts, tables, and graphs to display quantitative data.
- Identify data sources and data collection dates.
- Provide context (i.e., organizational history, comparison with similar organizations, etc.).

The level and scope of information included in an outcomes report depends on the intended audience. Consider who your internal and external audiences are (i.e., staff, board members, funders, partners, volunteers, media outlets, etc.) and the type of information they need before reporting on outcomes. Internal reports should be more detailed than reports distributed to external stakeholders. While outcomes reports must be tailored to fit the audience, they generally follow the same basic outline:

- I. Title page
- II. Table of contents
- III. Executive summary
- IV. Purpose
- V. Background information about the organization and the program being evaluated
 - A. Organization history
 - B. Program description
 1. Statement of problem or need
 2. Program goal(s)
 3. Outcomes and indicators
 4. Program activities
 5. Staffing
- VI. Evaluation goals
- VII. Evaluation methodology

- A. Type of data collected
 - B. Data collection methods
 - C. Analysis methods
 - D. Limitations of the evaluation
- VIII. Conclusions drawn from data analysis
- IX. Recommendations for future of program
- X. Appendices
- A. Data collection instruments (surveys, questionnaires, etc.)
 - B. Data
 - C. Feedback from program participants
 - D. Logic model
 - E. Evaluation plan

Detecting Needed Improvements

One of the greatest benefits of outcome management is the opportunity to use evaluation data to improve programs. However, organizations often go through the process of collecting, analyzing, and reporting outcomes data and never actually take the necessary steps to improve what they do by applying what they have learned. One critical step in applying outcome information to detect needed improvements is to seek explanations for the findings.

The stakeholders who interact with clients on a regular basis must be engaged in this process of seeking explanations. In doing so, they should consider internal factors like staff turnover and funding shifts that might have affected program outcomes. They should also take external factors into account, such as changes in local economic conditions, influx/departure of community residents, and changes in government policy.

Below are ways to identify specific program areas in need of improvement:

- Compare recent outcomes to outcomes from previous reporting periods.
- Compare outcomes to targets.
- Compare client outcomes grouped by client characteristics (i.e., age, gender, race/ethnicity, family income, household status, etc.).
- Compare client outcomes grouped by service characteristics (i.e., program content, length of program, time/location of program delivery, staff responsible for program delivery, etc.).
- Compare outcomes with those of similar programs at other organizations.

Another effective way of identifying areas needing improvement is to solicit recommendations and suggestions from clients. Since clients actually participate in programs and are expected to

benefit from their participation, getting input from their perspective can be invaluable. Client feedback can be gathered using a paper questionnaire or by conducting focus groups.

Neighborhood Networks consortia and centers must understand that outcome management is a comprehensive process that should facilitate ongoing discussions among staff, board members, and other internal stakeholders about improving the way an organization delivers programs. Outcome management should happen throughout the life of an organization, as a means of consistently assessing strengths and weaknesses. Ultimately, every service organization's goal is to meet the needs of those who use their services. Outcome management helps to ensure that Neighborhood Networks centers and consortia continue to fulfill their mission of using technology to provide programs that better the lives of their clients.

Outcome Management Online Resources for Nonprofit Organizations:

1. **Neighborhood Networks Strategic Tracking and Reporting Tool (START)**

<http://www.hud.gov/offices/hsg/mfh/nnw/nnwbusiness.cfm>

Neighborhood Networks centers can use START to create and update business plans, track budgets and operations, and assess organizational performance.

2. **Outcome Measurement Resource Network**

<http://national.unitedway.org/outcomes/resources/>

United Way of America provides a variety of outcome measurement resources on their online network. Most of the resources are .pdf documents.

2. **Alliance for Nonprofit Management Resource Center**

<http://www.allianceonline.org/ARC>

This online search engine links users to publications, Web sites, and other resources related to the management of nonprofit organizations.

3. **Checklist for Program Evaluation Planning**

<http://www.managementhelp.org/evaluatn/chklist.htm>

This checklist is a guide for organizations in the beginning stages of developing program evaluation methods.

4. **Utica Public Library Internet Resources for Nonprofits**

<http://www.uticapubliclibrary.org/non-profit/outcomes.html>

The Foundation Center Cooperating Collections provides this list of links to outcome measurement and program evaluation resources on the Internet.

5. **Client Management and Outcomes Tracking Databases**

<http://www.techsoup.org/howto/articles/databases/page2204.cfm>

This article, found on the TechSoup Web site, provides recommendations for selecting and implementing outcomes tracking databases.