



A Guide to Outcome Planning

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“Begin with the end in mind.”

Across the world and especially in the United States, philanthropy is changing. The concept of an outcomes-based investment is replacing the traditional framework of philanthropic giving. Where in the past funders made gifts based on the magnitude of a problem, or the worthiness of a cause, today an increasing number of investors are making investments based on the quality of return. Whereas social agencies traditionally saw themselves as in the business of providing services, today such agencies focus on achieving lasting change through those services. Mission statements are changing from a focus on serving the underserved to changing the level of health or poverty in a measurable, lasting way. Whereas in the past, the level of activity was a program or organization’s primary yardstick of performance, today measurable results are required.

Ensuring that your organization can define and achieve success and prove a return on investment, are goals best accomplished through “outcome planning and management”.

Outcome planning defines success measurably and quantifiably, and enables you to track and prove progress in achieving your mission and key outcomes required by that mission. Many funders now see themselves as investors, and they require defined results and progress towards those results based on achievement of pre-defined performance targets and milestones. One such example is San Diego Social Venture Partners (SDSVP), an organization of unique individuals who learn and practice outcomes-based “venture philanthropy” patterned after the more positive aspects of venture capitalism. Rather than making a gift of funds, SDSVP Partners invest money, contacts, time, and talent in worthy social enterprises, seeking to increase each organization’s core capabilities, ensure its longevity, and enable its growth. SDSVP monitors the progress of each organization (each “Investee”) by reviewing, every 6 months, the progress made on an Annual Plan established in partnership with each Investee. Annual Plans are simply:

- a format for establishing/setting/identifying a program’s anticipated outcomes (usually this is called a “provider statement or “investee statement” and it essentially tells the investor what it is that the grant recipient promises to deliver), *and*
- an opportunity for outlining a plan for achieving those outcomes.

The Annual Plan defines measurable change in two areas: an Investee’s programs (is the program on track to meet its outcome goals...and at the end, were they achieved?) and an

Investee's capacity to deliver services sustainably and in greater quantity. (Such capacity improvements usually pertain to strategic plan implementation, board development, fund raising, accounting and information systems, marketing, management skills and practices, systems and processes, etc).

Whether used on a tactical level (an annual plan) or a strategic level (reframing your mission or establishing a three year strategic plan), outcome planning begins with the end result in mind and measures the quantity of change achieved in moving toward that desired end result. The first step is to determine what the final desired result actually is. The following questions should be asked:

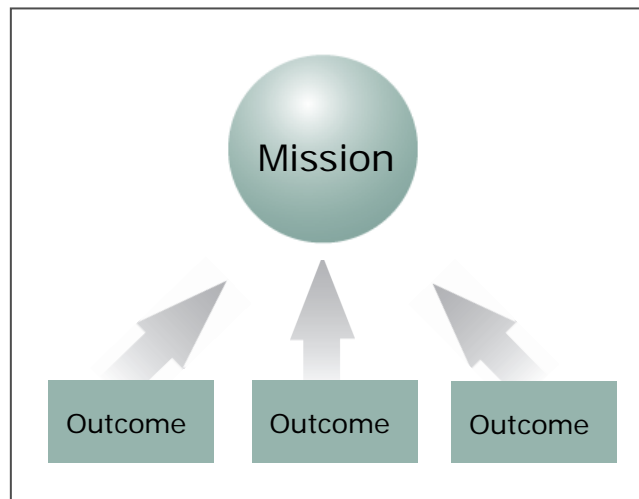
“What will success look like?”

“How will we know we have succeeded? What will have changed?”

“How will we know the impact or change will be enduring or continuous?”

Using these questions, a traditional mission statement such as: “Our mission is to teach children to read” becomes “Our mission is to ensure 85% of the kids in our county not only can read, but enjoy doing so and, as a result, continue to read into their adult lives.”

Your Mission is Your Ultimate, Measurable Outcome



Establishing Outcomes

“If you don't know where you're going, any road will take you there.”

Whether establishing an overall mission or the visible, measurable results which prove a mission is accomplished, establishing an outcome that defines enduring success is critical. The metropolitan area of Baltimore is a valuable example and an oft-used illustration. A high quantity of available homes and a low level of homeownership begged a solution: provide access to grants and advantageous financing as the basis of a campaign to enable renters to become homeowners. The initial result appeared highly successful; families with little means who had rented for years soon became proud homeowners. Unfortunately, it soon became apparent that success was short-lived as

foreclosure rates began to sky rocket, properties were poorly maintained, and neighborhood desirability and values declined. Because the outcome defined was “enable renters to purchase homes”, no effort was expended to teach home maintenance, budgeting, savings, or other financial management to renters who had never had such responsibilities or habits. Additionally, no follow up or accountability was required after purchase. An outcome defined more clearly as “enable renters to become and remain successful homeowners” may have ensured success of the program and secured the economic recovery of the region.

A good outcome has several characteristics:

- Meaningful and a positive improvement
- Focused and realistic, even if a stretch
- Measurable and verifiable
- Defined by amount and time

Excellent questions to ask regarding your proposed outcomes are:

“How will success (or effectiveness) be measured?”

“What do we need to change?”

“Do we have the capacity to do this?”

You may notice that there is a difference between outcomes and *outputs*. An organization focusing on outputs will ask “How many have been enrolled, served, or produced?”, whereas an organization focusing on outcomes will ask “How many have changed permanently”. Here are additional examples:

Outputs	Outcomes
Number who attend job skills training	Number who become and stay employed after training
Number of housing units built for the homeless	Number of homeless individuals who remain housed after 1 year

Outcomes planning focuses on the end result desired. It then sets up performance targets and milestones, things achieved during the process of getting to the desired end result, as both guides for action and measures of effectiveness.

Measuring progress and achieving outcomes

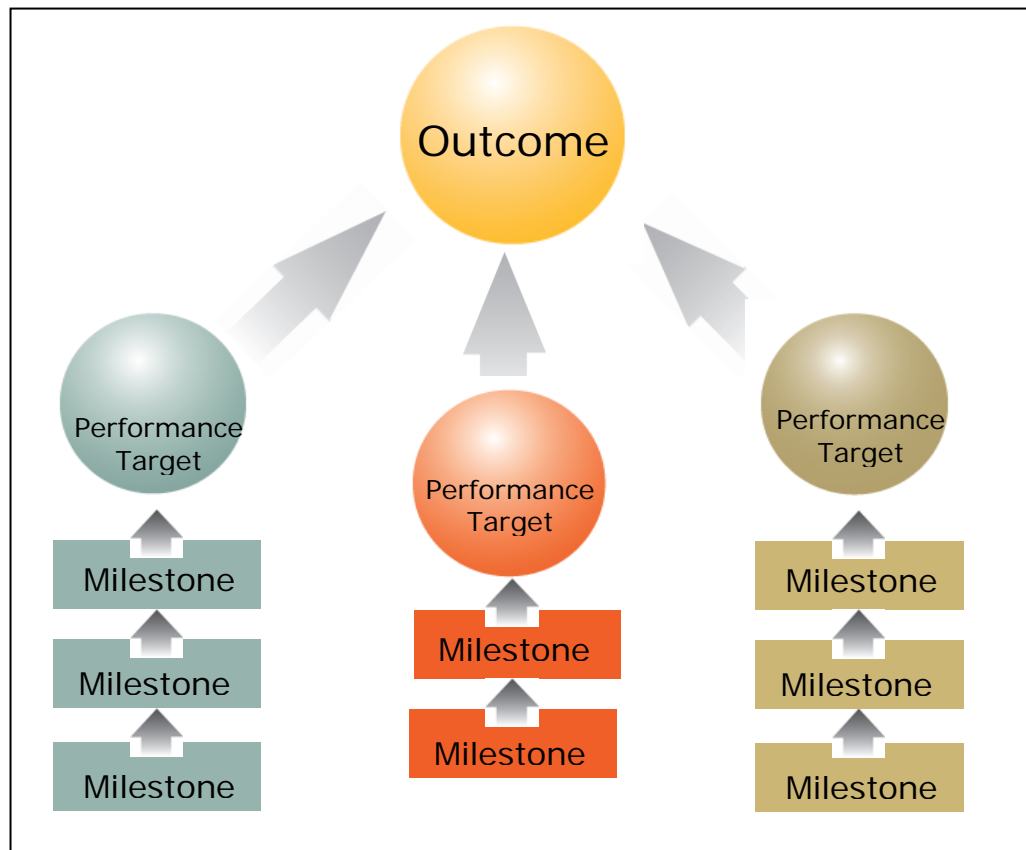
“Success doesn’t happen by accident.”

After establishing a clearly defined outcome, establishing a process to measure progress will enable you to adjust and learn in order to achieve the outcome. To illustrate, envision two projects: the first is baking a cake, and the second is assembling a backyard grill. To successfully make a cake, you follow instructions to combine ingredients, pour the mixture into a carefully prepared baking pan, and pop it in the oven. Your project either succeeds or fails during baking; you cross your fingers and hope for a tasty outcome. In assembling a backyard grill, however, hope is not your strategy for achieving the final outcome. At any time during the process, you can check the

illustrations for assembly for assurance that the grill's piece are all being put together as intended. If something is off or does not work correctly, you can return to the manual to verify. Along the way, you are able to check that your progress is proceeding according to plan and revise or adjust when suspicions or actual difficulties occur.

An outcome plan defines the top elements critical to success (performance targets) and the quantity and timing of events which must be accomplished to achieve those elements (milestones). If a milestone is missed, you can examine what might have gone wrong, learn from the event, adjust your process, and make your program better.

Outcomes are based on Performance Targets,
which are based on Milestones



To create an outcomes-based plan, the following steps may be helpful:

1. Establish your outcome and the major performance targets. If you have difficulty with establishing performance targets, try starting with Step 2 below and return to this first step afterward.
2. List the flow of events which will lead to your desired outcome. These are the steps or stages which must occur.
3. List the capacity needs or logistics for each step and any time required to meet or provide for such needs.
4. For each step, decide the quantity required and the date which is feasible. Often, working backward from the date you wish to achieve your outcome will be

helpful. However, if you don't know what quantity or time frame is reasonable for your outcome, start from today and work forward with assumptions you believe are reasonable.

Performance Targets and Milestones Lead Sequentially to Outcomes

Event Type	Event	Quantity	Date
Milestone	Contact 125 unemployed adults	125	Aug. 1
Milestone	100 potential candidates attend orientation	100	Aug. 15
Performance Target	75 potential candidates enroll	75	Aug. 20
Milestone	60 candidates begin training	60	Aug. 22
Milestone	Candidates complete job retention/life skills assessment		Aug. 27
Milestone	50 complete training	50	Sept. 22
Milestone	Prospective employers identified	60	Oct. 1
Milestone	Candidates complete life skills training		Oct. 8
Milestone	Prospective Employers contacted	60	Oct. 15
Milestone	45 pass mid-term training test	45	Nov. 22
Performance Target	30 Employer agreements signed	30	Dec. 1
Milestone	30 complete interview coaching	30	Jan. 28
Performance Target	30 graduate training program	30	Feb. 22
Milestone	29 candidates successfully complete interviews	29	Mar. 7
Milestone	28 candidates successfully placed	28	Mar. 15
Performance Target	27 candidates receive positive performance reviews	27	June 15
Outcome	25 candidates successfully retain jobs for 6 months	25	Sept. 15

Notice that many of the outputs from each step in the process of achieving an outcome provide tangible evidence of progress. Statistics which track progress can usually be derived by asking “Who?, How many?, When?, How long?, and How often?” But also note that the milestones listed above are primarily couched in terms of client achievement or accomplishment, and not just in terms of program activity.

You may discover that the outcome you desire does not have traditionally defined points of progress. In such cases, you may find it advantageous to create your own index or scale of change. If such a scale becomes a benchmark for change in your industry, you may gain a prominent reputation and position in your industry. As an example, if your mission is to transform impoverished communities into communities which are healthy physically and economically, you may establish a scale of overall community health using your own rating system. A rating for each community could be established based

on objective statistics you can acquire and track, such as the level of infant mortality, occurrence of specific diseases, and income levels. You might track the number of new businesses that open within a year, or the number of properties that are no longer vacant. You could also create subjective measures, “proxies” that reflect community economic health, things such as the apparent condition and appeal of local properties, the amount of (or lack of) trash along streets and on private properties, the number of visible repairs that are made to properties within the community.

If your mission is to enable at-risk youth to become successful, responsible adults, you might measure the progress of all participants in your programs by tracking statistics on number of detentions, grade levels, graduation rates, teen pregnancies, arrests, etc. and establish overall scores which reasonably indicate an improvement in the number responsible choices made by each participant.

The important thing to remember when setting milestones is that they should reflect changes experienced by those our programs seek to serve. These changes are often referred to as the BACKS measures:

- Behavior
- Attitude
- Condition
- Knowledge
- Status

Some examples might be whether at-risk *behavior* has changed among youth in an after-school program; whether *attitudes* have changed on the part of those enrolled in an anger management class; whether vacant properties in the neighborhood are littered or cleaned up (*condition*); whether local residents *know* who their elected officials are and how to access them; whether a local watershed is still threatened or has been protected (*status*)

Milestones establish points of significant progress: when a child masters a skill, when agreement has been reached on a local project, when those in a nutrition class understand and have agreed to follow a more healthful diet. To help establish milestones and ensure they are useful, realistic and feasible, the following questions are helpful:

“What early steps do we need to take to know we are off to a good start”

“What accomplishments along the way will tell us that we are on the right track?”

“If all the milestones are reached, will that mean we have reached our Performance Target?”

“Does our program have the resources to meet these goals; are we doing what is really necessary to move our target population/community from one milestone to the next?”

Once you’ve established your milestones, you’re able to assess your performance and adjust your strategy. Here are key questions which will help you to do so:

“Are we ahead or behind schedule?”

“What areas aren’t working as we assumed or designed?”

“What are we learning?”

“What can we improve?”

Knowing the degree of your progress, even against goal dates and amounts which are based on assumptions and may prove to be unrealistic, allows you to adjust, refine, and more probably succeed at achieving your chosen outcome.

Outcome planning is a necessity for your success in today’s world of outcomes-based funding. With your ability to demonstrate tangible progress toward and achievement of a quantified definition of success, you will be able to attract the funds for both program and, especially, capital needs. Additionally, outcome planning will align your focus, enabling your staff and board to make decisions based on clear objectives, discern the programs to adopt and to abandon, and discover the improvements and inventions necessary to succeed. As a result, your organization will be effective and efficient, providing an excellent return on the investment of passion, effort, and monetary investment, and successfully creating the changes so critically needed in our community, our state, our country, and our world.