

SELECTED EXCERPT
FROM LEAP OF REASON

LEAP OF REASON

MANAGING TO OUTCOMES IN AN ERA OF SCARCITY

Compendium of Top Readings for Mission Effectiveness

An excerpt from the book *Leap of Reason*,
which is available in full at leapofreason.org

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Compendium of Top Readings for Mission Effectiveness

This section provides a directory of articles, reports, books, and tools that amplify key themes of this monograph and will help you take the leap toward greater mission effectiveness. The materials are aligned to the **Managing to Outcomes** framework we shared on p. 64.

We're proud of this compendium, but we don't claim that it is definitive; the list surely reflects sins of omission and commission on our part. Please help us improve it by visiting the living version at leapofreason.org/compendium.

This compendium benefited from the sage advice of Laura Callanan and director emeritus Les Silverman, McKinsey & Company; David Carrier and David Murphey, Child Trends; Michael Connolly, VMware; Matt Forti and Nan Stone, The Bridgespan Group; A. Marc Harrison, James Merlino, and Sarah Sinclair, Cleveland Clinic Foundation; David E. K. Hunter, Hunter Consulting; Fred Miller, The Chatham Group; Amy Main Morgenstern, Main Stream Enterprises; Nancy Osgood, The Osgood Group; and Victoria Vrana, Venture Philanthropy Partners.

To compile this first version of the compendium, we followed a process we have used with great success over the years:

- **Determine the experts.** We focused on identifying the top experts for each topic rather than attempting to do a layperson's deep dive. Part of our ongoing learning process is to cultivate relationships with smart people who have knowledge and skills that far surpass our own.
- **Ask for help.** As long as you don't abuse relationships by making too many requests, people generally like to be asked for their input. Our first email went to more than twenty people, our roster of "rock stars" on these particular topics. The response rate was about 75 percent.
- **Give examples.** To help the outside experts understand what we were looking for, our internal team created a starter set of citations in each category. This helped ensure that we received relevant feedback.
- **Scrub, rinse, and repeat.** We're big believers in the iterative process. Over a three-month span, we went back to these highly respected colleagues twice more after our initial ask to further refine the list of resources. Each time the compendium got stronger.

We have organized the compendium into thirteen categories:

- Overarching Themes
- Strong Board Stewardship
- Performance Culture
- Visionary Executive Leadership
- Clarity of Purpose
- Logic Model for Change
- Disposition to Use Data
- Metrics and Indicators
- Performance-Management Mindset and Systems
- Tools for Managing to Outcomes
- Building the Case for Managing to Outcomes
- Managing-to-Outcomes Examples/Case Studies
- Other Relevant Topics

Each section provides our working definition of the category; Zagat-like introductory comments drawn from our experts' assessments; and citations with links to the materials (in short form, to make them easier to type into a browser for those viewing this monograph in hard copy). Links may provide direct access to the resource, a venue for purchasing it, or an interview or article that mentions the resource and provides additional context.

Overarching Themes

Resources that address how to drive change, improve effectiveness, and achieve greatness

We've listed six valuable resources in this category. The first three are, in the estimation of our experts, "must reads." In the two *Good to Great* studies, Jim Collins explains that leaders of great organizations must confront brutal facts. Nonprofits without a focus on outcomes may find it impossible to know or understand the importance of their own key brutal facts. In *Competing on Analytics*, Tom Davenport and Jeanne Harris provide high-profile examples that show how companies are using tools to accelerate innovation, optimize their effectiveness, and identify the true drivers behind their missions—work that we believe has transfer value to the social sector.

- Collins, James C. ***Good to Great and the Social Sectors: Why Business Thinking Is Not the Answer: A Monograph to Accompany Good to Great.*** Boulder, CO: J. Collins, 2005 | leapofreason.org/CollinsSocialSector
- Collins, James C. ***Good to Great: Why Some Companies Make the Leap—And Others Don't.*** New York: Harperbusiness, 2001 | leapofreason.org/CollinsGoodtoGreat
- Davenport, Thomas H., and Jeanne G. Harris. ***Competing on Analytics: The New Science of Winning.*** Boston: Harvard Business School Press, 2007 | leapofreason.org/Davenport
- Green, Alison, and Jerry Hauser. ***Managing to Change the World: The Nonprofit Leader's Guide to Getting Results.*** Washington, DC: Management Center, 2009 | leapofreason.org/Green
- Kotter, J. P. "Leading Change: Why Transformation Efforts Fail." *Harvard Business Review*, March-April 1995 | leapofreason.org/Kotter
- Sheehan, Robert M. ***Mission Impact: Breakthrough Strategies for Nonprofits.*** Hoboken, NJ: Wiley, 2010 | leapofreason.org/Sheehan

Strong Board Stewardship

Resources that discuss the importance of strong boards, what defines them, and how they function, especially with respect to mission effectiveness and assessment

Our experts gave “The New Work of the Nonprofit Board,” “Mission-Driven Governance,” and “More Effective Boards: A Detailed Guide” the highest rankings. As the authors of “More Effective Boards” note, “Beyond *what* to do, *how* the board does its work is equally important.” All of the resources in this category can help spark good conversations in your organization.

- Fisman, Raymond, Rakesh Khurana, and Edward Martenson. **“Mission-Driven Governance.”** *Stanford Social Innovation Review*, Summer 2009 | leapofreason.org/Fisman (subscribers only)
- Jansen, Paul, and Andrea Kilpatrick. **“The Dynamic Nonprofit Board.”** *McKinsey Quarterly*, May 2004 | leapofreason.org/Jansen
- **“More Effective Boards: A Detailed Guide.”** In *Bridgestar: Nonprofit Jobs, Careers, and Boards of Directors*. Boston: Bridgespan Group, 2009 | leapofreason.org/Bridgespan
- ***The Source: Twelve Principles of Governance That Power Exceptional Boards.*** Washington, DC: BoardSource, 2005 | leapofreason.org/BoardSource
- Taylor, Barbara E., Richard Chait, and Thomas Holland. **“The New Work of the Nonprofit Board.”** *Harvard Business Review*, September 1996 | leapofreason.org/TaylorChait

Performance Culture

Resources that discuss the importance of organizational culture and its vital role for organizations seeking to manage to outcomes

McKinsey & Company defines performance culture as “the connective tissue that binds together the organization, including shared values and practices, behavior norms, and most important, the organization’s orientation towards performance.” As many of the resources below illustrate, a performance culture must be developed from within. In *SuperCorp*, Rosabeth Moss Kanter illustrates how companies use their strong cultures to adapt and innovate; these tenets are equally applicable to nonprofit organizations. Jeffrey Sonnenfeld’s article in the *Harvard Business Review* emphasizes the importance of building a highly accountable culture within the board.

- Connors, Roger, and Tom Smith. ***Change the Culture, Change the Game: The Breakthrough Strategy for Energizing Your Organization and Creating Accountability for Results.*** New York: Portfolio Penguin, 2011 | leapofreason.org/Connors
- Friedman, Mark. ***Trying Hard Is Not Good Enough.*** Bloomington, IN: Trafford Publishing, 2005 | leapofreason.org/Friedman
- Hogan, Cornelius, and David Murphey. ***Outcomes: Reframing Responsibility for Well-Being: A Report to the Annie E. Casey Foundation.*** Baltimore: Annie E. Casey Foundation, 2002 | leapofreason.org/Hogan
- Kanter, Rosabeth Moss. ***SuperCorp: How Vanguard Companies Create Innovation, Profits, Growth, and Social Good.*** New York: Crown Business, 2009 | leapofreason.org/Kanter
- Schorr, Lisbeth B. ***Common Purpose: Strengthening Families and Neighborhoods to Rebuild America.*** New York: Anchor Books, Doubleday, 1997 | leapofreason.org/Schorr
- Sonnenfeld, Jeffrey. “**What Makes Great Boards Great.**” *Harvard Business Review*, September 2002 | leapofreason.org/Sonnenfeld
- “**Transforming Giants.**” *Harvard Business School Summit*, October 2008 | leapofreason.org/HBSSummit

Visionary Executive Leadership

Resources that provide insights into the leadership qualities that are most valuable for creating organizational change and performance

All three citations below received “must-read” ratings in our outreach. *HBR’s 10 Must Reads on Leadership* offers insights from a compelling lineup of leadership gurus; it’s a seminar in a single volume.

- Goleman, Daniel, Peter F. Drucker, John P. Kotter, Ronald A. Heifetz, Donald L. Laurie, Robert Goffee, Gareth Jones, Warren G. Bennis, Robert J. Thomas, Jim Collins, David Rooke, William R. Torbert, William W. George, Peter Sims, Andrew N. McLean, Diana Mayer, Deborah Ancona, Thomas W. Malone, Wanda J. Orlikowski, and Peter M. Senge. ***HBR’s 10 Must Reads on Leadership***. Boston: Harvard Business School Publishing, 2010 | leapofreason.org/Goleman
- Heifetz, Ronald, and Marty Linsky. **“A Survival Guide for Leaders.”** *Harvard Business Review*, June 2002 | leapofreason.org/Heifetz
- Taylor, William. **“Leader of the Future.”** *Fast Company*, May 1999 | leapofreason.org/TaylorLeader

Clarity of Purpose

Resources that focus on why it’s important to have a clear direction and how to develop such clarity

Any resource by Peter Drucker will get high rankings in most circles. Our colleagues at McKinsey and Bridgespan provide great insights as well. They underscore the value of developing a clarity of focus that reflects the organization’s opportunities, core competencies, and commitment.

- Colby, Susan, Nan Stone, and Paul Carttar. **“Zeroing In on Impact.”** *Stanford Social Innovation Review*, Fall 2004 | leapofreason.org/Colby
- Drucker, Peter. ***Managing the Nonprofit Organization: Principles and Practice***. New York: HarperCollins, 1990 | leapofreason.org/DruckerManaging
- Kilpatrick, Andrea, and Les Silverman. **“The Power of Vision.”** *Strategy & Leadership*, Spring 2005 | leapofreason.org/Kilpatrick

Logic Model for Change

Resources that define the concept of a logic model for change or a theory of change—that is, how programs and services come together to achieve the organization’s intended outcomes

We believe that all the resources we’ve listed below deserve “must-read” status. These individuals and organizations are true authorities and good explainers.

- Brest, Paul. **“The Power of Theories of Change.”** *Stanford Social Innovation Review*, Spring 2010 | leapofreason.org/BrestTheoriesofChange
- Child Trends. **“Child Trends Evaluation Resources.”** | leapofreason.org/ChildTrendsEvaluation
- Child Trends. **“LINKS (Lifecourse Interventions to Nurture Kids Successfully).”** | leapofreason.org/ChildTrendsLINKS
- Hunter, David E. K. **“Using a Theory of Change Approach to Build Organizational Strength, Capacity and Sustainability with Not-for-Profit Organizations in the Human Services Sector.”** *Evaluation and Program Planning*, May 2006 | leapofreason.org/HunterTheoryofChange
- W. K. Kellogg Foundation. **Logic Model Development Guide.** Battle Creek, MI: W. K. Kellogg Foundation, 2004. | leapofreason.org/Kellogg
- **“Mapping Change: Using a Theory of Change to Guide Planning and Evaluation.”** GrantCraft, a project of the Foundation Center and the European Foundation Centre | leapofreason.org/GrantCraft

Disposition to Use Data

Resources that identify traits and behaviors that reveal whether or not leaders are comfortable using data to guide key organizational decisions

We had a difficult time coming up with suggestions for this section; perhaps it’s one of those gray areas requiring more art than science. Fortunately, David Hunter provided one article to get you started, and we hope that readers will be able to help flesh out this section in the coming months.

- Hunter, David E. K. **“Daniel and the Rhinoceros.”** *Evaluation and Program Planning*, May 2006 | leapofreason.org/HunterRhinoceros

Metrics and Indicators

Resources that put flesh on the terms “metrics,” “indicators,” “outcomes,” and other key concepts that underlie effective measurement

One colleague described *Finding Out What Matters for Youth* as “a model that uses data to begin to unpack the ‘black box’ between activities and outcomes, including questions of ‘dosage.’” One other top read in this category is “Positive Indicators of Child Well-Being,” which is viewed as one of the definitive sources of metrics and indicators in the field of child development.

- Gambone, Michelle, Adena Klem, and James Connell. ***Finding Out What Matters for Youth: Testing Key Links in a Community Action Framework for Youth Development.*** Hamilton, NJ: Youth Development Strategies, 2002 | leapofreason.org/Gambone
- Lippman, Laura, Kristin Anderson Moore, and Hugh McIntosh. **“Positive Indicators of Child Well-Being: A Conceptual Framework, Measures and Methodological Issues.”** *Innocenti Working Paper*, October 2009 | leapofreason.org/Lippman
- National Institute on Drug Abuse. **“Promise Neighborhoods Research Consortium: What Works.”** Promise Neighborhoods Research Consortium | leapofreason.org/NIDA
- Sawhill, John, and David Williamson. **“Measuring What Matters in Nonprofits.”** *McKinsey Quarterly*, May 2001 | leapofreason.org/Sawhill
- Terzian, Mary, Kristin Anderson Moore, Lisa Williams-Taylor, and Hoan Nguyen. **“Online Resources for Identifying Evidence-Based, Out-of-School Time Programs: A User’s Guide.”** Child Trends Research Briefs | leapofreason.org/Terzian
- Urban Institute, Child Trends, and Social Solutions. **“Outcomes and Effective Practices Portal.”** Forthcoming Winter 2011 | leapofreason.org/OEPP
- Wheatley, Margaret, and Myron Kellner-Rogers. **“What Do We Measure and Why? Questions about the Uses of Measurement.”** *Journal for Strategic Performance Measurement*, June 1999 | leapofreason.org/Wheatley

Performance-Management Mindset and Systems

Resources that discuss what's needed to mentally prepare for, establish, and use performance-management systems

Howard Dresner's work was recommended by the Cleveland Clinic Foundation group as a very good source. While it is written as a guide for private-sector organizations, there is good transfer value for nonprofits. In "Performance Management and Evaluation: What's the Difference?" Child Trends scholars Karen Walker and Kristin Moore discuss the similarities and the differences between performance management and evaluation, the purposes of collecting information, the timing of data collection, the people primarily responsible for the investigation, and how benchmarks are derived and used. It's a succinct and helpful explanation of concepts often misunderstood.

- Dresner, Howard. ***The Performance Management Revolution: Business Results Through Insight and Action***. Hoboken, NJ: Wiley, 2008 | leapofreason.org/DresnerRevolution
- Hatry, Harry P. ***Performance Measurement: Getting Results, Second Edition***. Washington, DC: Urban Institute Press, 2006 | leapofreason.org/Hatry
- Howson, Cindi. ***Successful Business Intelligence: Secrets to Making BI a Killer App***. New York: McGraw-Hill, 2008 | leapofreason.org/Howson
- ICMA (International City/County Management Association). **"ICMA Performance Measurement KnowledgeNetwork."** | leapofreason.org/ICMA
- Liner, Blaine, Harry P. Hatry, Elisa Vinson, Ryan Allen, Pat Dusenbury, Scott Bryant, and Ron Snell. ***Making Results-Based State Government Work***. Washington, DC: Urban Institute, 2001 | leapofreason.org/Liner
- Miles, Marty, Sheila Maguire, Stacy Woodruff-Bolte, and Carol Clymer. ***Putting Data to Work: Interim Recommendations from the Benchmarking Project***. Philadelphia: Public/Private Ventures, 2010 | leapofreason.org/Miles
- Penna, Robert M. ***The Nonprofit Outcomes Toolbox: A Complete Guide to Program Effectiveness, Performance Measurement, and Results***. Hoboken, NJ: Wiley, 2011 | leapofreason.org/Penna

- Taylor, James, and Neil Raden. ***Smart (Enough) Systems: How to Deliver Competitive Advantage by Automating Hidden Decisions.*** Harlow, England: Prentice Hall, 2007 | leapofreason.org/TaylorRaden
- United Way of America. ***Measuring Program Outcomes: A Practical Approach.*** Alexandria, VA: United Way of America, 1996 | leapofreason.org/UnitedWay
- Walker, Karen E., and Kristin Anderson Moore. **“Performance Management and Evaluation: What’s the Difference?”** Child Trends, January 2011 | leapofreason.org/Walker
- Winkler, Mary K., Brett Theodos, and Michel Gross. ***Evaluation Matters: Lessons from Youth-Serving Organizations.*** Washington, DC: Urban Institute, 2009 | leapofreason.org/Winkler
- Wolk, Andrew, Anand Dholakia, and Kelley Kreitz. ***Building a Performance Measurement System: Using Data to Accelerate Social Impact.*** Cambridge, MA: Root Cause, 2009 | leapofreason.org/Wolk

Tools for Managing to Outcomes

Resources that present methods, systems, and models to prepare for and ingrain managing to outcomes

We believe that tools, systems, and methods come into play as a result of your strategic direction rather than in place of it, but we recognize that leaders need frameworks to adapt. Here are two tools that may assist your efforts. The Center for Effective Philanthropy helps funders gauge their performance relative to peer foundations. The Organizational Capacity Assessment Tool developed by McKinsey & Company for VPP has been cited in more than twenty books and college courses, and more than seventy organizations have requested permission to modify or replicate the tool, post it on their websites, or distribute it to their own grantees.

- **“Center for Effective Philanthropy Assessment Tools.”** Center for Effective Philanthropy | leapofreason.org/CEPTools
- **“Organizational Capacity Assessment Tool (OCAT).”** *Effective Capacity Building in Nonprofits.* Washington, DC: Venture Philanthropy Partners, prepared by McKinsey & Company, 2001 | leapofreason.org/OCAT

Building the Case for Managing to Outcomes

Resources that present a compelling case for managing to outcomes, which can be very helpful for sparking conversations within boards and leadership teams

Organizations need well-reasoned arguments from credible sources to persuade stakeholders that managing to outcomes can lead to greater mission effectiveness. All of the resources below can help.

- Bradach, Jeffrey, Thomas Tierney, and Nan Stone. **“Delivering on the Promise of Nonprofits.”** *Harvard Business Review*, December 2008 | leapofreason.org/Bradach
- Drucker, Peter F. **“What Is the Bottom Line When There Is No ‘Bottom Line’?”** In *Managing the Non-Profit Organization: Practices and Principles: Including Interviews with Frances Hesselbein [et al.]*. New York: HarperCollins, 1990. 107–112 | leapofreason.org/DruckerBottomLine
- Neuhoff, Alex, and Bob Searle. **“More Bang for the Buck.”** *Stanford Social Innovation Review*, Spring 2008 | leapofreason.org/Neuhoff
- Urban Institute and Center for What Works. **“Outcome Indicators Project.”** | leapofreason.org/UrbanInstitute

Managing-to-Outcomes Examples/Case Studies

Resources that provide tangible models of managing to outcomes

Seeing the results that other organizations have achieved can be useful as you begin your efforts around managing to outcomes. Here are a few snapshots of managing-to-outcomes initiatives.

- Abelson, Reed. **“Managing Outcomes Helps a Children’s Hospital Climb in Renown.”** *New York Times*, September 15, 2007 | leapofreason.org/Abelson
- Heath, Chip, and Dan Heath. ***Switch: How to Change Things When Change Is Hard***. New York: Broadway Books, 2010 | leapofreason.org/Heath
- Howard, Don, and Susan Colby. ***Great Valley Center: A Case Study in Measuring for Mission***. Boston: Bridgespan, 2003 | leapofreason.org/Howard

Other Relevant Topics

Resources that provide context, additional insights, and considerations that may be of help to those transitioning to managing to outcomes

In the view of our experts, these resources below all provide great value and are relevant to managing to outcomes. We've grouped them here because they didn't fit neatly into any of our other categories.

- Brest, Paul, Hal Harvey, and Kelvin Low. **“Calculated Impact.”** *Stanford Social Innovation Review*, Winter 2009 | leapofreason.org/BrestHarvey (subscribers only)
- Council of State Governments. **“States Perform.”** | leapofreason.org/CouncilStateGovernments
- Dresner, Howard. ***Profiles in Performance: Business Intelligence Journeys and the Roadmap for Change.*** Hoboken, NJ: John Wiley & Sons, 2010 | leapofreason.org/DresnerProfiles
- Gawande, Atul. ***The Checklist Manifesto: How to Get Things Right.*** New York: Metropolitan Books, 2010 | leapofreason.org/Gawande
- Kania, John, and Mark Kramer. **“Collective Impact.”** *Stanford Social Innovation Review*, Winter 2011 | leapofreason.org/Kania
- ***Keystone Guides for Impact Planning, Learning, and Assessment.*** London: Keystone Accountability for Social Change, 2009 | leapofreason.org/Keystone
- Kramer, Mark, Marcie Parkhurst, and Lalitha Vaidyanathan. ***Breakthroughs in Shared Measurement and Social Impact.*** Boston: FSG Social Impact Advisors, 2009 | leapofreason.org/Kramer
- Miller, Clara. **“The Four Horsemen of the Nonprofit Financial Apocalypse.”** *Nonprofit Quarterly*, March 2010 | leapofreason.org/Miller
- ***New Approaches to Evaluating Community Initiatives.*** Washington, DC: Aspen Institute, 1995 | leapofreason.org/AspenInstitute
- ***Priorities for a New Decade: Making (More) Social Programs Work (Better).*** Philadelphia: Public/Private Ventures, 2011 | leapofreason.org/PPV

- Scarce, Diane, and Katherine Fulton. “**High Ambitions and Scarce Resources in Public Interest Organizations.**” *Development*, August 2004 | leapofreason.org/Scarce
- Silverstein, Laura, and Erin Maher. “**Evaluation Blues: How Accountability Requirements Hurt Small, Innovative Programs the Most.**” *Stanford Social Innovation Review*, Winter 2008 | leapofreason.org/Silverstein
- Stid, Daniel, and Jeffrey Bradach. “**Strongly Led, Under-Managed: How Can Visionary Nonprofits Make the Critical Transition to Stronger Management?**” *Bridgespan Group*, August 2008 | leapofreason.org/Stid
- Tierney, Thomas J., and Joel L. Fleishman. ***Give Smart: Philanthropy That Gets Results.*** New York: PublicAffairs, March 2011 | leapofreason.org/TierneyFleishman
- **University HealthSystem Consortium** | leapofreason.org/UHC