Measure your philanthropic investment like any business deal

We’re all looking for deals this time of year: Black Friday, Cyber Monday, and other dollar-stretching activities help consumers over the 2013 finish line.

It’s also the time of year when the for-profit world quantifies their ROI for the year, even as the nonprofits beg for donations. For a growing legion of us, that means we must learn to speak the language of business — to begin viewing the world through metrics and outcomes.

In fact, many nonprofits have spent the last few years learning how to measure impact, report on it, and deliver quantifiable outcomes. More and more of us adhere to principles that mirror corporations far more closely than they do our predecessor “charities.”

As a result, it’s our contention — and that of many of our peers — that businesses should follow suit and consider performance and outcomes as central to their philanthropy decisions.

What if, before making a charitable contribution, your business asked the same questions you consider when making capital investments or new hires?
- Is this a good value?
- Is the idea in which I’m investing one-of-a-kind?
- Will my investment likely pay off over time?
- How will I know this paid off?

Shifting that focus of your philanthropic strategy can make a powerful difference to your bottom line, and to the community. And it seems worth exploring a little deeper what we mean by each question above.

Good Value

In the nonprofit world, “good value” means the organization you’re investing in has a track record of success. Also important: it has short, intermediate and long-term goals, all of which are explicit and considered immutable.

One of a Kind

To be “one of a kind,” an organization must be truly different from other nonprofits, and able to address community issues in a unique way. Supporting organizations that mirror others in the community creates confusion and cannibalizes results.

Good Investment

“Good Investment” means your contribution helps nonprofits achieve their outcomes. It’s also important to ensure your funds are not being used to solve a crisis or bring an organization out of the “red.”

Evaluating the pay-off of every investment borrows heavily from good business planning. Can the organization prove they’re delivering results through metrics? Is it high-performing? Does it track and report performance in a timely manner?

Mistakes are to be expected, but are they acknowledged and addressed quickly enough to make the organization stronger? Earlier this month, I addressed more than 750 nonprofit leaders at the After the Leap Conference. Convened in Washington, D.C., the sold-out event was designed to help nonprofit leaders share effective management and fundraising strategies with their peers.

My session focused on “Getting Buy-In,” and the importance of reaching out to numerous audiences in order to overcome initial resistance. It was an honor to be asked to present on best practices to a stellar group.

And so, while we were sharing insights gleaned from more than 15 years at WINGS, we were learning from stellar peers. The bottom line for organizations — both for-profit and non-profit — is this: Results matter and investments must be made carefully and intentionally.

Philanthropy does good and feels good. But that doesn’t mean it can’t also make good business sense.

Bridget Laird is CEO of WINGS for Kids, which teaches Social Emotional Learning to at-risk elementary school children in Charleston, Lake City and in Atlanta.