

METRICS FOR YOUR MISSION

Matthew Van Cleave – Social Impact Partnerships, Oracle NetSuite
September 14, 2019

Matthew Van Cleave, Oracle NetSuite

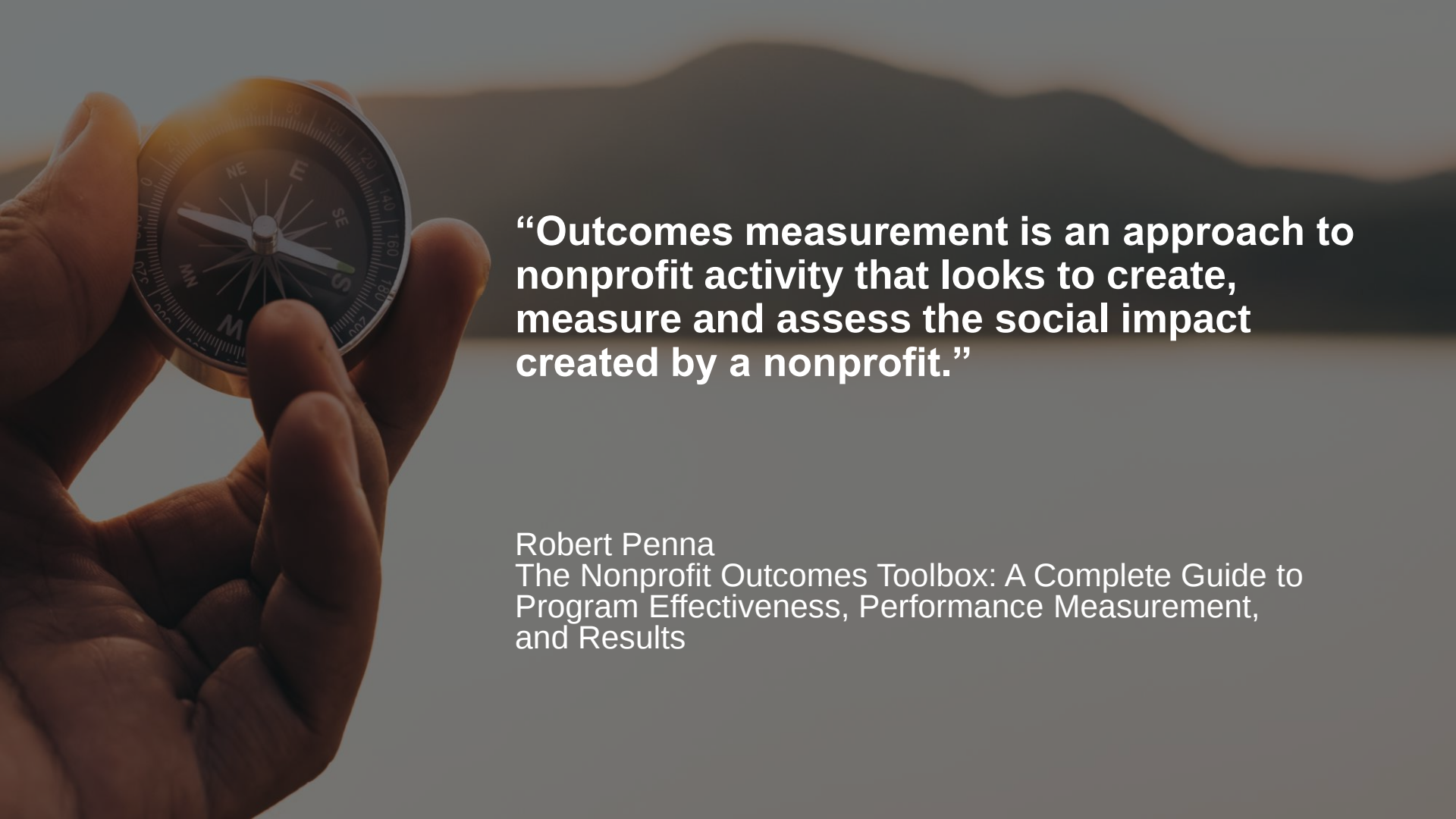


- 20 Years in Nonprofit Technology
- Sales, Marketing, Training, Support, Business Development, Channel & General Counsel

Social Impact Partnerships
Oracle NetSuite
mvancleave@netsuite.com

LEARNING OBJECTIVES

- Survey of Nonprofits
- Efficiency Metrics
- Output Metrics
- Outcomes & Impact Metrics



“Outcomes measurement is an approach to nonprofit activity that looks to create, measure and assess the social impact created by a nonprofit.”

Robert Penna
The Nonprofit Outcomes Toolbox: A Complete Guide to
Program Effectiveness, Performance Measurement,
and Results

Demographics

Nonprofit Leaders Share their Voice

What does it Mean to Measure Change?

Budget Size

Stewardship From \$1 Million to \$5 Billion

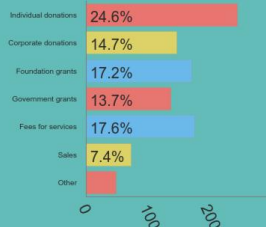
Roughly 60% of nonprofit executives led organizations of \$5 million and below. Roughly 40% led larger organizations over \$10 million to \$5.1 billion dollars



Funding Sources

One person makes a difference

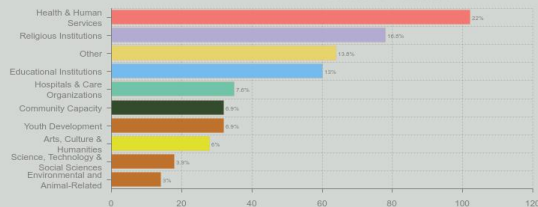
Individual contributions still make up the lionshare of funding for nonprofits, followed by corporate then foundation giving.



Mission

Who do you serve?

Health and Human Services leading the pack, followed by religious and educational institutions.



- Survey completed in April 2019 by FINN Partners
- 353 Decision Makers
- Range of
 - Budget Sizes
 - Missions
 - Funding Sources

Lack of Definition of Target

1



Goal



Focus



Program Results not Tied to Spend

2



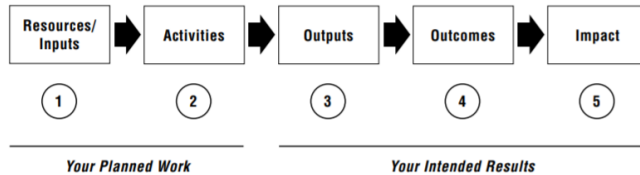
Program



Resources



Logic Models Theories of Change



Program

Charity Watchdogs Overhead Myth

2



Finance



CHARITY SEARCH

enter charity name, keywords, or EIN

☐ Name Only

SEARCH

| [Advanced](#)

| [A-Z Directory](#)

| [4-Star Charities](#)

Methodology

[What Criteria Must A Charity Meet To Be Rated?](#)

[How Do We Classify Charities?](#)

[How Do We Rate Charities?](#)

[How Do We Rate Charities' Financial Health?](#)

[Financial Score Conversions and Tables](#)

[How Do We Rate Charities' Accountability and Transparency?](#)

[Accountability and Transparency Ratings Tables](#)

How Do We Rate Charities' Financial Health?

[Print](#)

SHARE



(Note: This page describes our current methodology, CN 2.1. This methodology went into effect on June 1st, 2016. To see our previous methodology, please [click here](#).)

Table of Contents

- Financial Efficiency Performance Metrics
 - Performance Metric One: Program Expense Percentage
 - Performance Metric Two: Administrative Expense Percentage
 - Performance Metric Three: Fundraising Expense Percentage

CHARITY NAVIGATOR RATINGS

Assigns Financial Scores and a Financial Health Rating

Numerical score ranging between 0 and 10

Financial Health Rating:	★★★★★	★★★★☆	★★★☆☆	★★☆☆☆	★☆☆☆☆	0 Stars	Donor Advisory
Financial Health Score:	≥ 90	80 - 90	70 - 80	55 - 70	< 55	N/A	

No. of Stars	Qualitative Rating	Description
★★★★★	Exceptional	Exceeds industry standards and outperforms most charities in its Cause.
★★★★☆	Good	Exceeds or meets industry standards and performs as well as or better than most charities in its Cause.
★★★☆☆	Needs Improvement	Meets or nearly meets industry standards but underperforms most charities in its Cause.
★★☆☆☆	Poor	Fails to meet industry standards and performs well below most charities in its Cause.
0-Stars	Exceptionally Poor	Performs far below industry standards and below nearly all charities in its Cause.
CN Advisory	No Rating	Serious concerns have been raised about this charity which prevents the issuance of a star rating (See how we decide to post a CN Advisory).

CHARITY WATCH RATINGS

GRADES: The letter grade ratings represent the opinion of CharityWatch and are based solely on *financial efficiency* measurements.

Program %	Cost to Raise \$100	Efficiency Rating
90-100%	\$0 - 4	A+
80 - 89%	\$5 - 11	A
75 - 79%	\$12 - 15	A-
72 - 74%	\$16 - 19	B+

FINANCIAL EFFICIENCY

Performance Metric One: Program Expense Percentage

- $\text{Average Program Expenses} \div \text{Average Total Expenses}$

Performance Metric Two: Administrative Expense Percentage

- $\text{Average Administrative Expenses} \div \text{Average Total Expenses}$

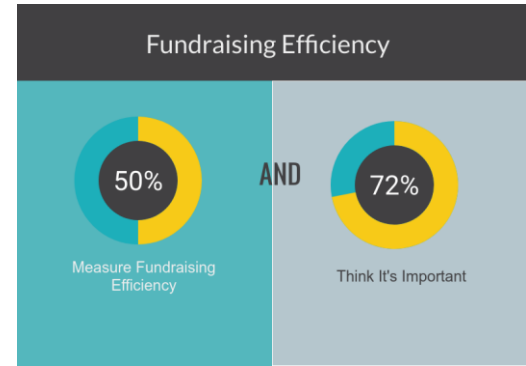
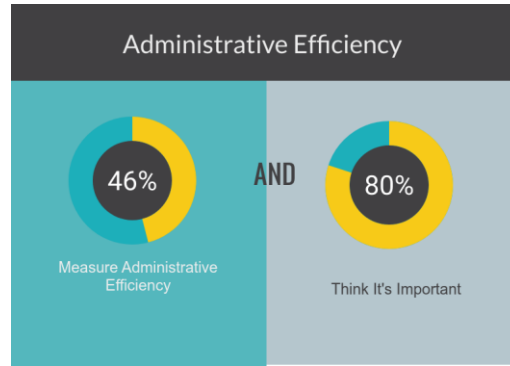
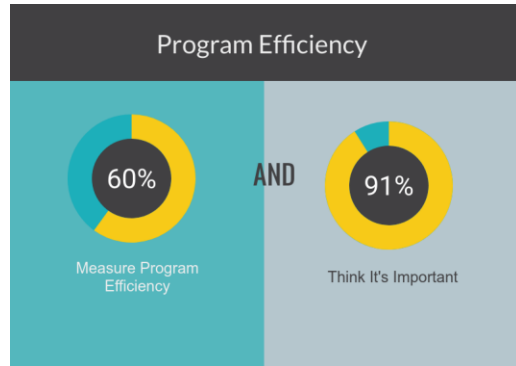
Performance Metric Three: Fundraising Expense Percentage

- $\text{Average Fundraising Expenses} \div \text{Average Total Expenses}$

Performance Metric Four: Fundraising Efficiency

- $\text{Average Fundraising Expenses} \div \text{Average Total Contributions}$

Financial Efficiency Metrics



FINANCIAL CAPACITY

Performance Metric Five: Program Expense Growth

- $(Y_n / Y_0)^{(1/n)} - 1$
 - Y_n is program expenses in the most recent year of the interval.
 - Y_0 is program expenses in the oldest year of the interval.
 - n is the length of the interval in years.

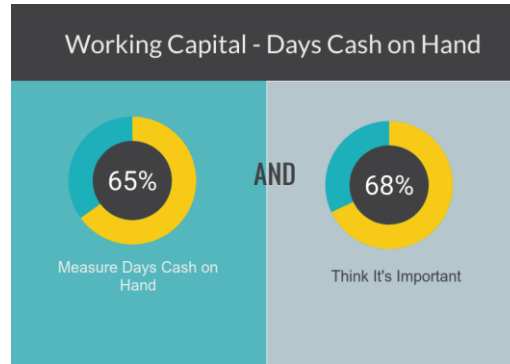
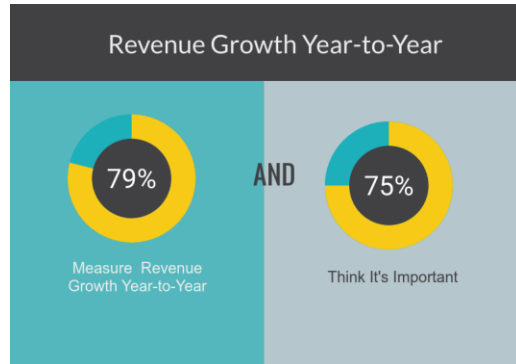
Performance Metric Six: Working Capital Ratio

- $\text{Working Capital} \div \text{Average Total Expenses}^*$

Performance Metric Seven: Liabilities to Assets Ratio

- $\text{Liabilities to Assets Ratio} = \text{Total Liabilities} \div \text{Total Assets}$

Financial Capacity Metrics



AMERICAN★HUMANE

FIRST TO SERVE™

Our Impact at a Glance

APPROACHING
ONE BILLION
ANIMALS



**RESCUED, SHELTERED, FED
AND PROTECTED ANNUALLY**

Effectiveness & Financial Stewardship – Ready to be First to Serve Now & in the Future
American Humane consistently receives the highest ratings among humane organizations

A
"FOUR-STAR
CHARITY"
★★★★★

(Charity Navigator)

91
CENTS
OF EVERY \$1
spent goes directly into
lifesaving programs
(Audited Financials 6/30/18)

"TOP-RATED
CHARITY"
WITH AN
"A"
RATING

(CharityWatch)

NAMED
A
"BEST
CHARITY"
BY
CONSUMER
REPORTS

"GOLD
LEVEL"

(GuideStar USA)

"OUTSTANDING
ANIMAL
WELFARE
ORGANIZATION"

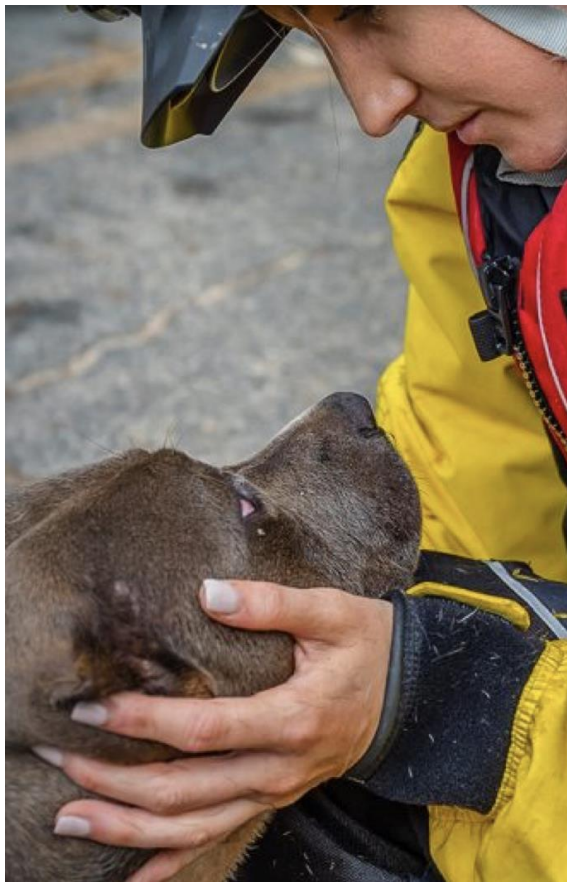
(Pet Philanthropy Circle)

1
IN 1,000!

One of the few
U.S. Charities
that made the Better
Business Bureau's "Wise
Giving Alliance" list



(America's Best Charities)



Effectiveness & Financial Stewardship – Ready to be First to Serve Now & in the Future
American Humane consistently receives the highest ratings among humane organizations

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"TOP-RATED
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(America's Best Charities)

Discussion

What's your Mission?

EFFICIENCY V. OUTPUT

Donors have been conditioned to insist that every dollar go to “support the cause” through funding for programs. They don’t want “overhead” to dilute their donations.

Starvation Cycle Risk

Focus donor attention on outputs you deliver: \$\$ to outputs

200,000+

VULNERABLE ANIMALS
OUR RESCUE TEAM
SAVED
SHELTERED
AND FED
IN JUST ONE YEAR

RUSHING TO HELP:
Cared for
THOUSANDS

of animals in Hurricanes Florence
and Michael, the California
wildfires, puppy mills, and shelters

**PREPARING FOR
THE FUTURE:**

Our American Humane Rescue
team helped train

500

animal responders in
14 states and D.C.

38

**MILITARY
WORKING DOG
TEAMS
REUNITED**
(to date)

**SAVING
AMERICA'S VETS
AND AMERICA'S PETS:**
The Pups4Patriots™ program
finds dogs in need of forever
homes and trains them to
become lifesaving service dogs
for veterans with PTS and TBI

**FIRST
NATIONAL
STANDARDS
CREATED
FOR TRAINING PTS/TBI
SERVICE DOGS**

**SUPPORTED THE
PUPS FOR
PATRIOTS ACT**
DIRECTING THE DEPT. OF
VETERANS AFFAIRS TO PROVIDE
MORE TRAINED SERVICE DOGS
TO VETERANS

OVER

1,500+

**HERO
DOG
NOMINEES**
SINCE 2011

**NINE
MILLION+**
PUBLIC VOTES
SINCE 2011

**ONE
BILLION+**
**MEDIA
IMPRESSIONS**
FOR 2018

**HELPING
NEARLY
1 BILLION
FARM ANIMALS
ANNUALLY**
live better lives under our
200 rigorous, science-based
humane standards that are part
of the American Humane
Certified® program

**GROWING
REACH**
WITH MORE FARMS
ACHIEVING
CERTIFICATION
EACH YEAR

90%
OF ALL
**CAGE-FREE
EGGS**
IN THE U.S. ARE
AMERICAN HUMANE
CERTIFIED!
(estimated)

315,000

ANIMALS PROTECTED:
Since the program's launch
in 2016, we have brought
nearly a third of a million
animals under our rigorous,
science-based protections.

315,000

+26%

250,000

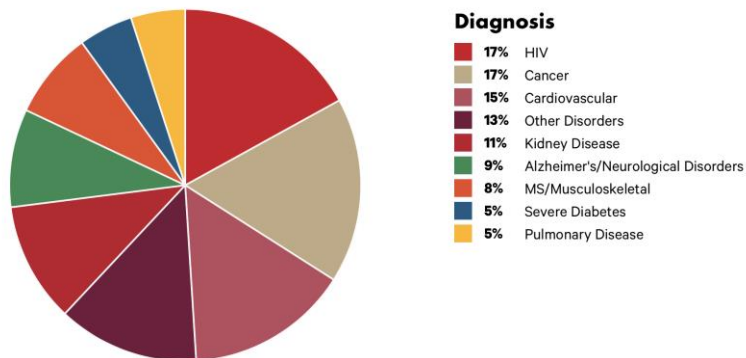
GLOBAL IMPACT:



We now help ensure the
welfare and humane
treatment of animals at
58 major facilities in
12 countries in North and
Central America, Europe,
and Asia.



Food is Medicine. Food is Love.



Our Mission

The mission of God's Love We Deliver is to improve the health and well-being of men, women and children living with HIV/AIDS, cancer and other serious illnesses by alleviating hunger and malnutrition. We prepare and deliver nutritious, high-quality meals to people who, because of their illness, are unable to provide or prepare meals for themselves. We also provide illness-specific nutrition education and counseling to our clients, families, care providers and other service organizations.

All of our services are provided free to clients without regard to income.



GOD'S LOVE WE DELIVER®

Output

**1.9 million meals each
year**



**7,600 meals delivered
each weekday**

Impact of Medically Tailored Meals



**Lowers Healthcare
Costs**

**Lowers Hospitalizations
and Reduces
Readmittance Rates**



**Improves Patient
Satisfaction**



Discussion

What are your Mission Outputs?

OUTPUT V. IMPACT

Yes, you are addressing real needs? But can you demonstrate that you are making a *real difference*?

If you aren't paying attention to whether your work is actually having an impact, you could be wasting precious limited resources. You have to have the moral strength to say, this is not impacting our goal, so we either stop or change what we're doing.

It's not about stories of impact, it's data of impact.

D.A.R.E.[®]

FOCUS ON WHY AND WHAT

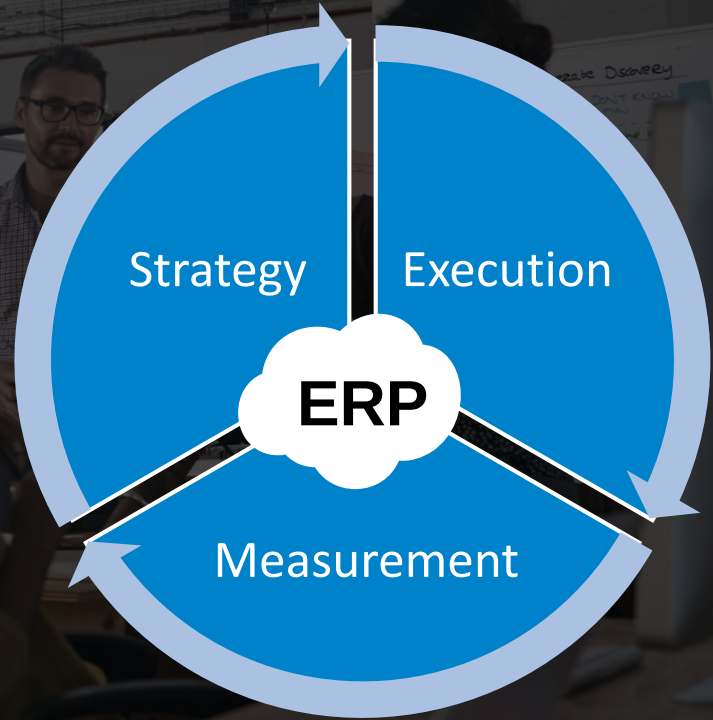
Technology is NOT the decisive factor in whether an organization make the transition to managing to outcomes to raise their impact.

Rather, clarity of purpose:

- What are you trying to change?
- How will you accomplish that change?
- What information is most helpful for gauging whether you're on course?

BUILDING YOUR MISSION METRICS

- Begin with the End in Mind
- Leverage models used by Watchdog Agencies such as Charity Navigator and GuideStar
- Link Metrics to Mission
- Keep it Simple to Start
- Consider Your Sources of Data
- Create a single source of truth



DEVELOP YOUR STRATEGY

Start with Mission

What does “*Mission Success*” look like? Define Success

What are success outcomes?

What are the success “indicators”?

What are the *benchmarks* against which you measure progress?

Discussion

What is Mission Success for you?

DEFINE YOUR LOGIC MODEL

Start with Mission

Who is your target population?

What outcomes did you define as “success” for this population?

How do your programs produce the outcomes you defined as success?

Which elements of the delivery are likely responsible for what results?

DEFINE YOUR DATA SYSTEM

Start with Mission

Agree on your benchmarks

Agree on your indicators

Gather your data

Review, Assess, Adjust

Discussion

What are your Mission Success data indicators?

PERFORMANCE MANAGEMENT

“The strategy, methodologies, and processes of managing the performance of an organization and its business network by leveraging assets to achieve a common set of goals and objectives”

- *Paul R. Niven in “Balanced Scorecard for Government and Nonprofit Agencies”*

WHY DOES IT MATTER?

Increased stakeholder accountability

More active boards

Harmonization between personnel and goals

Alignment of procedural strategy

Increased pressure on financial management tools

Desire for adopting the for-profit business model

MISSION



Our mission is to feed America's hungry through a nationwide network of member food banks and engage our country in the fight to end hunger.

EFFICIENCY METRICS



GO DIRECTLY INTO PROGRAMS
SERVING PEOPLE IN NEED

OUTPUT METRICS



- 3.6 billion pounds of food annually to those in need
- Starbucks partnership - 50 million meals served annually
- Meal Connect Program - 2 million food pick ups for those in need
- Backpack Program - 450,000 students fed each week
- School Pantry Program - 21 million meals to school kids annually



Help End Hunger Today

Your impact: \$1 = 10 meals

Every dollar you give helps provide at least 10 meals to families in need through the Feeding America network of food banks.

Gift Amount (Required)

Give \$500+ to join our Hunger Council and help provide meals to families facing hunger.



\$1000

\$500

\$250

\$100

\$50

\$25



OUTCOMES & IMPACT METRICS



“We are rich with data, but we need a comprehensive picture of the difference we make”

Consistent set of outcomes network wide:

1. How much?
2. How well?
3. Difference made?
4. Better off?

MISSION



Conservation Lands Foundation

Our Mission is to protect, restore and expand the National Conservation Lands through education, advocacy and

EFFICIENCY METRICS



Conservation
Lands
Foundation



OUTPUTS METRICS



Conservation Lands Foundation

- 24 on the ground policy issues in 89 states
- 40 letters of support or opposition
- 36 legislative efforts
- Awarded 54 grants, 51 grassroots network groups in 11 states

OUTCOMES & IMPACT METRICS



Conservation Lands Foundation

- Bears Ears (Utah) is a protected national monument
- Gold Butte (Nevada) is a protected national monument
- Mojave Trails, Sand to Snow and Castle Mountains (CA) are protected national monuments.

REPORTING OUTCOMES TO FUNDERS

- List intended outcomes
- Describe methodology to produce outcomes and how long it will take to see a measurable difference.
- For how many people were these outcomes achieved?
- For how many people served were measurable movement towards outcomes goals achieved?
- What was the estimated average cost to produce the intended outcome?

MISSION METRICS

- 
- A person is climbing a steep, snow-covered mountain peak. The sun is shining brightly from the top center, creating a lens flare effect. The background shows a vast, snow-covered mountain range under a clear blue sky.
- 1) Efficiency, Accountability, Transparency
 - 2) Outputs
 - 3) Outcomes
 - 4) Impact

A photograph of the Golden Gate Bridge in San Francisco at sunrise. The sun is a bright yellow circle in the upper right, casting a warm glow over the scene. The bridge's towers and cables are silhouetted against the sky. A thick layer of white clouds fills the lower half of the image, partially obscuring the bridge deck. The city skyline is visible in the background on the left.

QUESTIONS?

CONNECT WITH US

Matthew Van Cleave: mvancleave@netsuite.com

 Suite
Donation

\$100M+

Value year to date in software
donation to nonprofit organizations

 Suite
Pro Bono

350+

Yearly pro bono projects completed
for Social Impact customers

 Suite
Capacity

1600+

Organizations accelerating their
mission on NetSuite

www.netsuite.com/socialimpact