



Strategic Performance Management: Building Operational Blueprints using Theory of Change Workshops

Context: Some Sad Truths about the Social Sector

Nonprofit organizations are the heart of our civic society. Where commercial and governmental initiatives are lacking, nonprofits step in to fill the void – be it in promoting the arts, stewarding our cultural heritage, providing health services, protecting the environment, or, most fundamentally, providing a safety net for our country’s most challenged, marginalized, and structurally disadvantaged individuals and families. **It is therefore incredibly important that nonprofits succeed in their work. And, sadly, often they do not.**

But we must understand the context that produces weak and under-performing nonprofit organizations. **Nonprofits typically are under-resourced, their staff and leaders underpaid, their directors spending much of their time desperately chasing new grant dollars to pay off old expenses.** And, it must be said, nonprofits are encouraged to make exaggerated claims to gratify corporate patrons, foundations, and well intended donors...and then are blamed when they “fail to produce.”

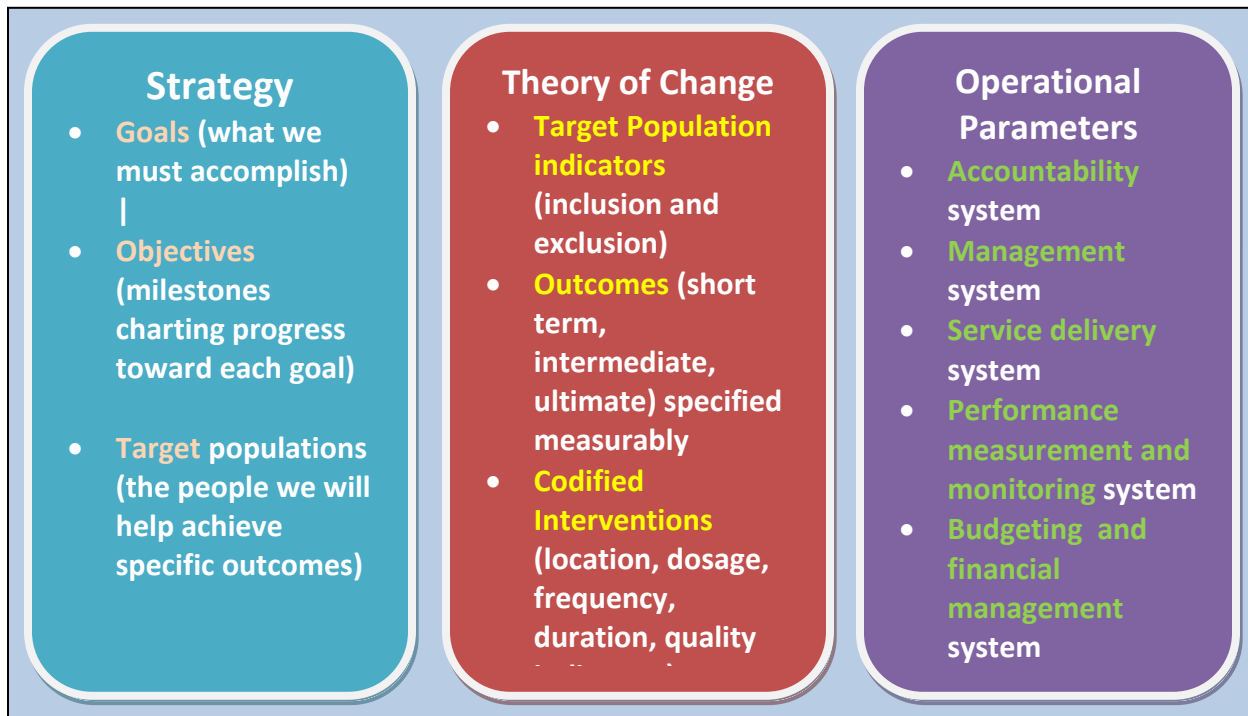
What does this mean for those of you who run social service organizations? Your organization has a mission to create positive change – to help make people’s lives more fulfilling and productive, our neighborhoods safer, medical care more accessible, our populace healthier, our schools more effective, poverty less hard to escape from, literacy universal, families stronger, drug use and crime diminish, child abuse and neglect lessen, teenage pregnancy continue to ebb, foster care children succeed once they “age out” of the system, public policies work as intended...and more. But how well

are you doing? **Is your organization realizing the vision and strategy that motivate it? Or to put it another way: how robust is its Theory of Change?**

What is a Theory of Change?

Much has been written about Theories of Change. Mostly the focus is on the level of individual programs. The Hunter Approach is concerned with organizations as wholes: **a Theory of Change is the operational blueprint that aligns an organization’s daily operations (the things front-line staff do) with the organization’s overarching strategy.**

For many reasons, including the arbitrary and unaccountable ways that funders support them, **almost all nonprofit organizations lack a coherent, usable or even well articulated Theory of Change.** The resulting disconnect – or “gap” – between strategy and operations can create organizations that work hard but not well, operate efficiently but not effectively (or the reverse, or both), are productive but don’t come close to getting the results they expect, and fail to help organizations learn from their efforts (thereby missing an opportunity to strengthen the organizations themselves and also the fields within which they work). **A Theory of Change ties together an organization’s motivating thoughts with the actual, hard facts of its performance – and provides a blueprint for getting performance to match intentions.** Where strategy ends, theory of change begins...and sets the parameters for operations.



To be useful a Theory of Change must be:

- **Meaningful** – It describes the whole organization accurately in ways the Board of Directors, executive leaders, managers, and staff acknowledge is accurate and persuasive. And further, it is designed to accomplish something of value, recognizable as such by all interested parties (“stakeholders” both internal and external).
- **Plausible** – If the efforts it describes can be implemented, they are likely to achieve intended objectives and outcomes.
- **Doable** – It is realistic, taking into account the organization’s capacities in relation to its context or environment. In other words, it describes something that really can be achieved.
- **Measurable** – It specifies what must be measured, and how this will be done, to drive organizational performance and be accountable for the achievement of targeted results. And finally,
- **Monitorable** – It provides a useful framework for the organization to track and manage its performance in order to maintain and (if necessary) improve the quality and effectiveness of efforts in an ongoing and sustainable manner.

Hunter Consulting LLC works with organizations to produce robust theories of change that meet all these requirements.

What is a Theory of Change Workshop?

The Theory of Change Workshop – requiring at least four full days – begins by helping you to clarify your organization’s Strategy (as expressed in its mission, goals and objectives, and target population[s]), next focuses intensely on mapping the outcomes that define the ultimate social value of your work, codifies programs and services by answering fundamental questions regarding the competencies necessary to do the work well, the dosage of each service element that intended beneficiaries should receive, the duration of service elements, their frequency, indicators for managing their quality, etc. **In this way the Theory of Change brings an organization’s daily activities into alignment with its overarching Strategy: It is a blueprint for your organization’s success in achieving its mission (or, as some would say, your organization’s “value proposition”).**

A Theory of Change Workshop using the Hunter approach **has three objectives:**

1. To help an organization develop a **top-to-bottom consensus** on what each department, program, and person contributes to the value of what the organization produces,
2. To create a **blueprint for the (re)design of an organization and its program(s)** to make it robust and sustainable, and its work measurably effective. And
3. To **design the performance management system** that you will use to keep your organization's work at the highest levels of quality and efficiency.

A successful workshop will result in **immediate, core improvements** to your organization, as well as a **plan for developing, growing, and improving on its core capacities**.

The format of a Theory of Change Workshop is roughly as follows. (However, additional days may be necessary for organizations that are very large and/or have many programs.)

Day One

Review, question, and clarify basic organizational decisions – e.g., specifying its mission, reviewing and adjusting its goals for maximum strategic relevance, identifying key objectives (milestones for achieving each goal), and clarifying the target populations for which the organization will hold itself accountable with regard to helping participants achieve specific outcomes.

Day Two

Select, define, and operationalize the organization's **outcomes** (the **measurable social value** of its work). Specifically, the group will **work backwards from the ultimate outcomes** that are the expression of the organization's social value, to **the intermediate outcomes that make the achievement of ultimate outcomes more likely**, to the incremental **short term or immediate outcomes that are the target of the organization's daily services** and help move program participants forward toward intermediate outcomes.

Day Three

Codify those core services or programs that are intended to move target population members who are enrolled forward in incremental steps through a series of short term outcomes toward the achievement of intermediate and ultimate outcomes. This involves a series of clarifying discussions in which participants:

- **Review program models/designs** for evidence that they are likely to be effective. Propose modifications as indicated.
- Design and **codify program elements**; take stock of the resources they require.
- Clarify **organizational capacities** necessary to implement and sustain program(s) as designed.
- Identify (or where necessary design) key **implementation** and **performance metrics**.

Day Four

Design and codify **performance management** for the organization as a whole and for each program, service and/or local site (clearly articulate what data to track, how to interpret and use them, and how staff will be held accountable for driving up the value of their work).

Homework during and after the workshop

As part of the workshop, participants will find that some issues can't be resolved in the immediate discussion. (For example, the terms "low income", "at-risk", or "youth" might be used in articulating a program's target population; in order for such terms to be useful and meaningful, the organization will have to decide how to define them. If it turns out that people within the organization define these terms differently, it may be necessary for the organization to do some research before settling on the definitions it will use to manage its work.) In such cases, the Executive Director might want to appoint a group to investigate the matter and bring back pertinent information or recommendations to the entire workgroup for resolution at the next meeting. Or, this may require more time and work than can be contained within the workshop schedule, in which case the Executive Director will assign the task to a group with a timeline for completing it; the results of this work will then be folded into the theory of change blueprint produced during the workshop.

Also, after the second day of the workshop participants will be asked to analyze their core programs using a **Worksheet Template** that Hunter Consulting LLC has designed specifically for this purpose. This will **clarify program design and staffing, as well as the outcomes they are intended to produce**, and will inform the work on days three and beyond, where program designs are assessed for their likely effectiveness and the framework for a performance management system is designed.

Theory of Change Blueprint

At the conclusion of the workshop, David Hunter will create a final Report – a "blueprint" outlining, in great detail, the steps that the workshop participants decided

the organization will take in order to become **stronger, more aligned, better managed, more effective, and more sustainable**. It will focus specifically on one or more of the following changes:

1. ***Improving strategic focus*** – thereby increasing the likelihood that the organization will succeed in its work.
2. ***Improving program design*** – using evidence-based models and practices (as applicable to the organization and its context) to increase the likelihood that programs and services will be effective in achieving their intended outcomes.
3. ***Building and/or strengthening organizational capacities*** – developing what the organization will need to run its programs reliably, sustainably, and efficiently.
4. ***Designing and implementing more practical and results-driven performance management*** – building a system that can monitor key data that inform what it takes to manage the organization successfully.
5. ***Creating a foundation for evaluating the organization’s effectiveness and impact*** – making sure that essential data showing the organization’s creation and delivery of social value are collected and monitored in an ongoing manner.

Ongoing Support to Clients

After creating the Theory of Change blueprint, David Hunter will remain available to your organization. There is no charge for occasional email and telephone conversations. Formal, more intensive and site-based consultations will entail an additional fee.

Ongoing support includes consultation and assistance in a variety of areas including:

- Selecting and implementing your performance management data system
- Refining your metrics
- Tracking outcomes
- Preparing for formal evaluations
- Preparing presentations to your Board of Directors
- Preparing public presentations of your work

Who has benefited from David Hunter’s Theory of Change Workshops?

The organizations that will benefit most from participating in a Theory of Change Workshop are open to the process of **challenging** their current assumptions and

methods. As a prospective client it is important for you to understand that **this is a difficult process**, but one that can materially strengthen your organization. Ultimately, THS™ seeks to ensure that the efforts of all your programs will be of the highest quality and are designed, implemented and coordinated to serve participants effectively.

Here are a few examples of organizations and initiatives that have achieved tangible results from the Theory of Change Workshops described herein:

- **HarborCOV**, of Boston, MA, is a leading provider of services to women who have suffered domestic abuse. As part of its Theory of Change Workshop it thought through and significantly revised its basic assumptions – and decided that it can and should hold itself accountable for helping abuse survivors achieve codified outcomes (as opposed to the previous practice of leaving the choice of intended outcomes up to the women themselves), reconceptualized the kinds of support it provides abuse survivors, and redesigned the alignment of its case management and housing services to make it much more likely that intended beneficiaries will achieve tangible outcomes that will improve their lives. In doing this work the agency also recognized that it needed to move its board from one that is focused on the community to one that is focused on developing the organization’s capacities and access to funding.
- **Family Services of Montgomery County**, headquartered in Eagleville, PA (USA) has a long and distinguished history of providing human services to individuals and families – including innovative services to people with HIV/AIDS – in over twenty programs. During the course of its Theory of Change workshop, the organization recognized that its programs in part were created by funding opportunities rather than built strategically to provide a coordinated continuum of services. The organization set about (a) to redesign its structure to support the implementation of such a continuum, and (b) to building processes to assure that each participant receives the services appropriate for his/her needs. Its ultimate goal is (c) to bring its operations and organizational structure into full alignment with its mission, thus (d) making it possible to implement a state-of-the-art performance management data system across all programs.
- **Project Hope**, headquartered in its Community Center in Roxbury Massachusetts (USA), was launched some 25 years ago when the Little Sisters of Assumption opened their convent doors to homeless women with children. Today Project Hope is a key institution in the greater Dorchester-Roxbury area. In the course of its Theory of Change workshop the organization (a) solidified and codified its bedrock principles; (b) tightened the definition of its target population; (c) identified which of its programs are intended to produce outcomes and (d) defined them measurably so it can be held accountable for producing them; (e) clarified the ways in which it simply opens its doors to provide desired, relatively low cost services to the local neighborhood (such as computer access) without expecting to produce measurable outcomes; (f) began the redesign of its performance management system; (g) designed its advocacy work with measurable outcomes for which it will hold itself

accountable; and (h) identified the capacities it would have to build in order to be able to succeed in all these endeavors.

- **WINGS for kids, Inc.** in Charleston, SC (USA) is a nationally recognized, not-for-profit organization dedicated to helping kids behave responsibly, form positive relationships, understand themselves, and gain problem solving skills essential to a joyful, successful life. It does so by promoting social and emotional learning (SEL) in after-school programs. In its theory of Change workshop the organization decided (a) to focus exclusively on programs it runs itself, rather than manage other organizations' programs; (b) adopted measurable outcomes for which it holds itself accountable; (c) revised job descriptions and performance expectations; (d) reigned in its plans for growth to allow it to solidify the quality and effectiveness of its program over the next three years before beginning to replicate its work at significant scale; (e) designed and implemented the performance management system it will use to improve its effectiveness at all levels of the organization; and (f) created a blueprint for building and improving the organizational capacities it needs to succeed in these efforts.
- **MindLab**, a new unit within the Danish government, was established in a strategic partnership involving the Ministries of Economic and Business Affairs, Taxation, and Employment. MindLab is intended to help these ministries be more innovative and effective by involving the public at the beginning stages of developing laws and policies. In the course of their Theory of Change workshop MindLab and representatives of each ministry were able to: (a) tighten and sharpen MindLab's strategy, (b) identify and clarify a meaningful and workable set of outcomes and indicators to the satisfaction of all stakeholders, and (c) align itself and the three ministries much more tightly, with shared understandings regarding accountability among all parties.

Who is David Hunter?

David E.K. Hunter, Ph.D. founded HUNTER CONSULTING, LLC in September 2006. Since then he has been working both in the United States and internationally, consulting to the Social (not-for-profit) and Public Sectors with a focus on developing strategies and theories of change, organizational capacity building, performance management, and the creation, delivery, and assessment of social value. **His practice builds on some three decades of experience, in both the Public and the Social Sectors, using performance management systems to improve the quality and effectiveness of social services.**

As Superintendent (CEO) of a State Psychiatric Hospital in Connecticut, his efforts led to superior services (as documented by **Accreditation with Commendation** by the *Joint Commission for the Accreditation of Healthcare Organizations in 1995*),

improved hospital safety, lower patient lengths of stay – while attaining measurably improved treatment outcomes.

Subsequently, David Hunter developed a new approach to consulting to nonprofit organizations using “theory of change workshops” that result in tightly structured, highly aligned organizations with clear frameworks for the design, implementation and use of performance management systems to deliver, monitor, learn from, and evaluate high quality, effective, and efficient social services.

David Hunter is the author of numerous articles and has delivered a broad range of papers about strategic performance management and how to create, invest in, and sustain social value in complex situations with diverse stakeholders. Please visit our website at www.dekhconsulting.com for more information.

What do Theory of Change Workshops Cost?

As of 2011, David Hunter’s time is billed at \$3,000.00 per day. This is discounted to \$2,500.00 per day for projects requiring ten days or more, and for organizations with annual budgets below \$1 million. Beyond on-site time, all projects require two full days for the production of a highly pragmatic, detailed, action-oriented final Report (blueprint for success).