BASIC DEFINITIONS

Theory of Change—how we effect change

The overarching set of formal relationships presumed to exist for a defined population, the intended outcomes that are the focus of the organization's work, and the logic model for producing the intended outcomes. A theory of change should be meaningful to stakeholders, plausible in that it conforms to common sense, doable with available resources, and measurable.

Logic Model—what we do and how

The logically related parts of a program, showing the links between program objectives, program activities (efforts applied coherently and reliably over a sustained time), and expected program outcomes. A logic model makes clear who will be served, what should be accomplished, and specifically how it will be done (i.e., written cause-and-effect statements for a given program design).

Inputs—what resources are committed

The resources—money, time, staff, expertise, methods, and facilities—that an organization commits to a program to produce the intended outputs, outcomes, and impact.

Outputs—what we count

The volume of a program's actions, such as products created or delivered, number of people served, and activities and services carried out.

Outcomes—what we wish to achieve

Socially meaningful changes for those served by a program, generally defined in terms of expected changes in knowledge, skills, attitudes, behavior, condition, or status. These changes should be measured, be monitored as part of an organization's work, link directly to the efforts of the program, and serve as the basis for accountability.

Indicators—what we use to stay on course

Specific, observable, and measurable characteristics, actions, or conditions that demonstrate whether a desired change has happened toward the intended outcome. Also called "outcome indicators" or "predictive indicators."

Impact—what we aim to effect

To slightly oversimplify, the results that can be directly attributed to the outcomes of a given program or collective of programs, as determined by evaluations that are capable of factoring out (at a high level of statistical probability) other explanations for how these results came to be.

Editorial Note: These definitions were adapted from the Glossary of Terms *of the Shaping Outcomes Initiative of the Institute of Museum and Library Services, Indiana University and Purdue University Indianapolis;* The Nonprofit Outcomes Toolbox: A Complete Guide to Program Effectiveness, Performance Measurement, and Results *by Robert Penna; and the* Framework for Managing Programme Performance Information *of the South African government. The definitions were informed by distinguished reviewers who provided valuable insights.*

The Strategic Infrastructure of a Nonprofit Organization
Paul Brest[1]

The strategic infrastructure of a nonprofit organization consists of:

- An articulation of its *mission*.
- Well-defined *goals* or *outcomes*.
- A *theory of change* or *causal model* outlining each step necessary to achieve those goals.
- *A logic model* or *strategic plan* showing how the organization will implement the theory of change.
- A description of how the organization will *track progress* as it implements the logic model and how it will *assess success* in achieving its goals.
- A *business plan* showing how the organization will gain and marshal its resources to implement the logic model.

Mission. A mission statement is an evocative encapsulation of the organization's goals—for example, "improving the wellbeing and life opportunities of teenage girls." It provides a benchmark for assessing proposed initiatives and for ensuring that changes in the organization's goals are conscious rather than the result of drift.

Goals or outcomes. The test of a well-defined goal is that one can describe it with sufficient clarity so that others, including observers from outside the organization, would be able to assess the extent to which the organization had achieved the goal.

While "improving the wellbeing and life opportunities of teenage girls" is a fine mission statement, it does not meet the criterion for a well-defined goal: It is too vague for anyone, including the organization's CEO and board, to know whether and to what extent the goal was achieved. Examples of well-defined goals in pursuit of the organization's mission might be "reducing unplanned pregnancies" or "reducing sexually transmitted infections" within the population it serves. The goal would be even better defined if the organization specified targets; but reduction suffices, especially if the organization has some baselines from which it can measure change. A goal is often a positive restatement of a particular problem the organization seeks to address (for example, the problem of unplanned pregnancies).

Theory of change or causal model. A theory of change is a comprehensive description of the theory that underlies all or part of an organization's work. For a teen pregnancy prevention program, the essence of the theory of change might be:

> Providing adolescents—boys as well as girls—with comprehensive, medically accurate sexual and reproductive health (SRH) information and services increases their ability to make informed decisions. This leads to the delayed onset of sexual activity and increased use of contraception, which in turn lead to a reduction in unplanned pregnancies and sexually transmitted infections (STIs).
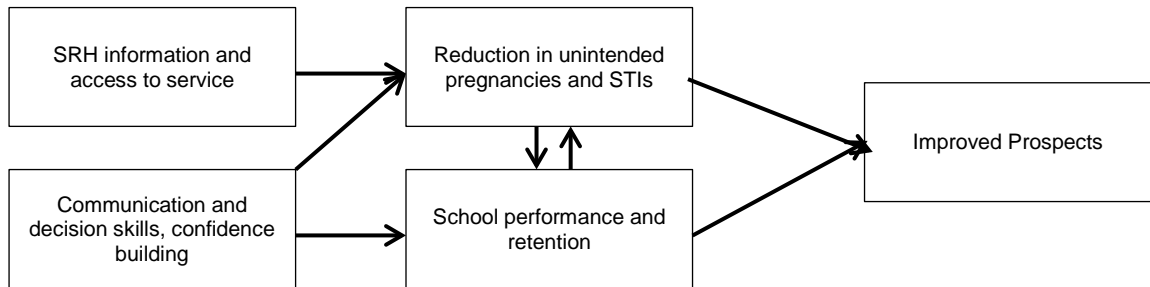
> Increasing adolescents' decision making and communication skills and their self-esteem
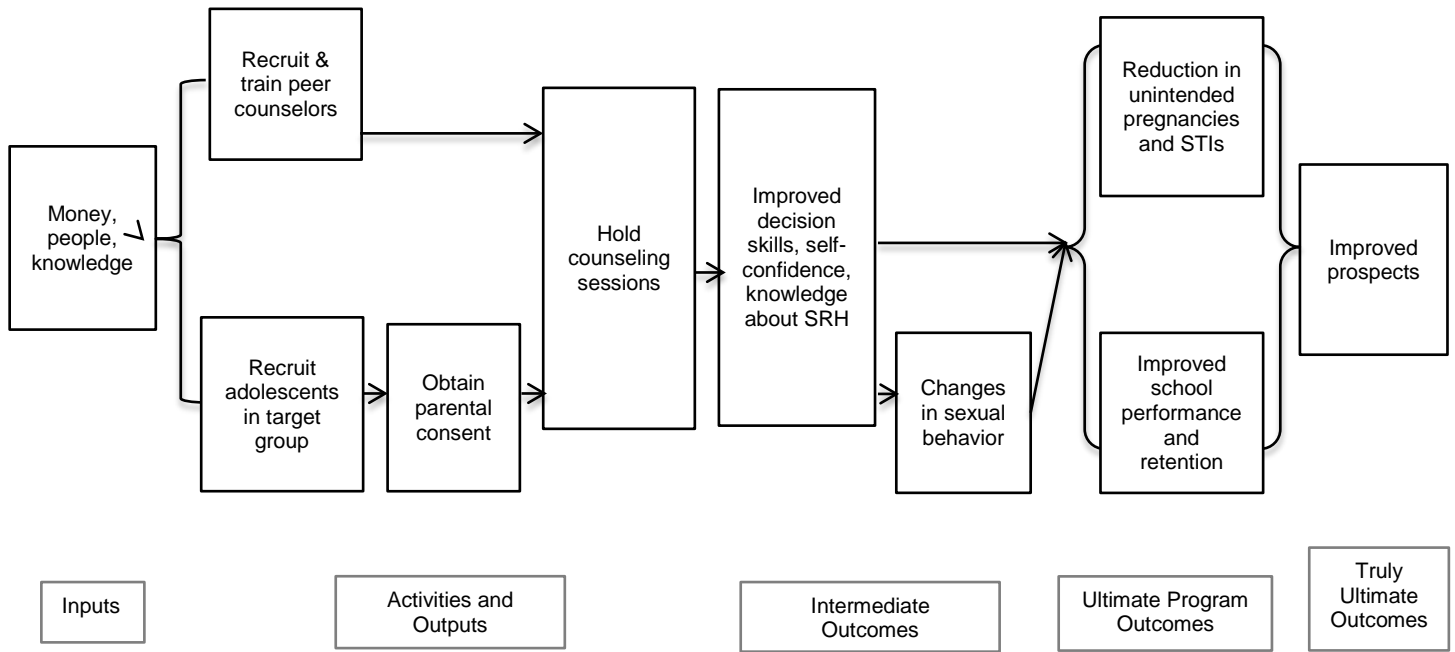
---

and confidence leads to their having a more positive view of themselves and their futures, to the ability to negotiate sexual relations, and to improved school performance and retention.

As a goal implicitly describes the problem the organization seeks to address, a theory of change or causal model contains an implicit analysis of the causes of, or at least possible solutions to, the problem. In this case, for example, the theory of change assumes that unplanned teen pregnancies are at least partly the result of inadequate information and lack of self-esteem.

```
┌─────────────────────┐        ┌─────────────────────┐
│ SRH information and  │───────▶│ Reduction in        │              ┌──────────────────────┐
│ access to service    │        │ unintended          │─────────▶    │                      │
└─────────────────────┘        │ pregnancies and STIs│              │  Improved Prospects  │
                                └─────────────────────┘              │                      │
┌─────────────────────┐        ┌─────────────────────┐              └──────────────────────┘
│ Communication and    │───────▶│ School performance  │─────────▶
│ decision skills,     │        │ and retention       │
│ confidence building  │        └─────────────────────┘
└─────────────────────┘
```

At the very least, the theory of change should be empirically plausible. At best, it should have been previously evaluated by social scientists and shown to be robust.

Logic model or strategic plan. A logic model describes the program's goals, or intended outcomes, and the steps necessary to achieve them under the theory of change. It consists of inputs, activities, outputs, and outcomes.

```
┌──────────────┐
│ Recruit &    │
│ train peer   │
│ counselors   │
└──────────────┘
┌──────────────┐      ┌──────────────┐   ┌──────────────┐                    ┌──────────────┐
│ Money,       │      │ Hold         │   │ Improved     │   ┌──────────────┐ │ Reduction in │  ┌──────────────┐
│ people,      │      │ counseling   │   │ decision     │   │ Changes      │ │ unintended   │  │ Improved     │
│ knowledge    │      │ sessions     │   │ skills, self-│   │ in sexual    │ │ pregnancies  │  │ prospects    │
└──────────────┘      └──────────────┘   │ confidence,  │   │ behavior     │ │ and STIs     │  └──────────────┘
┌──────────────┐ ┌────────────┐          │ knowledge    │   └──────────────┘ └──────────────┘
│ Recruit      │ │ Obtain     │          │ about SRH    │                    ┌──────────────┐
│ adolescents  │ │ parental   │          └──────────────┘                    │ Improved     │
│ in target    │ │ consent    │                                             │ school       │
│ group        │ └────────────┘                                             │ performance  │
└──────────────┘                                                            │ and          │
                                                                            │ retention    │
                                                                            └──────────────┘
```

| Inputs | Activities and Outputs | Intermediate Outcomes | Ultimate Program Outcomes | Truly Ultimate Outcomes |

The organization's inputs are the funds, human resources, and knowledge necessary to engage in the activities or to produce the outputs that lead to the intended goals or outcomes. Planning a strategy necessarily begins with outcomes and works backward to the inputs, which can only be ascertained after the rest of the logic model has been worked out.

The distinction between activities and outputs is unimportant. Activities are … well … activities; outputs are more tangible deliverables. In the teen pregnancy example, the organization's activities and outputs include recruiting students and peer counselors, holding counseling sessions and classes, and so forth. While activities and outputs are largely within the organization's control, outcomes often are not. Adolescents' becoming knowledgeable about sexual reproductive health is an intermediate outcome, while avoiding unplanned pregnancies is an ultimate outcome, and having better life opportunities is an even more ultimate outcome (not a technical term).

People sometimes use strategic plan as a synonym for the entire logic model, but the term is also often used just to refer to the activities-and-outputs portion—that is, to what the organization plans to do to reach the desired outcomes.

An organization's logic model or strategic plan is not static, but is subject to periodic review and modification when necessary to meet changing conditions. (Alerting the organization to the need for modification is one of the functions of tracking, discussed immediately below.) It is worth emphasizing, however, that the review and modification of a plan presuppose that the organization already has a plan in place.

Tracking activities, outputs, and outcomes under the logic model. An organization tracks its progress and outcomes in order to obtain the feedback necessary to know whether it is on course, and to make corrections when it is not. In our example, potential problems may range from the individual (whether a counselor or youth has missed an appointment) to the wholesale (whether there is a greater demand for sexual reproductive health services than the current staff can meet). Having drawn up a strategic plan, it is usually easy to identify important indicators of progress to be tracked—for example, the number of counseling appointments kept and missed, and the quality of the sessions.

I use the term tracking rather than evaluation to make the point that the collection of data indicating progress with respect to activities and outputs does not require social science studies by outside experts. Rather, it calls for the organization's own personnel to obtain systematic feedback from internal systems. Although designing and implementing those systems can be costly, tracking progress is essential to managing any effective organization—whether a business, government agency, or nonprofit.

The items tracked may have both quantitative and qualitative indicators, depending on the feedback necessary to keep the program on course and on the data that can reasonably be gathered. It is always worth striving to develop quantitative indicators based on objective data, because they tend to be clear and comparable. But this is not always possible. For example, the success of the teen pregnancy prevention program depends not merely on whether the counselor and youth meet at the appointed time, but on the sessions' success in imparting substantive knowledge or decision making skills. By the same token, a performing arts organization must be concerned with the quality of its productions as well as the size of its audience. And a comprehensive community initiative may have both the objectively evaluable goal of reducing crime rates and the goals of strengthening its residents' subjective sense of trust, community, and wellbeing.

Much of the qualitative data needed to track the teen pregnancy program can be gained through interviews, tests, and questionnaires. The quality of performing arts presentations is assessable— and assessed—by critics and, in the case of grantees, by their funders' program staff. And community members' sense of wellbeing can be ascertained by surveys.

Often data of these sorts, though essentially subjective, can be put in quantitative form—just as essay exams are graded. As in the case of intrinsically quantitative data, this lends itself to comparisons—across time, across programs, and across participants. Whether or not the relevant data are ultimately quantifiable, however, tracking progress and success must respond to the program's goals, not vice versa. A system that ignored relevant indicators and goals would not only be worthless, but harmful. (One need only look at the distorting effects of "teaching to the test" on education in American schools today.) In any event, indicators of progress and the achievement of outcomes should be clear enough to be assessable by someone outside the organization.

As one moves from the organization's own activities and outputs to outcomes, data collection often becomes more difficult. Consider the intermediate and ultimate outcomes outlined in the

logic model for the teen pregnancy prevention program. Information about what the participants learned and, perhaps, how this has affected their sexual behavior might be gained from questionnaires—though each set of data has its own difficulties of collection and reliability. Information about school performance requires data from the school district, which may be difficult to obtain for legal or bureaucratic reasons. Tracking ultimate outcomes, such as changes in the rates of unplanned pregnancies or sexually transmitted infections, may require the gathering and analysis of data that lie beyond an organization's resources.

Business plan. Having identified a logic model consistent with the theory of change, the organization must ensure that it has the requisite inputs—the human and financial resources to carry out the proposed work. A business plan includes a budget with projected expenses and revenues; it not only describes how the organization's current resources will be mobilized, but also includes fundraising plans to gain any additional resources necessary for the program's operations.

<p align="center">* * *</p>

The articulation of missions and outcomes and the development of theories of change, logic models, and indicators of progress do not occur in a strictly serial sequence, but almost always involve an iterative process. This strikes me as both inevitable and desirable. For example, exploring a theory of change may lead to a better understanding—and even modification—of one's goals; setting out the steps to implement a theory of change may expose weak or incomplete aspects of the theory; and so on.

The teen pregnancy example focuses on a single program of an organization that may have various goals that call for different strategies. For example, our hypothetical organization may have other initiatives intended to improve the wellbeing of adolescents, such as service-learning and leadership development. As the preceding discussion suggests, each of these should have well-defined goals, with an accompanying theory of change, logic model, indicators of progress, and the like.

Intended Outcome Statements and Logic Models

The **intended outcome statement** describes defines success for your organization: What is the outcome that you will hold yourself accountable for achieving, in what timeframe?

The **logic model** explains how your intended outcome will be achieved: What activities will you undertake to achieve the intended outcome? What changes are needed to get to the destination, and how will they be achieved?

The intended outcome statement is essentially the outcome part of the logic model. The reason for asking you to write it before the rest of the logic model is because you have to have a goal before you can develop a strategy for achieving it.

The intended outcome should be something that you can plausibly hold yourself (the organization) accountable for. If you look at the teen pregnancy prevention program logic model, it is "ultimate <u>program outcomes</u>," not "truly ultimate outcomes" (the latter of which is not a technical term, but just my way of capturing ultimate aspirations). By the same token, the intended outcome of an education program should focus on educational outcomes, not what you hope graduates will do with their educations.

In terms of <u>specificity</u>, you can almost always specify a geography and a timeframe. You should try to quantify the intended outcome where possible, with ambitious but realistic goals, recognizing that quantification is not always possible.

It's helpful if the intended outcome statement gives the reader some idea about the <u>underlying approach</u> to achieving the outcomes—though this will become clear once one sees the full logic model.

The **logic model** is the recipe for achieving your intended outcome. Though many people use **theory of change** interchangeably, I prefer to use theory of change to refer to the empirical theory that underlies the logic model. Using the recipe analogy,

- the logic model for baking a cake includes mixing baking soda and cream of tartar with other ingredients and heating at 400 degrees for an hour.
- The theory of change, based on the science of chemistry, is that heating the ingredients will cause the cake to rise.

The logic model is a framework or skeletal structure for a particular program. It describes the <u>causal</u> links from

inputs -> activities -> outputs -> intermediate outcomes -> ultimate outcomes.

<u>Activities and outputs</u> are within the organization' control. An <u>outcome</u> is the effect that the activities and outputs will have on people outside the organization. Back to the recipe: mixing and heating the ingredients is within your control; the cake rising is an outcome that your theory of change predicts will follow.

- The logic model describes what <u>steps</u> you need to take to achieve the outcome.
- It lays bare the <u>empirical assumptions</u> underlying the causal links—particularly, why you expect your activities and outputs will produce the outcome.
- It is <u>complete</u> in the sense that if you haven't performed the requisite activities, you won't create the requisite outputs and won't produce the expected outcomes. To put it positively, if you perform the requisite activities and produce the requisite outputs, you have a chance of producing the expected outcomes.
- It provides a framework for defining indicators of progress at each stage and then <u>tracking</u> or <u>monitoring</u> progress.
  - Monitoring is largely a matter of counting what you're doing.
- <u>Evaluation</u> comes into play when you're asking whether the program actually produced its intended outcome. That's what we're asking in the cash transfer cases.
  - Evaluation is ultimately about <u>impact</u>, i.e. whether the program changed outcomes in a way that would not have otherwise happened.

<u>How detailed</u> should a logic model be? At a minimum, it should show major steps, with the aim of laying bare the causal assumptions underlying the logic model. For a charter school with the goal of improving education outcomes for disadvantage kids, the logic model should include the core activities/outputs to achieve the goal, e.g., parent buy-in, long school days, etc.

The logic model need not and should not describe all the details of implementation—though the organization will need to specify these in other documents.

When should one <u>revise</u> a logic model? At least—

- when the <u>monitoring progress</u> indicates that the organization is not meeting its aspirations for activities and outputs
- when <u>evaluation indicates</u> that it is not meeting its aspirations for outcomes and impact.