

# Giving Stories

## Building Evaluation Capacity That Sticks

BY PEIYAO CHEN

For funders, building evaluation capacity of nonprofit organizations hits a sweet spot between strengthening capacity and measuring effectiveness.

The practice is relatively popular at the national level. According to a national study of philanthropic practices by Grantmakers for Effective Organizations (GEO), 60 percent of foundations supported some form of evaluation capacity building in 2011, virtually unchanged from the 59 percent similarly reporting in 2008.

And despite the economic downturn, 92 percent of those that supported evaluation capacity in 2011 have maintained or increased their investment in this area.

But evaluation capacity investments have not translated to capacity gains in the nonprofit sector. In its *State of Evaluation 2012* report, Innovation Network reported that while 90 percent of nonprofits evaluate their work, only 28 percent have promising capacities and behaviors in place to meaningfully engage in evaluation.

### Resources Limit Evaluation Capacity

The reasons are the usual suspects: limited staff time, insufficient financial resources and limited staff expertise in evaluation. A 2012 study by the Center for Effective Philanthropy found that only about one third of nonprofit respondents considered

funders helpful to their capacity to assess progress, and more than 60 percent would like more help from funders in these efforts.

With all the funder support and all the evaluation going on, what's really getting in the way of nonprofit evaluation capacity?

One problem is that it's unrealistic to assume that funds for building evaluation capacity will turn nonprofits into highly-skilled evaluators unless these dollars are being used to hire a dedicated professional. (And it's rare that an organization can afford to do this.)

### Funders Can Strengthen Capacity

Funders *can* play an important role in strengthening nonprofit evaluation capacity by focusing on three critical outcomes: developing concrete products that are used right away, creating opportunities for learning across organizations, and increasing efficiency with regard to money and time.

To provide effective support to achieve these outcomes, funders should consider the following strategies:

#### Concrete products developed and used right away

- Conduct an assessment to identify organizational strengths and needs with regard to evaluation.
- Set clear goals for the evaluation that include developing concrete products, including new tools, templates, processes, etc.

you place concerns about evaluation? How much money and time is allocated to evaluation?

- Commission confidential interviews with staff to ask: How is evaluation viewed here? What is the CEO's view of evaluation? What evaluation stories get told? How are failures handled – openly discussed, learned from or hidden away and forgotten? What would you tell a new coworker about how to approach evaluation?

#### Bottom Line

High performing organizations nurture a reality-testing, results-driven, learning-focused organizational culture. High-performing organizations make evaluative thinking a way of doing business.

- Facilitate learning-by-doing and provide ongoing implementation support to ensure that newly developed knowledge and skills are applied and new tools and processes are implemented.

#### Opportunities for learning across organizations

- Engage a group of organizations with similar goals in a collective process to develop shared evaluation products, including logic models, measurement tools, data collection systems and reporting templates.
- Create a safe space for organizations to share results, hear others' perspectives, and learn together from data about what worked, what didn't, for whom and under what conditions.
- Encourage adoption and use of best practices identified by the data.

#### More efficient use of money and time

- Combine one-on-one consulting with group-based training to save on consultant time.
- Leverage shared tools to allow standardized data collection, analyses and reporting across organizations.

#### Nonprofits Can Work Together

One way to combine these strategies is through *cohort consulting*. Via a combination of needs assessments, in-person workshops, one-on-one coaching, technical assistance and peer learning, this model creates opportunities for leaders of a small group of nonprofit organizations with similar goals to work together.

Through this approach they can develop new knowledge and skills, apply what they have learned right away, and receive ongoing assistance and feedback as they implement the tools and practices.

When building evaluation capacity, cohort consulting fills the gap between one-shot workshops and one-on-one consultant-led engagements.

While training workshops are a low-cost option, they are often too generic to meet organizations' specific needs. In addition, the complexity of evaluation and the level of resources and expertise required make it difficult to translate the knowledge and skills gained by individual staff members during training into organization-wide actions and practices.

One-on-one consultant-led engagements don't usually suffer these issues, but they can be very expensive to perform and are usually designed as "one-off" projects due to the cost.

Funders and nonprofits should continue to work on the sweet spot of building evaluation capacity. By doing so, organizations will be better positioned to capture effective practices, learn, share and achieve their missions.

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#### Philanthropy Potluck Blog

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### Commentary: Making Evaluation Meaningful and Useful

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- Examine how evaluative thinking informs meetings and discussions, how the board engages with evaluation, and what evaluation messages are present in your communications.
- Determine if you have a go-to person in your organization for questions about evaluation. Does this person provide technical and administrative support for evaluation, or is s/he tasked with embedding evaluative thinking into the organization's culture?
- Investigate where evaluation fits into your organization's priorities. Compared to other priorities, where would

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