

Coffee with NGOs

A forum for brewing ideas



March 2014

Strategy for NGOs

A White Paper on Setting Strategy and Overcoming Challenges

The second session of coffee with NGOs was held on the 12th of March 2014. The topic covered was Strategy for NGOs. The session saw the attendance of over 9 players in the social sector (See annexure I for attendees list)

Speaker: Rohit Menezes of the Bridgespan Group

The Bridgespan Group is a nonprofit advisor and resource for mission-driven organizations and philanthropists. Bridgespan works on issues related to society's most important challenges and breaking cycles of intergenerational poverty. Bridge Span collaborates with social sector leaders to help scale impact, build leadership, advance philanthropic effectiveness, and accelerate learning. Bridgespan were founded in 2000 and have offices in Boston, New York, and San Francisco.

This white paper discusses how to set NGO strategy and also how to engage in a discussion about the real challenges NGOs face while setting up such strategies.

WHY STRATEGY IS NEEDED

At the most basic level, all NGOs face the same basic challenge: how to use available resources to maximize social impact. We all know that social needs are endless, especially in a developing country such as India. As a consequence, NGOs are pulled in many directions to address social needs. A clear and effective strategy can help an NGO of any size to prioritize its activities in order to best direct its limited resources. Everything is not worth doing and possible alternative actions lead to alternative results. Therefore, an NGO has to prioritize what it needs to focus on. A good strategy must also have a good dose of realism; strategy cannot be built on hope alone.

Also, given the new focus on CSR funding in India, there is tremendous opportunity for NGO's to set clear and compelling strategies to demonstrate their approach to resource allocation, prioritization and planning to potential corporate funders. A good strategy will achieve a tight "fit" between the social impact an NGO is trying to achieve and the actual activities that are undertaken.

WHAT IS A STRATEGY DOCUMENT

A quality strategy document provides a broad roadmap for the work of NGO management and staff. It should include at least six components:

1) **Intended impact:** i.e., what are you trying to accomplish? What is the impact you will hold yourself accountable for?

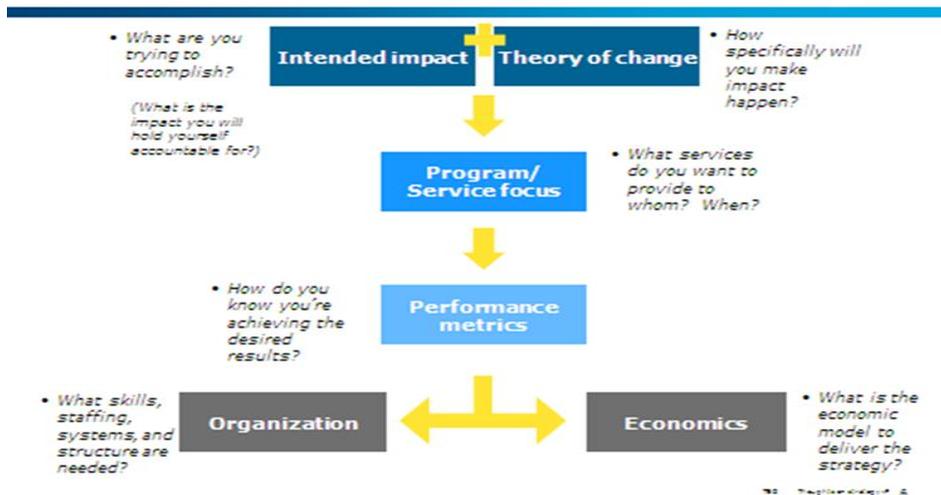


- 2) **Theory of Change:** i.e. how specifically will you make impact happen
- 3) **Program/Service focus:** i.e., what services do you want to provide and to whom
- 4) **Performance metrics:** i.e., how do you know you are achieving the desired results
- 5) **Organization** i.e., what skills, systems, staffing, structure are needed
- 6) **Economics:** i.e., what is the economic model to deliver the strategy

As NGO leaders work towards maximizing social impact within their available resources, the assumptions underlying the strategy and the chosen initiatives should remain uppermost in their minds. At the same time, a strategy ought not to be set in stone. The document itself should be a “living document” that needs to be adaptable and fluid to reflect changes in the environment, whether this relates to the targeted beneficiaries or the policy landscape.

Often the projections and plans contained in a strategy document draw their credibility from the previous track record and historical perspective of a given NGO’s accomplishments.

A quality NGO strategy has at least six components



Credit: Bridgespan Consulting

Two components of strategy are worth a closer look: intended impact and theory of change. These elements can be difficult to develop. Ultimately, their development may require more “art” than “science” on the part of NGO leaders.

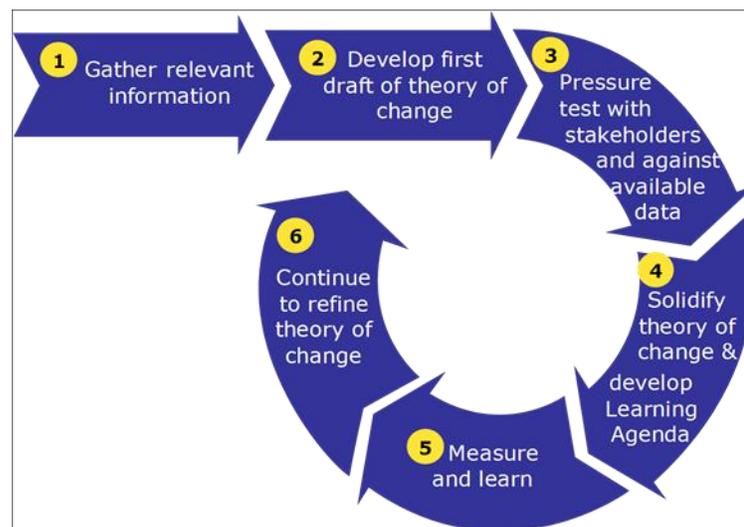


INTENDED IMPACT

A good intended impact articulates what an NGO is seeking to achieve. It goes beyond a broad mission statement by being more rigorous about the populations being served (e.g., geography, age, need) and the kind of change the organization intends to make happen. Hallmarks of a good intended impact include: it is clear; it reflects trade-offs; and it can be measured.

THEORY OF CHANGE

Whereas an intended impact states what impact an NGO seeks to achieve, a theory of change articulates how that impact will be achieved. As such, it is a guiding force for a strategy document. The theory of change is not typically linear and often includes a series of statements (sometimes in “if/then” form) that link an NGO’s activities logically to what it expects to accomplish. The theory of change contains activities, key players and processes that will produce plausible evidence of change. Developing a theory of change is often a dynamic process that takes time and typically requires developing and re-developing a credible version (see image below).



Credit: Bridgespan Consulting

WHY SHOULD WE MEASURE IMPACT

A lot of NGOs tend to fall into the trap of believing that any impact is good impact. It is important to create empirical measurable impact to ensure that activities are achieving what NGOs (and their funders) intended. All organisations are susceptible to making mistakes in measuring impact so it is imperative that they are clear about the terms they use. When organisations



define impact, they should be clear about the beneficiaries, their age, other relevant criterion and the geography to be covered. It is also important to articulate the time frame for impact. The metrics for impact measurement should be clear. Some impacts may be hard to measure. Most importantly the impact must be realistic. As an NGO develops its strategy, it would be wise for its leaders to share the intended impact with all of its key stakeholders, including the NGO staff and funders, any other such people who will have a stake in the progress of the work.

There is a tendency to base targets for impact by extrapolating from current activities rather than focus on a well-drawn up target. NGOs also need to be able to assess and share their impact as against justifying the impact for impacts sake. Very often, especially in NGOs with diverse portfolios of work, there is likelihood that an organisation adopts multiple theories of change.

PRESSURE TESTING YOUR IMPACT

Healthy organizations pressure test their strategies periodically to address the issues that may emerge based on data available. Since the theory of change is not a linear process and NGOs operate in dynamic environments it is important to find ways to effectively and consistently measure the change. This can be done through quantitative and qualitative assessment. Quantitative assessment could be through base line/ end line surveys. Qualitative assessment can be done through Focus Group Discussions held within the communities, circulation of questionnaires to gauge beneficiary perceptions, dissemination events to understand policy level changes etc.

Funders often ask for quick turnaround projects and in such cases, impacts are hard to come by. In such a situation, NGOs could use trend line mapping to show how previous beneficiaries have benefitted over a period of time, thus projecting future impact after the funding cycle is over.

Measuring change in communities is another tool to measure impact. Sometimes, changes at the community level are very difficult to measure when dealing with large migrant populations.

It is also important to keep the focus on impact even if the activities and modus operandi are constantly changing. Hence, the activities need to be monitored so they feed back and enhance impact.

Changes at the community level can be very difficult to capture if there are significant migrant populations. In such cases, the program design and correspondingly the budget should provide for enhanced tracking mechanisms; mobile phone based tracking mechanisms can be reasonably effective when migration is within city/district limits, but tracking suffers when migration goes beyond state borders. It is, therefore, advisable to recognize these constraints while framing the



outcomes to be measured – for example, focusing on enrolment, rather than longer-term learning outcomes for an educational intervention targeted at such communities.

In conclusion: All NGOs, irrespective of size or evolution can benefit from a good strategy. They must focus on measuring impact of their work using qualitative and/or quantitative tools for assessment. Further, strategy should be dynamic and take into account environmental changes and community needs as they arise.



ANNEXURE 1

List of attendees:

- **SAMHITA SOCIAL VENTURES**
- **SNEHA (Society for Nutrition Education and Health Action)**
- **Educate Girls**
- **Lend a Hand India**
- **CORO**
- **Mumbai Mobile Crèches**
- **Shelter Associates**
- **Sujaya Foundation**
- **Ummeed**
- **Ratan Nidhi Foundation**
- **Observer Research Foundation**

