Community Literacy of Ontario's

SMARTSTEPS

to

Organizational Excellence

by

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SmartSteps to Organizational Excellence

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A special thanks to the more than 115 people who participated in CLO's SmartSteps to Organizational Excellence online workshop series.

SmartSteps to Organizational Excellence

Table of Contents

Community Literacy of Ontario's

SmartSteps to Organizational Excellence

With the increased demands on all of us, is your literacy agency struggling with administrative issues? Do you wish you had more training and resources for your key administrative needs? If so, then Community Literacy of Ontario's *SmartSteps to Organizational Excellence* is for you!

Community Literacy of Ontario (CLO) is a provincial network of over 100 community literacy agencies from all around the province. CLO received funding from the National Literacy Secretariat (HRDC) and the Ontario Ministry of Training, Colleges and Universities to develop five online workshops and circulate a resource manual about organizational development. The purpose of both the online workshops and the resource manual is to strengthen the administrative capacity of Ontario's community literacy agencies.

CLO's first task in our *SmartSteps* initiative was to survey our members in October 2001. We received responses from practitioners in 55 literacy agencies around the province who overwhelming chose five administrative topics as their top priorities.

Based on this survey, CLO researched, wrote, and delivered five online workshops from February to June 2002. Over 115 people from almost 50 literacy agencies throughout Ontario took these online courses. Their evaluations were overwhelmingly positive.

For those who could not attend, or for those who would like further review, the *SmartSteps to Organizational Excellence* resource manual has been designed to summarise the contents of all five online workshops.

Smart Steps to Organizational Excellence Workshop topics and online delivery dates	
Proposal writing: effective strategies	**February 18, 2002**
Fee for service: implementing it in your literacy agency	**March 20, 2002**
Program evaluation: making it work	**April 17, 2002**
Assessing your organizational capacity	**May 22, 2002 June 5, 2002**
Organizational outcomes: a practical approach	**June 19, 2002**

Although registration to our online workshops was limited (and each workshop was completely filled), all of our workshops have been archived on CENTRA for Ontario literacy practitioners to access. Please contact Community Literacy of Ontario for more information.

Joanne Kaattari and Vicki Trottier are the resource manual authors and the online workshop facilitators. Joanne and Vicki have extensive experience in literacy, in not-for-profit sector management and in online and traditional face-to-face learning. They are the authors of *"Tips and Tools for Developing and Delivering Online Workshops"*, *"Workshops The Wired Way"* and other publications.

Support and assistance for the *SmartSteps* series was also provided by the reference group for this project (Chris Benninger, Shelley Lawrence and Val Sadler) and by the board of directors and staff of Community Literacy of Ontario. Thank you all!

Community Literacy of Ontario's

SmartSteps to Organizational Excellence

Proposal Writing: Effective Strategies
Online Workshop #1 – February 20, 2002

Introduction

Welcome to Community Literacy of Ontario's *Proposal Writing: Effective Strategies* workshop. This is the first of five modules in CLO's *SmartSteps to Organizational Excellence* online workshop series.

We are glad you've joined Community Literacy of Ontario for this innovative workshop which will introduce participants to the common elements of grant proposals, help you prepare to write a proposal and provide some insight into government, foundations and corporate funders.

Proposal Writing: Effective Strategies has been designed especially for community-based literacy agencies and will be of particular interest to practitioners actively involved in program administration.

Learning outcomes

- Identify and be prepared to implement the steps to effective proposal planning, developing and writing
- Be able to identify the key elements that a funder wants to know about an organization
- Have an increased knowledge of the current environment and motivations of government, foundations & corporate sponsors
- Understand the importance of accountability, communication and credibility when developing a proposal
- Be familiar with the common elements of a proposal
- Identify and avoid the common mistakes made in proposal writing

Workshop outline

- Introduction
- Proposal planning and your organization
- Getting to know them better: an overview of funding sources, key trends and issues
- Understanding government, foundation and corporate funders
- Common elements of a proposal
- Tips for avoiding common mistakes when writing proposals
- Conclusion
- Evaluation Summary of the Online Workshop
- Bibliography of Resources

Proposal planning and your organization

So, you've got a great idea for an innovative project. It is such a wonderful idea (after all, everyone in your own organization and all your friends and family have told you so!) that surely funders will be beating down the doors to give your organization money. Right? Well, if truth be known, funders are bombarded with great ideas; what they don't see so much of is great proposals! You will need much more than a great idea; you will need careful planning, excellent writing skills and effective communication to make the case to funders for your proposal. You will also need to demonstrate to funders that your organization is sound, accountable and respected in the community for its work.

THE BEST PROPOSAL IDEAS:

- Address a clear need in your community
- Have strong community support
- Provide an innovative solution to a problem
- Closely fit the overall mission of your organization
- Do not duplicate existing initiatives in your community
- Have clear and measurable objectives

PROPOSAL SELF-ASSESSMENT

Once you have a clear idea of your proposal, a planning team made up of people from your organization (paid staff, volunteers and learners) should brainstorm these self-assessment questions.

- Does your proposal meet a key need or solve an important problem in your community?

- How do you know this is a key need or problem? Is this your own assumption – or do you have some statistics, research or broad anecdotal evidence to support this need? Could you compellingly demonstrate this need to a funder who may know very little about your community and your organization?
- Why are YOU the best organization to address this problem and meet the needs of the target group?
- How will your proposal address this need or problem?
- Is your proposed solution truly feasible?
- Would your proposal idea make sense to someone outside of your organization?
- Does your organization have the organizational capacity to do this work? Is your proposal realistic in terms of time lines, staff, volunteers and other resources?
- Will undertaking this proposal still allow you to meet the goals and priorities in your business plan and your Literacy Service Plan – or will it compromise your ability to do the excellent work that you already do as a literacy agency? Remember the organization's mission should always come first!
- Are there similar initiatives in your community or in the Ontario literacy field?
- If so, what implications does this have for potential partnerships – or for duplication? (and duplication is something that absolutely no funder ever wants to knowingly fund!)
- What lessons can you learn from similar initiatives (what worked; what didn't)?
- Are the objectives of the proposal clear? Assess this clarity by showing them to someone outside of your organization. Do they understand what you want to do?
- Think about the questions the funder might ask you; are you prepared to answer them? Do you know the answers? Are they

good answers? Assume the funder knows nothing about your organization – you need to sell it; how are you going to do that?
- Funders will want to call external people (other funders, community partners, etc.) for references about your organization. Would such individuals give your organization a good reference?
- How do you make your proposal stand out from the rest in the pile?

Does your idea still make sense and does it still seem like a key need for your community and organization after your planning team has honestly brainstormed the above questions? If it doesn't, you should re-evaluate your idea. Perhaps you are ahead of your time! Perhaps another organization is better placed to do this work. Perhaps you are too small (or too big) to take on this work. Perhaps you just have more important priorities just now…

If it is evident that your great idea just isn't the right fit for your organization, shelving or sharing it could be the greatest favour you've ever done yourself – and your organization. We are all so busy in the literacy field and using valuable resources to pursue an unsuitable or unnecessary project is an extreme waste of time for all concerned.

But, if your great idea still makes good sense after your planning team has honestly self-assessed it using the above questions, then you are well on your way to developing an effective proposal!

Writing an excellent proposal and cultivating relationships with new (or old) funders will take precious time. The payoff can be extremely beneficial – but make sure you are starting from a solid foundation by conducting effective planning first.

Getting to know them better: an overview of funding sources, key trends and issues

Now, let's learn "all about them" and gain some background information about government, foundation and corporate funders. Community Literacy of Ontario wants to thank Robb Macdonald of *MIS Communications* for sharing the following information about funders:

- Governments contribute 55% of charities' incomes
- 33% of charities' incomes are raised through their own revenue sources (fundraising, product sales, etc.)
- Individual donations account for almost 5% or $5 billion
- Foundations account for only about 2% of Canadian charities' income
- There are just over a thousand Canadian foundations
- Almost 80% of foundations are family foundations
- Corporations donate about $750 million annually
- Corporations are motivated by good public relations, and they like to make a good impression on the general public
- The top five corporate funders by sector are: (1) banking and financial services; (2) petroleum products, oil and gas; (3) beverage and tobacco; (4) communications and telecommunications; (5) chemicals and pharmaceuticals

Key trends facing government, foundation and corporate funders

Source: Robb Macdonald, MIS Communications

- **ALL funders receive many, many more funding proposals than they could ever possibly fund**
- All levels of government are cutting back
- Corporate philanthropy is in decline and corporations are investing more strategically
- There is increased competition among charities - 60,000 to 70,000 NEW Canadian charities were created in the past 10 years!
- Foundations are turning more to paid staff to review proposals
- The funding policies of all funders are more focused and strategic
- All funders are emphasizing accountability and outcomes evaluation
- The decline in interest rates has reduced the amount of funding given by corporations and foundations
- Public scrutiny of not-for-profit organizations is increasing
- Funders are often giving fewer but larger grants
- Funders are demanding business-like operations from charities
- Foundations are sharing proposal information amongst each other
- There are more project-specific grants being awarded
- Funders expect regular reports and updates (to promote accountability)

A Brief look at where to find funders

Governments, corporations and foundations are always changing and updating their programs. Please consult the following resources directly in order to learn current information about potential sources of funding. Check their websites for current funding guidelines grant application forms and a person to contact for more information.

Experts know that it takes a non-profit organization considerable time to build an effective relationship with a new funder. Or, in the words of Robb Macdonald from MIS Communications, *"It usually takes between six and 18 months before you see a cheque from a new funder"*.

So be prepared to invest time and effort into cultivating relationships with potential funders. Put them on your mailing list, send them your annual report, mail them any newspaper articles about your agency and invite them to your open house. Even if they are too busy to attend, ongoing, positive communication will remind them of what a great organization you are! Your proposal's chances for success will increase the more funders come to believe in what you do and respect your organization's mission, leadership and management.

- Canadian Government Programs and Services. This resource is expensive ($540) but it is excellent and updated bi-monthly. Try your public library. For more information, visit: http://www.ca.cch.com/english/learn_more_frame.asp?sku=CGOV++_6703_1&folder=/english/

- The Canadian Directory to Foundations and Grants is published by the Canadian Centre for Philanthropy. It is available both in print and online. Once again, this is an excellent but expensive resource ($250 for members; $350 for non-members). Try your public library. Please visit http://www.ccp.ca for more information. The website of the Canadian Centre for Philanthropy has other excellent information on the voluntary sector and philanthropy in Canada.

- Government of Ontario http://www.gov.on.ca/MBS/english/index.html.

- Ontario Trillium Foundation http://www.trilliumfoundation.org/

- Government of Canada http://canada.gc.ca/main_e.html

- Philanthropy Search http://philanthropysearch.com/

- Canadian Subsidy Directory Year 2002 Edition. This publication costs $49.95. Contact Canadian Publications at 1-866-322-3376 or visit their website at http://mgpublishing.net/

- The Foundation Centre at http://fdncenter.org/

For corporations, check their websites and annual reports for likely sources.

Understanding Government, Foundation and Corporate Funders

Now let's learn more about the motivations and needs of potential funders. The more you know about them, the better able you will be to write effective proposals!

PLAYING BY THE RULES

Remember what our teachers told us when they handed out an assignment or a test in high school? Those long-suffering teachers always told to us to read, read, read those instructions before doing anything else! Well, most of us didn't listen back then, but if you are going to write successful proposals, we certainly recommend listening now! Read and re-read (and then read again!) the funder's guidelines <u>before</u> you start writing a proposal. Usually they have clear criteria for geography, timeframes, types of projects considered, etc. Don't waste your time (and theirs!) writing proposals that do not meet their requirements. Busy funders find it enormously annoying to have to sift through volumes of proposals that do not meet their clearly stated criteria.

FINDING THE RIGHT FIT

Also use the funder's criteria to find the best potential match between your organization, its mission, the proposed initiative and a funder. Research the background, interests and achievements of potential government, foundation or corporate funders. Learn about their funding criteria (Can you include capital expenses, staffing or operating expenses? Does your organization have to make a matching contribution?). A targeted approach to finding a funder for your project will be infinitely more successful than a scattergun approach. You can more easily follow-up with a few targeted funders, than with multiple funders. Besides, if this funder is interested in your area of work, chances are that even if you are not funded this time, you may be building a relationship where future proposals may be accepted. So be sure to conduct research to find the best match – and a great starting place can be found in the previous section of this workshop. Start building relationships with funders who are a good match with your organization.

CONSIDER THE NEEDS AND PRIORITIES OF FUNDERS

While most importantly remaining true to your mission and mandate, also carefully consider issues that will attract funders. Read the papers – watch for emerging trends, dust off an old idea whose time has come...For example, children's issues are currently high on the agenda of both the provincial and federal governments. Perhaps now is the time to submit that family literacy proposal. Funders give because a proposal is sound AND because the problem being addressed in your proposal meets THEIR needs and priorities! So customize your proposal to each funder and clearly demonstrate the match between your initiative and their needs.

ACCOUNTABILITY AND CAPACITY

An important part of writing proposals is understanding what a funder wants to know about your organization. Remember that since there is no shortage of great ideas out there, funders want to fund organizations that are solid and reliable. Funders, especially government funders, operate in highly scrutinized environments. In recent years, there have been front-page articles in Canada's major newspapers recounting stories of mismanagement of government funding and misuse of donated funds by several not-for-profit organizations (no literacy organizations were involved of course!).

Because of this negative press (and the public perception that many not-for-profits do good work but often lack sound management skills), governments have an ever-increasing need to ensure that the organizations they fund are trustworthy and accountable. We in the not-for-profit sector often forget that ALL governments have a strong need to be accountable.

In addition, before even considering applying for funding, more and more boards of directors and staff are asking themselves *"Does our organization have the organizational capacity to handle this proposal?"* And even if organizations aren't asking this important question, you can be absolutely sure that funders are! Capacity is an emerging issue of enormous importance to all funders…and to organizations as well. This would also explain why "capacity" was the very top priority chosen by Ontario's literacy agencies in the survey for this project! In response, Community Literacy of Ontario researched, developed, and delivered an online workshop called *"Determining Your Organizational Capacity"*. Please see chapter four for the text of this workshop.

In our experience, when funders contact references as they assess a potential proposal, the issue they are most interested in asking about is *"does this organization have the capacity to do the proposed project work?"*

Through your proposal, funders will want to know:

- Is your organization fiscally sound?
- Does your organization have effective board governance and staff management?
- Does your organization have the human resources (both paid staff and volunteer) to successfully manage and staff this initiative?
- Does your organization have the organizational capacity to do this work?
- Does your organization have credibility and support in the community?

In short, a funder will want to know that if they fund your proposal, your organization truly has the capacity to do what you say you can do. They will also be asking themselves whether there is any likelihood that a negative article about your organization or your proposed initiative might appear in a newspaper!

It's fine to tug at heartstrings and use quotes and personal stories (these can be powerful tools used in the right context) to highlight key needs and achievements, but you still have to count the beans and address issues of quality and accountability. Be sure to tailor your proposal to demonstrate to potential funders that your organization is well managed and accountable and that it has the organizational capacity to undertake the proposed project.

MAKE A GOOD FIRST IMPRESSION

Funders are busy people! They will get a general impression about your organization and how you conduct your business very quickly. Do you look organized and professional? Do you promptly respond to emails, phone calls and requests for information from funders? Did your proposal and follow-up information look like a "rush job" full of grammatical errors and spelling mistakes? Did you use letterhead and business cards in your correspondence with them? Does your organization leave an impression of being accountable, stable and trustworthy? Or does your organization look disorganized and chaotic? Don't be subtle – sell yourself and blow your own horn!

In short, ask yourself honestly if your organization would give a first impression of being the type of organization that a funder would want to support?

OUTCOMES MEASUREMENT

Initiatives funded by governments are increasingly coming under public scrutiny. Governments feel the need to demonstrate accountability to the taxpayers. As such, developing clear and measurable objectives makes your proposal more attractive to government funders. Are the objectives of your proposal measurable or are they vague and open to individual interpretation? Look carefully at each goal in your proposal and ask yourself if and how it can be measured. Outcomes measurement is a growing demand of today's funders. For more information on this important topic, please see chapter five of this manual.

CREDIT WHERE CREDIT IS DUE

Don't forget payback time - and one of the paybacks for funders is acknowledgement. Funders want credit in exchange for their support. Governments of all levels have the need to demonstrate accountability and action to the public. Governments want the public to know that their tax dollars are being spent wisely on effective and critically needed projects – just like yours! Corporate funders want their customers to know that they are good corporate citizens. So, remember to clearly acknowledge funders prominently. You should thank them verbally at press conferences or project launches and in all written material produced by your initiative. Remember, you do a great disservice to funders if you do not give them credit where credit is due!

FOLLOW-UP

After you submit your proposal (and be sure to meet their stated submission dates), wait for a while. Check the funder's criteria, since sometimes it will say in their guidelines when they will get back to you. If you hear nothing at all, make a follow up telephone call or write a letter asking them if more information is needed.

If your proposal is not accepted (and remember, MOST aren't!), often you will hear nothing at. Don't take rejection personally – ALL funders receive many more proposals than they could possibly fund. If your organization is a good match with this funder, try again later. Funding relationships aren't built overnight. You could also try asking for clarification about why your proposal was not accepted, but often funders are too busy (or are just plain reluctant) to share such information. However, this might be easier to do if you have established relationships.

Common elements of a proposal

Many funders have already developed forms and specific criteria. ALWAYS use their specified format, if available. However, in cases where no forms or criteria exist, here are the common elements that should be covered in a proposal. You will also note that most pre-developed forms and criteria will contain all or most of the elements described below, they just may be in a different order or with a stronger (or weaker) emphasis. Typically, a proposal should be **no more** than 8-14 pages in length (single spaced).

COVERING LETTER

- *One page*
- Is addressed to a specific individual
- Includes a brief overview of proposal
- Includes total proposal costs and the amount of funding being requested
- Includes organizational contact information and the specific person to contact within your organization
- Makes a great first impression!

PROPOSAL SUMMARY

- *One page*
- Provides a brief summary of your organization, its capacity and credibility
- Describes the need or problem to be solved
- Overviews the major proposal objectives; methodology and broad timeframe
- Includes total proposal costs and the amount of funding being requested
- Is clear, concise, and compelling!

ORGANIZATIONAL INFORMATION

- *One or two pages*
- Contains a brief statement of your organization's history, mission, goals, and programs
- Describes the client group served by this proposal
- Summarizes your key organizational accomplishments
- Briefly describes your paid and volunteer resources
- Highlights your organizational credibility and your capacity to undertake the proposed initiative (you could use previous projects as examples of your capacity)
- Gives your charitable registration number

DESCRIBING THE NEED

- *Two to three pages*
- Overviews the problem to be solved, or the need to be addressed – using facts and figures!
- Describes the target group to be served and how they will benefit from your proposal
- Clearly demonstrates the need and community support for solving this problem
- Tries to demonstrate the reality and importance of this need – by using facts and figures as much as possible
- Shows your ability to address this need via your proposal AND shows why you are the best organization to address this need
- Highlights the needs of the target group and the community – not the needs of your organization
- Demonstrates that your proposal is both reasonable and doable
- Adds in a quote or two from the target group or success stories
- Describes how the target group has been involved in planning
- Relates the identified need to your organizational mission
- Fits your needs with the needs and priorities of the funder

PROPOSAL GOALS AND OBJECTIVES

- *One to two pages*
- Sets concrete and achievable goals, not a wish list
- Sets outcomes based goals (measurable!)
- Relates goals to your organizational mission
- Describes overall products or services to be created

WORK PLAN / METHODOLOGY

- *Two to three pages*
- Describes major activities to be conducted
- Sets realistic timeframes and responsibilities
- Briefly describes your methodology (methods and means)
- Briefly describes your plans for future funding (if this is an ongoing project)
- Notes partnerships (if any)

PROPOSAL EVALUATION

- *½ page to one page*
- Tells how you plan to evaluate the project to ensure that your stated goals (remember – they will be outcomes based, measurable goals!) were accomplished
- This is an area of increasing importance for funders

BUDGET

- Includes the amount you are requesting AND the contribution from your organization (usually includes volunteer contributions) and other sources of funding
- Includes both administrative and project costs
- Includes both expenses and income
- Is detailed and includes all costs (no miscellaneous categories)
- Is formatted using columns
- Follows standard bookkeeping principles
- Is a realistic (and accurate!) assessment of resources needed to undertake this project
- Shows justifiable expenses based on actual researched costs
- Is easy to understand
- Uses the budget categories provided by the funder (if given)
- Includes items like GST and mandatory employer costs
- Is a realistic and honest accounting of your ability to do the project within budget parameters

APPENDICES

The experts on proposal writing agree on virtually all other common elements of a proposal EXCEPT for the appendices.

Some recommend sending in key information in the appendices (but only a total of up to 10 pages in length). Others recommend not including any information in the appendices at all unless requested by the funder. Still others recommend including everything but the kitchen sink (just for good measure!) in the appendices.

Most importantly, follow the guidelines of the funder regarding the appendices. If no guidance is given, you will need to use your own discretion. However, keep the appendices as short as you can but include any information that you think is absolutely critical to the success of your proposal.

Some items that could be included (but do use your discretion) in the appendices are: organizational profile; news articles; statistics (especially learners served and volunteer hours!); quotes, brochures; your most recent newsletter; a list of your board of directors; a list of current funders and supporters; letters of support; audited financial statements, current budget; annual report; and key publications produced by your organization.

It's just like building a portfolio – think carefully about why you would include whatever you choose to include in the appendices.

A PRELIMINARY PROPOSAL / LETTER OF INTENT

Many funders, including the Ministry of Training, Colleges and Universities and the National Literacy Secretariat, prefer to receive a preliminary proposal (which is sometimes also called a letter of intent).

A preliminary proposal is very similar to the *proposal summary* in a long proposal and is usually two to three pages in length. Typically, a preliminary proposal:

- Provides a brief summary of your organization, its capacity and credibility
- Describes the need or problem to be solved
- Provides a brief project description
- Overviews the major proposal objectives, methodology and broad timeframe
- Includes total project costs and the amount of funding being requested
- Asks the funders for their detailed funding criteria and full application form

Tips for avoiding common mistakes

- *Thorough reading* – Read the grant application thoroughly to ensure a complete application. Have someone else read it with a fresh pair of eyes both for grammar and content.

- *Established criteria* – Ensure that you meet (and follow) the requested criteria in the grant application. Remember that old saying: *"he who pays the piper, calls the tune…"?* If they say "two pages" then stick to two pages! If they say they fund projects in Kingston and you are from northern Ontario – don't apply!

- *Clear need* – Thoroughly research the need for your proposed project and be prepared to clearly demonstrate it to an outsider.

- *Sound research* – Conduct sound research; don't make vague statements that are unsubstantiated by research. The days of wild and unverified proposal statements are long over!

- *Establish relationships* – Target a few appropriate funders and try to cultivate relationships with them. Once they know how wonderful your organization is, your chances of getting funding will increase. Don't use the scattergun approach!

- *Tailor your proposal* – Tailor your proposal to each funder. Don't send out the exact same proposal to various funders. Take the time to address their needs, issues and interests in your proposal. After all, do you like getting obviously generic and untailored cover letters when you advertise for a small group instructor?

- *Duplication* – Don't submit a proposal that obviously duplicates existing projects in your community. If the funder doesn't realize this from the outset, they'll find out at some point (you know, the point when you either get an irate phone call or they stop returning your calls altogether…).

- *Capacity* – Clearly demonstrate that you have the organizational capacity to undertake this proposal.

- *Accountability* – Clearly demonstrate to funders that your organization is accountable, well managed and fiscally sound.

- *Timing* – Follow the stated timeframes and deadlines for proposal submissions as stated by the funders.

- *Writing skills* – Don't send in a proposal full of spelling and grammatical errors. Have someone carefully proofread your proposal before submission.

- *Avoid jargon* – We love our acronyms in the literacy field, but don't use them or other jargon in your proposal. Funders don't understand (or love as we do!) our numerous acronyms.

- *Clarity* – Ensure that your proposal is clear to an external audience. Don't write the proposal so that only the board chair, the coordinator and the literacy tutor with the 25-year pin can really understand it! Get someone from outside of the literacy field to read your proposal. Does it make sense to them?

- *Make your proposal readable and well organized* – Add in page numbers; use readable fonts; use bullets and subheadings; and use good quality photocopying. Be sure to use clear language!

- *Concise* – Be concise – you are busy; so are funders! They don't have time to read through the last 20 years of your organizational history. Give them enough information about your initiative to make an informed decision, but not so much that they are bored to tears. Often, various people within the same funding agency must review your proposal. Typically, your proposal summary will be the most read part of your proposal. Keep your proposal relevant to the issue at hand and don't include unnecessary details.

In conclusion…

This brings us to the end of *Proposal Writing: Effective Strategies.* Thank you for joining Community Literacy of Ontario in the first module in CLO's *SmartSteps to Organizational Excellence* online workshop series.

Evaluation Summary of the Online Workshop

NUMBER OF PARTICIPANTS:

- 28 people took the Proposal Writing workshop on February 20, 2002
- Evaluations were filled out by 20 people
- In order to promote honest feedback, the evaluations were completely **anonymous**

WORKSHOP CONTENT:

- 14 of 20 found the workshop content to be *"extremely useful"*
- 6 of 20 found the workshop content to be *"very useful"*
- 0 of 20 found the workshop content to be either *"somewhat useful"* or *"not useful"*

WORKSHOP FACILITATION:

- 16 of 20 found the workshop facilitation to be *"excellent"*
- 3 of 20 found the facilitation to be *"very good"*
- 1 of 20 found the facilitation to be *"good"*
- 0 of 20 found the facilitation to be *"poor"*

CONTENT LENGTH:

- The workshop was two hours long. Participants gave the following feedback on length of the workshop:
- 19 of 20 said *"just right"*
- 1 of 20 said *"too short"*
- 0 of 20 said *"too long"*

TECHNICAL ISSUES:

- 15 of 20 found the online learning experience on CENTRA to be *"an effective way to learn"*
- 5 of 20 found the online learning experience on CENTRA to be *"moderately easy"*
- 0 of 20 found the online learning experience on CENTRA to be either *"moderately difficult"* or *"difficult"*

OTHER COMMENTS:

- "This is the first time I have ever done this. I found it very informative – great job!"
- "Everything was exceptionally well done. Thanks Joanne and Vicki! Looking forward to future workshops!"
- "Everything was great!"

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Community Literacy of Ontario's

SmartSteps to Organizational Excellence

Fee-for-Service: Implementing it in your literacy agency
Online Workshop #2 – March 20, 2002

Introduction

Welcome to Community Literacy of Ontario's *Fee-for-Service: Implementing it in your literacy agency* workshop. This workshop is the second of five modules in CLO's *SmartSteps to Organizational Excellence* online workshop series.

In *Fee-for-Service: Implementing it in your literacy agency*, participants will be introduced to the concept of setting up a fee-for-service program in a not-for-profit agency. We will also discuss strategies for establishing fees, and the presenters will share some bookkeeping tips for financial reporting.

Fee-for-Service: Implementing it in your literacy agency has been designed especially for community-based literacy agencies and will be of particular interest to practitioners actively involved in program administration.

Learning Outcomes

- Identify "chargeable" services within your organization
- Identify potential customers for these services
- Establish realistic fees for these services
- Identify the issues you must consider before incorporating a fee-for-service approach in your agency
- Incorporate fee-for-service in your bookkeeping systems

Participants will also discover:

- Why many charitable and not-for-profit organizations are looking to fee-for-service and other business arrangements
- How several literacy programs and networks across the province are negotiating fee-for-service arrangements with Ontario Works and others
- The "Revenue Generation Through Commercial Ventures" approach

Workshop Outline

- Introduction to fee-for-service
- Why incorporate fee-for-service in your literacy agency?
- The "Revenue Generation Through Commercial Ventures" framework
- What do we charge for?
- Who do we charge?
- Issues to consider
- Establishing fees
- What is happening around the province?
- Bookkeeping hints and tips
- Conclusion
- Evaluation summary of the online workshop
- Bibliography of resources

Introduction to Fee-for-Service

In the first workshop of the *SmartSteps to Organizational Excellence* series, we discussed proposal writing and effective ways to seek funding from corporations, governments and foundations. In today's workshop, we're going to focus on another possible way of increasing your organization's income: charging fees for some of the services you provide.

Throughout this workshop, we will be talking about both charities and not-for-profit organizations. Not all literacy programs in Ontario are registered charities, but the concepts we will be discussing apply to both those that are and those that are not. Notice that we call them "not-for-profit" organizations rather than "nonprofit". The first term is a truer description of an organization whose primary mission is not to make a profit, although that doesn't prevent it from doing so.

We will also be talking about fee-for-service, commercial ventures and business ventures. Again, these terms are somewhat interchangeable. In the Ontario literacy field, we are most familiar with the term "fee-for-service". However, the charitable/not-for-profit sector refers to any of this type of business/income-generating activity in the broader sense and includes any type of program or service designed to bring additional revenues into the organization.

Although the focus of this workshop will be on fees charged for typical literacy services, the issues we discuss today can equally apply to any business venture that an agency might be interested in pursuing. During the workshop, we will present a framework that can help agencies in the planning stages of embarking upon a commercial venture.

An interesting term that some people might choose to use is "entrepreneurship" because we so often talk about small business owners as entrepreneurs. Actually, entrepreneurship refers to adding value by recombining or redistributing resources, which is what we are trying to do when we incorporate fee-for-service into our agencies. Thus, some not-for-profits are extremely entrepreneurial while others are not.

Traditionally, charities and not-for-profit organizations have not charged for the services they deliver, and community-based literacy agencies are no exception. Providing literacy instruction, either by volunteer tutors or paid instructors, has always been and will continue to be the cornerstone of what we do.

Not-for-profits and charitable organizations, including literacy programs, exist to serve their clients who would not otherwise have access to the service(s) being provided. At the risk of generalizing, client groups of Canadian charities cannot afford to pay for the services they receive. This raises a variety of questions, such as:

- Why would we charge for some of our services?
- How much will we charge?
- Which services are we going to charge for?
- Who are we going to charge for our services?
- How do we keep the charitable/not-for-profit aspects of our organization separate from the fee-for-service aspects?

Let's look at these issues one by one, starting with why we would charge for some of the services we provide.

Why Incorporate Fee-for-Service in Your Literacy Agency?

The Canadian charitable sector has experienced many changes over the past 10-15 years. Faced with the challenges that have accompanied these changes, charities are asking themselves, "Can we continue to operate as we have been doing, or must we look for a new direction?" One of the new directions that has been considered by a number of organizations is to become involved in business ventures, including charging fees for the services they have traditionally offered at no charge. Why have we been going in this direction?

TO ACHIEVE THE MISSION

The number one reason for a charitable organization to become involved in a business venture is to help it achieve its mission. There should be a direct link between the organization's charitable activities and any business activities it undertakes. Research indicates that a growing number of not-for-profit and charitable organizations are incorporating revenue-generating activities to help them fulfill their missions in this time of decreasing resources.

DECREASING RESOURCES, INCREASED DEMAND

As with any organization today (for-profit or not-for-profit), literacy agencies in Ontario are facing increased operating costs. For example, as we introduce computers and computer-based learning into our programs, we are faced with associated expenses for computer supplies, software, maintenance, Internet connectivity, etc. Heating, hydro and rental rates are also on the rise. Books are becoming increasingly expensive. Insurance rates have gone up. And the list goes on …

At the same time, the demand for services may be increasing. This is especially true as we await the advent of Ontario Works mandatory literacy testing and the impact it might have on our programs. On the income side of the equation is the fact that most government grant programs have not increased but have in fact decreased. Research shows that governments historically provided almost two-thirds of the total revenue of the charitable sector in Canada, but that proportion is now in widespread decline.[1]

[1] Charities Doing Commercial Ventures: Executive Summary, pg. 1.

This situation of decreased funding coupled with increased costs and increased demand for services leaves us facing a tough decision: cut operating budgets, find a way to reduce costs or seek alternative sources of income. For many programs, there is no excess available to trim off the budget and reducing costs would not make a significant difference. That leaves us with one other choice: seek alternative sources of income. To do this, many charities and not-for-profits across Canada have decided to adopt a more business-like outlook and incorporate fee-for-service options in their programming.

When a not-for-profit or charitable organization makes the decision to become involved in fee-for-service ventures, it is imperative that the Board of Directors gives careful consideration to any and all new initiatives and ensures that they reflect the organization's mission. Once a decision is made about what type of services will be offered on a fee basis, the organization must then examine its capacity and ability to offer those services in a competitive marketplace.

In the first workshop of this series, *Proposal Writing,* we discussed the fact that before seeking funding for any project, an organization should conduct a self-assessment to identify its ability to successfully carry out the project. The same holds true for fee-for-service programming and further underlines the fact that organizational capacity is an essential consideration. We will discuss the topic of organizational capacity more completely in Workshop four.

CHANGING TIMES

We are living in a competitive environment. The lines between for-profit and not-for-profit have become blurred. In years past, distinctions were clearer and roles and responsibilities were more defined.

For example, Goodwill Industries is a charity that offers a number of services to disadvantaged people. One of the services they have provided for many years is selling good used clothing at low prices. Revenue generated from this program is used to fund job training programs. A few years ago, Goodwill experienced a decline in this revenue because of competition from the for-profit sector. Stores offering a similar product appeared in the marketplace, and Goodwill was forced to share the market. Although some members of the organization might have initially seen this development as a threat, it was actually a positive change for Goodwill because it caused them to reorganize their business ventures, which ultimately resulted in increased revenues.

Recently in the health care field in Ontario, many organizations have faced changes with the introduction of community care access centres. A spectrum of agencies are now bidding for contracts for the work they traditionally did and also experiencing funding cuts and resulting staff cuts. For example, St. John Ambulance found itself facing a number of private competitors offering health and safety training. In order to remain a "player" in a newly competitive market, St. John has had to adapt and make changes in its services and the way it offers those services.

These examples serve to highlight the fact that providing traditional humanitarian services is no longer confined to not-for-profit organizations. The for-profit sector is making inroads into what used to be seen as solely a non-profitable area of business, and the not-for-profit sector is finding itself facing competition in what used to be a relatively non-competitive field.

However, the distinction remains that for-profit businesses operate for the purpose of earning a profit for the owners and/or shareholders. Charities and not-for-profits charge fees to cover the cost of delivering programming or to generate additional funds to help the organization meet its mission. Any profit earned as a result of these activities is not turned over to individuals – it is kept within the organization.

CHANGING MINDS

The Canadian mindset is also changing with regards to charities. We are likely all aware of any number of news stories that report mismanagement of funds by charities. There is a growing trend to require charities to behave more like businesses, and charities have responded by incorporating enhanced accountability measures in their operations. They have also undertaken projects that generate a return, either by charging fees for a particular service or by embarking on a commercial venture.

> *We, in this sector, have to start thinking in terms of clients and customers and getting paid for this work … I always say I have two bottom lines. Above all else, my first bottom line is delivering the greatest level of service to people in need. My second bottom line is to make enough money in order to keep doing my first bottom line.*[2]

[2] Trevor Williams, Family Service Canada as quoted in "Paying the Piper". (Gesza, Irene. "Paying the Piper", Front & Centre, Vol. 1, No. 2. Canadian Centre for Philanthropy, 1997.

A few researchers have written about these changing trends and predict that charitable organizations will become increasingly involved in revenue-generating activities over the next few years. These researchers conclude that we are only just beginning to understand this phenomenon and its implications and suggest that further research be conducted.[3]

ENHANCED PROFILE

Engaging in a business venture can help an organization increase its visibility in the community. Offering a new service can open the door to new partnerships and marketing opportunities that might not otherwise have been available. An enhanced profile and increased visibility will in turn bring the organization to the attention of more people, thus also increasing the opportunities to seek out donors, clients and volunteers.

OPPORTUNITY TO EXPAND

When a literacy organization accepts a grant from MTCU or NLS or any other funder, they agree to use the funds they receive for a certain project or program. When the same organization earns income from the fees they charge for their services, they are free to spend that income as they see fit (within the regulations governing charitable organizations and not-for-profit organizations). This could mean that a literacy agency that generates income through a

[3] Zimmerman, Brenda and Raymond Dart. Charities Doing Commercial Ventures: Societal and Organizational Implications (Executive Summary), Canadian Policy Research Networks Inc., 1998. p. 1.

fee-for-service opportunity would be able to offer a program that would not be funded through traditional LBS grants. When an agency generates its own income, it also becomes less reliant on a single funder.

For example, community-based literacy organizations in Ontario are funded to provide Literacy and Basic Skills programs to adults. English as a Second Language programming and children's literacy are not included as funded activities. By earning income through charging fees for service, literacy agencies can fund these, or any other type of program that meets their mission and mandate.

Remember, though, that new / alternative programming must fit in with the overall mission – the point is not simply to make money on a business venture. Charging fees for services can help increase organizational revenue in order to provide additional programming that you would not otherwise be in a position to offer. This revenue can also be used to enhance existing programming.

EVERYTHING OLD IS NEW AGAIN

Charities have been selling goods and services for many, many years so the idea of becoming involved in a business is not new! Consider the Salvation Army or any group holding a bake sale … within literacy, a wide variety of agencies and networks have sold memberships, teaching manuals and other resources. Although many of us have been generating income in this way for quite some time, we are only just now beginning to think of this business activity as a true revenue-generating option.

PUBLIC PERCEPTION

One reason that some organizations have chosen to charge fees for services is public perception. There is a societal myth that because something is free, it is somehow less valuable than something that was paid for. While charging a fee for the services your organization offers may enhance public perception about the value of the work you do, it should not be the main reason for incorporating a fee-for-service program in your agency!

ENHANCED EMPLOYABILITY SKILLS FOR LEARNERS

Depending on the nature of the revenue-generating activity your agency chooses to undertake, it could be possible that learners will be involved. There are any number of areas they could help with, i.e. marketing, telephone reception, retail sales, product manufacture, etc. Your new business venture could well serve two purposes: to help the agency generate revenue and to help your learners gain workplace skills. Research has shown that true learning is more likely to happen when a learner can apply his/her skills in a real-life setting and what better way to teach employability skills than in an actual workplace!

Revenue Generation Through Commercial Ventures Framework

The original framework described in this section was designed by John Pepin who works with not-for-profit organizations in North America and the United Kingdom. It has been adapted for the purposes of this workshop.

This framework can be used by a charitable organization to:

- Create a business or a business product/service
- Review current business ventures for the purposes of expansion or the introduction of a new business or product/service
- Enhance the organization's ability to secure government, corporate or foundation funding

The charity needs to:

- Identify why it wants to achieve the above objective
- Prepare for a more business-like approach by identifying potential barriers and by developing policies and procedures to ensure it protects its core services and programs
- Implement a creative development approach including planning, design, testing, evaluating and revising

The purpose of this process is to:

- Enable an organization to proactively respond to a changing environment

- Develop products and / or business ventures that meet members', clients' and customers' needs
- Manage commercial activities and the associated organizational changes within the context of the organization's values, mission, strategic and business plans and structure

The objectives of the process are to:

- Identify new business opportunities and the resources required to realize those opportunities
- Review potential opportunities within current programs and services and develop those opportunities as appropriate
- Assess organizational readiness issues and to develop policies and procedures to support the new opportunities
- Develop and test new products / services to ensure that they can be produced / delivered on an ongoing basis

There are nine steps to achieve these objectives:

1. **Determine organizational need for and the purpose of the proposed business venture.**

- Does it meet targeted client needs or does it address more general market needs?
- Will it generate sufficient revenues to support itself and additional revenues to support core services and other programs?
- Will it raise the organization's profile?
- Will it create new jobs or result in increased compensation / benefits for existing staff?

2. **Determine organizational readiness and commitment and identify potential barriers.**

- What are the organization's values and how does the new opportunity fit into those values?
- Does the organization have appropriate policies and procedures in place or will these need to be developed?
- Does the organization's human resources have the appropriate skills or will they need to seek these out?
- Have key stakeholders been consulted?
- Can the organization financially support the start-up period associated with this venture?

3. **Search for opportunities**

- What internal and external opportunities exist?
- Is there an existing market for the product / service you wish to implement or do you need to create one?

4. **Create new product / service idea(s)**

- What services / products do we already offer that we could incorporate into a business venture?
- What new services / products COULD we offer and how do they relate to our mission and core services?

5. Develop a business plan

- How does this business venture fit in with our overall organizational plans?
- How is it different?
- What do we need to do to accomplish it successfully?

6. Conduct research

- What are the current trends?
- What are the community needs?
- Is someone already offering the product / service you wish to offer?
- Is there room in the marketplace for a competitive service?

7. Design and test the product / service

- Can you deliver what you said you would deliver?

8. Launch the product / service

- Marketing!

9. Review and revise on an ongoing basis

- Are you meeting your target projections?
- Should you be doing something differently?
- Are you continuing to stay within your mission?

What Do We Charge For?

The list is limited only by our imaginations. Regardless of the service(s) your organization decides to charge for, it is important to be clear about just what you are providing. Do not say that you can offer a service if you do not have the resources to do so. Potential customers will want to know that they will be getting value for their dollar, and your reputation can be made or ruined depending on that perceived value.

Over the years, some literacy agencies in Ontario have charged for services such as:

ACADEMIC TESTING

In some situations, an agency or an individual might request that someone take a formal, standardized test like the Canadian Adult Achievement Test or Test of Adult Basic Education. A literacy program could administer this test for a fee since it is not usually included in an initial assessment. Also, this type of test does not provide an Ontario literacy level, and the results would need to be "translated" into the five-level system. For example, Literacy Network NorthWest was contracted to conduct academic assessments for a large corporation interested in relocating to Thunder Bay. The company hired the network to help them research the skills level of their potential workforce.

ASSESSMENTS

Increasingly, both programs and regional networks are charging agencies like Ontario Works and HRDC for initial literacy assessments. This is the fastest growing fee-for-service initiative in Ontario literacy delivery agencies. Programs and networks could also charge for ongoing and exit assessments. Charging fees for assessments will be discussed further in the section "What's Happening Around the Province".

ATTENDANCE MONITORING/REPORTING

When agencies provide instruction on a fee-for-service basis, they may also be required to monitor attendance and submit regular reports to the sponsor organization. An appropriate fee could be included for this service.

BOOK SALES

Over the years, both literacy delivery agencies and networks in Ontario have produced a wide array of research and training resources. Sometimes, thanks to special project funding, these resources have been made available free of charge to other literacy agencies but other times programs have produced these resources to be sold and hopefully generate some income for the program. Unfortunately, as we all know, the cost of producing a manual or book is extremely high in Canada, and therefore it is difficult to generate a profit on this type of sale. However, agencies that do decide to sell some or all of their resources should at least be able to cover the cost of producing and distributing them.

BUSINESS VENTURES

Literacy organizations that are interested in helping their learners gain workplace skills might consider setting up and operating a business to earn revenues. For example, programs have established businesses that provide catering or office cleaning. Learners can become involved in any or all aspects of running the business and can gain valuable hands-on experience.

CLEAR WRITING

This service was one of the first "non-delivery" type of services that some literacy programs and networks offered (and continue to offer) on a fee-for-service basis. Marketing a clear writing service can also help a delivery agency raise awareness about literacy issues. Literacy agencies wishing to charge fees for clear writing services will need to decide if they will charge hourly or "piece" rates (i.e. by the word or page).

COMPUTER COURSES

Although using computers is generally incorporated into literacy instruction, a program or network could offer specific computer courses to help it generate revenues. These courses would not necessarily have to be targeted to current or potential literacy learners – they could be offered to the general public strictly as a business venture. Computer courses could also be included in fee-for-service delivery programming purchased by a sponsoring organization.

G.E.D. PREPARATION

Some literacy programs in Ontario offer courses (on a fee-paying basis) to help people prepare to write the GED test.

INSTRUCTION

After assessment, this is possibly the second largest area of fee-for-service delivery in the province. Programs provide literacy instruction, ESL instruction, computer instruction, etc. to learners sponsored by a variety of organizations including OW, HRDC, WSIB and private insurance agencies. Instruction can be on a one-to-one basis or in a classroom.

MEMBERSHIP

Some, but not all, not-for-profit organizations charge a membership fee. These fees are used to provide a variety of membership benefits, depending upon the organization. Sometimes, membership fees just cover costs but they can be set high enough to generate some revenue. Over the years, literacy agencies have discussed the pros and cons of charging membership fees. Often, those programs and networks that do charge have set sliding fee scales to help make membership open to as many people as possible.

OFFICE SPACE

Although this isn't directly a service, some organizations rent out extra office space to help cover the cost of the rent. This can be a mutually beneficial arrangement, especially for a small not-for-profit looking for a small space. Sometimes, arrangements are also made to share office equipment thus reducing the costs of maintaining this equipment for both groups.

PHOTOCOPYING

Literacy agencies could make their photocopier available to other organizations and/or the general public. Fees would have to be established that at the very least cover the total costs of making the copies, and it is also possible to make a small profit if there is enough demand for this service.

PROGRESS REPORTS

This type of service would generally be coupled with assessment or instruction. Literacy agencies could charge for the combined service or for each component separately. When providing reports to a sponsoring organization, it is important to remember that the information in those reports must reflect the needs of the fee payer – the literacy agency may have to negotiate how reports will be presented and how often.

PROJECT ADMINISTRATION

This is a set fee associated with delivering a project. Although HRDC is now discouraging such fees, they are generally included in proposals to most funding organizations. These fees can help cover administrative work generated by the project. They can range from between 10 and 15% of the total project cost.

RESUMÉ PREPARATION

Although some learners will learn how to prepare résumés as part of their literacy training, there may be an opportunity to offer a course targeted to the general public.

TUTOR TRAINING MATERIALS

Some literacy programs in Ontario ask their tutors to cover the cost of the materials they provide in their tutor training sessions.

WORKSHOPS

Staff, volunteers and learners at literacy programs across the province possess a vast array of knowledge on a wide range of subjects. Some agencies will deliver workshops to businesses, service clubs and other agencies in their region. Sometimes they do this at no cost, sometimes they have their direct costs covered and sometimes they charge a set fee that includes the cost of both developing and delivering the workshop. Again, marketing for this type of service can help raise awareness about literacy issues.

Who Do We Charge?

Most not-for-profit and/or charitable organizations work under the premise that their services are offered at no charge to their clients and volunteers. So if they do decide to charge a fee for a particular service, just who would pay for it? Again, the possibilities are limited only by your imagination …

BUSINESS

Virtually any business could benefit from an increased awareness about literacy issues. Many businesses could also benefit from more clearly written documentation. Both of these areas offer an opportunity for an entrepreneurial literacy program, either through developing and delivery informational workshops or by offering an actual service (in the case of clear writing).

EMPLOYERS

With the renewed emphasis on workplace literacy, we could see increased opportunities to provide in-house literacy instruction. There are a number of documented examples of companies both large and small purchasing literacy instruction for their employees.

HRDC

In some areas of the province, HRDC is paying for initial literacy assessments. The door is also open for literacy agencies to provide this organization with additional services including workshops, clear writing and instruction for EI recipients. There is no set policy covering the purchase of literacy-related services by HRDC; therefore, programs and networks across the province must negotiate individually.

INSURANCE COMPANIES

Some private insurance companies seek out initial assessment and instruction for their clients. They are often looking for an intense period of instruction resulting in a return to work, enhanced employability or entry to a specific training course at a community college. Literacy programs could negotiate with these companies to pay a fee for any or all of these services. Also, as with any other business, the opportunity for workshops and clear writing services exists.

MEMBERS

As discussed in the previous section, members purchase benefits in the organization such as the newsletter, exclusive resources, etc. Fees can be established on a sliding scale and can simply cover costs or can generate revenue for the agency.

MUNICIPALITY

Along with the opportunity to deliver services already mentioned (e.g. information workshops, clear writing services), delivery agencies could negotiate with their municipalities to purchase seats for learners. Municipalities are also employers and can be approached with workplace literacy in mind.

ONTARIO WORKS

Like HRDC, Ontario Works is increasingly purchasing assessments from literacy programs and networks. Again, multiple opportunities exist to provide instruction, workshops, clear writing, etc. Currently, there are no provincial directives governing the purchase of literacy-related services, and each region must negotiate its own arrangements.

SERVICE CLUBS

The very successful partnership between Rotary and literacy in the 1990s is a shining example of how agencies can work with service clubs. The support provided by Rotary varied across the province but included direct sponsorship of a targeted project, the purchase of books and equipment, paying the rent, etc. Service clubs could be approached to sponsor seats for learners or to fund a salaried position or to purchase a workshop.

SPONSORS

A sponsor is a person, organization or business willing to pay for the delivery of service to a learner.

WORKPLACE SAFETY INSURANCE BOARD

The WSIB does enter into fee-for-service arrangements with some delivery agencies in Ontario. Generally, they are willing to pay for initial assessments and for literacy instruction, but the opportunity also exists to approach them to purchase other services discussed above. Unfortunately, there doesn’t seem to be a provincial policy about the purchase of literacy-related services so experiences vary depending on geography.

Issues to Consider

Some organizations with charitable status might wonder if it is legal for a charity to operate a business that results in profits. The short answer is "yes". The charity must not, however, distribute any profits to its managers or directors, but money earned through business activities can be used for activities, which support the charitable mission of the organization. Thus, a literacy program could use the profits it earns on charging fees to provide additional programming. However, the tax status of profit revenue is not necessarily straightforward and organizations should consult appropriate experts about these questions.

While profits earned through business ventures will be used to help the charity meet its mission, all of those profits do not have to be spent on charitable activities immediately. It is permissible, and indeed prudent, for charities to establish reserve fund or "rainy day" accounts to cover less lucrative periods of time. Many organizations have set policies and procedures that state that a certain percentage of revenues will go into a reserve fund or that a set amount of funds must always be available. Again, experts should be consulted about any specific legal or accounting questions.

Should a particular service or commercial venture prove to be extremely successful, there is a risk that the organizational culture may change. The Board of Directors or senior staff might find themselves giving increased attention to the profitable venture to the detriment of the non-profitable areas of the program. It is important that organizations remember what they exist to do and whom they exist to serve and do not let the lure of profits steer them away from their missions.

Operating "like a business" requires its own skill set. As an organization expands its fee-for-service programming, it may find itself facing new challenges in terms of human resources, legal issues and reporting requirements. The Board of Directors and senior staff must be prepared to discuss these issues openly and honestly and to implement new procedures as needed. All too often we in the literacy field try to "do it all" but there are times when we need to recognize that we simply can't "do it all" and may need to change the way we are doing things.

Will there be an effect on other fundraising initiatives? For example, if you receive an annual donation from a major corporation but then you convince them to purchase clear writing services from your agency, will they discontinue the donation?

Is your organization prepared to accept the risks that go along with any business venture? Usually, it costs money to make money (marketing, overhead, up-front costs). Do you have this money to spend and are you willing to wait for a return on the investment? If you do have the start-up money, where did it come from? Donors might perceive that you are using donated funds to start a business, and they might stop giving.

Can your organization cover costs until you receive payment from the purchaser of the service? If you are providing literacy instruction on a fee-for-service basis (for example to the Workplace Safety Insurance Board or other government agency), you likely won't issue a bill for services until after a certain amount of instruction has taken place (weekly, monthly, etc.). You then need to allow time for your bill to be received and paid. It is quite possible that you could offer a class for two or three months before receiving any revenue, but in the meantime, you will need to pay salaries and other costs.

What is the return on investment? How hard will you have to work to realize a $5,000 profit? Would the organization's resources (time, money, labour) be better expended on a single fundraising event rather than on a business venture?

What marketplace will you be entering? Does another organization (private or not-for-profit) offer a similar service? If so, you might find yourself engaged in a price war or dealing with strong competition. You will need to do some research to find out what the going rate is but remember that you must cover costs! Don't under price your service but don't overcharge either.

Are you prepared for the competition? Can you deliver what you say you will? If you are promising to provide qualified staff members who can assess and/or work successfully with learners with learning disabilities, you will need to ensure that you have those resources available. This also becomes a capacity issue, i.e. what service do you have the capacity to deliver and can you produce the results you say you will?

How flexible are you? When you provide a service, you must consider the needs of your client as well as your own. Although Ontario Works is generally willing to accept assessments that reflect the five literacy levels in Ontario, a private insurance company or other organization might want an assessment that corresponds to traditional grade levels. Are you willing to do the extra work or different type of assessment that this might require? Do you have staff trained to correlate the results of a typical LBS assessment to grade levels?

How will implementing a fee-for-service program affect your volunteer program? Will volunteers feel they are being "pushed out" as you hire new staff for the new programs or will they feel their work is somehow less important than the work being done in the new program?

Will you report your fee-for-service activities at the LCP table? Your business ventures are not LBS-funded activities so your organization would not be obliged to discuss them with your LBS partners, but these activities might have an impact that your partners should be aware of. The decision will be up to you and will depend on the variables in your community.

Will you be charging for something that used to be free? If so, can you justify this decision and not alienate partner agencies that might have been used to receiving services at no charge? If you are charging for a service that is free in another community, could this cause a problem?

A broader question that has been raised by researchers investigating the predominance of charitable organizations involved in commercial ventures is "Does replacing all or a large proportion of a charity's revenue based from government funding to commercial ventures change the nature of the organization or its capacity to perform its mission?"[4] The researchers suggest that the answer to this question depends on the context, which includes stakeholders, staff skills and beliefs, client attitudes, the fiscal environment, and the sector involved.

[4] Charities Doing Commercial Ventures: Executive Summary, pg. 3.

Taking all of these contexts into consideration can help the organization determine if a particular commercial venture is appropriate. In other words, what works well in one sector won't necessarily translate easily to a different sector.

Last but not least you need to consider statistical reporting. Literacy agencies are not obligated to report statistical information about learners served under fee-for-service programs. However, the Information Management System has been designed to enable agencies to track all of their statistical information in one place. When you designate a sponsor for an individual learner, the database software identifies LBS-funded and non-funded learners. Only information about LBS-funded learners is sent to MTCU. Services delivered in fee-for-service programs are not included in contact hour reporting, but this information is valuable for agencies to record and track so that they can have a complete picture or their organization's activities both within the scope of LBS-funded activities and beyond.

Establishing Fees

The first thing to remember when determining how much to charge for a particular service is that, at a minimum, you must cover ALL of the costs associated with delivering that service. Funders such as MTCU do not provide grants to subsidize fee-based programs. Literacy agencies must keep government funded and fee-based operations completely separate. At a minimum, fee-for-service charges must generate enough income to cover all costs associated with offering the service you are charging for. You can of course charge fees that will bring in more than this minimum amount! Extra revenue generated can then be used to enhance current programming or to start up a new area of programming.

The most obvious component of the service fee is the employee's rate of pay. Once that is established, you must then determine the additional cost of benefits. Mandatory employer benefits include a minimum of 4% vacation pay, Employment Insurance (at 1.4 times the rate currently deducted from the employee), and Canada Pension Plan benefits (at the same rate deducted from the employee). In 2002, this adds up to approximately 12%.

If your organization also pays Workplace Safety Insurance Board benefits, RSPs, health, medical or other insurance benefits, these must also be calculated into the percentage that is added to the base rate of pay. With a full benefits package, this can go as high as 35%! In literacy unfortunately, the benefits are typically much lower than this!

Next, you have to calculate overhead costs, and this can get complicated. Will the fee-for-service program require additional office space? Do you need to renegotiate your liability insurance? Will you have to lease an additional computer or other office equipment? Will you require an additional telephone line or a cellular telephone? What type of stationery and similar materials do you need?

Will there be any marketing costs associated with your fee-for-service programming? For example, if you need to advertise you will have to consider the ongoing cost of newspaper, radio and/or television advertising as well as flyers and any other source of advertising you might use.

Finally, are there any additional staff costs to consider? For example, will your bookkeeper be required to work extra hours to issue invoices, process receipts and ensure accurate recording of MTCU-funded activities, fee-for-service activities and other activities? How much of the program co-ordinator's time will be needed to manage the program?

YOU'VE SET THE FEE BUT THERE'S STILL SOME THINKING TO DO!

Once you have taken all of this into consideration and arrived at a figure that covers all of your costs and hopefully brings in a little extra, you then have to consider the marketplace. Issues to consider include:

- Is anyone willing to pay this rate?
- If another organization is offering a similar service, what are they charging? Remember the basics of your high-school economics class: supply and demand!
- You may have to negotiate fees with potential customers especially if there is another organization competing for the customer's business.

Rates vary greatly across the province and depend not only on the literacy organization's costs to deliver the service but also on what the purchaser of the service is willing to pay.

Another consideration to take into account is how many clients will receive the actual service. For example, if you are providing assessments on a fee basis, each staff person can only conduct one assessment at a time. Therefore, this service becomes fairly costly on a per contact hour basis.

However, if you have contracted with a government agency, employer or other sponsor to provide instruction on a fee basis, the situation changes somewhat. Whether you have one learner or five learners, the salary costs remain the same (although costs such as materials or rental space may rise). In this situation, the rate of return rises as a direct result of the number of learners. It is more economical to offer the same service to five learners than it is to offer it to one learner. Be careful about tying the costs of delivery too closely to numbers – if you go below a certain number, you will not be able to cover costs and may end up losing money.

If you are charging another organization for group instruction, you might want to establish a sliding set of fees based on the number of learners to ensure that costs are always covered or, alternatively, you might want to establish a minimum number of learners in order for the program to be offered.

A final word of advice: remember to account for absenteeism and no-shows. If an assessor is paid by the day on the basis of a minimum number of assessments but clients fail to show, his/her salary still has to be paid. Similarly, if the rates established for a class are based on a minimum number of learners and some of them are absent, revenue for the program may fall short of projections.

What is Happening Around the Province?

Source: AlphaCom discussion groups "Ontario Works" and "Assessment and OW", January and February 2002 and personal discussions.

- In Kingston, Ontario Works is paying $55 for a one-hour assessment and $27 for a no-show (if a minimum target is not reached). Carynne Arnold, Executive Director of Kingston Literacy, reports that she calculated this rate based on an hourly rate of staff wages (plus mandatory benefits). She then added an additional 18% to cover overhead costs such as travel, computer lease and cell phone. Then, she multiplied this hourly rate by 7.5 (to represent the number of hours in a regular work day) and divided by four because she calculated that the assessor could realistically perform four assessments per day. This gave a cost of $54.25 per assessment, which was then rounded up to $55.

- Leah Morris from Hamilton reports that they charge $85 per assessment for employed individuals, which covers time and materials costs but doesn't cover overhead. Currently, HRDC is funding two full-time assessors who provide assessments for unemployed persons.

- The Literacy Network of Durham Region currently provides assessments for OW at a rate of $80 ($40 for no-shows). Network Co-Coordinator Jennine Agnew-Kata cautions about the importance of carefully considering ALL staff time involved. Along with the actual assessment, a detailed report is written and provided to all stakeholders, which can bring the total time spent on an assessment to three hours.

- In the Niagara region, Ontario Works is currently paying $110 per assessment. However, Gay Douglas (Executive Director of Literacy Link Niagara) reports that this fee was established two years ago. It is no longer reflective of real costs and must be renegotiated. The region also has fee-for-service arrangements with other agencies and a local business and reports that, in general, they determine fees by adding up the real costs of staff time plus travel and any other related costs plus a 15% administration fee.

- Project Read receives $100 per assessment for OW clients. Private business is charged the same fee when their employees are assessed. These fees were set based on the same criteria used by Literacy Link Niagara. Anne Ramsay, Executive Director, cautions that it is important to build in extra charges to cover no-shows or to negotiate a no-show fee.

- The Timmins Learning Centre has been providing literacy instruction on a fee-for-service basis for the past 5 years. Program Co-Coordinator Sheila Marshall reports that she calculates the actual cost of staff time and then adds in benefits, learning materials and overhead costs such as rent to establish the fee charged. She also takes no-shows into account when establishing the fees.

- Community Literacy of Ontario sells its resource materials to literacy organizations from other streams and sectors and to organizations outside of Ontario. We charge a fee that covers all costs (printing, supplies, postage and an estimate of staff time).

As we can see, the types of services being offered in Ontario and the fees being charged vary across the province. Unfortunately, agencies such as Ontario Works and HRDC have not established policies about the purchasing of services, and therefore each region finds itself negotiating fees and business relationships. Before a delivery agency enters into a fee-for-service arrangement, program staff should consult with their regional network to find out about similar activity both within their region and in other regions.

Bookkeeping Hints and Tips

The most important thing to remember is to keep the finances for the fee-for-service programming separate from the finances for other funded programs. If your organization has managed projects before, it is a similar situation. Each "pot" of money must be kept separate and records must clearly show who paid for what. This not only ensures that revenues meet or exceed expenses but clearly shows all stakeholders that funds are being used for the purpose for which they were intended.

The following sample financial statement helps demonstrate one method of keeping track of various sources of income.

ABC LITERACY PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2002

	LBS Program	NLS Project	Assessment	Clear Writing	General	Total
Revenue						
MTCU	$50,000					$50,000
NLS		$25,000				$25,000
HRDC			$10,000			$10,000
OW			$8,500			$8,500
Admin.					$2,500	$2,500
Clients				$2,500		$2,500
Fund raising					$5,000	$5,000
Donations					$5,000	$5,000
Bank Interest	$100	$50	$40	$5	$10	$205
	$50,100	$25,050	$18,540	$2,505	$12,510	$108,705
Expenses						
Admin		$2,500				$2,500
Advertising	$250	$100		$100		$450
Accounting	$500	$250	$175	$5	$70	$1,000
Fund raising					$250	$250
Insurance	$500	$250	$175	$5	$70	$1,000
Office Supplies	$1,000	$500	$200	$50	$25	$1,775
Rent	$8,000	$4,000	$3,000	$50	$150	$15,200
Telephone	$500	$250	$200	$50	$100	$1,100
Wages / Benefits	$40,000	$17,200	$15,000	$1,000	$1,000	$74,200
	$50,750	$25,050	$18,705	$1,260	$1,665	$97,475
Surplus (Deficit)	($650)	$0	($210)	$1,245	$10,845	$11,230

Some agencies prefer to open separate bank accounts for each funding source whether it be a government grant, private donations or fee-for-service. Other agencies find that this method becomes somewhat cumbersome if there are too many projects / programs involved. An advantage to managing separate bank accounts is that it allows the organization to more easily allocate bank interest and bank charges to the appropriate program.

Other agencies prefer to use one bank account but set up a separate set of books for each project, clearly identifying how revenues and expenses are allocated. The advantage of this approach is that it can reduce bank charges and increase interest earned on larger bank balances.

Either method allows the agency to examine financial records for each program independently or for the organization as a whole. There is a variety of software available (such as Quick Books or MYOB) that can help you keep track of multiple bank accounts and multiple funding sources.

One area that can become somewhat tricky and complicated is payroll. If you hire new staff specifically to work in the fee-for-service program, it is a simple matter to allocate their wages and benefits to the proper account. If, on the other hand, a current staff member works some hours for the LBS-funded program and some hours for the fee-for-service program, you will have to be sure to correctly calculate and allocate both wages and benefits to the appropriate account. Payroll software can make the allocation of wages simple but it will not break down the allocation of mandatory employer benefits (EI and CPP). You will have to do this yourself.

If you decide to hire staff for the fee-for-service program on a short-term contract basis, you should check with your accountant or Canada Customs and Revenue Agency for a ruling on employer deductions and how long the contract arrangement can exist before it becomes an employer/employee relationship.

Once you have determined a method for tracking different sources of income and expenses, you will need to establish an invoicing system. It's best to number invoices so that you can easily identify which ones have been paid and which are outstanding. You will need to decide if you will be invoicing on a weekly, bi-weekly, monthly or other basis. Be sure to get a purchase order number if necessary. When preparing invoices, clearly state what you are charging for. If you are billing a large corporation or government organization, the person receiving the invoice might not be aware of your program and there might be delays while they seek approval for payment.

In Conclusion

This brings us to the end of *Fee-for-Service: Implementing it in your literacy agency.* Thank you for joining Community Literacy of Ontario for the second module in CLO's *SmartSteps to Organizational Excellence* online workshop series.

Evaluation Summary of the Online Workshop

NUMBER OF PARTICIPANTS:

- 25 people took the Fee-for-Service workshop on March 20, 2002
- Evaluations were filled out by 15 people
- In order to promote honest feedback, the evaluations were completely **anonymous**

WORKSHOP CONTENT:

- 5 of 15 found the workshop content to be *"extremely useful"*
- 8 of 15 found the workshop content to be *"very useful"*
- 1 of 15 found the workshop content to be *"somewhat useful"*
- 0 of 15 found the workshop content to be *"not useful"*
- 1 of 15 did not respond

WORKSHOP FACILITATION:

- 10 of 15 found the workshop facilitation to be *"excellent"*
- 4 of 15 found the facilitation to be *"very good"*
- 0 of 15 found the facilitation to be *"good"* or *"poor"*
- 1 of 15 did not respond

CONTENT LENGTH:

The workshop was two hours long. Participants gave the following feedback on the length of the workshop:

- 12 of 15 said *"just right"*
- 2 of 15 said *"too short"*
- 0 of 15 said *"too long"*
- 1 of 15 did not respond

TECHNICAL ISSUES:

- 11 of 15 found the online learning experience on CENTRA to be *"a very effective way to learn"*
- 3 of 15 found the online learning experience on CENTRA to be *"moderately easy"*
- 0 of 15 found the online learning experience on CENTRA to be *"moderately difficult"* or *"difficult"*
- 1 of 15 did not respond

OTHER COMMENTS:

- "Excellent job, as usual. Very helpful hints from all participants. Can't wait for the next one."
- "I really enjoy this method of learning – time effective, yet comprehensive."
- "I have been really struggling with the concept of fee-for-service but this has helped me see it from a different angle."
- "Well organized – all of the pre-set-up emails arrived in plenty of time to get organized."

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Web Sites

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Canadian Centre for Philanthropy.

http://www.charityvillage.com
Charity Village

http://www.ocsa.on.ca
Ontario Community Support Association.

http://www.ncrp.org
National Committee for Responsive Philanthropy (US).

http://www.nonprofits.org/npofaq/11/01.html
When can a NPO charge? A Q&A about whether an organization can charge for services and still keep its not-for-profit status (American)

http://www.trilliumfoundation.org/english/info_resources_commercial_ventures.html
Charities Doing Commercial Ventures (Executive Summary)

Community Literacy of Ontario's

SmartSteps to Organizational Excellence

Program Evaluation: Making it Work
Online Workshop #3 – April 17, 2002

Introduction

Welcome to Community Literacy of Ontario's *Program Evaluation: Making it Work* workshop. This workshop is the third of five modules in CLO's *SmartSteps to Organizational Excellence* online workshop series.

In *Program Evaluation: Making it Work*, participants will learn about practical approaches to evaluation. We will be discussing how to integrate evaluation with ongoing programming, and we will provide some practical tips and tools to use in literacy agencies. This workshop has been designed with the needs of CLO's members in mind. It has been created to make program evaluation practical, useful and manageable for small non-profit organizations.

Learning Outcomes

At the end of today's workshop, participants will be able to:

- Identify the main types and purposes of program evaluation
- Understand how to make program evaluation manageable
- Identify the steps in a complete program evaluation
- Choose the most appropriate evaluation methods from those provided or from other sources

Workshop Outline

- Introduction to Program Evaluation
- What is Program Evaluation?
- Why do Program Evaluation?
- Incorporating Evaluation in your Literacy Agency
- Evaluation Tips and Tools
- Case Study
- 8 Steps to Program Evaluation
- Conclusion
- Evaluation summary of the online workshop
- Bibliography of resources
- Appendices (five sample evaluation tools)

Introduction to Program Evaluation

There is no one right way to evaluate a not-for-profit organization. There are at least 35 different types of program evaluation including goals-based, process-based, outcomes-based, formative, summative … and the list goes on. Whatever type of evaluation you choose to implement in your agency is up to you – but it is important to conduct an evaluation that will provide you with practical and relevant information that will be used to improve organizational excellence as well as services to learners and your community.

Fundamentally, evaluation is about an independent assessment of how your program operates and how it could be improved upon.

Don't get caught up worrying about what type of evaluation you are doing – instead, focus on the program decisions you need to make and consider how best to accurately collect and understand the information you will be gathering. For example, do you want to know if you are meeting specific targets or are you more concerned about the impact your program is having on its clients? The more focused you are about what you want to evaluate, the more efficient you can be both in terms of time and money. You don't need to be an expert but you should have a plan of action.

Unfortunately, many people see evaluation as a negative thing. Its purpose is not to identify only the bad; it is intended to also identify what is good about a program and help that program improve its services. Done properly, evaluation can and does have a positive influence on organizations and their staff, volunteers and consumers. It also can, and does, make a huge impact on funders and the general public.

In today's workshop, we will be keeping the following guiding principles in mind when discussing program evaluation[5]:

- Literacy agencies have a responsibility to conduct program evaluation.
- Evaluation should be based on the needs of the organization, its staff, volunteers and learners.
- Any evaluation technique must be designed to be useful to the agency itself and be relevant to organizational goals, problems or decisions.
- Program participants and decision-makers should be involved throughout the evaluation process.
- Evaluation should be an ongoing activity rather than sporadic "one-shot" events.
- Evaluative techniques should be simple and non-threatening and used in a way that respects individual sensitivities and needs.
- Evaluation should consider not only the services provided but also the growth and development of programs, staff, volunteers and learners.
- Evaluation should use a variety of methods to investigate and gather information.
- Evaluation should provide useful results that lead to decisions and actions.
- The results of the evaluation should be presented in a way that encourages utilization.
- Evaluation should both provide practical information and be manageable given the resources of your agency.
- More and more funders (including Trillium) are placing an increasing importance on the results of program evaluation.

[5] Based on "Basic Principles" in Volunteer Victoria's **Evaluation for Community Service Organizations.** Victoria Volunteer Bureau, 1981. page. 2-3.

What is Program Evaluation?

Program evaluation is the process of systematically collecting information about the program or some aspect of that program in order to make necessary decisions. It can occur at any stage of program planning and at any level of the organization. It can be used to gather information on consumer needs as well as possible programming alternatives. It can also be used to monitor programs to ensure that they are being implemented as planned and are achieving stated goals and to measure the impact of those programs on the community. Finally, evaluation can be used for organizational problem solving.

Evaluation ultimately places a value on something and is used to help the organization make critical decisions. The evaluation itself is not the decision – it is a way for the board to gather the necessary information in order to make a decision.

It is important to remember that program evaluation is a board governance responsibility. This doesn't mean that the board has to actually carry out the evaluation, but it does mean that they are responsible for seeing that it gets done. To do this, they can appoint a staff member or a volunteer, hire a consultant or do it themselves. The choice is up to them, but it is the board's responsibility to see that it happens.

As part of program evaluation, the Board of Directors can also evaluate itself and/or the Executive Director. For the purposes of today's workshop, however, we will be focusing on evaluation that assesses organizational effectiveness in achieving the mission.

These purposes of evaluation can be summed up as:

- Assessing needs and planning programs
- Monitoring implementation and progress
- Organizational problem-solving
- Assessing program results
- Improving program services and operations
- Reassessing the need for a particular program or service

Let's look at each of these purposes separately.

ASSESSING NEEDS AND PLANNING PROGRAMS

In order to properly conduct a needs assessment or to plan a program, you need specific information. In the case of a needs assessment, an evaluation provides information on the relative importance of specific areas of need, the existing level of services provided in each of those areas and the availability of resources to develop the proposed program.

In terms of program planning, evaluation can provide information about alternative programs and the likelihood of their success. Once a particular program has been chosen, a plan must be developed detailing both implementation and evaluation.

The reasons for conducting this type of evaluation include:

- Documenting the need for a particular program
- Identifying alternatives to current programming

MONITORING IMPLEMENTATION AND PROGRESS

Once a program has been implemented, it must be monitored to ensure that it is performing as planned. This monitoring can result in modifications to the original plan based on information gathered about both implementation and progress to date. This type of evaluation is conducted to help the Board of Directors or senior staff make informed decisions about program improvement.

ORGANIZATIONAL PROBLEM-SOLVING

Program implementation and operation can be hindered by issues or problems that are indirectly related to program goals. These problems include things like staff morale, financial problems and administrative errors. In this situation, the evaluation is done with the purpose of identifying both these problems and possible ways to deal with them. It does not include monitoring or assessing program performance.

ASSESSING PROGRAM RESULTS

This type of evaluation gathers information about whether or not the program has achieved its stated goals. It usually occurs after the program has been operational for a significant period of time.

Information is also gathered about both the results and the impact of the program and is used to help decision-makers within the organization decide whether to change, continue or terminate the program. It may also help external decision makers (such as funders, or the general public) decide whether to continue funding a program or making a donation.

IMPROVING PROGRAM SERVICES AND OPERATIONS

A program that has been in existence for some time or that feels the need for a "facelift" would be most likely to focus on this aspect of program evaluation. Perhaps senior staff has noticed that the numbers of learners achieving their goals has declined or a few volunteers have expressed dissatisfaction with a particular service. In these situations, an evaluation of existing programs and services that also included recommendations for program enhancements or changes leading towards improvement would be called for.

REASSESSING THE NEED

Again, the focus of this component of program evaluation is on an existing program. Similar to "assessing needs and planning programs" discussed above, the focus of this evaluation is to identify information that will help the program decide whether to continue offering a particular service or modifying it to better suit stakeholder needs.

OVERVIEW OF THE THREE MOST COMMON TYPES OF PROGRAM EVALUATION

Let's take a brief look at the three most common types of program evaluation:

GOALS-BASED

This is probably the most common method. It answers the question, "Is the program achieving an overall, predetermined objective?" The evaluation helps the program identify the extent to which it is doing this. It answers questions such as:

- What is the goal for our program?
- How will we know if we have met that goal?
- Did we meet that goal?

Statistical reporting and analysis are good examples of a goals-based evaluation. Every time we compare our actual contact hours to the proposed contact hours included in our annual business plans, we are gathering goals-based information. We then use this information to help us refocus our marketing efforts or our program delivery. Our business plans provide us with an easy way to identify the goals we have set, and our statistics provide a ready way to identify if we have met those target goals.

The information we gather during a goals-based evaluation is generally the type of information that we share and use when developing Literacy Service Plans.

PROCESS-BASED

This type of evaluation helps provide an understanding of how a program is carried out. It is particularly useful for programs that have changed over the years or to help a program accurately portray itself to other agencies and the community in general.

A process-based evaluation answers questions such as:

- How do we decide what products or services are needed?
- How do we deliver those products or services?
- How are staff and volunteers trained to deliver those products or services?
- What is required of our clients?
- How do we determine which clients receive which products or services?
- What do our stakeholders consider to be our strengths?
- What type of complaints do we hear about our program?
- What do our stakeholders recommend to improve our products or services?

OUTCOMES-BASED

This type of evaluation has increasingly gained popularity in the not-for-profit sector over the past few years. It is more in-depth than goals- or process-based evaluations because it goes beyond simply identifying goals and determining if those goals have been met. Outcomes-based evaluation goes to the heart of what we do. Rather than only measuring things like contact hours or numbers of learners, it tries to answer the broader questions related to the impact a program has on learners and how that impact is measured.

We will examine outcomes-based evaluation more thoroughly in a separate workshop, but generally the steps to accomplishing this type of evaluation include:

- Identifying the major outcomes you want to examine.
- Prioritizing the outcomes and choosing the top two to four.
- For each outcome, specifying the measurable indicators that will demonstrate its achievement.
- Specifying target goals of clients, i.e. the number or percent of clients you commit to achieving specific outcomes with – enhanced literacy skills for 70% of our learners …
- Identifying the measurable information needed for these indicators (the total number of learners, the number who progressed from one level to another).
- Determining how this information can be efficiently and realistically gathered.
- Analyzing and reporting the findings.

SUMMARY

Regardless of the focus of the evaluation (assessing or re-assessing, problem-solving or monitoring) or the type of evaluation (goals, process or outcomes-based), all program evaluations (large or small) should take the following questions into consideration:[6]

- Why do you want to do a program evaluation? Ask yourself: why is it important to you and your organization that you start an evaluation now?
- Who is going to use the evaluation information (executive director, board, funders, staff, members, clients, etc.)? Who will ultimately be responsible for the evaluation?
- Are you interested in evaluating how your program works or its impact or both? Be specific! Which potential positive impacts do you want to know more about? Which potential negative impacts concern you?
- How will the evaluation findings be used? What will you know after the evaluation that you don't know now? What will you be able to accomplish using the evaluation information that you can't accomplish now?
- How will staff/board members/executive director/others be involved? How much time will they spend? Are you intending the evaluation process to have a particular effect on board, staff or funders?
- Are there resources/funds available to do an evaluation? Do you have individual skills, contacts, in-kind donations, creativity and other sources of funding? Can you include the cost of an evaluation in a project proposal?
- What is the time frame for this evaluation? When should it begin? When should you have the final report?

[6] Based on an "Nine Points to Consider When Contemplating an Evaluation"

- Do you need a team member (or an entire team) from outside of the organization? If you do, what is that person's experience working with programs like yours? What type of reports does he/she produce?
- What do you want included in the final report? Do you want an explanation of the underlying principles used in the evaluation or do you want just conclusions and recommendations?

Why do Program Evaluation?

Before embarking on your program evaluation, you will need to know not only what you are evaluating but also why you are evaluating it! The reasons you identify will influence the scope of the evaluation, the measurements of success and the intensity of the activity. They will also help determine who conducts the evaluation, how (and to whom) the results are reported and the extent to which the results will determine program changes.

Program evaluation can help both staff and board members to:

- Understand, verify and/or increase the impact of services on clients (outcomes-based).
- Identify program strengths and weaknesses (this information can be used to improve the program).
- Verify that you are doing what you think you are doing – is the program running as planned?
- Facilitate program planning (goal-setting).
- Produce data that can be used to support promotion, fundraising and proposal writing.

- Produce valid comparisons between programs and services – this information can then be used to help determine program viability, need for change, etc.
- Identify potential duplication (within the agency or with another agency).
- Justify expenditures.
- Determine program costs in terms of money and/or human resources.
- Gather information for program expansion.
- Satisfy the demands of someone who has requested evidence of program effectiveness.

Remember, program evaluation doesn't have to be an overwhelming task. You can evaluate small and large components of your program. For example, you could evaluate the effectiveness of your resource library, or you could conduct a full evaluation of your small group model of instruction in your agency. A little further on in this workshop, we will present a case study to help demonstrate how evaluation can work with just a simple component of a community-based literacy program.

Incorporating Evaluation in Your Agency

Planning and evaluation should be part of a continuous cycle within a literacy program. It can be as simple as asking a tutor "How is it going?" or it can be more formal, involving questionnaires and focus groups and data analysis.

How will you know if your program is ready to take the step from the informal type of evaluation to a more formal process? The Association of Literacy Coordinators of Alberta suggests using the following checklist to determine organizational readiness for evaluation.[7] The checklist should be completed by a number of people including staff, board members, volunteers (tutors and others) and learners.

	Yes	No	Don't know
Do people involved with the program agree on the mission, goals and major activities of our program?			
Is conducting program evaluation seen as consistent with the program's philosophy or the approach we take to literacy work?			
Are people connected with our program interested in evaluation?			
Is evaluation seen as providing useful information to our program?			
Do people see the benefits of evaluation as being greater than the costs of time and money?			
Is program evaluation seen as a threat and a sign of distrust?			
Does our program have a planning structure that will use the evaluation findings?			
Do staff, students and volunteers believe that their ideas and feelings are valued and respected by program decision makers?			
Is there money available to support an evaluation of this program?			
Is there staff time available for the evaluation?			
Are staff willing to take risks in trying new ways of doing things?			
Do leaders in our program demonstrate excitement and energy about change and innovation?			

[7] **Setting the Compass**, pg. 19

When a literacy program decides to undertake a more formal evaluation, they should clearly identify just what it is they will be evaluating. As we discussed earlier, evaluation can include assessing needs, monitoring implementation, problem solving, assessing results and re-assessing existing programs and services. Usually, a program will focus on only one of these issues at a time.

After determining the purpose of the evaluation, an evaluation team should be established. In a small program, it is possible that the program coordinator will have the sole responsibility for evaluation, but usually at least one other potential team member can be identified. The team should include representation from all major stakeholders (staff, learners, volunteers, Board of Directors and the community). Be sure to think about the skills that particular individuals can bring to the team as well as their familiarity with your program.

Once you have established an evaluation team, you will want to clearly establish responsibilities. Discuss and agree upon issues such as the length of time and number of meetings that will be involved, the purpose of the evaluation, definitions of terms, who will take the leadership role, etc.

Literacy Link South Central's **Practical Approach to Program Evaluation** suggests using the following worksheet to develop a plan for your evaluation.[8]

Evaluation Project Plan

Project Title:

Evaluation Goal:

Questions we hope to answer:

Resources required:

Budget items and costs:

Date we expect to complete first draft:

Date final product expected to be completed:

Name of team member	**Responsibility**
1.	
2.	
3.	
4.	
5.	
6.	

[8] 84.

Evaluation Tips and Tools

Here are a few things to keep in mind when planning your next program evaluation:

- It takes time. You might want to start out by evaluating just one component of your program then, as you gain experience, broaden your evaluations. You might also want to start out with a more goals- or results-based evaluation before trying a comprehensive outcomes-based approach.
- It can be overwhelming. Start small and build on your experience.
- It requires commitment. Evaluation is more than just gathering information. Staff and Board members must commit to also analyzing and using the information as a basis for program improvement. Otherwise, it just becomes a report that sits on a shelf.
- It involves risk. Remember that we learn from our mistakes. Be prepared to identify areas of your program that are less than perfect. It only becomes a failure if you do nothing about it.
- Evaluation should not be an end in itself. The purpose of evaluation is to provide information that will be used to improve the program.
- The rewards are enormous. Evaluation results can be used to demonstrate the value of your program to new and existing funders, to the Board, to learners and to the community. Your credibility can be greatly enhanced when you demonstrate that you are achieving program goals and objectives and working towards continuous improvement.

Appendix A includes five evaluation tools adapted from templates in **A Practical Approach to Literacy Program Evaluation** (Literacy Link South Central). They cover these topics: "Survey of Community Partners"; "Internal Evaluation Checklist"; "Participant Evaluation Survey"; "Assessment Process Checklist"; "Training Plan Checklist". You might find them useful when conducting your program evaluation.

Case Study

THE SCENARIO

ABC Literacy Council is a small community-based agency located in rural Ontario. They have a full-time Program Co-ordinator and a part-time Tutor Co-ordinator who also does some administrative work. They offer both one-to-one tutoring and small group sessions, both using volunteer tutors. There are currently 20 active tutor/learner matches and two small group sessions. There are also five learners on a waiting list because there aren't enough volunteer tutors available. Until the last six months, ABC Literacy Council had never encountered this situation – they usually had more tutors than learners.

The waiting list has raised some concerns at the Board level, and the Board of Directors has asked the Program Coordinator to carry out an evaluation of their volunteer tutor program, focussing on recruitment and retention. One of the directors has offered to assist with the evaluation. The Program Coordinator has requested that the Tutor Coordinator also be part of the evaluation team, because she is the person who works most closely with the volunteers. They will recruit one of their long-time volunteer tutors to join the team.

The Board of Directors cannot make a large amount of money available to carry out the evaluation. They have indicated that the program can support 50 hours of staff time and that there will be $250 available to purchase materials, photocopying, etc. They have asked for the final report to be presented to them in two months.

THE PROCESS

At their first meeting, the members of the evaluation team (two staff, a volunteer tutor and a director) decided that the Tutor Coordinator would play the lead role in gathering information from the public. She planned to spend a full day at the local shopping mall interviewing people at random to discover if they would consider volunteering for ABC Literacy Council and why or why not. The Board member offered to review current policies and procedures and suggest any changes that could help improve both recruitment and retention of volunteer tutors. The volunteer tutor agreed to hold a focus group with other volunteer tutors. The Program Coordinator would provide support for all of this information gathering and would collate the results. The team agreed to meet three more times. At their final meeting, they would analyze the findings and draft some recommendations. The Program Coordinator offered to write up the final report.

During the interviews at the shopping mall, the Tutor Coordinator discovered that 35% of the people she interviewed were not aware of ABC Literacy Council. She was surprised by this result because the Council had been in operation for 15 years and was an active participant in many community events.

The volunteer tutor held two focus group sessions with a total of ten fellow volunteers. They discussed why they volunteered with the program and what they liked and disliked about their roles. Seven of the volunteers were very happy but three mentioned that sometimes they would like more information when they first met with a new learner. They felt that they could be more successful with that person if they had a bit more information up front. A few also indicated that they would like more training about some of the recent changes including learning outcomes and demonstrations. All of the volunteers mentioned that they enjoyed the focus group session and were pleased that the program was seeking their opinion and trying to make improvements.

The Board member discovered that the program's recruitment material and volunteer policies had not been updated in over five years and did not incorporate some of the changes brought about during program reform and the introduction of learning outcomes.

When the evaluation team met again, they compared notes and decided that they also needed to hear from volunteer tutors who had left the program. The Tutor Coordinator offered to contact 10-15 past volunteers. She did this through telephone interviews and discovered that twelve of the people she interviewed felt that they had not been given enough ongoing training to incorporate some of the elements of a learning-outcomes based system. Three others had left for personal reasons. A few of the past volunteers thanked the Tutor Coordinator for getting in touch with them and allowing them to express their opinion. They also congratulated the program on the decision to carry out this evaluation and try to make improvements.

THE RESULTS

At their final meeting, the evaluation team looked at the information that everyone had gathered. Based on their findings, they made the following recommendations:

- That ABC Literacy Council increase its marketing efforts in general and its volunteer recruitment efforts in particular.
- That ABC Literacy Council offer ongoing training to its volunteers at least twice each year.
- That ABC Literacy Council update its current volunteer management policies and procedures and recruitment materials.
- That ABC Literacy Council re-evaluate its volunteer tutor program in one year's time after the above recommendations were implemented.

The Board of Directors was very pleased with the brief report about the evaluation that the Program Coordinator presented at their next meeting. They accepted the recommendations and formed a committee that would work towards improving their marketing and recruiting. They made a formal motion to re-evaluate the program in one year's time. The Board of Directors also indicated that they were pleased with the evaluation process in general and hoped to conduct a more in-depth program evaluation within the next two years.

CASE STUDY SUMMARY

This brief scenario about the fictitious ABC Literacy Council illustrates that:

- Program evaluation can focus on a single component of the program; it does not need to cover everything
- It can be accomplished with a small budget
- It is a process that can involve more than one stakeholder group
- It can be carried out by staff and/or volunteers and/or the Board
- It can be manageable in a small program
- Evaluation of a single program component can pave the way for more in-depth evaluation at a later date
- Information can be gathered by more than one method
- The evaluation can be followed up by specific, manageable actions.

The Eight Steps to Program Evaluation[9]

There are many approaches to program evaluation. The eight steps that we are about to discuss have been adapted from Volunteer Victoria's **Evaluation for Community Service Organizations**. Although the steps might at first seem to be a somewhat rigid approach to evaluation, they can be used quite flexibly. This is only one approach, but it can provide a good outline to use in community-based literacy programs. Also, the program should take its available resources (time, money, human) into account and adapt this system accordingly. Remember, the key is to make the process manageable for your particular organization.

[9] Adapted from **Evaluation for Community Service Organizations**

THE EIGHT STEPS ARE:

1. The decision to evaluate (why you're doing it, what you're evaluating and who will use the information)
2. Preparing for evaluation (determining priorities and then identifying the purpose and objectives of the evaluation)
3. Selecting the questions (establish specific questions that are feasible to investigate)
4. Reviewing the information (literature review)
5. Developing/selecting your research methods (outline the methods and procedures you will use to collect and analyze the data)
6. Collecting the information (select, develop and implement methods and tools)
7. Analyzing the information (make sense of it but also make it usable and meaningful)
8. Using the results (in future planning and program development)

Now, let's examine each of the steps in detail.

STEP ONE – THE DECISION TO EVALUATE

The impetus to undertake program evaluation can come either internally (from staff, volunteers, learners or the Board) or externally (a funder), or it can be a requirement for some type of program accreditation. Regardless of the source of the impetus, you must clearly identify why you want to evaluate, what you want to evaluate and who will use the information that is gathered. The overall scope of the evaluation you will conduct will be influenced by the following:

- Time limits (is there a deadline?)
- Available human resources (will staff or volunteers be doing the evaluation or will you hire a consultant?)
- Available time (do the evaluation team members (volunteers and staff) have two hours or 200 hours available to conduct the evaluation?)
- Costs (are special funds available or will the cost of the evaluation come from within the existing budget?)

STEP TWO – PREPARING FOR EVALUATION

Now that you have decided to go ahead with an evaluation, you need to establish priorities. Think about your program and the type of questions you could ask. Remember to think about whether you will be assessing needs, monitoring implementation, problem solving or assessing results when determining the objectives of the evaluation.

When creating your evaluation plan, you need to think about the following:

- What decision(s) will you be making as a result of the evaluation – adding or deleting programs, changing staff responsibilities, revising your marketing strategy or reorganizing your resource library?
- What kind of information will you need to make those decisions – statistics, anecdotes, other types of evidence?
- Where should you collect that information – from staff, learners, volunteers, other agencies, the community?

- How can you collect the information in a reasonable and manageable fashion – telephone interviews, written surveys, focus groups?
- When do you need the information – Annual General Meeting, a program visit or some other deadline?
- What resources are available to collect the information – staff, volunteers, or hired consultant? How much staff, volunteer and consultant time is available? 2, 20 or 50 hours?
- Who will receive the results of the evaluation and who needs to act upon them? Is it learners, other agencies, funders, the Board of Directors, the community or others?

STEP THREE – SELECTING QUESTIONS

Once the objectives of the evaluation have been determined, you can decide specific questions to ask. Remember to take time, money and human resources constraints into consideration when determining which questions to investigate. Also review the questions to ensure that they are clear and answerable and that the information needed to answer them is available and accessible.

STEP FOUR – REVIEWING INFORMATION

After completing the preparatory work described above, you should review existing information to help you answer the questions you decided upon. This information exists both internally and externally. Potential sources include:

- Program staff and volunteers
- Learners
- Board members

- Original proposals
- Needs assessments
- Budgets and financial statements
- Organizational charts
- Annual reports
- Policy and procedures manual
- Training and orientation manuals
- Minutes
- Newspaper articles and other publicity materials
- Previous evaluation reports
- Statistics
- Client files (be aware of confidentiality issues)
- LCP discussions
- Census data
- Community studies
- Staff, volunteers and clients from other agencies
- Research about the field in general
- Government publications and reports
- Project applications and reports

Obviously, this list can provide you with a vast array of information. The evaluation team will need to determine how much of it is appropriate and useful to answer the specific questions they are looking at. Their decision will also be influenced by the time, money and human resources they have available.

STEP FIVE – DEVELOPING YOUR RESEARCH PLAN

After identifying what you are going to evaluate, the questions you will ask and the sources of information you will use, you need to determine how you will gather the information. You should think about whether to use surveys, personal interviews and focus groups. Will you rely solely on a review of the program literature or will you observe program operations?

STEP SIX – COLLECTING THE INFORMATION

After establishing the approach you will use, you then need to think about specific data collection techniques.

In the following chart, we will examine a variety of methods for gathering information during a program evaluation and also take a look at the pros and cons for each.[10] You will need to decide what is the best method for your organization based on what you are evaluating, available staff and volunteer time, who will be reading the final report and the culture and needs of your organization.

Method	Purpose	Pros	Cons
Questionnaires, surveys, checklists – most commonly used method. Effective when a specific target group has been identified, information required is factual, quantity is more important than depth of information, time/distance/money are factors in the evaluation process.	To quickly gather a large amount of information in a non-threatening way	• Anonymous • Inexpensive • Easy to summarize, compare and analyze large quantities of data • Easy to administer to a lot of people • Lots of samples to choose from • Can focus on specific information • Cannot be swayed by group dynamics	• Feedback is not always carefully considered • Wording can bias responses • Impersonal • Doesn't always provide the full story • Can't ask for clarification • Difficult to gather in-depth information • Written forms might be difficult for learners

[10] Carter McNamara. **Basic Guide to Program Evaluation.** http://www.mapnp.org/library/evaluatn/fnl_eval.htm; and John Anderson. **A Practical Approach to Literacy Program Evaluation**, pp. 43-67.

Method	Purpose	Pros	Cons
Interviews (group or individual) – used for similar reasons as surveys, questionnaires but when more in-depth information is required.	To fully understand impressions or experiences or to learn more about answers to questionnaires	• Provides full range and depth of information • Develops relationship with stakeholder • Provides some flexibility • Can be conducted with one person or with groups • Can be done in person or by telephone (or other electronic means)	• Can take a lot of time • Data can be difficult to analyze and compare • Can be costly • Interviewer can bias responses
Review of documentation (finances, memos, minutes, policies, etc.) – also called records analysis. Useful when evaluation is performed after the fact or when the evaluator can't be on-site.	To gain an impression of how the program operates without interrupting the program by reviewing previously recorded information.	• Provides detailed and historical information • Doesn't interrupt routine • Information exists about a number of activities and is easily accessible • Can be used to document one or more program activities • Few biases	• Can take a lot of time • Information may be incomplete or out of date • Need to know what you are looking for • Not flexible (data is restricted to what exists) • Information may be difficult to interpret or quantify • Often doesn't provide the scope and type of information needed for your evaluation

Method	Purpose	Pros	Cons
Observation – Best used when a specific need has been identified, activities are readily observable, objective observers are available and when the process has a high probability of providing answers to the specific questions asked.	To gather information about how a program actually operates, particularly about its processes. Can be done with one or more components of the organization. Can be structured or unstructured.	• Can observe how the program actually operates • Can adapt to events as they occur • Data is reliable and verifiable • Can capture data that would otherwise be lost • Helps quantify things done on a daily basis	• Can be difficult to interpret observed behaviours • Can be difficult to categorize observations • Can influence behaviours • Limited to observable facts • Can be expensive and time consuming • Confidentiality issues
Focus groups – planned, facilitated inquiries into defined topics using directed interaction within a specific group of people. Can be formal or informal. Effective when working within a short time frame or when looking for a wide range and depth of information. Best used to gather information on specific questions.	To explore a topic in depth through group discussion.	• Can quickly gather common impressions • Can be an efficient way to gather a range and depth of information in a short time • Information can also be used for marketing • Group synergy can produce high level results • Can generate ideas for further discussions • Cost and time effective compared to individual interviews	• Can be difficult to analyze responses • Need a trained facilitator • Can be difficult to schedule • Some participants might be intimidated by the process • Potential for facilitator bias • Potential for being swayed by group dynamics

Method	Purpose	Pros	Cons
Case studies	To fully understand or depict a client's experiences in the program and to conduct comprehensive examination through case comparison	• Fully depicts client's experiences with inputs, processes and results • Powerful means to portray the program to outsiders	• Can be quite time consuming to collect, organize and describe • Represents a depth of information rather than a breadth • Expensive (in terms of staff and volunteer time) • Confidentiality

STEP SEVEN – ANALYZING THE INFORMATION

So now you've gathered all sorts of information about your program. What do you do with it all to have it make sense and provide you with what you need to know? The first thing you need to do is review the data for completeness, consistency, legitimacy, legibility and accuracy. Keep it as clear and concise as possible.

Think back to your evaluation goal(s) – why you gathered the information in the first place and who needs to review and act upon it. This will help you organize your data and focus the analysis. For example, if the focus of the evaluation is on how the program works, you might want to organize the data in a chronological order. If, on the other hand, you are more interested in program outcomes, you could organize data according to the indicators for each outcome.

Basically, there are two types of data – quantitative and qualitative. Quantitative data measures quantities – number of responses, rankings, etc. Qualitative data measures responses to interviews, focus group questions and written commentary. It should be organized by themes or patterns. If collected and analysed in a legitimate manner, qualitative often carries more weight than quantitative.

STEP EIGHT – USING THE RESULTS

Once you have sorted and organized the data, you will need to interpret it. Then you will need to think about recommendations for changes and conclusions about how your program is working.

After you have gathered and interpreted the information, you need to tell someone about it. The level of detail of your written summary will depend on whom it is intended for – and upon why you conducted the evaluation. Was it a fully funded evaluation of your program? Or was it a small-scale evaluation of your resource library?

Before releasing the findings of your evaluation, the written summary must be reviewed and approved by the Board of Directors (except in the case of a strictly operational evaluation when the report would only need to be submitted to the Board for informational purposes). The following should be included in the evaluation summary:

- Brief summary of conclusions and recommendations
- Explanation of the evaluation goals and methodology
- Results
- Conclusions and recommendations

- Optional - Appendices (copies of questionnaires, interview guides, etc.)

Now that the report has been written and circulated to the appropriate stakeholders, there is still one more job to do – create a plan of action! This could even be called the ninth step to evaluation. You will need to identify the steps the program must take to implement the recommendations and make the changes suggested in the evaluation.

In Conclusion

This brings us to the end of *Program Evaluation: Making it Work*. Thank you for joining Community Literacy of Ontario for the third module in CLO's *SmartSteps to Organizational Excellence* online workshop series.

Evaluation Summary of the Online Workshop

NUMBER OF PARTICIPANTS:

- 23 people took the Program Evaluation workshop on April 17, 2002
- Evaluations were filled out by 20 people.
- In order to promote honest feedback, the evaluations were completely anonymous.

WORKSHOP CONTENT:

- 14 of 20 found the workshop content to be *"extremely useful"*
- 5 of 20 found the workshop content to be *"very useful"*
- 1 of 20 found the workshop content to be *"somewhat useful"*
- 0 of 20 found the workshop content to be *"not useful"*

WORKSHOP FACILITATION

- 18 of 20 found the workshop facilitation to be *"excellent"*
- 1 of 20 found the workshop facilitation to be *"very good"*
- 1 of 20 found the workshop facilitation to be *"good"*
- 0 of 20 found the workshop facilitation to be *"poor"*

CONTENT LENGTH

The workshop was two hours long. Participants gave the following feedback on the length of the workshop:

- 16 of 20 said *"just right"*
- 1 of 20 said *"too long"*
- 2 of 20 said *"too short"*
- 1 of 20 did not respond

TECHNICAL ISSUES

- 13 of 20 found the online learning experience on CENTRA to be *"an effective way to learn"*
- 6 of 20 found the online learning experience on CENTRA to be *"moderately easy"*
- 1 of 20 found the online learning experience on CENTRA to be *"moderately difficult"*

OTHER COMMENTS

- "Great job, as usual!"
- "It was great! I have been reluctant … to try online training but I enjoyed it very much."
- "Bravo!!!! This topic is so overwhelming to someone in a small agency. This is so helpful in getting organized and staying focused."
- "Very useful information. Great work you guys!!!"
- "I thought the content and the presentation of this workshop were excellent … I think this was a worthwhile learning opportunity."
- "Excellent, easy way to get started thinking about this important topic. Really, really, really liked the case study."
- "I am happy to report that I found today's workshop EXTREMELY helpful – perhaps the most useful training I've attended during my, to-date, somewhat brief history in the literacy field … You are both dynamic speakers and very easy to listen to – which makes the workshop that much more enjoyable. I can't way to sign up for the next session – and I can't wait to get started on evaluating my program, as bizarre as that might sound."

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Appendix A - Evaluation tools adapted from Literacy Link South Central's "A Practical Approach to Literacy Program Evaluation"

Sample tool #1 – Survey of Community Partners

Thank you for participating in our Evaluation Survey. Your answers to the following questions will help us to provide better service to you as a referral agency and to our mutual clientele. The survey should take only a few minutes to complete.

You can return the survey by fax to 555-555-5555 or by mail to Our Street Address, Our Town, Ontario. A1A 1A1

1. Are you involved in assessment and/or referral of potential clients?
   ☐ Yes ☐ No
2. Do you ever refer potential clients to other organizations?
   ☐ Yes ☐ No

If you answered yes to the first two questions, please complete the rest of the questionnaire. If you answered no to both questions, the rest of the questionnaire is optional. Thank you!

Please choose the most appropriate response to the following questions:

1. I have been working for my present employer for
   - less than one year
   - 1 – 3 years
   - 3 – 5 years
   - more than 5 years

2. My position is best described as
   - volunteer
   - administrative staff
   - instructor
   - counsellor
   - management

3. I would rate my knowledge of ABC Literacy Council programs as
   - no knowledge
   - some knowledge
   - good working knowledge
   - excellent knowledge

4. My knowledge of ABC Literacy Council programs is based on
   - does not apply. I have no knowledge of the programs.
   - information from my co-workers
   - information brochures from ABC Literacy Council
   - in-person visits by representatives of ABC Literacy Council

5. I would like to learn more about ABC Literacy Council programs and services in the following way(s)
   - I do not need any further information
   - I would like to receive brochures and fact sheets
   - I would like an ABC Literacy Council representative to visit my organization
   - I would like to visit an ABC Literacy Council program

Please answer the following questions with one or two sentences.
Feel free to add extra sheets if needed.

1. The things I like best about ABC Literacy Council programs are:
____
____
____
____

2. I would like more information about:
____
____
____
____

3. I think the following suggestions could help ABC Literacy Council improve access to program information:
____
____
____
____

4. I have a few other comments about ABC Literacy Council's programs or services:
____
____
____
____

Thank you for your time and input!

Sample tool #2 – Internal Evaluation Checklist

- We have a mission statement.
- We share our mission statement with all stakeholders.
- All training activities coincide with the intent of our mission statement.
- We have a policies and procedures manual.
- We have a system in place to evaluate the effectiveness of our policies and procedures.
- Our policies and procedures are evaluated and reviewed on a regular basis.
- We solicit the viewpoints of all stakeholders in any decision making process.
- We have systems in place to ensure feedback to stakeholder input.
- We have written job descriptions for all staff.
- Each staff member has a copy of his/her job description.
- Job descriptions reflect the actual duties of each staff member.
- We document all program activities.
- We have a follow-up system in place to monitor and record the end results of training activities.
- We have effective methods of storing and retrieving information.
- We maintain and document timely communications with our community partners.
- We have a system in place to record all financial expenditures.
- An independent auditor reviews our finances.
- Any budget variances are justified by written explanations.
- We used clear writing principles in all our communications.
- We maintain a presence on our Literacy Community Planning Committee.
- We maintain records of all incoming and outgoing client referrals.
- We follow up on all incoming and outgoing referrals and notify our community partners of the results of these referrals.
- We share our assessment procedures and training plans with our community partners.

Sample tool #3 – Participant Evaluation Survey

The following questions will help us gather information to evaluate our efforts to reach everyone in the community who might need our services. This survey is not an assessment of your performance in the program. You do not even have to fill in your name, but we would appreciate your comments so that we can use them to improve our programs. Thank you for your time!

Part One

1. How did you first hear about ABC Literacy Council?
   - ☐ A flyer or a poster
   - ☐ On the radio
   - ☐ In the newspaper
   - ☐ From a friend or a relative
   - ☐ From a worker or another agency
   - ☐ Other – please describe:

     ____

2. When you first heard about ABC Literacy Council, did you think it might be difficult for you to attend? If yes, did any of the following make it difficult? You can choose more than one answer.
   - ☐ Child care
   - ☐ Family responsibilities
   - ☐ Transportation
   - ☐ Location of the program
   - ☐ Physical disability
   - ☐ Lack of education
   - ☐ Other – please describe:

     ____

3. If you chose any answers from the list above, please explain how these difficulties were solved.

   ____
   ____
   ____
   ____

4. Did you discuss any of these difficulties with program staff?

   ☐ Yes ☐ No

5. If you answered yes, were they able to help you?

   ☐ Yes ☐ No

6. If you answered yes, how did they help you?

   ____
   ____
   ____
   ____

7. Do you know someone else who might like to take this program?

   ☐ Yes ☐ No

8. If you answered yes, why do you think they aren't here?

   ____
   ____
   ____
   ____

9. How do you think we could make it easier for people to attend our programs?

   ____
   ____
   ____
   ____

Part Two

1. Did you have a learning goal **before** you joined this program?
   ☐ Yes ☐ No

2. If you answered yes, did your goal change during the assessment?
   ☐ Yes ☐ No

3. If you answered yes, how did it change?
   ____
   ____
   ____

4. If you **did not** have a learning goal when you started the program, do you have one now?
   ☐ Yes ☐ No

5. If you answered no, why do you think you don't have a learning goal?
   ____
   ____
   ____

6. If you **do** have a learning goal, did program staff help you set that goal?
   ☐ Yes ☐ No

7. If you answered yes, how did staff help you?
   ____
   ____
   ____

8. Do you think that the work you are doing is helping you reach your learning goal?
   ____
   ____
   ____

9. Why or why not?

____

____

____

10. Do you have any suggestions for how we can help learners set learning goals and reach those goals?

____

____

____

Part Three

1. Do you have a training plan?

   ☐ Yes ☐ No

2. If you answered yes, did you help develop your training plan?

   ☐ Yes ☐ No

3. If you answered yes, please describe how you helped develop your training plan.

____

____

____

4. Do you think your training plan accurately describes your skills?

   ☐ Yes ☐ No

5. Why or why not?

____

____

____

6. How do you use your training plan?

____

____

____

7. Have you ever made any changes to your training plan?
   ☐ Yes ☐ No

8. How will you know when you have reached your learning goal?

____

____

____

9. Do you have any other comments about your training plan?

____

____

____

Thank you for your time and input

Sample tool #4 – Assessment Process Checklist

- We have documented assessment procedures on file.
- Our assessment tools and instruments have been evaluated to ensure effective placement of participants.
- We consistently apply the initial assessment process to all prospective participants.
- The assessment process is free of any cultural, ethnic, gender or religious bias.
- Participants receive and understand sufficient information to be aware of the mission and parameters of the program.
- We encourage participants to make a goal statement based on their own needs and desires.
- Participants are able to verbalize both long- and short-term goals.
- We provide participants with opportunities to make their own decisions about whether the program will satisfy their needs.
- Participants are aware of other training options within the community.
- Any participant needs generated by cultural/ethnic background have been identified and addressed.
- We provide participants with ample opportunity to declare any needs for additional support mechanisms.
- Our program mission and philosophy reflect the participants' desired learning outcomes.
- Participants' learning styles and preferences are recognized and addressed.
- The assessment process recognizes any special needs that may require accommodation or equipment to facilitate the learning process.
- Any apparent distance and/or transportation difficulties are considered.
- Previous negative learning experiences are acknowledged and addressed.
- We recognize previous learning achievements.

Sample tool #5 – Training Plan Checklist

- We have a basic template for training plans.
- We have written guidelines for the completion of training plans.
- We document participants' entry-level skills.
- We clearly define learning outcomes.
- We clearly define participant skill levels at exit.
- Training goals are clearly and simply stated.
- Participants have input to the training plans and this is documented.
- All stakeholders easily understand our training plan format.
- Our training plans incorporate the principles of clear language.
- Our training plans specify demonstrations to document progress.
- Demonstrations have real-life application to participant goals.
- We break down training objectives into measurable and attainable steps.
- Our training plans include time frames for expected completion.
- We clearly identify learning resources and materials.
- Learning resources and materials have a real-life application to participant goals.
- Our training plans include a timeline and process for ongoing assessment of learner progress.
- We clearly state our organization's expectations for learner participation in the program.
- We clearly state the learner's expectations for participation.
- The learner and the organization agree on the demonstrations required to complete training.
- We review our training plans on a regular basis to measure relevance to participant learning outcomes.
- We document changes to the training plan.
- Follow-up mechanisms are built into the training plan

Community Literacy of Ontario's

SmartSteps to Organizational Excellence

Assessing Your Organizational Capacity
Online Workshop #4
May 22nd and June 5, 2002

Introduction

Once again, you are trying to do it all. The annual general meeting is in two weeks, the spaghetti supper fund-raiser is tomorrow and this very afternoon you are holding a tutor training session. Not to mention that you are concerned about making your learner contact hours this month and, of course, your monthly statistics are due to the Ministry. As well, both board and staff think your literacy agency should incorporate a new program for small group instruction… Sound familiar?

Believe it or not, variations of the above scenario are repeated in almost every not-for-profit organization in Canada!

Community Literacy of Ontario is pleased to present an innovative (in fact, the first of its kind!) workshop on assessing your organizational capacity. This workshop is the fourth of five modules in CLO's *SmartSteps to Organizational Excellence* online workshop series.

This workshop won't solve all your problems; in fact, it may identify problems you didn't even know you had! However, it will present a solid framework and a step-by-step process for assessing the capacity of your literacy agency. Fundamentally, it will help you to strengthen your agency by improving your current organizational practices and setting a solid foundation for addressing your future needs.

"Change is certain and it will be swift and sweeping. But you are good at making the best of change, or you would not be here today. For change has always been a central component in the work of the non-profit sector".

(From "Strategic Response to Welfare Reform", The Conservation Company, USA)

Workshop outline

- Introduction to organizational capacity
- A Quick Tour of CLO's *13 Smart Steps to Assessing Your Organizational Capacity*
- Step 1 – Is Your Agency Ready?
- Step 2 – Developing the Process
- Step 3 – Developing Your Focus
- Step 4 – Assessing Your Organizational Mission
- Step 5 – Assessing Board Governance
- Step 6 – Assessing Paid Staff Capacity
- Step 7 – Assessing Volunteer Capacity
- Step 8 – Assessing Your Programs and Services
- Step 9 – Assessing Finance
- Step 10 – Assessing Communications and Public Relations
- Step 11 – Assessing Infrastructure
- Step 12 – Setting Your Final Priorities
- Step 13 – Developing Your Plan of Action
- Conclusion
- Evaluation Summary of the Online Workshop
- Bibliography of Resources

Introduction to organizational capacity

Almost all not-for-profit organizations:
- Have few resources
- Have a strong focus on their mission
- Tend NOT to give priority to their organizational capacity

This leads not-for-profit organizations to allocate the vast majority of their financial and human resources to fulfilling their missions and to consistently under-resource their organizational capacity. As valuable and noble as it is to focus on your mission, if you are not mindful of your organization's capacity, your agency may have trouble surviving and meeting its mission and achieving its goals in the long term.

In addition, funders and the community at large are increasingly looking to not-for-profit organizations to be more professional and accountable. The days of simply doing good works are over. Commitment to mission and good works AS WELL as a high level of organizational competence are demanded from not-for-profit organizations.

These factors point to the importance of regularly assessing your current and future organizational capacity to improve programs and services and to make the most effective use of scarce resources.

So what does "assessing your organizational capacity" mean? It means examining and making critical decisions about the internal structures, policies and practices of your literacy agency. It means improving your ability to carry out effective programming by identifying and addressing the critical capacity gaps facing your agency.

Despite the importance of organizational capacity in overall program planning and implementation, it is only now beginning to attract attention. Once again, literacy is on the cutting edge!

Assessing your organizational capacity helps you to:

- Focus on your mission
- Focus on what is really important in your organization
- Improve current organizational practices to strengthen your agency
- Make the most efficient and effective use of financial and human resources
- Make sound decisions about current and future programs and services

Fundamentally, it will give you information about ways you can improve your literacy agency.

Despite its importance, very little information currently exists on the topic of assessing organizational capacity. Therefore, Community Literacy of Ontario has developed a process called *"13 Smart Steps to Assessing Your Organizational Capacity*". Using 13 worksheets, CLO will lead you through a full assessment of the organizational capacity of your literacy agency. Here we go …

A quick tour of CLO's "13 Smart Steps to Assessing Your Organizational Capacity"

Here is a brief summary of Community Literacy of Ontario's *"13 Smart Steps to Assessing Your Organizational Capacity"*. During this workshop, we will guide you through each of these 13 steps using detailed worksheets, a comprehensive process and a case study of each of the steps.

Agencies should feel free to use any or all of the parts of this process that meet their needs and adapt the worksheets as appropriate. The 13 steps are not proscriptive, they form a guideline designed to be used flexibly to meet the needs of your literacy agency.

13 SMART STEPS TO ASSESSING YOUR ORGANIZATIONAL CAPACITY	Time
Small Group initial planning meeting (one hour in total)	
1. Is your agency ready?	½ hour
2. Developing the process	½ hour
Day 1 - Board / Staff retreat (five hours in total)	
3. Developing your focus	½ hour
4. Assessing organizational mission	½ hour
5. Assessing board governance	½ hour
6. Assessing paid staff capacity	½ hour
LUNCH	½ hour
7. Assessing volunteer capacity	½ hour
8. Assessing programs and services	½ hour
9. Assessing finance	½ hour
10. Assessing communications and public relations	½ hour
11. Assessing infrastructure	½ hour
Day 2 – Board / Staff follow up meeting (three hours in total)	
12. Setting your final priorities	1.5 hour
13. Developing your plan of action	1.5 hour

Step 1 – Is your agency ready?

The first step in CLO's *"13 Smart Steps to Assessing Your Organizational Capacity"* is perhaps the simplest: determining whether or not your agency is ready to assess its organizational capacity. Don't forget to tailor this worksheet and process as best suits the needs of your agency!

SUGGESTED PROCESS FOR STEP ONE:

The Board Chair and the Program Coordinator (or Executive Director) and perhaps one or two other leaders in your agency should meet together and use Worksheet #1 (following page) to assess the agency's readiness for conducting an organizational capacity assessment.

Brainstorming and discussing the questions raised on this worksheet and deciding whether your agency is ready to assess your organizational capacity should take on average ½ hour.

If after completing worksheet #1, you decide that your organization is NOT ready now, don't despair; it's better to find this out before you get started. Perhaps it will be ready in a few months, or next year. Don't be discouraged; just try again at a future time!

However, if after completing Worksheet #1, you decide that your agency IS ready – then follow the next steps to conducting an assessment of the organizational capacity of your agency.

Is your literacy agency ready for an organizational capacity assessment? Worksheet #1	
	Yes / No
⇒ Are the board and staff in your literacy agency open to change, new ideas and constructive criticism aimed at improving the way your agency operates?	
⇒ Is the leadership of your literacy agency truly committed to assessing your organizational capacity and addressing the issues and needs identified? ⇒ Resources will be required for both assessing your needs and implementing the plan of action. Is there organizational support for this?	
⇒ Is this a good time for your agency to conduct an assessment? Is there a major crisis or significant board / staff turnover occurring that demands the time and energy of your agency?	
⇒ A full day board / staff retreat plus a three-hour follow up meeting is the recommended timeframe for conducting all future steps in this assessment. Will the staff and board give the necessary time to this process to make it successful?	
⇒ Will the board and staff view an organizational capacity assessment as a positive process designed to improve agency effectiveness?	
⇒ Add any other comments about the readiness of your agency:	
⇒ Based on the above questions and reflections, do you truly think your agency is ready to conduct an organizational assessment at this time?	

ABC LITERACY COUNCIL CASE STUDY: ARE YOU READY?

We have woven a case study into each step of Community Literacy of Ontario's *13 Smart Steps to Assessing Your Organizational Capacity.*

The fictitious ABC Literacy Council is located in a medium sized urban city in Ontario. The council has been in existence for 15 years. It has a board of 10 (including three learners and two tutors) and a staff of 2.5 people (an Executive Director, a Student – Tutor Coordinator and a part-time Administrative Assistant / Bookkeeper). Each staff person has been with the council for at least three years.

The council focuses mainly on providing one-to-one volunteer tutoring. There are currently 40 active tutor / learner matches who meet either at the local library or at the agency's office. In total, the council has 45 volunteers (tutors, board members and a few administrative volunteers). It also has a small family literacy program in partnership with the local library. The council is extremely active and well respected in the community.

Is your literacy agency ready for an organizational capacity assessment?

CASE STUDY – ABC LITERACY COUNCIL

- ⇒ The Executive Director, Student / Tutor Coordinator, the Board Chair and Vice-Chair of the ABC Literacy Council met for a ½ hour to discuss the questions on worksheet #1.
- ⇒ They believed that all of the staff and the majority of the board are very open to change, new ideas and constructive criticism.
- ⇒ They believed there was genuine support for examining current and future organizational practices with the goal of improving the literacy council's programs and services.

- ⇒ One or two long term board members seem to resent the implication that any change needs to be made, but since these individuals have extreme good will towards the organization, it was felt that they would be constructive during this process and that they would support whatever direction was identified as beneficial for the council.

- ⇒ Although the board and staff at times feel overwhelmed with the many day–to-day tasks needing attention in their agency, overall this is a very stable time for the ABC Literacy Council.

- ⇒ The group decided that the ABC Literacy Council was very ready to conduct an organizational capacity assessment. While the council had few resources to commit to this assessment process, they did commit the board's volunteer time and the staff's time as well as $100 to cover meeting and printing costs. They realised that additional resources would also be needed to implement any required changes.

Step 2 – Developing the process

The second step in CLO's *"13 Smart Steps to Assessing Your Organizational Capacity"* is to help your agency develop a suitable process for it to conduct a capacity assessment. The second step takes place at the initial planning meeting of the smaller group. Don't forget to tailor this worksheet and process as best suits the needs of your agency!

CLO's recommended process for conducting an assessment of the organizational capacity of your literacy agency is as follows:

- The organizational capacity assessment should take place at a full day board / staff retreat, followed by a three hour additional meeting soon afterwards.
- All board and staff members should be invited to attend.
- Many literacy agencies have learners on their boards. Agencies that do not have learners on their boards will need to consider other ways to get the important learner perspective. It is also important to think about how you could include the perspective of your volunteers.
- The board and staff, first individually BEFORE the retreat, then as a group DURING the retreat, review and discuss organizational capacity Worksheets #3-11. This will help keep the discussion during the retreat focused on these issues. It will also provide an opportunity for people to clearly think about the issues ahead of time.
- Appoint a skilled facilitator. The facilitator could be from your board of directors. However, if no one on your board has the necessary skills (or desire to facilitate!) or if the issues facing

your agency are likely to cause conflict and serious dissention, we recommend that an outside facilitator be used. Whether internal or external, the facilitator should be fair, impartial and well respected by the group. In addition, he or she should have top-notch skills in communication, leadership and team building.

ALTERNATIVE PROCESSES:

If holding a board / staff retreat is not possible for your agency, consider these alternatives:

- Have a smaller group (who has been given this authority by the board) made up of key board and staff members conduct this same process and report their findings back to the full board and staff.
- Use CLO's *13 Smart Steps to Assessing Your Organizational Capacity* as a workbook to be filled out individually by board and staff members at their convenience. Have them submit their responses to the Board Chair for further discussion and action.
- Staff in your agency could also use these worksheets to conduct an "annual tune-up" of organizational processes and practices and bring any critical issues to the board's attention.

DECIDING UPON YOUR AGENCY'S PROCESS

Have your initial planning team (the Board Chair and the Program Coordinator or Executive Director and perhaps one or two other leaders in your agency) meet to develop an appropriate process for assessing your organizational capacity.

This meeting will be a continuation of the initial planning meeting held in step one.

Answering the questions on Worksheet #2 will set in motion a suitable process tailored to the needs and culture of YOUR agency. This exercise should take approximately a ½. hour.

Developing the process for your organizational capacity assessment **Worksheet #2**
⇒ What process will your agency use to conduct your organizational assessment process? (CLO recommends a full day board / staff retreat; followed by a three hour meeting held soon afterwards)
⇒ When?
⇒ Where?
⇒ Who will attend? (CLO recommends the full board and staff)
⇒ How will you gain input from learners and volunteers? Are they on your board? Or will you find other ways to gain their input?
⇒ Who will facilitate this process? The Board Chair? Another board member? An external facilitator? Remember, the facilitator will need to be impartial and will need excellent communication and facilitation skills. You could try accessing a volunteer external facilitator by contacting your nearest Volunteer Centre or the Leadership Development Program of your closest United Way (some of these volunteers may be willing to travel to other communities if you do not have such organizations locally).

ABC LITERACY COUNCIL CASE STUDY: DEVELOPING THE PROCESS

After deciding in step one that the ABC Literacy Council was indeed ready to assess its organizational capacity, the Executive Director, Student / Tutor Coordinator, the Board Chair and Vice-Chair continued their meeting. They used Worksheet #2 to decide upon the process.

Developing the process for your organizational capacity assessment CASE STUDY – ABC LITERACY COUNCIL
⇒ The Executive Director, Student / Tutor Coordinator, the Board Chair and Vice-Chair decided the ABC Literacy Council should hold a full day board / staff retreat followed by a three hour evening meeting the following week to conduct an organizational assessment.
⇒ Everyone felt it was critical to have all board members and staff attend.
⇒ The Board Chair polled all board and staff members and they set aside a Saturday from 10 a.m. – 4:00 p.m. as the time for the board / staff retreat. This would be followed by a 3-hour meeting the next Thursday evening.
⇒ Since three learners are on their board, the group felt that the learner perspective could be gained from these board members. Two volunteer tutors are also on the board, so their perspective would also be available at the board / staff retreat.
⇒ The Board Chair wanted to actively participate, and she preferred not to facilitate the retreat. The group decided that no other board members had the required skills or impartiality needed. The group felt that an external facilitator should be found. They agreed that the Executive Director should approach the local Volunteer Centre in order to find a volunteer facilitator.

Step 3 – Developing your focus

The third step in CLO's *"13 Smart Steps to Assessing Your Organizational Capacity"* is helping your agency to understand the key reasons "why" you need to conduct an organizational assessment. This activity, and all future activities, occur at the board / staff retreat. Don't forget to tailor this worksheet and process as best suits the needs of your agency!

Such an assessment will help you to understand what issues are likely to arise, how serious your problems are (or aren't!); what your focus will be; the extent of resources needed; who should be involved; and who needs to act upon the results of your assessment. This exercise should take approximately a ½. hour.

THE TWO MAIN REASONS FOR CONDUCTING AN ORGANIZATIONAL ASSESSMENT:

Conducting an internal tune-up

- Your agency needs an internal tune up to improve its organizational capacity.

- Your agency has internal concerns. For example, it is evident that your agency has problems in the area of board roles and responsibilities or staff retention and you want to find out how these areas can be improved.

- Your agency is experiencing external pressures. For example, it isn't able to meet its required contact hours or there is concern about the decision-making capacity of the organization.

Planning for the future

- It can be used to assess the viability of bringing in a new program or service. For example, you are considering whether or not you should incorporate a small group model of instruction in your agency.

- It can be used to expand existing programs. For example, you think you need to increase the number of volunteers in your agency – but you wonder how many more volunteers existing staff can effectively support.

- It can be used to assess whether new programs or services should be undertaken. For example, you become aware of new opportunities for growth in family literacy because of the start up of an "Early Years Centre" in your community.

- It can be used to assess the need to discontinue a program or service that you may feel is no longer useful, relevant and / or manageable. For example, it is getting increasingly difficult to recruit fundraising volunteers and you wonder whether it is still wise to continue to hold the annual spaghetti supper.

SUGGESTED PROCESS FOR STEP THREE:

Answering the questions on Worksheet #3, first individually and then as a group will help both board and staff to understand the viewpoints and beliefs of each member of the group. This exercise should take approximately a ½. hour.

Developing the focus of your organizational capacity assessment **Worksheet #3**
⇒ Before the day-long board / staff retreat, get each person to individually consider and write down their answer to this question: *"What do you think are the three mains reasons that ABC Literacy Council needs to conduct an assessment of its organizational capacity?"*
⇒ In a round table format, have each person **BRIEFLY** share his or her three reasons. Make sure that ALL voices are heard! Make note of people's reasons and issues on a flipchart. Remember that this is a brainstorming activity – at this point all responses are valid and priorities will be established later on.
⇒ If possible, try to group people's reasons into common themes. However, it is not necessary to try to achieve consensus on the reasons. Also, you are not trying to solve or defend these issues. Your goal is to hear people's thoughts, needs and concerns. There are no right or wrong answers!

ABC LITERACY COUNCIL CASE STUDY: DEVELOPING THE FOCUS

The board and staff of the ABC Literacy Council individually filled out Worksheet #3 BEFORE the retreat. They then shared their feedback during a group discussion at the board / staff retreat.

Developing the focus of your organizational capacity assessment ABC LITERACY COUNCIL CASE STUDY
Before the retreat, each person identified three issues that were important to him or her. At the retreat, the group discussed their feedback and mentioned a wide variety of issues and concerns.
Some recurring themes were: ⇒ Need for more HR expertise on the board ⇒ Need for more staff ⇒ Need for more financial resources ⇒ Need to update both the personnel and financial policies ⇒ Need for more board training in board roles and responsibilities ⇒ Need for board and staff to focus more on the organizational mission when deciding about new programs and services
⇒ Overall, the group enjoyed this discussion. However, it was hard to limit some people to three points, and others spoke at length about their issues. However, the facilitator for the most part kept the discussion on track and on time by stating and enforcing the ground rules (½ hour discussion in total; round table format where each person gets to speak in turn; three BRIEF points; no right or wrong answers, mutual respect).
⇒ For the most part, this discussion was very beneficial, since people learned from one another and heard each other's issues and concerns. Everyone present was struck by the high degree of commitment from all board and staff members to improving the programs and services of the council.

Step 4 – Assessing organizational mission

The fourth step in CLO's *"13 Smart Steps to Assessing your Organizational Capacity"* is to assess your organizational mission. Use Worksheet #4 as a framework to assess and discuss this important issue. Have your board and staff fill out this worksheet individually BEFORE the retreat, then hold a group discussion DURING the retreat with the goal of setting a group ranking for each issue.

The ranking scale has been set as follows: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis). CLO recommends that all areas that are ranked by the group as a 3, 4, or 5 be flagged as concerns for future discussion (step 12). In total, this exercise should take a ½ hour. Tailor this worksheet as needed for your agency.

Organizational Mission ASSESSING YOUR ORGANIZATIONAL CAPACITY WORKSHEET #4 Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)	Ranking
Internal tune-up:	
⇒ Our agency has a clear mission and purpose	
⇒ Our mission continues to be relevant to our community	
⇒ All of our agency's *existing* programs and services are clearly related to our mission	
⇒ We have developed a mission statement and a process for its regular review	
⇒ Our board of directors, volunteers, learners, staff, our members and our external stakeholders understand our mission statement	
Planning for the future:	
⇒ Any of our agency's *proposed new* programs and services are clearly related to our mission	
Other: ⇒ List any other organizational capacity issues relating to "mission" that are appropriate for your agency	

ABC LITERACY COUNCIL CASE STUDY: ORGANIZATIONAL MISSION

The board and staff of the ABC Literacy Council individually filled out Worksheet #4 BEFORE the retreat. They then shared their feedback during a group discussion at the board / staff retreat and set the overall rankings for each component of organizational mission. ABC Literacy Council gave a ranking of excellent or good to all areas not mentioned below. After giving themselves a well-earned pat on the back – they then identified the following capacity gaps.

Organizational Mission – Case Study ***Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)***	**Ranking**
Problem areas identified in the internal tune-up:	
⇒ Our board of directors, volunteers, learners, staff, our members and our external stakeholders understand our mission statement ⇒ *The board and staff believed that their mission statement was not featured prominently enough in the office, on correspondence and promotional materials.*	3
Problem areas identified in planning for the future:	
⇒ Any of our agency's *proposed new* programs, services, projects and other activities are clearly related to our mission ⇒ *The group felt that both board and staff should carefully consider new programs with the mission statement more clearly in mind*	4

Step 5 – Assessing board governance

The fifth step in CLO's *"13 Smart Steps to Assessing Your Organizational Capacity"* is assessing your board governance practices. Have your board and staff fill out this worksheet individually BEFORE the retreat, then hold a group discussion DURING the retreat with the goal of setting a group ranking for each issue. CLO recommends that all areas that are ranked by the group as a 3, 4, or 5 be flagged as concerns for future discussion (step 12). In total, this exercise should take a ½ hour. Don't forget to tailor this worksheet and process as best suits the needs of your agency.

Board Governance ASSESSING YOUR ORGANIZATIONAL CAPACITY WORKSHEET #5 Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)	Ranking
Internal tune-up:	
⇒ Our board members have the commitment, knowledge and skills to effectively govern our agency	
⇒ Our agency has an effective board governance structure	
⇒ Our board understands its roles and responsibilities	
⇒ Our board focuses its efforts on key governance issues and not on management or operational issues	

⇒ Our agency is successful at board recruitment and board retention	
⇒ We have excellent processes for board orientation, development, support and evaluation	
⇒ Our board meetings are well-organized, productive and are held regularly	
⇒ We have an effective committee structure	
⇒ Our board adheres to our bylaws and reviews them regularly	
⇒ Our agency has Directors & Officers liability insurance	
⇒ Our board is aware of the issues related to literacy in our community	
⇒ Our board demonstrates accountability and sound decision-making	
Planning for the future:	
⇒ Our current board members have the commitment, knowledge and skills to effectively govern any *new* programs and services	
⇒ If there were skills gaps associated with governing new programs and services, we could recruit board members with the needed skills	
Other: ⇒ List any other organizational capacity issues relating to "board governance" that are appropriate for your agency	

ABC LITERACY COUNCIL CASE STUDY: BOARD GOVERNANCE

The board and staff of the ABC Literacy Council individually filled out Worksheet #5 BEFORE the retreat. They then shared their feedback during a group discussion at the board / staff retreat and set the overall rankings for each component of board governance. ABC Literacy Council gave a ranking of excellent or good to all areas not mentioned below. However, the council identified the following capacity gaps.

Board Governance – Case Study **Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)**	**Ranking**
Problem areas identified in the internal tune-up:	
⇒ Our board members have the commitment, knowledge and skills to effectively govern our agency ⇒ *Staff rated the board as having the required skill sets. However, board members themselves strongly identified that they felt that they did not have the required skills in the areas of HR and insurance.*	3
⇒ Our board meetings are well-organized, productive and are held regularly ⇒ *Board members don't feel well enough informed at meetings and they want to receive meeting packages at least one week in advance.*	3
Problem areas identified in planning for the future:	
⇒ Our current board members have the commitment, knowledge and skills to effectively govern any new programs or services ⇒ *Board members identified gaps (HR) in their ability to govern a growing agency. They felt that one or two new board members would be needed with more advanced HR skills.*	4

Step 6 – Assessing paid staff capacity

The sixth step in CLO's *"13 Smart Steps to Assessing Your Organizational Capacity"* is assessing your paid staff capacity. Have your board and staff fill out this worksheet individually BEFORE the retreat, then hold a group discussion DURING the retreat with the goal of setting a group ranking for each issue. CLO recommends that all areas that are ranked by the group as a 3, 4, or 5 be flagged as concerns for future discussion (step 12). In total, this exercise should take a ½ hour. Don't forget to tailor this worksheet and process as best suits the needs of your agency!

Paid Staff Capacity **ASSESSING YOUR ORGANIZATIONAL CAPACITY WORKSHEET #6** **Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)**	**Ranking**
Internal tune-up:	
⇒ We have enough paid staff to fulfil the staff roles needed in our agency	
⇒ Our agency is successful at recruiting and retaining competent paid staff	
⇒ Our staff are committed to our agency and motivated to do their jobs	
⇒ Our staff receive initial and ongoing orientation and training	
⇒ Our staff understand their roles and responsibilities and have clear lines of accountability	

⇒ We have fair and effective processes for recruiting, supervising, supporting and evaluating our paid staff	
⇒ We have enough staff to effectively support the number of student / tutor matches in our agency	
⇒ Our agency has written personnel policies that are reviewed and updated regularly	
⇒ All staff have updated job descriptions	
⇒ Our agency is able to provide suitable wages and benefits to staff	
⇒ Our staff have the skills required to do the *current* tasks required in our agency	
⇒ Our Coordinator or Executive Director provides sound management and effective leadership in our agency	
Planning for the future:	
⇒ We have enough paid staff to fulfil the staff roles needed if our agency expanded its programs or services	
⇒ Our staff have the skills required (or our agency could provide training) if our agency expanded its programs or services	
⇒ If needed, we would be able to recruit additional staff with the necessary skills if our agency expanded its programs or services	
Other: ⇒ List any other organizational capacity issues relating to "paid staff" that are appropriate for your agency	

ABC LITERACY COUNCIL CASE STUDY: PAID STAFF CAPACITY

The board and staff of the ABC Literacy Council individually filled out Worksheet #6 BEFORE the retreat. They then shared their feedback during a group discussion at the board / staff retreat and set the rankings for each component of paid staff. The group identified the following capacity gaps.

Paid Staff Capacity – Case Study **Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)**	**Ranking**
Problem areas identified in the internal tune-up:	
⇒ We have enough paid staff to fulfil the staff roles needed in our agency ⇒ *Both board and staff felt that their programs and services required one additional full-time staff person.*	4
⇒ Our agency has written personnel policies that are reviewed and updated regularly ⇒ *Everyone felt that the personnel policies, which have not been examined in three years, needed to be closely examined and updated. The council had been experiencing some recurring problems around staff overtime and holidays that could be easily addressed in policy.*	4.5
Problems areas identified in planning for the future:	
⇒ We have enough paid staff to fulfil the staff roles needed if our agency expanded its programs or services ⇒ *Board and staff had concerns about staff currently being overworked. They realised that they may need to say "NO" to new programming, or if they were to expand their programming, they would have to reduce other activities or find additional sources of funding.*	4

Step 7 – Assessing volunteer capacity

The seventh step in CLO's *"13 Smart Steps to Assessing Your Organizational Capacity"* is assessing your volunteer capacity. Have your board and staff fill out this worksheet individually BEFORE the retreat, then hold a group discussion DURING the retreat with the goal of setting a group ranking for each issue. CLO recommends that all areas that are ranked by the group as a 3, 4, or 5 be flagged as concerns for future discussion (step 12). In total, this exercise should take a ½ hour. Don't forget to tailor this worksheet and process as best suits the needs of your agency!

Volunteer Capacity **ASSESSING YOUR ORGANIZATIONAL CAPACITY WORKSHEET #7** **Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)**	**Ranking**
Internal tune-up:	
⇒ We have enough volunteers to fill the available positions (tutors and other volunteer positions) in our agency	
⇒ We offer meaningful volunteer opportunities in a variety of capacities	
⇒ Our agency is successful at recruiting and retaining competent volunteers	
⇒ We have effective processes for recruiting, training, supervising, supporting, and evaluating our volunteers	
⇒ Our volunteers are committed to our agency and motivated to do their jobs	

⇒ Our agency offers effective initial and ongoing tutor training	
⇒ Our other volunteers also receive initial and ongoing orientation and training	
⇒ Our volunteers understand their roles and responsibilities	
⇒ We have effective volunteer management policies and procedures	
⇒ All volunteers have updated position descriptions	
⇒ We regularly recognize the contributions of our volunteers	
⇒ Our tutors provide effective instruction to learners	
⇒ Our agency adequately supports all student / tutor matches	
⇒ Our volunteers have the skills required to do the required tasks	
Planning for the future:	
⇒ We have enough current volunteers to fill the volunteer positions needed if our agency expanded its programs or services	
⇒ Our current volunteers have the skills required if our agency expanded it programs or services or they would be willing to take additional training to learn those new skills	
⇒ If needed, we would be able to recruit volunteers with the necessary skills if our agency expanded its programs or services	
Other: ⇒ List any other organizational capacity issues relating to “volunteers” that are appropriate for your agency	

ABC LITERACY COUNCIL CASE STUDY: VOLUNTEER CAPACITY

The board and staff of the ABC Literacy Council individually filled out Worksheet #7 BEFORE the retreat. They then shared their feedback during a group discussion at the board / staff retreat and set the rankings for each component of "Volunteers". ABC Literacy Council gave a ranking of excellent or good to all areas not mentioned below. However, the council identified the following capacity gaps.

Case study – Volunteer Capacity **Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)**	**Ranking**
Problem areas identified in the internal tune-up:	
⇒ We have enough volunteers to fill the volunteer positions (tutors and other volunteer positions) in our agency ⇒ *The group wishes that there were more volunteer tutors who could work with learners on computers and the Internet. They also wished they had a volunteer skilled in desktop publishing.*	3
⇒ Our agency is successful at recruiting and retaining competent volunteers ⇒ *The council has troubles recruiting volunteer tutors skilled in computers and the Internet.*	3
⇒ Our agency offers effective initial and ongoing tutor training ⇒ *The council has difficulty getting tutors to attend ongoing training on key new issues. Many of these issues are critical for tutors to understand; yet it is often difficult getting them out!*	4

Step 8 – Assessing programs and services

The eighth step in CLO's *"13 Smart Steps to Assessing Your Organizational Capacity"* is assessing your "programs and services". Have your board and staff fill out this worksheet individually BEFORE the retreat, then hold a group discussion DURING the retreat with the goal of setting a group ranking for each issue. CLO recommends that all areas that are ranked by the group as a 3, 4, or 5 be flagged as concerns for future discussion (step 12). In total, this exercise should take a ½ hour. Don't forget to tailor this worksheet and process as best suits the needs of your agency!

Programs & Services **ASSESSING YOUR ORGANIZATIONAL CAPACITY WORKSHEET #8** **Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)**	**Ranking**
Internal tune-up:	
⇒ Our agency offers programs and services that are centred on the needs of learners in our community	
⇒ Our agency offers quality programs and services that are clearly linked to our mission	
⇒ Our agency conducts effective long and short-term planning	
⇒ Our agency consistently meets our stated goals for our programs and services and for our business plan	
⇒ Our agency provides quality instruction to learners	

⇒ Our agency meets the 18 core quality standards for LBS agencies	
⇒ Our Literacy and Basic Skills-funded program meets the requirements of the LBS guidelines (including the five fundable functions)	
⇒ Our agency meets our stated contact hours	
⇒ Our agency monitors and evaluates its programs and services	
⇒ We have successful program visits with our MTCU field consultant	
Planning for the future:	
⇒ Any future programs and services would be clearly linked to our mission	
⇒ Any future programs and services have gone through a planning process and have the support and buy-in from the board and the staff	
⇒ Any future programs and services would be highly relevant to the needs of learners and our community	
Other: ⇒ List any other organizational capacity issues relating to “programs & services” that are appropriate for your agency	

ABC LITERACY COUNCIL CASE STUDY: PROGRAMS & SERVICES

The board and staff of the ABC Literacy Council individually filled out Worksheet #8 BEFORE the retreat. They then shared their feedback during a group discussion at the board / staff retreat and set the rankings for each component of "programs & services". ABC Literacy Council gave a ranking of excellent or good to all areas not mentioned below. However, the council identified the following capacity gaps.

Case study – Programs & Services ***Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)***	**Ranking**
Problem areas identified in the internal tune-up:	
⇒ Our agency meets our stated contact hours ⇒ *The council meets its contact hours each month. However, the group wonders whether using a combination of one-to-one tutoring and a new small group model would help the council to continue to meet its contact hours in the future.*	3
Problem areas identified in planning for the future:	
⇒ Any future programs and services will have gone through a planning process and have the support and buy-in from the board and staff ⇒ *The group felt that sometimes they have a tendency to chase "carrots" (pursue funding for the issue of the day) in order to secure more funds for the council. They felt that they should perhaps conduct a more thorough planning process and assessment before taking on any new future programs and services.*	4

Step 9 – Assessing finance

The ninth step in CLO's *"13 Smart Steps to Assessing Your Organizational Capacity"* is assessing "finance". Have your board and staff fill out this worksheet individually **BEFORE** the retreat, then hold a group discussion **DURING** the retreat with the goal of setting a group ranking for each issue. CLO recommends that all areas that are ranked by the group as a 3, 4, or 5 be flagged as concerns for future discussion (step 12). In total, this exercise should take a ½ hour. Don't forget to tailor this worksheet and process as best suits the needs of your agency!

Finance **ASSESSING YOUR ORGANIZATIONAL CAPACITY WORKSHEET #9** **Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)**	**Ranking**
Internal tune-up:	
⇒ Our board and staff actively plan for the financial needs of our agency	
⇒ Our agency has adequate financial resources to fund our *current* programs and services	
⇒ Our agency has stable core funding	
⇒ Our agency has several different sources of funding	
⇒ Our agency assesses reasonable costs and sets realistic budgets for all programs and services	
⇒ Our agency has strong financial accountability to the board, our members, our donors and funders	

⇒ Our agency follows generally accepted accounting practices and has a system of internal financial controls	
⇒ Our board regularly reviews, monitors and understands our financial statements and budgets	
⇒ Our agency has sound bookkeeping systems	
⇒ Our agency has a comprehensive financial review by a qualified external source each year	
⇒ Our board has the skills required to monitor financial practices and reports	
⇒ Our agency has written financial policies that are reviewed and updated regularly	
⇒ Our agency has a reserve fund that covers 3-6 months of operations	
Planning for the future:	
⇒ The board and staff actively plan for the financial needs of *future* programs and services	
⇒ Our agency has assessed (or would assess) reasonable costs and has set realistic budgets for all *future* programs and services	
⇒ Our agency has (or would be able to access) adequate financial resources to fund any *new* projects, programs or services	
Other: ⇒ List any other organizational capacity issues relating to "finance" that are appropriate for your agency	

ABC LITERACY COUNCIL CASE STUDY: FINANCE

The board and staff of the ABC Literacy Council individually filled out Worksheet #9 BEFORE the retreat. They then shared their feedback during a group discussion at the board / staff retreat and set the rankings for each component of board governance. ABC Literacy Council gave a ranking of excellent or good to all areas not mentioned below. However, the council identified the following capacity gaps.

Case study – Finance ***Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)***	**Ranking**
Problem areas identified in the internal tune-up:	
⇒ Our agency has adequate financial resources to fund our *current* programs and services ⇒ *The group believes its programs and services are under funded.*	4
Problem areas identified in planning for the future:	
⇒ Our agency has (or would be able to access) adequate financial resources to fund any *new* programs or services ⇒ *The group is not confident that it could adequately fund its new small group program. Also, the council would like to get more actively involved in family literacy programming but is unsure whether sufficient funds would be available on an ongoing basis.*	4

Step 10 – Assessing communications and public relations

The tenth step in CLO's *"13 Smart Steps to Assessing Your Organizational Capacity"* is assessing your "communications and public relations". Have your board and staff fill out this worksheet individually BEFORE the retreat, then hold a group discussion DURING the retreat with the goal of setting a group ranking for each issue. CLO recommends that all areas that are ranked by the group as a 3, 4, or 5 be flagged as concerns for future discussion (step 12). In total, this exercise should take a ½ hour. Don't forget to tailor this worksheet and process as best suits the needs of your agency!

Communications & Public Relations **ASSESSING YOUR ORGANIZATIONAL CAPACITY WORKSHEET #10** **Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)**	**Ranking**
Internal tune-up:	
⇒ Our agency regularly circulates information about its activities to its members and other stakeholders	
⇒ Our agency has positive and effective outreach strategies for promoting the work of our agency	
⇒ Our agency has a newsletter, a website, flyers, brochures, business cards and other appropriate communication tools	

⇒ Our agency has excellent relations with our community, external partners, and the corporate sector	
⇒ Our agency has excellent relations with its funders	
⇒ Our agency is well-known and well-respected in our community	
Planning for the future:	
⇒ Our plans for future programs and services would be supported in our community	
⇒ Our agency considers its organizational profile when determining whether or not it should undertake new activities and with whom	
⇒ We have (or could produce) the necessary communication tools (flyers, brochures, etc.) needed to promote any new programs and services	
Other: ⇒ List any other organizational capacity issues relating to "communications & PR" that are appropriate for your agency	

ABC LITERACY COUNCIL CASE STUDY: COMMUNICATIONS AND PUBLIC RELATIONS

The board and staff of the ABC Literacy Council individually filled out Worksheet #10 BEFORE the retreat. They then shared their feedback during a group discussion at the board / staff retreat and set the rankings for each component of "communications and public relations". The group identified the following capacity gaps.

Case study – Communications & Public Relations **Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)**	**Ranking**
Problem areas identified in the internal tune-up:	
⇒ Our agency has positive and effective outreach strategies ⇒ *Both board and staff feel that basically, they have very positive outreach strategies. However, they wondered whether they are focusing too much on the general community and not enough on new partners such as the Early Year's Centres, OW and the Rotary Club.*	3
⇒ We have a newsletter, a website, flyers, brochures, business cards and other communication tools that may be appropriate for our agency ⇒ *Board members wonder whether the council's newsletter has kept pace with the need to present a professional image. The newsletter is still produced in a very basic manner. They wonder about training staff in the use of more advanced Word skills or in Microsoft Publisher.*	3
⇒ Our agency has excellent relations with its funders ⇒ *The ABC Literacy Council had recently received a grant from a new funder (a foundation). The group was unsure whether they have been following up well enough with this new funder in order to cultivate a long-term relationship.*	4

Step 11 – Assessing infrastructure

The eleventh step in CLO's *"13 Smart Steps to Assessing Your Organizational Capacity"* is assessing your "infrastructure" (office and classroom space, office equipment, telecommunications, computer hardware and software, etc.). This is the last worksheet to be conducted at the full day retreat. Steps 12 and 13 occur at a later three-hour meeting.

Have your board and staff fill out this worksheet individually BEFORE the retreat, then hold a group discussion DURING the retreat with the goal of setting a group ranking for each issue. CLO recommends that all areas that are ranked by the group as a 3, 4, or 5 be flagged as concerns for future discussion (step 12). Don't forget to tailor this worksheet and process as best suits the needs of your agency!

Infrastructure **ASSESSING YOUR ORGANIZATIONAL CAPACITY WORKSHEET #11** **Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)**	**Ranking**
Internal tune-up:	
⇒ We have suitable office space and office equipment	
⇒ We have safe working conditions for our staff, learners and volunteers	
⇒ We have the necessary computer hardware and software to support our current programs and services	

⇒ We have the necessary telecommunications infrastructure (telephone, fax and email, Internet and required number of lines) to support our current needs	
⇒ Our staff and volunteers have the necessary technological skills (or access to training and support) to support our current programs and services	
⇒ Our agency has sufficient general liability, Directors and Officers liability and premises insurance	
Planning for the future:	
⇒ We have (or could access) funds for required office space and office equipment for our *future* needs	
⇒ We have (or could access) the necessary computer hardware and software to support our *future* programs and services	
⇒ We have the necessary telecommunications infrastructure (telephone, fax and email, Internet and required number of lines) to support our *future* needs	
⇒ Our staff and volunteers have the necessary technological skills (or access to training and support) to support our *future* programs and services	
Other: ⇒ List any other organizational capacity issues relating to "infrastructure" that are appropriate for your agency	

ABC LITERACY COUNCIL CASE STUDY: INFRASTRUCTURE

The board and staff of the ABC Literacy Council individually filled out Worksheet #11 BEFORE the retreat. They then shared their feedback during a group discussion at the board / staff retreat and set the rankings for each component of "infrastructure". Board and staff members identified the following capacity gaps.

Case study – Infrastructure Ranking scale: 1 (excellent); 2 (good); 3 (fair); 4 (poor); 5 (crisis)	Ranking
Problem areas identified in the internal tune-up:	
⇒ Our staff and volunteers have the necessary technological skills (or access to training and support) to support our current programs and services ⇒ *Staff needs more training in desktop publishing and in the use of Access (database). Our volunteers need more training in using the Internet and how to find quality literacy websites.*	3
Problem areas identified in planning for the future:	
⇒ We have (or could access) required office space and office equipment for our *future* needs ⇒ *A small group program would require larger classroom space.*	4
⇒ We have the necessary telecommunications infrastructure to support our *future* needs ⇒ *If a small group program were established, the need for one additional telephone line or high speed Internet access would be important to ensure learner access.*	4

Step 12 – Setting your final priorities

The twelfth step in CLO's *"13 Smart Steps to Assessing Your Organizational Capacity"* is to set the final priorities for your agency. In CLO's process, steps 12 and 13 are to happen at a later three-hour meeting shortly after the full retreat.

In Worksheets #4 to #11, the board and staff have worked through the key areas of organizational capacity. Use Worksheet #12 to set the most critical priorities for your agency. In total, this exercise should take one and one-half hours.

You will now need to focus your time and resources – there will not be time to do it all. You need to have the group choose what is really important for your agency to take on. You will also need to consider which issues your agency has the ability to address.

During the follow-up meeting, have the group assess and discuss the issues and gaps identified in Worksheets #4 to #11. Try to use consensus to select the most key issues facing your agency, but if that is not possible, use voting or "dotmocracy" (give each participant 3-5 dots and get them to place a dot on their top priorities). Don't forget to tailor Worksheet #12 and the process as best suits the needs of your agency.

SETTING YOUR FINAL PRIORITIES
Assessing Your Organizational Capacity - Worksheet #12

At follow-up meeting to the board / staff retreat, take ALL of the key gaps and needs identified in Worksheets #4 to#11 (everything assigned a 3, 4 or 5 by the group) and (by group discussion, consensus, voting or dotmocracy) put each of these issues into one of the following five categories:

a. This is an easy issue to implement; it can be implemented immediately.

b. This is a critical issue that can (or must) be addressed in the short term (immediately to one year). We have (or must find) the ability and resources to address this issue.

c. This is a critical issue that can (or must) be addressed in the long term.

d. This is a critical issue – but it is not feasible for us to address it at this time (we don't currently have the time, money, ability or influence).

e. This is an important issue, but it is not a high enough priority just now. Record this issue for future discussion.

You now know the key issues that are the most important priorities for your agency: all of the issues in points (a) and (b) above.

ABC LITERACY COUNCIL CASE STUDY: SETTING YOUR FINAL PRIORITIES

The board and staff of the ABC Literacy Council met at a three-hour follow-up meeting a few days after the full day retreat. The group discussed the issues identified in Worksheets #4 to#11. Using consensus, they ranked each issue as an (a); (b); (c); (d); or (e) according to the criteria in Worksheet #12. They knew that they could not do it all, so issues ranked under (a) *"This is an easy issue to implement; it can be implemented immediately"* or (b) *"This is a critical issue that can (or must) be addressed in the short term. We have (or must find) the ability and resources to address this issue"* were the priority issues for the board and staff to tackle.

Case study – Setting Your Final Priorities
The ABC Literacy Council ranked the following issues under "This is an easy issue to implement; it can be implemented immediately": • Feature the council's mission statement more prominently • Send out board meeting packages at least one week in advance • Send one staff person for two days of training in advanced Word skills to improve the council's newsletter • Send one staff person for two days of training in Access • The Board Chair and the Executive Director will try to schedule a visit with the new corporate funder • A board member will run an evening training session for volunteers on "using the Internet"

The ABC Literacy Council ranked the following issues under "This is a critical issue that can (or must) be addressed in the short term (immediately to one year). We have (or must find) the ability and resources to address this issue."

- Recruiting board members with HR skills
- Updating the personnel policies
- Addressing board and staff concerns about staff currently being overworked
- Conducting more thorough planning before taking on new programs and services
- Conducting more research into the agency's financial ability to support a small group program and expand its family literacy program

Step 13 – Developing your plan of action

The last step in CLO's *13 Smart Steps to Assessing Your Organizational Capacity* is to develop a plan of action for addressing each of your final priorities. In CLO's process, steps 12 and 13 are to happen at a later three-hour meeting shortly after the full retreat. Similar to program evaluation, this step is critical; otherwise, all of the work you have done will just end up as a report on a shelf collecting dust. Implementing the identified actions is the only way to bring about the changes your agency needs to make in order to improve its organizational capacity. You will probably want to hold a follow-up meeting three or six months down the road to review the action plan and its accomplishments. In total, Worksheet #13 should take one and one-half hours.

DEVELOPING YOUR PLAN OF ACTION
Assessing Your Organizational Capacity - Worksheet #13

At the follow-up meeting to the board / staff retreat, for each issue identified in step twelve as either being *"an easy issue to implement" or "a critical issue that can (or must) be addressed in the short term"*, have the group decide:

⇒ **WHO** will be responsible for addressing this issue?

⇒ **WHEN** should this issue be addressed?

⇒ **HOW** will this issue be addressed?

⇒ **WHAT** resources will your agency make available to address this issue (staff and volunteer time and financial resources)?

⇒ **HOW** will implementation of this issue be monitored?

ABC LITERACY COUNCIL CASE STUDY: DEVELOPING YOUR PLAN OF ACTION

The board and staff of the ABC Literacy Council met at a three-hour follow-up meeting a few days after the full day retreat. Using Worksheet #13, they developed a plan of action for each issue identified in step twelve as either *being "an easy issue to implement"* or *"a critical issue that can (or must) be addressed in the short term"*. The plan of action included who would be responsible; when the issue would be addressed; how it would be addressed; what resources would be available and how implementation would be monitored.

Case study – Developing Your Plan of Action

ISSUE: "Recruiting board members with HR skills"

- **WHO?** – The nominations committee will have primary responsibility.
- **WHEN?** – This issue will be addressed in the next three months.
- **HOW?**
    - The nominations committee will meet and brainstorm what types of human resource skills are needed, how many new board members are needed and who might be suitable candidates.
    - The Executive Director will post a notice at the local Volunteer Centre and online with Volunteer Canada and in the local paper if needed.
    - The nominations committee will present its report at the next board meeting where the other board members will give their input.
    - The Board Chair and Executive Director will approach all candidates.
- **WHAT RESOURCES?** – Beyond board and staff time, no new resources are required.
- **MONITORING IMPLEMENTATION** – This issue will be on the monthly board meeting agenda until it is resolved.

n Conclusion

This brings us to the end of *Assessing Your Organizational Capacity*. Thank you for joining Community Literacy of Ontario for the fourth module in CLO's *SmartSteps to Organizational Excellence* online workshop series.

valuation Summary of the Online Workshop

NUMBER OF PARTICIPANTS:

- 19 people took the Assessing Your Organizational Capacity workshop on May 22, 2002
- 16 people took this same workshop on June 5, 2002
- In combining these two workshops, evaluations were filled out by 21 people
- In order to promote honest feedback, the evaluations were completely anonymous

WORKSHOP CONTENT:

- 13 of 21 found the workshop content to be *"extremely useful"*
- 5 of 21 found the workshop content to be *"very useful"*
- 3 of 21 found the workshop content to be *"somewhat useful"*
- 0 of 21 found the workshop content to be *"not useful"*

WORKSHOP FACILITATION:

- 17 out of 21 found the workshop facilitation to be *"excellent"*
- 4 out of 21 found the facilitation to be *"very good"*
- 0 out of 21 found the facilitation to be *"good" or "poor"*

CONTENT LENGTH:

- The workshop was two hours long. Participants gave the following feedback its length:
- 17 out of 21 said *"just right"*
- 3 out of 21 said *"too short"*
- 1 out of 21 said *"too long"*

TECHNICAL ISSUES:

- 17 out of 21 found the online learning experience on CENTRA to be *"an effective way to learn"*
- 4 out of 21 found the online learning experience on CENTRA to be *"moderately easy"*
- 0 out of 21 found the online learning experience on CENTRA to be either *"moderately difficult"* or *"difficult"*

OTHER COMMENTS:

- "Thanks – this was a tough topic and you broke it down in just the right ways"
- "Great job – it definitely brought up many long-overdue issues I need to bring up with my board"
- "Well done both of you – I can't wait for the manual!"
- "The delivery of this workshop was the best!"
- "One of the best workshops for our organization. We are in the process of examining our organization and this has been most useful."
- "Excellent workshop – thanks for your hard work!"
- "I appreciated receiving a usable framework for this process. The worksheets will save us a lot of time"
- "I do get tons of useful, easy to implement information from these courses"
- "I am (once again) blown away by the amount of useful information I've acquired today"

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Community Literacy of Ontario's

SmartSteps to Organizational Excellence

Organizational Outcomes: A Practical Approach Online Workshop #5 – June 19, 2002

Introduction

Welcome to Community Literacy of Ontario's *Organizational Outcomes: A Practical Approach* workshop. This workshop is the final module in CLO's *SmartSteps to Organizational Excellence* online workshop series.

We are glad you've joined Community Literacy of Ontario for this timely online workshop that will introduce participants to some practical approaches to outcomes-based program evaluation. This workshop has been designed with the needs of CLO's members in mind. It has been designed to make outcomes-based program evaluation practical, useful and manageable for small non-profit organizations.

Learning Outcomes

By the end of today's workshop, participants will:

- Be familiar with the terminology specific to outcomes-based evaluation
- Learn how outcomes-based evaluation is different from other types of evaluation
- Be able to identify outcomes and outcome indicators within their own programs
- Be able to develop an outcomes-based evaluation process in their literacy agency

Workshop Outline

- Introduction to Organizational Outcomes
- Why Outcomes-Based Evaluation?
- Some Definitions
- Before you start…
- Choosing Outcomes
- Choosing Indicators
- Factors that can influence Outcomes
- Collecting the Data
- One Step at a Time…
- Analyze, Report and Use the Findings
- Conclusion
- Evaluation Summary of the Online Workshop
- Bibliography of Resources

Introduction to Organizational Outcomes

There is no one right way to carry out a program evaluation in your literacy agency. There are a number of approaches that you can take – in fact, there are at least 35 different approaches! Recently, however, outcomes-based evaluation has been gathering much attention and many not-for-profit organizations are starting to implement this method. The literacy field is no exception to this trend.

Traditionally, program evaluation has focused on statistics and targets and program activities. These are important aspects of your program to monitor, but increasingly programs, learners, funders and the general public are all are beginning to ask, "what impact is our program having on our clients?" This impact on clients is the focus of outcomes-based evaluation. It does not ignore the numbers and statistics we gather; rather, it combines the statistical information with other measurable indicators of success to help us identify and evaluate the impact our programs have on our learners.

Before we get into details, however, let's take a step back and look at program evaluation in general. Why do we even do it? What's the point? Does anyone ever look at the final report?

Simply put, evaluation places a value on something. We use the results of an evaluation to help us make critical decisions about our programs and to demonstrate our effectiveness to all of our stakeholder groups (learners, staff, volunteers, funders, the general public). Evaluation can focus on a single aspect of a program or it can encompass all activities that a program undertakes.

The first step in any program evaluation is to recognize that it is a positive activity; well worth the time and effort it takes. Its purpose is to help identify what a program is doing well and how it can improve what it does. It can and does have a positive influence on staff, volunteers, learners and the organization in general. Both funders and the general public will appreciate the information that a thorough program evaluation can provide.

In general, program evaluation can help you to:

- ☑ Understand, verify or increase the impact of your services.
- ☑ Improve delivery mechanisms to be more efficient and less costly.
- ☑ Identify program strengths and weaknesses.
- ☑ Verify that you're doing what you think you're doing – is the program running as planned?
- ☑ Facilitate staff and board thinking about what the program is all about including goals, how goals are met and how to know if the goals are met.
- ☑ Produce data to use for public relations and promotion.
- ☑ Produce valid comparisons between programs to help make decisions about continuing or discontinuing programs.

It is important to remember that evaluation is not done for its own sake – the purpose of a program evaluation is to gather information that can be used to make decisions. Sometimes, you want to know if your program is reaching its statistical goals: are you serving the number of learners you said you would in your business plan? You might use the answer to this question to help you make programming decisions about possible expansion.

Sometimes, however, you want to know more than just the numbers. You want to know if your program is making a difference in peoples' lives. When you conduct an outcomes-based evaluation, you gather information about the impact your programs and services are having on your client group, and you then determine how your program can better achieve the desired impact, or outcome.

Why Outcomes-Based Evaluation?

Outcomes-based program evaluation is a natural extension of what we already do in terms of program delivery in literacy agencies. We focus on learning outcomes – the end result of what a learner learns. Learning outcomes are more concerned with how people apply their learning than with how an instructor or a tutor delivers a curriculum. Similarly, program outcomes are more concerned with the impact a program has on people than on how the program is delivered. ***Program outcomes are the actual, measurable changes that our learners experience as a result of our programs.***

Now that we are becoming more comfortable and experienced with working with learning outcomes, it shouldn't be a huge leap of faith to begin to think in terms of outcomes when we're doing program evaluation. There is a natural connection – in both situations, we are focusing on people and how what we do and the services we provide impact those people. It truly is a very learner-centred approach!

In fact, our experience identifying and working with learning outcomes will stand us in good stead when we begin to identify program outcomes and their indicators. Many not-for-profits in other sectors are only just beginning to think in terms of outcomes, but once again we in the literacy field are a step ahead!

Outcomes-based evaluation helps programs identify if they are doing the right activities to bring about the outcomes identified as being needed by the clients. This differs from the more common goals-based evaluation in which a program identifies if it is meeting number targets (i.e. numbers of new learners, contact hours, etc.).

Outcomes-based evaluation focuses on what the client achieves rather than on how many clients there are or the quantity of service(s) delivered to those clients. More simply put, it focuses on the outcomes of the services provided. For example, rather than simply counting the numbers of new learners who joined the program this year, an outcomes-based evaluation could report on how many of those learners found a job as a result of the skills they learned. Other outcomes that we can measure in community-based literacy agencies include the impact our programs have on the number of learners on Ontario works or how our learners incorporate self-management/self-direction skills in their lives or how our learners might take on different roles in our programs (peer tutoring, join the Board of Directors, etc.)

There is an increasing need for not-for-profit agencies in all sectors to be more accountable. Government funders, public and private foundations and the general public are becoming more educated about the work that we do, and they are asking more questions about the impact our work is having. Volunteers want to know that the work they do makes a difference in someone's life. Measuring and reporting on outcomes can help you provide that information in a concrete way, rather than simply relying on anecdotal evidence.

Last, but certainly not least, the results of any evaluation can be used to help improve the services we offer. Outcomes-based evaluation particularly lends itself to this because the mission of almost any not-for-profit agency relates in some way, shape or form to making a difference in peoples' lives. We won't know if we are making that difference unless we carry out an outcomes-based evaluation, and we can then use the information we discover to help us improve what we do.

Outcomes measurement allows you to identify:

- What your program is designed to achieve;
- How your program plans to measure its impact; and
- How data will be collected and used to improve your program.

Because an outcomes-based evaluation will help you demonstrate that your program efforts are indeed making a difference for people, it can also help you:

- Document program achievement
- Adapt existing programs and plan new ones
- Communicate what your program does to a variety of stakeholder groups
- Strengthen and support existing programs by identifying what is working and what isn't
- Demonstrate accountability to funders and the general public

- Recruit and retain committed volunteers – they will know that they are choosing to work with a program that makes a difference
- Recruit and retain learners
- Identify staff and volunteer training needs
- Prepare long-term plans
- Focus attention on issues that arise.

Outcomes-based evaluation is a manageable process – in fact, these are activities that you should be carrying out as good management practice to help your organization evolve and prosper as it continues to meet client needs. However, it could be somewhat overwhelming to undertake a full-scale outcomes-based evaluation of your entire program. As we suggested in the Program Evaluation module, it’s best to start small – perhaps with a single program component. As you gain experience and an increased comfort level with the process, you will be more prepared to proceed with evaluating additional program components.

This type of evaluation has been gaining popularity in the not-for-profit sector in the past few years mainly because there has been increased pressure on organizations to not only demonstrate financial accountability but also to demonstrate that they really are making a difference for their clients.

“Traditional” evaluation identifies how the money is spent, how many clients are served and asks if the clients are satisfied with the service they receive, but it doesn’t evaluate the IMPACT the program has on those clients. Outcomes-based evaluation goes one step further – it provides concrete information on the program’s impact both during and after the client's participation in your program.

Simply stated, outcomes evaluation is a way of measuring how a program is making a difference in the lives of the people it serves.

> *To increase its internal efficiency, a program needs to track its inputs and outputs. To assess compliance with service delivery standards, a program needs to monitor activities and outputs. But to improve its effectiveness in helping participants, to assure potential participants and funders that its programs produce results, and to show the general public that it produced benefits that merit support, an agency needs to measure its outcomes.*[11]

[11] **Measuring Program Outcomes: A Practical Approach.** The United Way. Pg. 5.

Some Definitions[12]

Outcomes-based evaluation uses specific terminology. As you become more familiar with this type of program evaluation, you will notice these terms cropping up everywhere. Although it may seem somewhat confusing at first, the next section will give you some concrete examples to help you more clearly understand the various components of outcomes-based evaluation.

INPUTS:

The materials and resources that the program uses to support its activities (e.g. staff, volunteers, equipment, books). Inputs also include laws and regulations pertaining to the operation of your agency and funding requirements. They are fairly easy to identify.

ACTIVITIES:

This is what the program does with the client to meet his/her needs and to fulfill the mission (e.g. teaching, counselling). Activities result in outputs.

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[12] McNamara, Carter. **Basic Guide to Outcomes-Based Evaluation for Nonprofit Organizations with Very Limited Resources.** http://www.managementhelp.org/evaluatn/outcomes.htm and **Measuring Program Outcomes: A Practical Approach. United Way of America, 1996; pg. xv.**

OUTPUTS:

The units of service in your program or the direct results of the program's activities. Outputs are usually measured in terms of the volume of work accomplished (e.g. number of people taught, number of sessions offered). They can be controlled by the program, i.e. additional classes can be added if needed. Outputs should produce desired outcomes.

OUTCOMES:

The actual impacts/benefits/changes for participants during and after involvement with the program (e.g. stronger reading skills, enhanced independence). Outcomes are usually expressed in terms of knowledge and skills (short-term), attitudes and behaviours (intermediate-term) and values, conditions and status (long-term). The longer term the outcome, the less direct influence your program has over its achievement.

OUTCOME TARGETS:

The number and percent of participants you want to achieve the outcome (how much of your outcome you hope to achieve). For example, your program could set an outcome goal of 50 learners with enhanced employability skills (or 5% of the Ontario Works caseload). With some experience, programs can use the results of outcomes-based evaluation to set targets for the next reporting period.

OUTCOME INDICATORS:

The specific items of information that track a program's success on outcomes. They describe observable, measurable characteristics or changes that represent achievement of an outcome. The number and percent of participants who demonstrate the desired outcomes is an indicator of how well the program is doing with respect to that outcome.

Before you start...

In the Program Evaluation module, we introduced you to an eight-step process that can help make evaluation manageable for community-based literacy agencies. Now that we are focusing on outcomes-based evaluation, we are going to adapt that process slightly as follows:

1. ***The decision to evaluate***. Regardless of the type of evaluation you will be conducting (goals-based, process-based or outcomes-based), you need to identify why you're doing it and who will use the information.

2. ***Preparing for evaluation***. In this step, you will be thinking about the decisions you will be making based on the evaluation and the type of information you will need to make those decisions.

3. ***Choosing outcomes and indicators***. This is where the focus on outcomes starts. At this point, you will determine which

outcomes you will be evaluating and how you will measure those outcomes. We will examine this step in more detail in a few minutes.

4. ***Reviewing information***. Now we are back to the generic process. In this step, you review existing information from a wide variety of sources to help you measure the outcomes you chose in the previous step.

5. ***Developing the plan***. In this step, you will decide on the best method to gather the information you need to help you measure outcomes. There are a variety of techniques you can use.

6. ***Collecting the information.*** Now you will use the method(s) you chose in the previous step to gather your evaluation information.

7. ***Analyzing the information.*** After you have completed gathering the information, you will analyze it to determine if the outcomes you chose have indeed been met. You will also include information about factors that contributed to the achievement or non-achievement of those outcomes.

8. ***Using the Results.*** In this final step, you will write up a brief report about your findings and make decisions about programming changes. Of course, the next step will be to implement those changes. Then, you will plan for the next evaluation to see if those changes help you better meet your desired outcomes!

You are probably well on your way to conducting an outcomes-based evaluation, and you don't even know it! You have already identified your programs' inputs, activities and outputs. For example, you know how many paid staff and volunteers you have, what your annual funding is and what facilities you have.

What you probably don't know (and this is the case with most not-for-profits) is how your learners are using their enhanced literacy skills once they leave the program. For example, could you confidently state that 75% of exited learners are now filling out job applications both accurately and independently? This is the type of outcome we will be trying to identify using this evaluation approach.

Once you compile the information you already know, the beginning of your outcomes-based evaluation could look something like this:

Inputs	Activities	Outputs
Materials and Resources used by the program: • Money • Staff / staff time • Volunteers / volunteer time • Facilities • Equipment • Supplies *Constraints on the program:* • Corporation laws • Charitable status laws • Other laws • LBS guidelines • Other funders' guidelines	*What the program does with the inputs to fulfill its mission:* • Provide basic skills from LBS levels 1-3 • Conduct initial literacy assessments • Refer to other programs / agencies as appropriate • Participate in local literacy planning	*Direct results of program activities:* • Number of tutor / learner matches • Number of small groups • Number of participants assessed • Number of participants referred • Number of planning meetings attended

The next step towards your outcomes-based evaluation is identifying the outcomes generated from these inputs, activities and outputs.

Choosing Outcomes

This is the step in the process that makes outcomes-based evaluation different from traditional, more familiar approaches to program evaluation. It can be difficult at first to identify outcomes but it isn't impossible, and you will learn with experience. Of course, as a literacy practitioner you are already well on your way because of your knowledge about working with learning outcomes.

There are a number of excellent resources available to help you learn more about outcomes-based evaluation. For example, web sites like http://www.the2professors.com include downloadable forms. The United Way has some excellent resources, both in print and online. You can look up sample outcomes and indicators on their site at http://national.unitedway.org.

If you know someone who has already conducted an outcomes-based evaluation, ask him or her to review the outcomes you have chosen and provide you with input. Remember, evaluation shouldn't be the job of just one person – a team should be set up that includes representation from staff, learners, volunteers, the Board of Directors and even the community if possible. Having more than one person involved also helps ensure that several perspectives are available when making decisions and considering issues. Please refer to the Program Evaluation module for more information about setting up an evaluation team.

HERE ARE SOME SUGGESTIONS TO HELP MAKE OUTCOMES-BASED EVALUATION EASIER:

1. Ensure that all stakeholders have input into defining outcomes. Gather ideas and feedback from a variety of sources. The first place to start is within the evaluation team, but you can also go beyond that group. If you don’t have learner representation on the team, be sure to get their input. After all, we are trying to identify how our programs and services have impacted the lives of our learners, so who better to ask than the learners themselves?

2. Start with outcomes that have an immediate, direct impact on the learners, i.e. how will the lives of your program’s learner change/improve as a result of the program?

   Once you are comfortable doing that, move on to broader outcomes that look at the impacts on other groups of people in the community. For example, is there an impact for family members? Perhaps a learner’s wife no longer has to help him with his banking and now has more free time to pursue other interests. Or, does their child’s teacher have to spend less time providing after-school help because now the learner can do that?

   You can also go beyond the family to the wider community. For example, the Ontario Works caseworker might report that more clients are successfully finding and keeping employment thanks to the skills they learned at the literacy program.

   These broader outcomes are harder to measure, but once you have gained some experience, you might want to tackle some of them. Remember, however, that the longer-term the outcome, the harder it is to measure the direct impact your program had on it. Also, there may well be other factors that contribute to these broader outcomes (other agency involvement, overall change in the local economy) that make your program's contribution to the outcome more difficult to measure.

3. Get familiar with the terminology. It is easy to mix up outcomes and indicators, but they are distinct concepts (see definitions).

4. Collect only data that you will use and use the data you collect. Think about how you will use the data to evaluate BEFORE you start collecting it.

Remember, outcomes are the benefits, changes and/or impact for individuals during or after participating in the program's activities. It isn't always easy to identify just what is and what isn't an outcome. A number of factors can impact the outcomes but are not outcomes in themselves.

For example, purchasing new computers may help learners gain new skills. Their purchase and the amount of time learners spend on them may influence the eventual outcome (the gaining of new skills) but the computer purchase is NOT an outcome – it is an input.

Another example of what is NOT an outcome is participant satisfaction. An evaluation survey may indicate that 75% of previous learners were satisfied with the program, but that does not indicate if their knowledge and skills increased as a result of program activities. Therefore, participant satisfaction is NOT an outcome, although it may be a strong factor in program outcomes.

So just what is an outcome? Here are a few examples:

Program Activity	**Possible Outcomes**
Information and referral	Callers access the services, agencies, programs to which they are referred
Assessment	Clients are assigned an LBS literacy level based on a thorough assessment process.
Training	Learners gain new knowledge and skills and progress within and across LBS levels. Learners achieve their stated program goals.
Follow up	Former learners are contacted at 3 and 6 months after leaving the program and their current status is identified and recorded in the IMS.
English as a Second Language	Learners become proficient in oral and written English.
GED preparation	Participants obtain their GED certificate.
After-school homework program	Youths' attitude towards schoolwork improves. Youths complete homework assignments.

The purpose of identifying outcomes is not to establish a lengthy list for each program activity. The easiest way to start is to brainstorm possible outcomes then focus on two or three that are important for your program to measure. You can do this by weeding out outcomes that appear to duplicate or overlap each other. Upon reflection, some outcomes will be obviously less important than others. There is no magic “right” number of outcomes to choose. It will depend on the program components you are evaluating and the purpose of your evaluation. Also remember that you want to keep the evaluation manageable, so it is generally easier to work with a few outcomes at a time. As you gain experience with outcomes evaluation, you will be better equipped to evaluate multiple outcomes.

AFTER YOU HAVE IDENTIFIED THE OUTCOMES YOU WISH TO FOCUS ON, ASK YOURSELF THE FOLLOWING QUESTIONS ABOUT EACH ONE:

1. Is it reasonable to believe the program can influence the outcome even though it can’t control it? Be careful not to imply that your program can influence community-wide change if your aim is to impact individuals.

2. Will measuring the outcome help identify program successes and help pinpoint and address problem areas?

3. Will our stakeholders accept this as a valid outcome?

4. Are these outcomes relevant to our objectives/mission?

5. Will it help our agency improve its programs and/or services?

THE FOLLOWING ARE SOME SUGGESTIONS TO HELP YOU GAIN IDEAS REGARDING OUTCOMES:

- Consider key issues facing your programs (for example, low contact hours; an increased demand for family literacy programming).

- Review existing program materials (e.g. annual report, mission statement, articles of incorporation, funding applications). These documents probably suggest intended results.

- Talk with program staff and volunteers who work directly with participants. Ask them to tell you what they think the program does, what aspects of the program they feel are the most important and how they think participants benefit.

- Talk with learners! A good place to start is with reviewing training plans, goals and learning outcomes. Ask the learners how they have benefited from the programs and how they think they will continue to benefit. Talk to past learners and ask them the same questions.

- Meet with key board and committee members. They can help you identify community concerns and attitudes as well as identify the information that would be the most effective to communication to the general public.

- Meet with other agencies that provide direct referrals to your program. They can also give you insight as to expected and actual results from their point of view.

- Review letters of congratulations and complaint that you might have received.

- Review materials from other organizations that deliver similar services. They might have already identified outcomes that could be applicable in your program. You can take this one step further by actually collaborating in an outcomes-based evaluation with another program similar to yours. This issue could even be raised at the LCPP table.

- Talk with funders who are promoting outcomes measurement. They shouldn't be telling you what your outcomes will be but they can help clarify their expectations about outcome statements. LBS field consultants visit many programs each year, and they might be aware of other programs that could share their expertise with you.

- Post a message on AlphaCom or another Internet discussion group to find out what other agencies have done.

LEVELS OF OUTCOMES:

It is also important to think about the different levels of outcomes. There are often a series of outcomes leading to the ultimate outcome that the program hopes to achieve for its participants. The United Way suggests the following three levels of outcomes:[13]

[13] **Measuring Program Outcomes: A Practical Approach.** Pg. 32

1. INTIAL OUTCOMES:

The first benefits or changes participants experience. They are most closely related to and influenced by program outputs. Initial outcomes are usually changes in knowledge, attitudes or skills. They are not ends in themselves, but they are necessary steps toward the ultimate desired outcomes. For example, the ability of learners in Small Group A to prepare a cover letter and resume could be an initial outcome.

2. INTERMEDIATE OUTCOMES:

They link the initial outcomes to the longer-term, desired outcomes. They are often changes in behaviour that result from new knowledge, skills and attitudes. For example, the statistic that 75% of learners from Small Group A began including cover letters on a regular basis when submitting resumes could be an intermediate outcome.

3. LONGER-TERM OUTCOMES:

These are the ultimate outcomes the program wants to achieve for its participants. They represent meaningful changes for participants, often in their condition or status. For example, 50% of the learners from Small Group A who included cover letters with their resumes found jobs.

Outcomes are not intrinsically initial, intermediate or longer-term. What serves as an initial outcome for one program may be an intermediate outcome for another. It depends on the "chain of influence" or the "if-then relationship". For example, IF a learner works with a tutor who stresses the importance of education, THEN the learner will see education as important (initial outcome). IF the learner sees education as important, THEN he will attend tutoring sessions more regularly (intermediate outcome). IF the learner attends more regularly, THEN he is more likely to achieve his learning goal of gaining enhanced employability skills (intermediate outcome). IF he achieves his learning goal, THEN he is more likely to become employed (longer-term outcome).

When choosing which outcomes to measure, try to strike a balance between initial, intermediate and longer-term outcomes. This will help you gain information about ALL aspects of the program and will give you a more balanced final evaluation result.

Finally, there are some issues to keep in mind when choosing outcomes:

- Because you are involved in program evaluation, and this activity inherently identifies both positive and negative aspects of your program, it is also important to identify unintended negative outcomes that can occur. For example, if your program gave out rewards for meeting certain learning milestones, unintended negative outcomes could include cheating or bullying to obtain these rewards.

- There isn't a magic "right" number of outcomes for a program. One program will identify three while another might identify fourteen.

- The more immediate the outcome, the more influence a program generally has on its achievement. Some of the longer-term outcomes that you will identify rely on a complex chain of "if/then" scenarios and it only stands to reason that as ifs and thens are involved, there will also be an increasing number of other factors that effect the ultimate end result. Therefore it can be difficult to identify just how significant a particular program's impact is on the final outcome.

  Returning to the example of cover letters and resumes, the number of learners finding employment is probably not solely related to the fact that they incorporated cover letters with their resumes. Other factors will have contributed to this positive, long-term outcome as well. However, you should take credit where credit is due and include your program's role in the achievement of that outcome.

- Although you shouldn't exclude outcomes that may incorporate external factors, you should not identify longer-term outcomes that go beyond your program's purpose.

- Keep learning outcomes in mind and draw on your knowledge and experience working with them.

Choosing Indicators

So now you have a list of outcomes that you have carefully chosen. The next step is to identify at least one indicator per outcome. Ask yourself, "What would I see, hear and/or read about our program's learners that indicates the outcome has been achieved?"

Outcome indicators must be both observable and measurable. They must also be unambiguous – terms such as "substantial" and "adequate" are not specific enough to be used as indicators. Include numbers and percentages of participants (e.g. 25, or 30% of our clients, will meet their LBS goal this year). You will likely be able to use existing sources of information (IMS data, observation of current programs/services) to address many of the indicators you choose.

Timelines are also important. Include statements such as "learners with our program will demonstrate increased communication skills after six months of tutoring".

Like anything else, it will take some time and experience for you to become familiar with identifying outcome indicators. Start by choosing specific, observable accomplishments or changes that can tell you if each outcome has been achieved. Ask yourself how YOU would know – but remember to think in terms of measurable observations. Be sure to include the statistic(s) that summarize the program's performance for that particular outcome.

Be sure to draw on your knowledge about working with learning outcomes. When you are creating demonstrations and listing the skills incorporated in those outcomes, you are identifying a set of indicators. The terminology may be a bit different, but the concepts are the same.

To get a sense of how to choose indicators, let's look at the outcomes we identified in the previous section and establish indicators for each of them.

Program Activity	Possible Outcomes	Possible Indicators
Information and referral	Callers access the services, agencies, programs to which they are referred	Number and percent of agencies who report referrals
Assessment	Clients are assigned an LBS literacy level based on a thorough assessment process.	Number and percent of clients completing initial assessments. Number and percent of those who completed assessments who have an assigned LBS level on file.
Training	Learners gain new knowledge and skills and progress within and across LBS levels. Learners achieve their stated program goals.	Number and percent of learners who completed demonstrations. Number and percent of those learners whose records indicate they progressed within or across levels. Number and percent of learners who indicated they achieved their stated goals.

Follow up	Former learners are contacted at 3 and 6 months after leaving the program and their current status is identified and recorded in the IMS.	Number and percent of learners who are actually contacted. Number and percent of IMS records that include this information.
English as a Second Language	Learners become proficient in oral and written English.	Number and percent of learners who demonstrate an increased ability to speak and listen in English. Number and percent of learners who demonstrated an increased ability to read and write in English.
GED preparation	Participants obtain their GED certificate.	Number and percent of learners who successful obtain their GED certificate.
After-school homework program	Youths' attitude towards schoolwork improves. Youths complete homework assignments.	Number and percent of youths who demonstrate improved school attendance. Number and percent of youths who complete homework assignments accurately and on time.

Factors that can influence outcomes

Naturally, levels of achievement of outcomes will be different for each individual. But remember, you are not reporting individual results (although you are collecting that data) – you are reporting program results. You will do this by first collecting and analyzing individual data and then compiling the information.

When you are collecting initial data, you will want to know what circumstances contributed to the achievement or non-achievement of each outcome. Are these differences related to the program or the learners? At first glance, the raw data might tell one story but once the numbers are broken down into various sub-categories, the actual results might be quite different. There may be one or more factors that influence achievement of outcomes including:

- Demographic characteristics (age, gender, income, education level, etc.). This information can help you identify if certain categories of learners are achieving desired outcomes while others aren't. For example, perhaps achievement is lower for women than for men. It probably isn't simply because of the fact that the learners are women; there are likely other contributing factors such as childcare or transportation that come into play.

- "Hard-to-serve" clients. Achievement of outcomes can be affected by how easy or how hard it is to help certain learners. For example, when Ontario Works was first created, success rates were fairly high because participants with fewer barriers and higher skills levels moved fairly quickly through the system. However, as time has passed, the harder-to-serve group may still be working through certain issues and haven't achieved the desired outcomes as rapidly as others did. This doesn't mean that programming is less effective, but it does mean that contributing factors have to be taken into account and perhaps outcome targets will need to be modified.

- Geographical considerations (neighbourhood or town, distance, travel, rural or urban). Similar to demographic considerations, this information can help you identify if a certain group of clients is achieving more or fewer outcomes than another. If five or six learners live near to each other and get together in the evening for a homework club, this could impact positively on outcomes achievement. Or if certain learners live quite far from the program and/or their tutor, they may miss sessions because of transportation issues. This would impact negatively on outcomes achievement.

- How the service was delivered (small group versus 1:1 or mandatory vs. voluntary learners). Programs that offer both small group and 1:1 tutoring might notice that one type of learner is consistently achieving outcomes faster than the other. This does not necessarily indicate that one type of service delivery is better than the other, but it could mean that outcome targets should be adjusted to reflect the differences in time spent learning.

Analyzing this information can help you determine if you should be targeting certain programs to specific groups. For example, when collecting data you identified that a large number of learners attending an evening class did not meet the outcome of progressing within LBS levels and you further identified that a significant percentage of that group was single mothers with young children. After additional investigation, you identified that these learners had difficulty making child care arrangements and therefore missed quite a few classes. You could use this information as the basis for suggesting a change in the time of the class to the morning when the children attend school and the learners are better able to attend class.

It is important to remember that even if you do not achieve certain outcomes at the level you expected, it does not mean that you chose the wrong outcomes or that the program is doing a bad job. Any or all of the above factors can come into play and influence the outcome. Use these findings to revise expectations related to a certain outcome or to take steps to lessen the influence of some or all of the factors listed.

Collecting the Data

There are a number of sources of data and a number of methods that you can use to collect the information you will need to measure each indicator and to identify the factors you think may influence outcomes.

POTENTIAL SOURCES OF INFORMATION INCLUDE:

- Program staff
- Volunteers
- Learners
- Board members
- Original proposals
- Needs assessments
- Budgets and financial statements
- Organizational charts
- Annual reports
- Policy and procedures manual
- Training and orientation manuals
- Minutes
- Newspaper articles and other publicity materials
- Previous evaluation reports
- Statistics
- Client files (be aware of confidentiality issues)
- LCP discussions
- Census data
- Community studies
- Staff, volunteers and clients from other agencies
- Research about the field in general
- Government publications and reports

Obviously, this list can provide you with a vast array of information. The evaluation team will need to determine how much of it is appropriate and useful to measure the outcomes they have identified. Their decision will also be influenced by the time, money and human resources they have available.

The following chart might help you decide which sources of information would be best for your program's outcomes-based evaluation.[14]

Advantages	Disadvantages
Program Records and Documentation	
Easily available and accessible	Value of the data depends on how carefully it was recorded
You know how the data was collected	Might not include all of the data needed
You can often adapt data collection procedures to ensure all needed information is collected in the future	May not include a significant amount of follow-up information
Information from Other Agencies	
Provides a different perspective from yours	Value of the data depends on how carefully it was recorded
May provide information on outcomes achieved after participant left program	Might not include all of the data needed
	Confidentiality issues may arise
Information from Individuals	
Can provide first-hand view of participants' experiences and outcomes during and after program involvement	Information can be biased by memory, interpretation, perceived pressure, fears
General Public	
Can provide more general information if individuals cannot provide it	May not have much knowledge about or experience with the program
Observation	
Provides information on behavioural skills	Applies only to indicators based on physical observation
Can be an alternative or an "add-on" to participants' self-reported information	Value of data depends on training and skill of observer
	Results may be inconsistent if more than one observer is used

[14] Based on ***Measuring Program Outcomes: A Practical Approach.*** Pg. 86

Similarly, the choice of data collection techniques will also depend on the outcomes being evaluated. These techniques are reviewed in detail in the Program Evaluation module. They include questionnaires, focus groups, surveys, document review, interviews, case studies and observation.

One Step at a Time...

Now that you have set up your evaluation team, identified outcomes and outcome indicators and have decided on the most appropriate methods to gather data, you will want to know if your outcomes-based evaluation model works! Rather than starting out with a full-scale implementation the first time, it is a good idea to start out with evaluating a single program component or even just one outcome. As you gain experience and become more comfortable with the process, you can get more ambitious with your evaluation activities.

For example, if your agency offers more than one service or program (perhaps you offer both 1:1 tutoring and a family literacy program), you could try out your evaluation process on just one service area. Or if you have multiple locations or sites, you could use one as a pilot. It will be up to you to determine what is manageable for your program.

As you are conducting the evaluation, be sure to monitor your data collection methods to ensure that they are indeed capturing the information you need. This first run-through might help you to modify the questions asked on a survey or in a focus group. It can also help you determine just how much time the process will take. It might also help you identify that a particular indicator doesn't actually relate to the outcome it was assigned to.

Be sure that the evaluation team sets aside enough time to carefully review the evaluation process as well as the actual results so that methodology and timelines can be modified if needed for the next evaluation. Team members will be looking for information about the following:

- Data collection instruments: were there problems with questions (wording, suggested responses, length, etc.)?

- Data collectors: were the people responsible for collecting the data adequately prepared?

- Data collection procedures: did you use the most appropriate methods? Would a focus group have yielded different results than a series of interviews?

- Time and costs involved: did the process take more or less time than planned? Were there costs you hadn't predicted – postage, computer supplies, extra staff time?

Analyze, Report and Use the Findings

This is a critical stage of any evaluation you conduct, outcomes-based or otherwise. If you don't take time to analyze and then report and ACT ON your findings, the entire exercise is nothing more than a collection of data. You need to be able to use the information you have so carefully gathered to make informed decisions leading to program improvement.

The first thing to do is double check for errors. It is all too easy to make a mistake when tabulating data so check for accuracy. Once you have done that, it is time to tabulate the data. You do this by adding up the numbers and calculating percents, averages and medians as needed.

Next, you might want to break out the information into key characteristics, particularly if you have identified factors that could potentially influence outcomes.

Finally, when preparing final reports, you will want to include commentary that can help explain your findings. This can help provide a context for the numbers and percents. If you evaluation shows less than desirable outcome results, you will most certainly want to include explanations of both internal and external factors that contributed to these results.

The final report that you will produce at the end of your outcomes-based evaluation does not have to be a long and involved document (see Program Evaluation module). Its purpose is to summarize the evaluation and provide information that the Board of Directors and/or program staff can use to make decisions about program improvement. These decisions might relate to further staff training, adding or deleting services, or changes to traditional budget allocations.

You can also use your evaluation results to compare program outcomes to previous years. This in turn demonstrates the effects of last year's program improvement efforts.

The results of your evaluation can also be used for recruitment and promotional purposes. Tracking and identifying outcomes and ongoing program improvement can make a program attractive to potential volunteers, participants and funders as well as the general public.

Finally, evaluation results – particularly when outcomes are included – can be used to aid in long-term planning. This year's outcome achievements can be used to set next year's targets, for example. Reviewing the choice of outcomes from one year could help determine which outcomes will be evaluated the following year.

Conclusion

Just like any type of program evaluation, the outcomes-based model requires planning. You need to identify what you are evaluating before you start evaluating it. If you follow the procedure we have outlined (as suggested by the United Way and adopted by many, many agencies in North America) you will be well on your way to a successful outcomes-based program evaluation. It won't be easy the first time but it is both manageable and useful, and with experience it will become easier. After all, literacy agencies have the benefit of having learned how to establish learning outcomes for learners – establishing program outcomes is the next logical step!

Organizational Outcomes: A Practical Approach was Community Literacy of Ontario's fifth and final workshop in the SmartSteps to Organizational Excellence online workshop series.

Evaluation Summary of the Online Workshop

NUMBER OF PARTICIPANTS:

- 22 people took the Organizational Outcomes workshop on June 19, 2002
- Evaluations were filled out by 20 people.
- In order to promote honest feedback, the evaluations were completely **anonymous**

WORKSHOP CONTENT:

- 8 of 20 found the workshop content to be *"extremely useful"*
- 10 of 20 found the workshop content to be *"very useful"*
- 2 of 20 found the workshop content to be *"somewhat useful"*
- 0 of 20 found the workshop content to be *"not useful"*

WORKSHOP FACILITATION:

- 17 of 20 found the workshop facilitation to be *"excellent"*
- 3 of 20 found the workshop facilitation to be *"very good"*
- 0 of 20 found the facilitation to be *"good"* or *"poor"*

CONTENT LENGTH:

- The workshop was two hours long. Participants gave the following feedback on length of the workshop:
- 19 of 20 said *"just right"*
- 1 of 20 said *"too short"*
- 0 of 20 said *"too long"*

TECHNICAL ISSUES:

- 14 of 20 found the online learning experience on CENTRA to be *"a very effective way to learn"*
- 6 of 20 found the online learning experience on CENTRA to be *"moderately easy"*
- 0 of 20 found the online learning experience on CENTRA to be *"moderately difficult"* or *"difficult"*

OTHER COMMENTS:

- A great series! I look forward to more.
- Thank you for preparing and delivering an excellent workshop, which will support me in my role as a program co-ordinator.
- We hope that these types of workshops will be supported by MTCU in the future. Thank you CLO!!!
- I thoroughly enjoyed all workshops and I gained valuable information. Thanks so much.
- This has been an incredible experience. Thank you for the opportunity. I have begun to use what I learned and to share the information with others. I feel I have a better handle on what is expected of me and how I can improve on what I do and what our programs do. I am so much more focussed. There wasn't a wasted moment and you are both to be commended.
- I really appreciate the opportunity of being able to access on-line training. It's much better than travelling. I would be very interested in further series.

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