Why Data Matters:
Key Steps to Measuring & Understanding Your Impact

By Laurel Molloy, Innovations Quantified

If you're like many nonprofit professionals today, you know that data matters. You know that it's critical to understand and demonstrate the difference you're making to internal and external stakeholders. You probably also find the whole process of data collection a bit overwhelming.

The good news is that you're not alone. The even better news is that there are some steps you can follow to tackle this important but tricky issue, which will set your organization up for success.

Step 1: Clarify Your Desired Results

Before you begin measuring, it's critical to have a clear understanding of the relationship between what you do (services or activities) and the results you expect (outputs and outcomes). Using a framework like a logic model can help, ideally as part of your planning process. Or if your program is already up and running, use it to take a step back and see how all the pieces interconnect. Doing so will provide a snapshot of your work, allowing you to confirm the logic of your approach and clarify your desired results.

Step 2: Determine What Is Most Important to Track

Once you've confirmed the results you can reasonably expect through your work, you have to prioritize what to track. Not all results are equally important, so they don't all warrant measurement (especially when time and resources are limited). Without identifying the most important items to track, it's easy to fall into the trap of tracking everything. And trying to track everything can often mean not tracking anything particularly well. To avoid this unfortunate fate, start by tracking only what you believe is most important. You can always collect more later!

Step 3: Identify Feasible Data Collection Methods

Often with the best intentions, nonprofits implement overly complicated data collection tools and processes. Unfortunately, that can mean when things get busy, those complicated systems fall to the wayside. That's why it's important to consider approaches that are already embedded in daily operations when possible. Not every

priority data point can be tracked that way. But if you start by considering what mechanisms you already have in place and how minor tweaks might improve them, you're more likely to have the time and resources necessary to track any outliers.

Step 4: Don't Forget about Data Compilation and Use

It's easy to think you're done once you have data collection processes in place, but that can be a fatal mistake. In fact, it's important to think ahead to how your data will be compiled before you begin tracking. Because if it isn't compiled, how can it effectively be reviewed, discussed, and shared? And isn't that the whole point? So when considering what tools you should use to track your data, think also about how things will be tallied. Doing so may lead you to make different decisions about what tools you employ and put you in a better position to actually use what you've collected.

About the Author:

Laurel Molloy is Founder & Chief Consultant of Innovations Quantified (IQ), a consulting firm that has been helping organizations increase their impact since 1999. IQ provides training and ongoing support on outcome-focused planning, measurement and reporting to nonprofits and foundations throughout the US and internationally. For more information, visit www.InnovationsQuantified.com.

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