



Social Venture Partners Boston

Theory of Change

SVPI Conference
Seattle, WA
October 23, 2015

What is a Theory of Change?

The Concept

- Framework for **linking** the application of **limited resources** (money, skills, & networks) **to an end result** that can be accomplished with those resources
- If we do X, then Y will result

Why have one?

- Provides **clarity, focus, direction**
- Points the organization toward its **Impact**

Four Key Questions

1. **Who** are we trying to create an impact for?
2. **What impact** are we trying to create?
3. **How** are we going to **create** that impact?
4. **How** will we **measure** whether we've been successful?

Spurred several conversations among SVP Boston Board

- Who are we trying to impact: our partners?
the organizations we invest in? or the
beneficiaries of their programs?
- What is the right dosage to deliver the impact:
time and dollars?
- What standard of “measurable impact” will
we hold ourselves to?

We will borrow Edna McConnell Clark's lowest standard of evidence

Assessing an Organization's Evidence of Effectiveness

The Edna McConnell Clark Foundation assesses an organization's evaluations and other data to ascertain the quality and rigor of the evidence that its program is having a measurable impact on youth outcomes. We have developed a framework that categorizes a program's evidence of effectiveness on one of three levels—a continuum from high apparent to proven. In the chart below, the first column defines each level and indicates what an organization should know about the effectiveness of its programs at that level. The second column specifies the kinds of information an organization must collect, and the types of evaluation activities required, to reach that particular level.

<p>Proven Effectiveness Experimental research has confirmed the program's impact on participants.</p> <p><i>A program at this level should be able to answer the following question: Are there meaningful, positive, statistically significant outcomes for program participants that differ from outcomes for people in a randomized control group?</i></p>	<p>Key Characteristics of Data Collection and Evaluation Activities:</p> <ul style="list-style-type: none"> • A well-designed and well-executed experimental evaluation of program outcomes, created and conducted by an independent, external evaluator, establishes the most rigorous evidence of effectiveness. Ideally, participants in the study are randomly assigned to one of two groups—one that receives program services and a control group that does not. Outcome data for both groups is collected and compared in this randomized controlled trial. • The study concludes there are meaningful, positive, statistically significant differences between outcomes for youth served by the program and outcomes for youth in the control group. • At the highest level of proven effectiveness, a program has evidence of impact from multiple sites. • Under some circumstances, a well-implemented program that has been proven effective elsewhere, or a third-party quasi-experimental evaluation that compares participants to a comparison group that has not been randomly assigned, may represent the highest proof point a program is capable of reaching.)
<p>Demonstrated Effectiveness Systematically collected data comparing program participants with similar people not receiving a program's services enables an organization to substantially conclude that youth are benefiting from program.</p> <p><i>A program at this level should be able to answer the following question: Are there meaningful, positive, statistically significant outcomes for program participants that differ from outcomes for people in a comparison group?</i></p>	<p>Key Characteristics of Data Collection and Evaluation Activities:</p> <ul style="list-style-type: none"> • A well-designed and well-executed quasi-experimental evaluation of program outcomes, created and conducted by an independent, external evaluator, measures outcomes for program participants against outcomes for a carefully chosen comparison group. People in both groups are at the same baseline on measured characteristics such as demographics and variables relevant to the study, and likely to be similar when it comes to unmeasured characteristics such as motivation at the start of the study. • This study, also called a comparison group evaluation, concludes there are meaningful, positive, statistically significant differences between outcomes for youth served by the program and outcomes for youth in the comparison group.
<p>High Apparent Effectiveness Systematically collected data indicates youth are probably benefiting as intended from participating in a specific program.</p> <p><i>A program at this level should be able to answer the following question: Who is accessing your services? What programs do they participate in? What outcomes do they achieve?</i></p>	<p>Key Characteristics of Data Collection and Evaluation Activities:</p> <ul style="list-style-type: none"> • Every program participant is given a unique identifier (such as a tracking or identification number). • The organization collects basic demographic data from program participants, such as address and contact information, age, gender, race/ethnicity, primary language, and socioeconomic status. • Initial data about program participants includes baseline data for measuring changes over time (outcomes). • The outcomes the organization intends for program participants are specified in a theory of change. • Outcomes are tracked for all program participants (or at least for a sample), and show meaningful, positive results, comparable to the results from similar well-implemented programs.

Many youth-serving nonprofits (perhaps even the majority of them) do not yet meet one of these three levels, as they are still in the process of collecting empirical evidence of their programs' effectiveness. Nonetheless, many may gather basic information and/or have anecdotal evidence of a program's beneficial outcomes even if they do not yet have the resources or capacity to systematically collect and analyze data (and thus meet High Apparent Effectiveness). Furthermore, an organization's programs may not be mature enough operationally, or their performance management and measurement systems insufficiently developed, to evaluate outcomes rigorously. Although such programs may indeed benefit youth, this universe of organizations does not yet have systematically collected, empirical evidence that their programs are making an impact on young people's lives.

SVP Boston Theory of Change

- **If** we bring smart, patient money, relationships, and skills, focused on critical capacity-building areas
- **To** early- to mid-stage Boston-area direct service non-profits, with programs that advance educational or economic opportunities for children, youth and families, and that have leaders who value outside counsel and can embrace change
- **Then** we help them to deliver sustainable, high quality programs
- **That** produce measurable outcomes for the children, youth, and families they serve

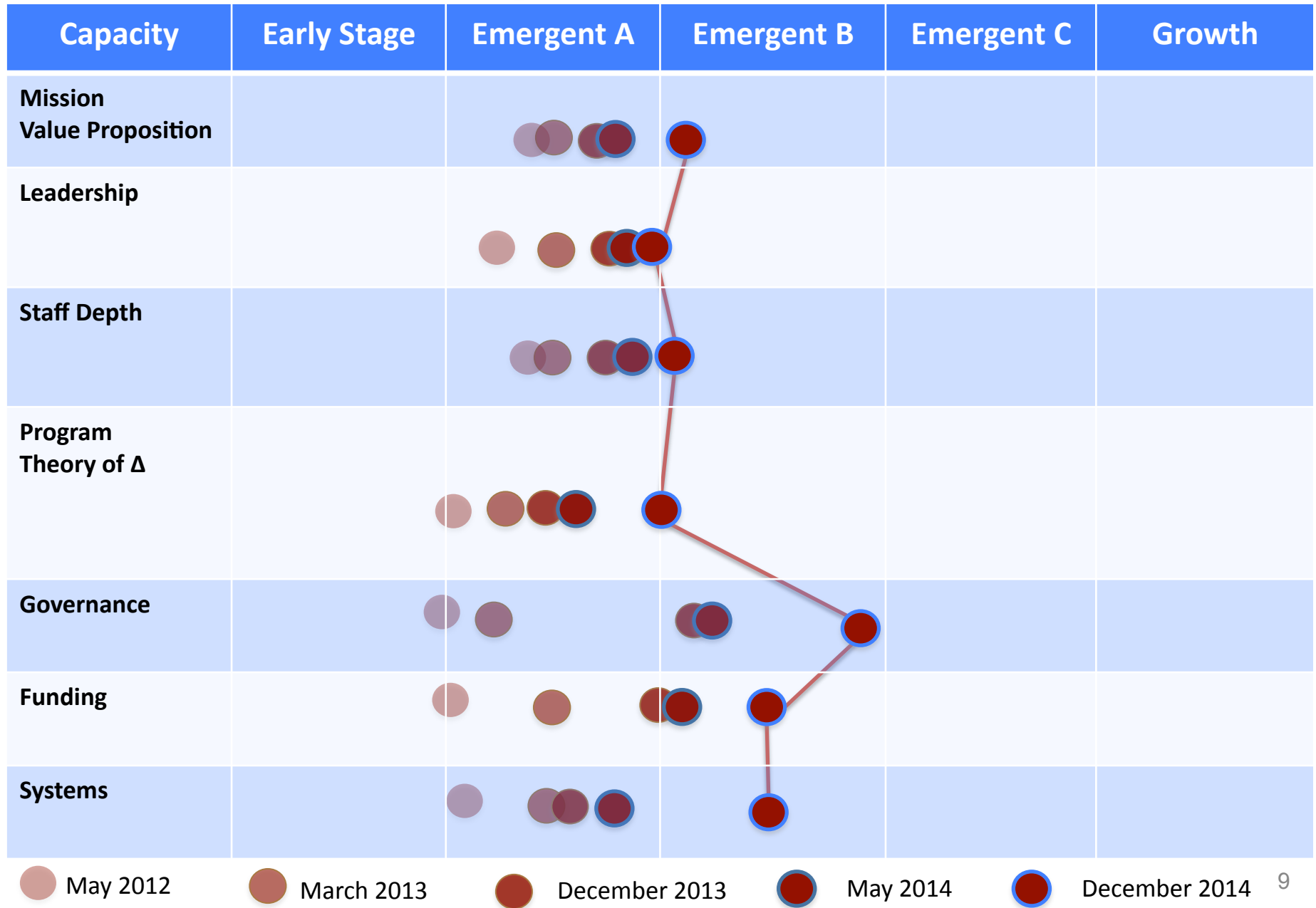
How we use our Theory of Change

- Investment Committee: What organizations fit best?
- Conditions for Success: What EDs will produce the best results?
- Internal Priorities:
 - Strengthen Lead Partner role
 - Strengthen Investee on-boarding process
 - Focus on high-leverage areas
- Measurement of our Impact – the rubric (see next pages)
- Internal and external communications

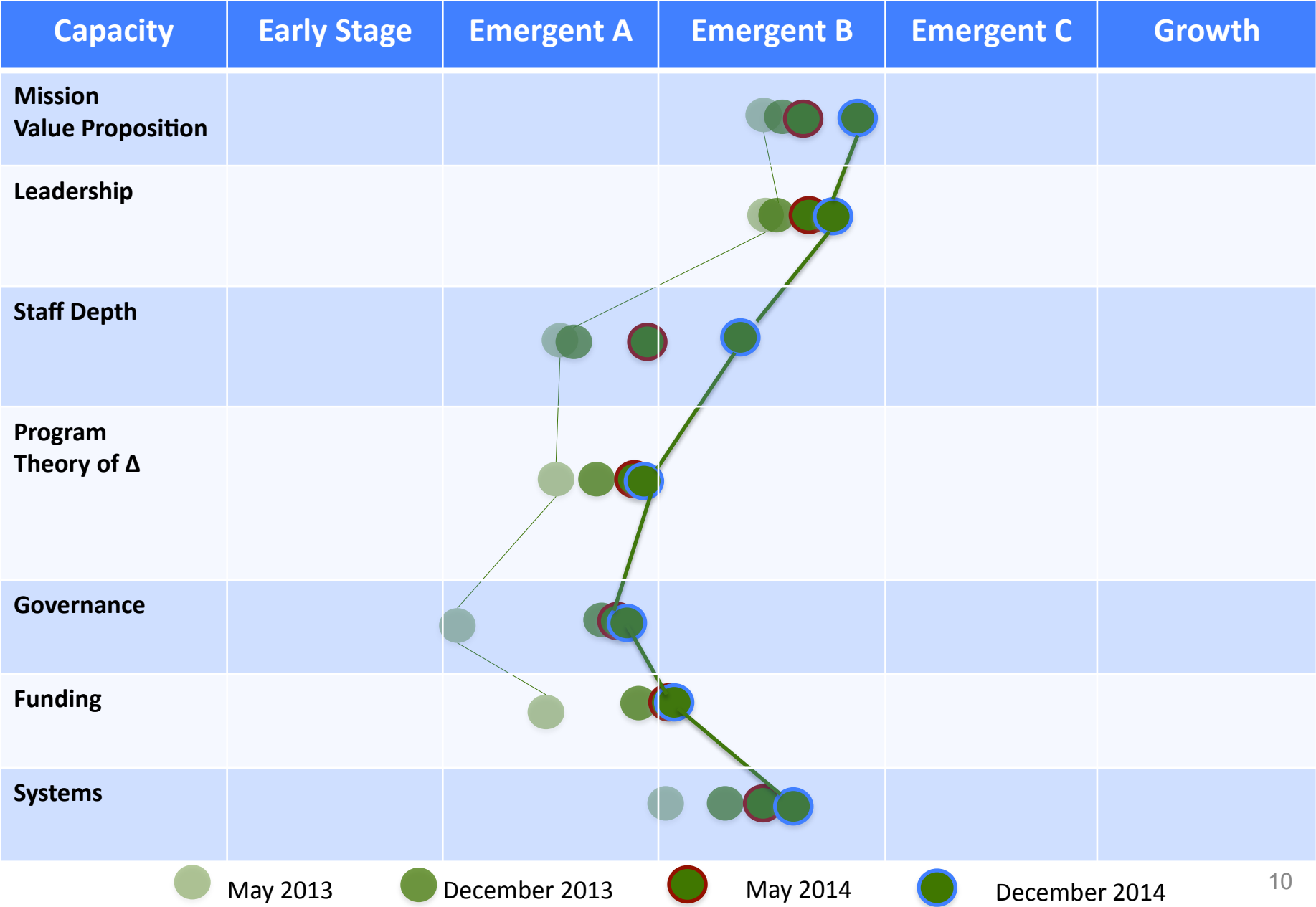
Our rubric captures progress by Investees along several dimensions

Capacity	Early Stage	Emergent A	Emergent B	Emergent C	Growth
Mission Value Proposition	Broadly-based, ambitious, few clear boundaries	Focus jells, some boundaries (market, customers served)	Mission clear enough to operationalize, brand. Strat. Plan	Reputation extending beyond direct stakeholders	Known as go-to resource, advocacy roles?
Leadership	Committed, tactical focus, responds widely to customers	Communicates broad vision, frames right Q's, considers contingencies	Vision clearly links to stakeholder actions, sorts trade-off's, sets stretch goals	Clear model for 3-5 yr. growth, engages public in vision, perseveres	Moves public & partners to action, opens new paths, best in class targets
Staff Depth	ED does all w/ junior and part-time staff support. Staff executes	Role clarification, full-time staffers added, strong culture a priority	Strong #2, ED separates own agenda, staff stability	Add key Mgt. roles (Funding, Program, succession plan)	High performance core Mgt. team
Program Theory of Δ	Defined by initial customers, no/poor measures	Movement to defined conceptual model, basic input, process measures	Replicable model tied to economics. Collaborations deliver complementary services. Measures drive continuous improvement	Model tied to value prop., output feedback, outcome measures in place, collaborations tied to outcomes	Model gains rep., brand equity, path to definitive outcome measurement clear, collaborations become scalable
Governance	Program/advisory focus, little str., 1-2 Bd. passion ED led	Basic structure w/ Ctee's Board leaders emerge	Meaningful Board roles in Strategy, Funding, Bd. Dev.	ED & Board evals, depth in key roles activated as team	Diversified Board well-differentiated roles with ED
Funding	Initial seed, no pipeline planning	2 nd generation funders, ad hoc	Diversified, multi-year funders, start of surplus (?)	X month surplus? Financial plan for next level in place	Transformative funder?
Systems	Largely ad hoc, manual	Basic admin (fin'l, IT, legal, hr)	Basic Mgt. tools, forward-looking, efficiency focus	Adv. Mgt. tools - data mining, web site with utility	Systems together support svc effectiveness

Organization 1



Organization 2



We also use the ToC framework for our Investees

- Boston Debate League
 - For example, who are they trying to deliver an impact for: just the students that are on the debate team, or the entire school (as they claim)? If they want to “change the school culture” in the Boston Public Schools, make it cool to be smart, so that all students benefit and not just the debate team, then that drives different decisions about program, and what’s important.

Open Questions with regard to our Theory of Change

- Should we recruit partners with specific skills to maximize our impact?
- How much rigor and training is appropriate to expect for a community of volunteers?
- How can we sharpen the process of measuring our impact?