REPORTING WHEN THINGS DON'T GO TO PLAN

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On 23 May 2016, NPC held a seminar for charities and funders about understanding and reporting negative evaluation findings. The event was one of our four-part impact measurement seminar series—in partnership with Kingston Smith Fundraising and Management—designed to give charities and funders an introduction to various aspects of impact measurement.

At the event, **Rosie McLeod—Senior Consultant at NPC**—outlined our thoughts on the principles of good learning and reporting for charities and funders. Attendees then heard from **Simon Fulford Chief Executive of Khulisa** and **Diana Sutton Director of The Bell Foundation**, who shared examples and suggestions from their own experience. The event was chaired by **James Newell, Director at Kingston Smith Fundraising and Management**.

This report highlights the main themes discussed, summarises advice from our speakers and draws on the experience of those in attendance.

Why does reporting negative results matter?

It is not often that charities or funders admit they have a programme or service that did not go to plan. But if reporting largely focuses on the successes, and poor results are hidden, charities are left to repeat each other's failures time and time again. Sharing negative results can be an indicator of an innovative learning culture. Charities need to understand and explain when and why things are not working in order for them—and other charities—to improve.

So how can the sector be more positive about reporting the negatives? This report offers charities and funders a set of principles and practical tips to help get them started with reporting both the positive and the negative results.

Why do some programmes not go to plan?

Often, programmes do not work as expected—they result in unintended consequences and unplanned outcomes. The reasons that programmes do not work can depend on number of factors. For instance, when experimenting with a new programme there will be many unknowns that must be tested, but can lead to an undesired result. On the other end of the spectrum, a well established programme could encounter new issues as the operating context changes. It can help for charities and funders to think about whether it is an 'impact problem' or a 'process problem.'

- **Impact problem:** The programme may be implemented exactly as planned, but there was a problem with the approach or the design.

- **Process problem:** A programme is wrongly implemented or someone deviates from what they are supposed to do.

This seminar focused on impact problems, exploring the extent to which organisations seek to understand why things are not working, and how they explain that to others.

Why don't people report negative results?

Many charities *do* feel that they should report more on negative results. In NPC's *Making an impact* survey[1], more than 70% of respondents 'agreed' or 'strongly agreed' with the statement: *'Charities should be encouraged to report failures or negative results.'* So what's stopping them?

Barriers

Even though there is support for reporting negative results, there are a number of internal and external factors that create barriers to doing so. These include:

	Internal factors	External factors
Barriers	• Risks posed to organisational and/or individual reputations and career (whether the organisation is a charity or funder). • Competition for internal resources and budget allocations. • A lack of time for reflection and analysis built into programmes.	• Pressures from funders to report good news stories and case studies. • Competition for funds and inherent power imbalances in the funder-grantee relationship mean charities only want to show a track record of successful projects. • Sector norms—there are very few peer organisations reporting negative results.

'Barriers to reporting negative results are so commonplace. If we aren't willing to share failures, ineffective actions will persist.'

Rosie McLeod, NPC

Incentives

Incentives help charities and funders overcome these barriers and encourage the reporting of negative results. Possible ways of encouraging charities, funders and their staff to be more open about negative results include:

	Internal factors	External factors
Incentives	• Leaders and managers provide incentives to show learning and improvement, and not just success. • Learning goals are set at the start of a programme. • Learning indicators are built into programme evaluation. • Planning includes time for reflection and learning.	• Grantee reporting requirements includes evidence of learning. • Programme delivery learning goals are shared and agreed with funders. • Charities and funders are clear on their level of appetite for risk, to prepare for potential unknowns, and also support like-minded collaboration.

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[1] NPC surveyed 1,000 charities in 2012 with incomes over £10,000 to understand what has changed in charities' impact measurement practices, the drivers behind measuring impact, and the benefits and challenges that it brings. The results were published in Pritchard, D, Ogain, E and Lumley, T, (2012) *Making an impact*

Getting started: The basics of reporting failure

When planning programmes, start off by thinking about the following questions:

## What are the aims of the evaluation activity?

Programme evaluation needs to consider learning and improvement. If you plan for unknowns and have good evaluation and reporting plans in place, disappointing or surprising results do not have to be a bad news story. Be clear about what your programme learning goals are, as well as the overarching programme goals themselves.

What stage is your programme at?

Your reporting and evaluation approaches need to relate to the situation your organisation finds itself in—for instance, are you developing or testing new ideas? Or are you delivering a programme that is supported by a strong body of evidence?

The diagram below shows the spectrum of 'evidence base and evidence need' that an organisation might have for their programme and—from little or no evidence, to strong evidence—in relation to the stages of programme design and development. From the start of their work, organisations should think about what stage their programmes are at, and what their research questions will therefore be. This will inform learning goals and indicators.

Figure 1: The spectrum of evidence base and evidence need an organisation might have for its programmes
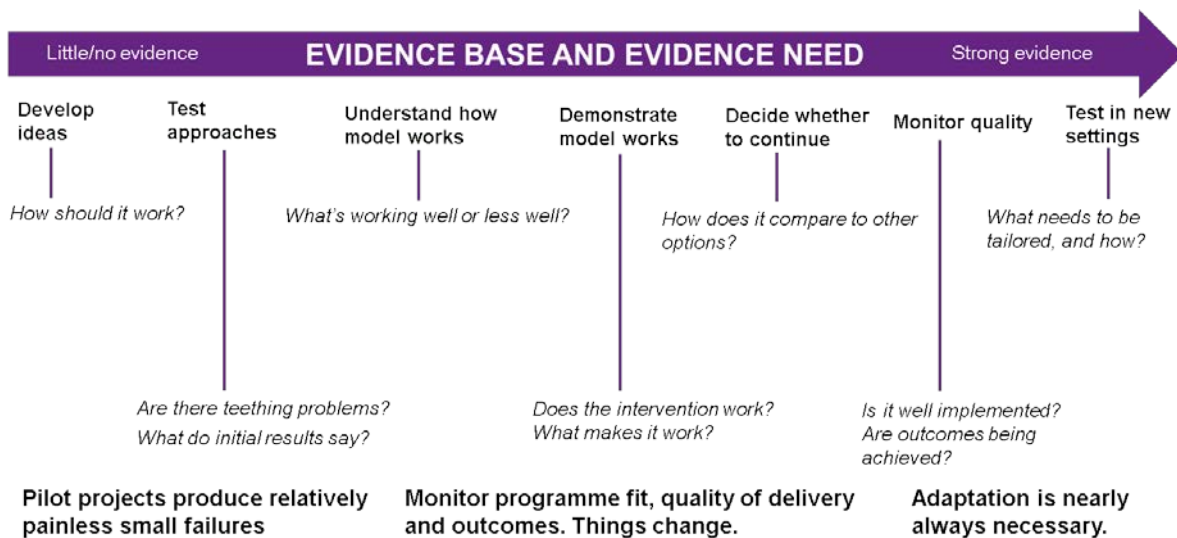
What is your risk appetite?

Funders and charities will have different risk appetites. For instance, some charities and funders might be less inclined to take risks with programmes that have several unknowns, whereas others are keen to explore unventured territory to reap the highest reward.

Charities and funders need to recognise their risk appetites so they can manage expectations and prepare for potential unknowns, as well as the potential rewards. Acknowledgement of risk appetite can also help charities and funders source like-minded collaborators on programmes, especially for charities applying to funders that support their programme aspirations.

Six practical tips to remember

Tip 1: Ask the right evaluation questions

Situate yourself against the stages of evidence and ask the right questions according to the stage you are at. If you have good evaluation plans and plan for unknowns, disappointing or surprising results do not have to be a bad news story. You should be clear from the outset if there are things you need to test.

Tip 2: Specify learning goals

Take ownership of your learning goals and evaluation questions—they benefit your organisation, not just your funders and supporters. In addition to establishing the right evaluation questions, add learning questions to ascertain the things you want to learn that will help your programme decisions. Agree those questions and goals with your senior internal team to give them profile within your organisation.

Tip 3: Agree learning goals with funders

Negotiate your approaches to reporting results with your funders. The clearer you are about your evaluation goals, priorities and constraints, the more persuasive you will be to others. Get in there first by offering an approach that works for you, and sell how it should work for funders. And absolutely make sure your methods provide the means to answer your learning questions.

Tip 4: Maintain trust and transparency

Internally, your staff need to be encouraged to flag issues when they arise. They need to feel comfortable reporting negative results without feeling they are going to be blamed. To do that, they need timely data that they can access and act upon as the programme develops, and not when it is too late.

Externally, within the broader relationship with your funder, it is important to keep an open line of communication. Openness and transparency engenders trust. Share issues as soon as you can, and remember your funders might help to solve them.

Tip 5: Report proportionally

Treat issues proportionally and do not assume anyone is at fault. Remember not to think in terms of negative results: try thinking about it in terms of predicted versus unexpected findings. All findings are valuable if you make an effort to understand why they came about. Where possible, aim to achieve a blameless review.

'Be prepared to explore causes of difficult results and closely analyse why something is not working.'

Rosie McLeod, NPC

Tip 6: Emphasise learning

Funders, such as the Big Lottery Fund, emphasis their value-add to their grant making—in particular, sharing learning from what works and what does not in their funded programmes[2]. Charities also need to think about how they emphasise learning to funders, as well as more widely with the rest of the sector. A good charity will make its learnings and lessons easily findable on its website, or be ready to discuss them if the funder calls and asks. Internally, ensure incentives that emphasise the learning culture and are not repressive for staff. Incentive systems need to encourage improvements and lessons rather than penalising failures and looking for blame.

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[2] Big Lottery Fund (2006) *Investing in our Programmes: Maximising the impact of grant-making*

Case Study: Khulisa

Who?

Khulisa is a small charity that delivers programmes to offenders and those at risk of crime, violence and victimisation. Khulisa also provides mentoring and resettlement support along with targeted youth programmes.

Why?

Khulisa's approaches to delivering interventions were first modelled and developed in South Africa—a fragile and challenging social and financial environment. Although Khulisa's model was supported by strong evidence of impact, implementing its interventions in the UK required careful adaptation. Adapting Khulisa's programmes to the UK meant testing models and refining them further in order to design an effective solution to address crime and violence in a new context.

How?

Khulisa embedded learning in its programmes in the following ways:

Implementing internal processes that allowed for changes during programme delivery. For instance, there are key questions that people need to answer in every programme staff meeting—1) What is going well? 2) What is challenging? 3) What are the possible solutions and how can we deliver them?

Encouraging open dialogue with funders, and seeking to feed in learning from its internal feedback processes. Khulisa acknowledges that different funders have different levels of resource available to respond to needs and engage in learning discussions. Regardless of this, it is important to keep funders in the loop and as much as possible and encourage dialogue about learning.

Key lessons

Organisations make mistakes. This is hard to avoid. Khulisa believes that it is important to nurture your mistakes and learn from them. Being open to a learning culture has meant that when mistakes happen, as an organisation, Khulisa was prepared for them, resulting in little overall negative impact on its work.

Learning and reporting for funders

Funders have a crucial role to play—they need to be prepared to encourage and support charities to share learning, and also consider funding those who report proactively on negative results and their learning. Funders can shape the enabling environment for a learning culture by setting realistic targets and supporting organisations to reflect and share learning at a sector level. They can bring together organisations to share their experiences and create the infrastructure and attitudes required for more openness, through:

'The sector needs to develop a climate where it is OK for things not to work and where it is about learning, not about failure.'

Diana Sutton, The Bell Foundation

- Providing reporting templates that include sections for organisations to report learning (which includes unexpected results).

- Establishing shared learning goals agreed between funder and grantee.

- Incentivising learning and improvement. This helps to shift the focus towards transparency, learning and improving and away from just looking good.

Case Study: The Bell Foundation

Who?

The Bell Foundation is a Cambridge-based charitable foundation that works to change lives and overcome exclusion through language education.

Why?

As a new organisation, The Bell Foundation was keen to encourage learning through its funding and evaluation approaches from the start. As both programmes and the Foundation were new in 2012, the Foundation needed to understand what worked, how and why.

How?

The Bell Foundation has adopted a culture of learning, taking a number of steps to ensure that its grantees are supported in being honest about their progress, and can learn from difficult results.

Encouraging transparency in its reporting and monitoring requirements: The Foundation has a 'hands-on' partnership approach to grantee relationships, and finds opportunities to carry out learning visits to projects or check in regularly on progress.

Not setting a rigid outcomes framework: Instead, it is interested in developing outcomes with potential grantees at the proposal stage. This approach helps grantees to develop outcomes that are appropriate for their work context.

Working with an independent evaluator as part of its support to grantees: This ensures that learning is built into the programme design and delivery in line with the Foundation's evaluation aims. Impartial support encourages honest conversations.

Reporting templates are learning focused: These templates give grantees the opportunity to capture learning and share things that might not have worked and why this was the case.

Understanding the operating context: The Foundation ensures that it understands that programmes are operating in a changing external climate and that it recognises the limits and opportunities of these contexts for grantees.

Implementing three-year funding cycles for some partnerships and programmes: This is important so the Foundation can reflect on learning and how it can influence programme developments, and where necessary make changes.

Making a commitment to learning is written in partnership agreements: Partners are asked to report on good results as well as the results that show no change or a negative effect.

Delivering its own interventions, meaning that the Foundation is both grant funder and a deliverer, so can view progress from both sides.

Key lessons

'As a funder with a focus on language education we appreciate the importance of the language of grant making and that negative results are not about failure; they are about learning, evaluating and thinking. The Foundation's approach to instilling a learning culture within its grantee relationships has helped it to make clear and confident decisions about its funding programme, to focus on learning and partnership and where changes might be needed.'

Diana Sutton, The Bell Foundation

Final thoughts

It is challenging for charities and funders to feel positive about negative results. There are many pressures on them to report success, which means negative or unexpected results are not given the same profile. Nevertheless, sharing negative results is crucial to helping charities and funders understand how and why things went wrong and allows them to address problems, make changes, innovate, and most importantly, have greater impact.

Charities should feel able to involve their funders in establishing their learning goals, so funders need to be more open about how they encourage learning in their approaches. Funders have a responsibility to encourage learning in the sector. Without this considerable enabling factor, charities will find it difficult to make the necessary culture shift in learning to help them see the positives in the negatives.

More in this series

This guide is part of a series developed from NPC seminars to give and introduction to carious aspects of impact measurement. Other topics in this series include:

From our 2016 series with Kingston Smith

What does good economic analysis look like?

How to make your data more meaningful

From our 2015 series

Stories and numbers: Collecting the right impact data

Keeping it in proportion: Impact measurement for small charities

Result! What good impact reporting looks like

Measuring your campaigning impact: An introduction

We will soon have new dates and topics for our measurement seminars in 2017, so check the events section of our website for the latest information

Further resources

Darling, Marilyn J. and Smith, Jillaine S. (2011) 'Lessons (not yet) learned,' *The Foundation Review*: Vol. 3: Iss. 1, Article 9

Forti, M 'How leading philanthropists fail well' in *Stanford Social Innovation Review,* February 19 2013

Ogain, E., Thomas, J., Williams, M., Hedley, S., Keen, S. & Lumley, T. (2010) *Talking about results.* New Philanthropy Capital.

Transparency Accountability Initiative, *'Funding, Learning and Impact: How grant-making practices help and hinder grantee learning'* in *TAI News,* April 28 2015

Various authors (2011) *The principles of good impact reporting,* New Philanthropy Capital

Various authors (2012) *Principles into practice: How charities and social enterprises communicate impact,* New Philanthropy Capital

World Economic Forum *How to use failure to your advantage* in WEF Blog, October 29 2015

TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy which occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

Increasing the impact of charities: NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

Increasing the impact of funders: NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

Strengthening the partnership between charities and funders: NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

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