Open Standards support for business performance and reporting

Outlining a range of tools for improving performance and reporting of conservation organisations

Purpose	These tools are used in the broader not-for-profit and business communities to improve performance and reporting of results. The tools are written from the perspective of business managers, so this report aims to translate these tools for use by conservation practitioners, and shows their alignment with Open Standards principles.
Who should use this, and with whom?	Integrators / M&E staff, with business leaders interested in improving business performance and results reporting across the organisation.
When	In discussions about assessing current capacity and identifying areas for improvement.
How	Identify which, if any, of the tools resonate with business managers, and use them to show the alignment with Open Standards, illustrating how broad-scale use of OS has benefits beyond the immediate practice of conservation to help business performance and reporting.

Annette Stewart - Fulbright Scholarship 2016

**Improving the *practice* of conservation
by improving the *management* of conservation**

Contents

With thanks to my Sponsors and supporters

Open Standards support for business performance and reporting

The Open Standards and its associated tools primarily aim to "improve the practice of conservation". For organisations with conservation as their core business, any improvements to this core role have potential flow-on benefits to other parts of the business.

This document aims to show how the Open Standards supports improved performance in the overall business. It is targeted at practitioners who are working towards broader adoption and institutionalisation[1] of the Open Standards within their organisations.

There are many frameworks aimed at helping non-profit organisations achieve high performance, and to report on the impact of that performance. Several frameworks that are currently promoted and broadly supported have been identified and are described below. Open Standards concepts can be shown to support all of these frameworks, illustrating its utility to any organisation seeking to analyse and improve their performance. Communicating this alignment is one potential way to build awareness of the broader business benefits available through use of Open Standards.

Each tool is outlined, along with the connections to Open Standards and some exhibits that might aid communication. For each tool, a summary table indicates how it could be used. The guidance is necessarily general, and needs critical review for applicability within the context of any one organisation.

Refer also to these related tools -
    Positioning OS for the Impact Investing market
    Open Standards and Collective Impact
    Conservation Capability Maturity Model
    Conservation Business Process Model

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[1] Institutionalisation generally means "the building of infrastructure and culture that supports practices so that they are the ongoing way of doing business. The result is the deployment and implementation of processes that are effective, usable, and consistently applied across the organization. Institutionalisation implies that the process is ingrained in the way the work is performed and there is commitment and consistency to performing the process."

The Performance Imperative

What	The Performance Imperative
Purpose	Build awareness of the current standing of an organisation's internal capabilities, relative to characteristics of a model high-performing organisation; helps to identify possible next-steps for moving up the maturity curve
Who should use this, and with whom?	Integrators / M&E staff, with managers who have a multi-program or cross-organisational remit, such as program managers, CFOs, CIOs, etc
When	Possibly as part of Strategic Planning reviews (to support analysis of "Where are we now? Where do we want to be? and How do we get there?"); or any time there is an appetite for improvement
How	Possibly by relevant individuals doing a self-assessment of the organisation's current standing relative to the defined high-performance characteristics, to identify priorities for improvement; illustrate how adoption of Open Standards concepts can support those improvements

The Performance Imperative sets out the characteristics of high-performing non-profit and public sector organisations. It was developed by a wide range of leaders from philanthropic, non-profit and consulting organisations. By promoting high-performance characteristics, they aim to build greater societal impact and to increase expectations of the level of performance that organisations ought to be achieving. The concept continues to be promoted by a large number of ambassadors who are some of the key leaders in the philanthropic and non-profit communities. Since its publication, many more organisations have "signed up" to the Performance Imperative challenge.

High performance is the ability to deliver—over a prolonged period
of time— meaningful, measurable, and financially sustainable results
for the people or causes the organization is in existence to serve.

The prime aim of the Performance Imperative will resonate for anyone with a basic understanding of what the Open Standards aims to achieve. In answer to the question "To what end?" the Performance Imperative states -

> "The social and public sectors simply don't have money to expend on efforts that are
> based primarily on good intentions and wishful thinking rather than **rigor and evidence**.
> They are increasingly steering resources toward efforts that are based on a sound
> analysis of the problem or need, grounded assumptions about **how an organization's**
> **activities can lead to the desired change**, assessments to determine whether hard work
> is paying off, and a **desire to keep getting better** over time."

This closely correlates with the vision of the Conservation Measures Partnership, the collaboration behind the Open Standards, whose vision is -

> "global conservation efforts will be more efficient and effective as we increasingly know
> how to leverage or replicate what works and not repeat what doesn't based upon
> **credible measurement** of our effectiveness and the open sharing of the lessons we learn.
> To realize this vision, our respective organizations aspire to - State our desired results in
> terms of conservation outcomes, not actions; **State how our efforts will lead to our**
> **desired results**; Track our progress toward achieving desired results; Adapt our

*strategies based on what we have learned; and **Share our results** respectfully, honestly, and transparently **to facilitate learning**.”*

The Performance Imperative encourages non-profit leaders to cultivate seven core disciplines -
1. Courageous, adaptive executive and board leadership (the preeminent pillar)
2. Disciplined, people-focused management
3. Well-designed and well-implemented programs and strategies
4. Financial health and sustainability
5. A culture that values learning
6. Internal monitoring for continuous improvement
7. External evaluation for mission effectiveness

The Performance Imperative logo depicts the seven pillars; this is shown below, along with some key characteristics that have direct connection to concepts within the Open Standards. Pillar 1 – leadership – is seen as the "pre-eminent pillar"; it places specific emphasis on the need for leaders to foster a performance culture in order to "manage to outcomes". This provides a strong complement to the Open Standards, which by design is focused on practitioners and sometimes struggles to get adequate leadership support.
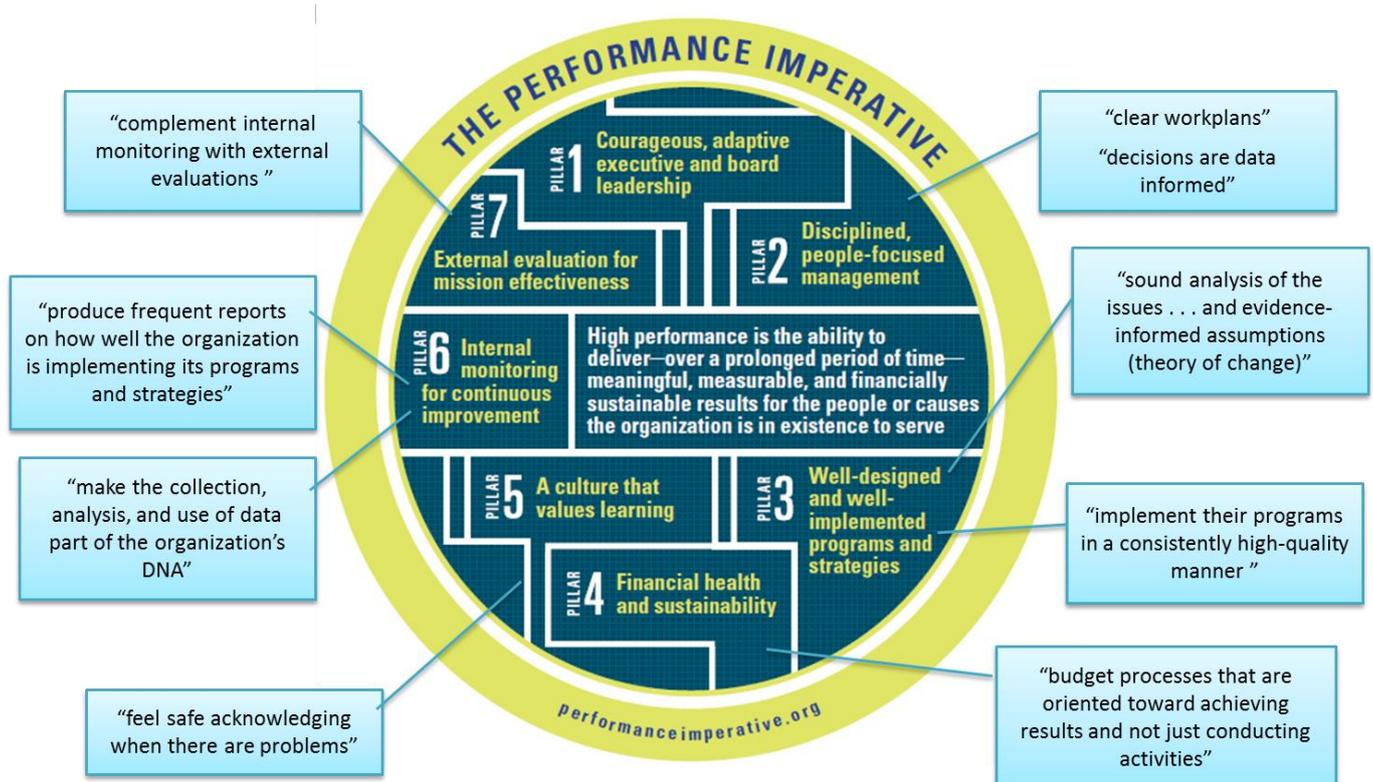
The table below shows some of the key alignment points, to help practitioners demonstrate to organisation leadership how the Open Standards enables key characteristics of high performance.

Performance Imperative	Open Standards
1. Courageous, adaptive executive and board leadership	The Open Standards is targeted at practitioners and provides information that enables leadership decisions, but does not explicitly provide guidance for leadership behaviours
2. Disciplined, people-focused management - clear workplans - decisions are data informed	OS guides development of Operational Plans and Workplans for teams and individuals, linking the work required with the results being targeted. Data-informed decision making is a key concept underpinning all OS steps and its philosophy of results-based management.
3. Well-designed and well-implemented programs and strategies - sound analysis of the issues . . . and evidence- informed assumptions (theory of change) - implement their programs in a consistently high-quality manner	OS steps 1 & 2 provide best-practice guidance for designing conservation projects, including clear articulation of the theory of change (results chains) and calls for teams to "State how our efforts will lead to our desired results". OS Step 3 guides projects to "implement your strategic plan and your more detailed work plan according to schedule and within budget. This includes implementing both your actions and your monitoring." The OS calls on teams to "Track our progress toward achieving desired results" and continually "Adapt our strategies based on what we have learned".
4. Financial health and sustainability - budget processes that are oriented toward achieving results and not just conducting activities	This pillar of the PI looks broadly at management of organisational finances; OS support comes through development of budgets to support achievement of the project's expected results as depicted on results chains. The OS calls on teams to "State our desired results in terms of conservation outcomes, not actions".
5. A culture that values learning - feel safe acknowledging when there are problems	OS Step 5 aims to "create a performance and learning culture within your project team, across your organization and partners, and among conservation practitioners around the world." It calls for "demonstrated commitment from leaders to learning & innovation", and creation of a "safe environment for encouraging experimentation"
6. Internal monitoring for continuous improvement - make the collection, analysis, and use of data part of the organization's DNA - produce frequent reports on how well the organization is implementing its programs and strategies	The OS cycle is based on the adaptive management concept - "Plan-Do-Check-Adapt" which guides design and implementation of monitoring plans to understand the results being obtained. "Without more rigorous measurement of effectiveness and disciplined recording of our efforts, how will we know if we are progressing as rapidly as needed to achieve our conservation goals? How will we become more efficient? How will we learn from one another? And how will we be able to demonstrate our achievements."
7. External evaluation for mission effectiveness - complement internal monitoring with external evaluations	OS Step 5 promotes "external mechanisms, such as evaluations, which assess a project against its own stated goals and objectives; and audits, which assess a project against an external set of process standards".

In total, the Performance Imperative defines over 90 characteristics of a high performing organisation. The chart below indicates where Open Standards concepts directly contribute to these characteristics. The detailed tables on the following pages map Open Standards guidance to the specific characteristics of each pillar, to help practitioners translate and integrate the two perspectives.

The Performance Imperative

Open Standards products support most of the characteristics underlying the pillars of high performance

Pillar 1: Courageous, adaptive executive and board leadership

Pillar 2: Disciplined, people-focused management

Pillar 3: Well-designed and well-implemented programs and strategies

Pillar 4: Financial health and sustainability

Pillar 5: A culture that values learning

Pillar 6: Internal monitoring for continuous improvement

Pillar 7: External evaluation for mission effectiveness

The Performance Imperative is seen as complementary to another useful tool – Collective Impact. The Performance Imperative developers chose to focus on the level of an individual organisation whereas Collective Impact works at the level of collaborations amongst multiple organisations: "We put forward an organisation-level framework because we believe that high-performance collaborations require high-performance organisations at their core".

The Performance Imperative website contains many supporting and promotional materials, including this specific guide for non-profits seeking to improve their performance. It outlines possible steps for generating interest, introducing specific PI concepts to the organisation, assessing the organisation's current standing, and implementing a "managing to outcomes" approach.   This is a useful starting point for anyone wanting to use this tool to raise awareness of performance within their organisation.

Mapping of Open Standards products to the Seven Pillars of High performance

1. Courageous, adaptive executive and board leadership

Performance Imperative	Open Standards
Executives and boards **embrace their responsibility to deliver meaningful, measurable, and financially sustainable results** for the people or causes the organisation is in existence to serve.	Meaningful results come selecting projects that clearly align with the organisation's mission (using information from OS Step 1); Measurable results come from defining clear Goals, Objectives & Indicators (OS Step 2) then measuring progress against them
Boards are strong, assertive governors and stewards, not just supporters and fundraisers. They recruit, advise, and hold accountable the lead executive. They ask probing questions about whether the organisation is living up to its promises and acknowledge when course correction is needed.	
Executives and boards **clarify the mission** of their organisation and inspire people to work to achieve it.	
Executives and boards **recruit, develop, engage, and retain the talent necessary** to deliver on this mission. They know that great talent is a huge differentiator between organisations that are high performing and those that aren't.	
Executives and boards **marshal the external partners and resources** necessary to deliver their mission.	
Executives and boards **passionately push the organization to get better at meeting its mission and to reduce costs** without compromising quality.	
Executives and boards are humble enough to **seek and act on feedback on their own performance and that of their organization**. Even the highest of high performers know that they haven't figured it all out and acknowledge that they still have a lot of work to do.	
Executives and boards are constantly assessing not only what the organisation should be doing but also **what it should stop doing**, with an eye to redirecting resources to the highest opportunity areas.	OS information at program and project level provides the fact- base that enables investment decision-making
Executives and boards **clearly define their respective roles**.	
Executives and boards model **thoughtful, clear, informative, and timely internal and external communications**. They see communications as essential for delivering great results, not just good PR.	

2. Disciplined, people-focused management

Performance Imperative	Open Standards
Managers translate leaders' drive for excellence into clear workplans and incentives to carry out the work effectively and efficiently.	OS Step 2 & 3 define Operational Plans and workplans, assign Strategies and Activities to teams and individuals with clear linkage to results (objectives & Goals)
Managers' **decisions are data informed** whenever possible.	All OS steps produce data to inform decisions throughout the project's life-cycle; examples include costs of implementing strategies & projects to aid investment decisions, and Measures for Indicators to aid monitoring of results,

Managers, like executives and boards, have the ability to **recruit, develop, engage, and retain the talent** necessary to deliver on the mission. They help staff get the tools and training they need in order to deliver the desired results.	Projects define the type of resources required (e.g. Step 1A - Identification of key skills; Identification of gaps in skills or knowledge; Designation of roles & responsibilities) and the quantity (OS Step 2 & 3 workplans). In aggregate, this information defines the resources required to deliver the organisation's projects.
Managers **provide opportunities for staff to see themselves in the work**— that is, to see how each person's work contributes to the desired results.	People can see their assignments to work on strategies & activities, which are depicted articulated in terms of the results being sought (results chains)
Managers **establish accountability systems that provide clarity** at each level of the organisation about the standards for success and yet provide room for staff to be creative about how they achieve these standards.	
Managers **provide continuous feedback** to team members and augment that ongoing feedback with periodic performance reviews. They view performance reviews as an opportunity for staff development and coaching.	OS Step 3 – regular progress monitoring, and OS Step 4 – analysis of results achieved relative to those expected, provide information for appraising the performance of teams and individuals
Managers **acknowledge when staff members are not doing their work well**. They give these staffers help to improve or move them to more suitable roles. If it becomes clear that staff members are unable or unwilling to meet expectations, managers are **not afraid to make tough personnel decisions** so that the organisation can live up to the promises it makes to beneficiaries, donors, and other key stakeholders.	As above

3. Well-designed and well-implemented programs and strategies

Performance Imperative	Open Standards
Leaders and managers are **clear on the target population or audience** they serve and are passionate about serving them.	Organisation strategy should drive decisions on the Programs and projects undertaken
Leaders and managers base the design of their programs and strategies on a **sound analysis of the issues, insights from intended beneficiaries, and evidence informed assumptions** about how the organisation's activities can lead to the desired change (often referred to as a "theory of change").	OS Step 1 - Situation analysis / conceptual model documents the analysis of issues and insights; Step 2 Results Chains document the assumptions linking proposed strategies to expected outcomes (theory of change)
Leaders and managers design programs with **careful attention to the larger ecosystem in which they operate**, including racial, cultural, geographic, historical, and political dynamics.	OS Step 1 - Situation analysis / conceptual model documents the contributing factors - social, economic, political, and institutional systems and drivers that affect the project's conservation targets
Leaders and managers **implement their programs in a consistently high-quality manner**. They view collecting and using data as part and parcel of implementing high-quality programs.	OS Step 3 & 4 – implementation and monitoring; with analysis of results relative to expectations
Leaders and managers do a good job of **recruiting, retaining, motivating, listening to, and learning from their participants and intended beneficiaries**	Local community members often directly participate in project planning workshops, and in project implementation
In the case of direct-service organisations, leaders and managers **invest in building strong relationships between staff and participants**, because this relationship may be the single biggest determinant of whether participants will stay engaged in programming.	

Performance Imperative	Open Standards
Leaders and managers **guard against the temptation to veer off course in search of numbers that look good** in marketing materials or reports to funders.	

4. Financial health and sustainability

Performance Imperative	Open Standards
The board and senior management **take charge of their organization's financial destiny**. They articulate the value they deliver and develop overall financing strategies, tightly aligned with their mission, to support and sustain it.	OS Step 2 & 3 – budgets are defined for planned strategies, over the timeframe required to achieve results, informing initial investment decisions and on-going reinvestment decisions; projects rolled up to programs define the longer-term funding required to meet existing commitments
The board and senior management establish **strong systems for financial stewardship** and accountability throughout their organisation.	
The board, management, and staff build and participate in **budget processes that are oriented toward achieving results and not just conducting activities**. This means allocating adequate resources for monitoring and evaluation. And it means making hard choices, especially in tough financial times, to direct money where it needs to go to drive the intended results.	OS Step 2 - Monitoring Plan; OS Step 2 & 3 - Budgets & workplans built directly from strategies and results chains, linking actions to results
The board and senior management **share their financial results transparently** with key stakeholders at regular intervals.	
The board and management **nurture the external financing relationships** required to support their operations. They treat fund development as a strategic function that requires focus, management, capital, and specialised skill sets. They ensure clearly defined roles for the board and staff.	
The board and senior management operate their organisation with **margins that allow them to build their balance sheet.** They fund the depreciation on buildings and equipment. They build internal cash reserves that brace them for unknown events, put them in a position to finance their own receivables if necessary, and enable them to negotiate a line of credit with financial institution.	
The board, management, and key staff **understand their organization's cost structure**, which aspects of it are required to produce high-quality programs, and how it aligns with reliable revenue sources for funding it year in and year out. They are relentless in making necessary investments with an eye to costs and benefits while being equally relentless in reducing unnecessary costs.	OS Step 2 & 3 – building Budgets & workplans directly from strategies and results chains, allows costs to be linked to activities; with good codification and systems linkages, this provides data for Activity Based Costing analysis to gain insights into cost structures.
Senior management **uses financial models to make clear and transparent the organization's financial condition** and, at any given point, predict how it will end the year (and what will make the prediction more or less reliable).	Clear budgets tied to results, and regular monitoring of implementation (OS Step 3) informs analysis of actual vs budget finance reports for projects, providing early warning of variances and allowing any necessary corrective action to be taken
Senior management instils an organisation-wide **discipline of compliance with all regulatory requirements**.	

5. A culture that values learning

Performance Imperative	Open Standards
The board, management, and staff **understand the organization's mission and desired results and review them periodically** to ensure that they are still relevant.	
The board, management, & staff **continually seek to do even better for the people or causes they serve**.	OS Step 4 – Analysis / Adapt; Step 5C - "Regular feedback shared formally or informally"
People in all parts of the organisation have **high expectations of themselves** and of their peers.	
The board, management, and staff **take on the challenge of collecting and using information**, not because it's a good marketing tool, and not because a funder said they have to. They believe it is integral to ensuring material, measurable, and sustainable good for the people or causes they serve.	OS Step 2 – Monitoring Plan; OS Step 3 collect measures; OS Step 4 – analyse results
The board, management, and staff look for **opportunities to benchmark themselves against, and learn from, peer organizations** that are at the top of their field.	Step 5C - "Evaluations and/or audits at appropriate times during project cycle; Commitment to share success & failures with practitioners around the world."
Senior management leads by example and encourages people throughout the organisation to **be curious, ask questions, and push each other's thinking** by being appropriately and respectfully challenging. High-performance cultures are innovative cultures, mindful that every program and process eventually becomes dated, even obsolete.	OS Step 4 Analyse results; OS Step 5 Learn & Share - "Regular feedback shared formally or informally"
Senior management creates the conditions for staff members to **feel safe acknowledging when there are problems.** They use what others might deem "failures" as an opportunity for learning.	Step 5C "Safe environment for encouraging experimentation".
Even the busiest leaders and staff members **carve out some time to step back, take stock, and reflect.**	

6. Internal monitoring for continuous improvement

Performance Imperative	Open Standards
The board, management, and staff work together to **establish clear metrics**, tightly aligned with the results they want to achieve, for each program and for the organisation as a whole.	OS Step 2 – Monitoring Plan, OS Step 3 – collect measures; OS Step 4 Analyse results; ability to roll-up project-level measures to program and organisation level
Management and staff **produce frequent reports on how well the organization is implementing its programs and strategies**. Management and staff use these reports to chart course corrections and make operational and programmatic improvements on an ongoing basis.	OS Step 3 – Progress reporting; OS Step 4 analysis of results; information made available via Miradi Share
Management and staff **make the collection, analysis, and use of data part of the organization's DNA**. They ensure that people throughout the organisation understand the key metrics. And they invest in helping staff gain comfort in working with data as a natural part of their job.	OS Step 2 – Monitoring Plan, OS Step 3 – collect measures; OS Step 4 Analyse results
Management and staff **don't collect excessive information.** They focus on collecting information that is relevant for determining how well they are achieving the desired results, understanding	OS Step 2 Monitoring plan – "measure what matters"

what mix of efforts is critical to achieving those results, and continuously improving their results over time. Ideally, applying this information makes staff members' jobs easier and more effective, rather than simply adding to their burden.	
The board, management, and staff **draw extensively on lessons from organizational assessments and evaluations of like programs** serving similar causes or populations.	OS Step 5 – share – of projects across organisations, community of practice; supported by Miradi Share

7. External evaluation for mission effectiveness

Performance Imperative	Open Standards
Leaders **complement internal monitoring with external evaluations conducted by highly skilled, independent experts.**	OS Step 5C – external reviews
Leaders commission external assessments to **learn more about how well their programs are being run, what these programs are or are not accomplishing, who is or is not benefiting, and how the programs can be strengthened.** Leaders do not use external assessments as a one-time, up-or-down verdict on the organisation's effectiveness.	OS Step 4 – Analyse results relative to expectations; OS Step 5 Lessons learnt
Leaders recognise there are many different types of external assessments, and **no one type is right for every organization or for every stage of an organization's development.** Independent evaluators who understand how different methodologies fit different contexts help leaders **match the tool to the task**.	
Leaders draw a clear distinction between outputs (e.g., meals delivered, youth tutored) and outcomes (meaningful changes in knowledge, skills, behavior, or status). Those who are working to improve outcomes **commission evaluations to assess whether they are having a positive net impact**. In other words, they want to know to what extent, and for whom, they're making a meaningful difference *beyond what would have happened anyway.*	OS Step 2 – Monitoring Plan; OS Step 3 collect measures; OS Step 4 – Analyse results OS Step 5C – external reviews
Leaders who plan to expand significantly any programs aimed at improving outcomes have **a special obligation to commission a rigorous evaluation that can assess net impact.**	
Even those leaders who commission the most rigorous of impact evaluations do not stop there. They **commission additional assessments to gauge their impact in new settings** (or for new populations) and achieve greater positive impact for the money they spend.	
Leaders **share the methodology and results of their external assessments** to help others learn and avoid mistakes.	OS Step 5 Share & Learn "Commitment to share success & failures with practitioners around the world"

The Bridgespan guide to organisation effectiveness and performance

What	**Bridgespan Organisation Effectiveness and Performance Measurement materials**
Purpose	Provide guidance for designing organisational structures and performance measurement, and relates key Open Standards concepts in this context
Who should use this, and with whom?	Integrators / M&E staff, with senior leaders and program managers
When	In discussions about changes to organisation structure and improvements to organisational performance
How	Use Bridgespan graphics and descriptions to assess alternative organisation structures, and help identify areas for improving organisational performance by demonstrating the benefits of related Open Standards concepts for results-based management

Bridgespan is an advisory group to non-profit leaders and philanthropists, with an aim to "help scale impact, build leadership, advance philanthropic effectiveness and accelerate learning". Bridgespan were a key contributor to development of the Performance Imperative concept outlined above.

Two of their practice areas - Organisational Effectiveness and Performance Measurement - provide useful guidance for practitioners seeking to institutionalise the Open Standards, and demonstrate alignment of Open Standards concepts with sound organisational design and performance principles. Their writings are generally targeted at organisational leadership so can provide useful materials to help explain Open Standards concepts in business language. Some examples are outlined below.
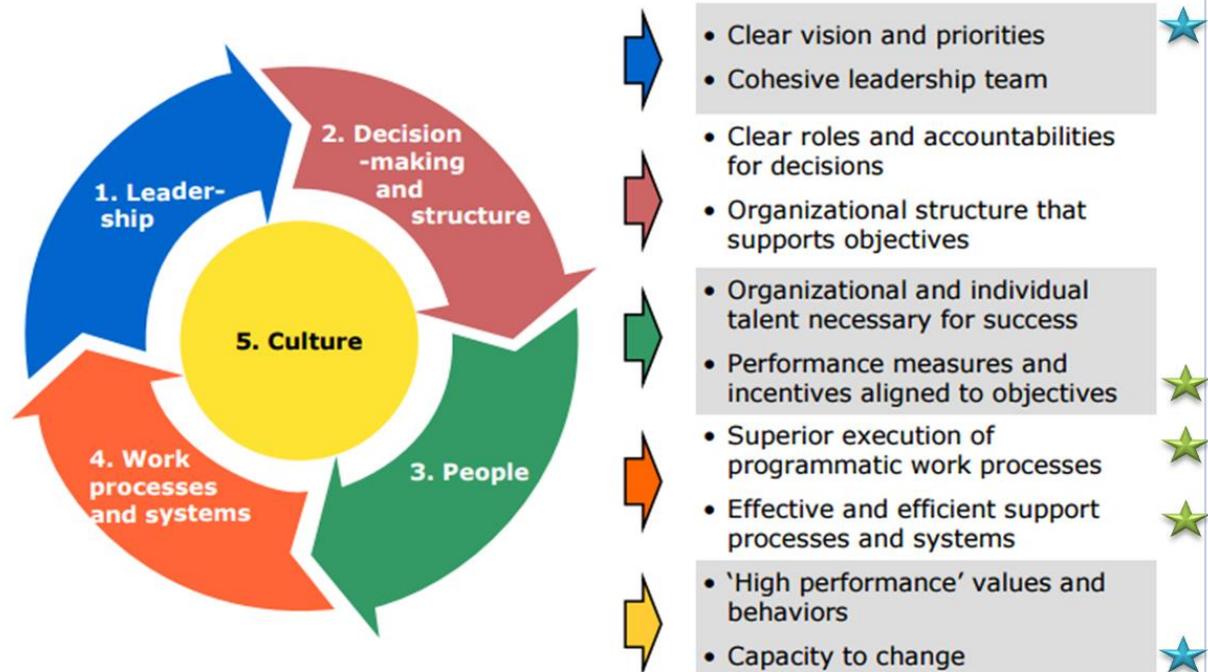
Organisational Effectiveness

> "*Highly effective organizations exhibit strengths across five areas: leadership, decision making and structure, people, work processes and systems, and culture.*"

These five elements are depicted in Bridgespan's organisational "wheel", shown below. This model is a key part of an insightful guidance document on organisations design and structure. The Open Standards contributes to many of the elements within the wheel, as indicated in the diagram.

Of particular relevance to Open Standards adoption is the "work processes and systems" element – *"The work in any organization is performed through processes. To ensure staff are as productive as possible the work **processes need to be defined** and **enabled by tools and systems"** (emphasis added). Open Standards guidance defines the work processes for conservation practitioners, and contributes information to the processes of other organisational functions such as fundraising and financial management. These processes are enabled by the Open Standards' supporting tools – Miradi and Miradi Share.

This guidance document outlines some possible steps in analysing and improving an organisation's processes, including this graphic which summarises the benefits that flow from effective processes, as made possible through adoption and institutionalisation of the Open Standards and its tools.

Effective organization design considers five, interrelated components

- Clear vision and priorities
- Cohesive leadership team

- Clear roles and accountabilities for decisions
- Organizational structure that supports objectives

- Organizational and individual talent necessary for success
- Performance measures and incentives aligned to objectives

- Superior execution of programmatic work processes
- Effective and efficient support processes and systems

- 'High performance' values and behaviors
- Capacity to change

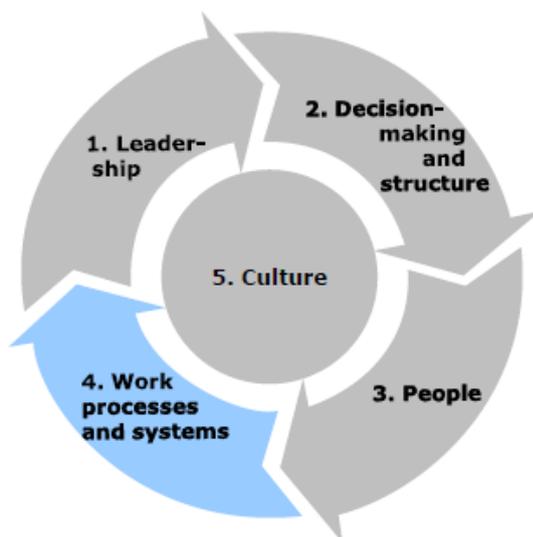Source: Bain & Company organizational toolkit and Bridgespan analysis

Directly supported by OS & tools   Indirectly supported by OS & tools

# When work processes are effective . . .

- Staff spend their <u>time in activities that most create impact</u> and value

- Staff <u>understand their role</u> in the process, and how it contributes to the ultimate output

- <u>Activities and hand-offs</u> from one step to the next are <u>well-defined</u>

- Staff have the <u>requisite skills</u> and <u>resources</u> (budget, FTE)

- A system is in place to <u>measure the quality of output, provide feedback, and improve</u>
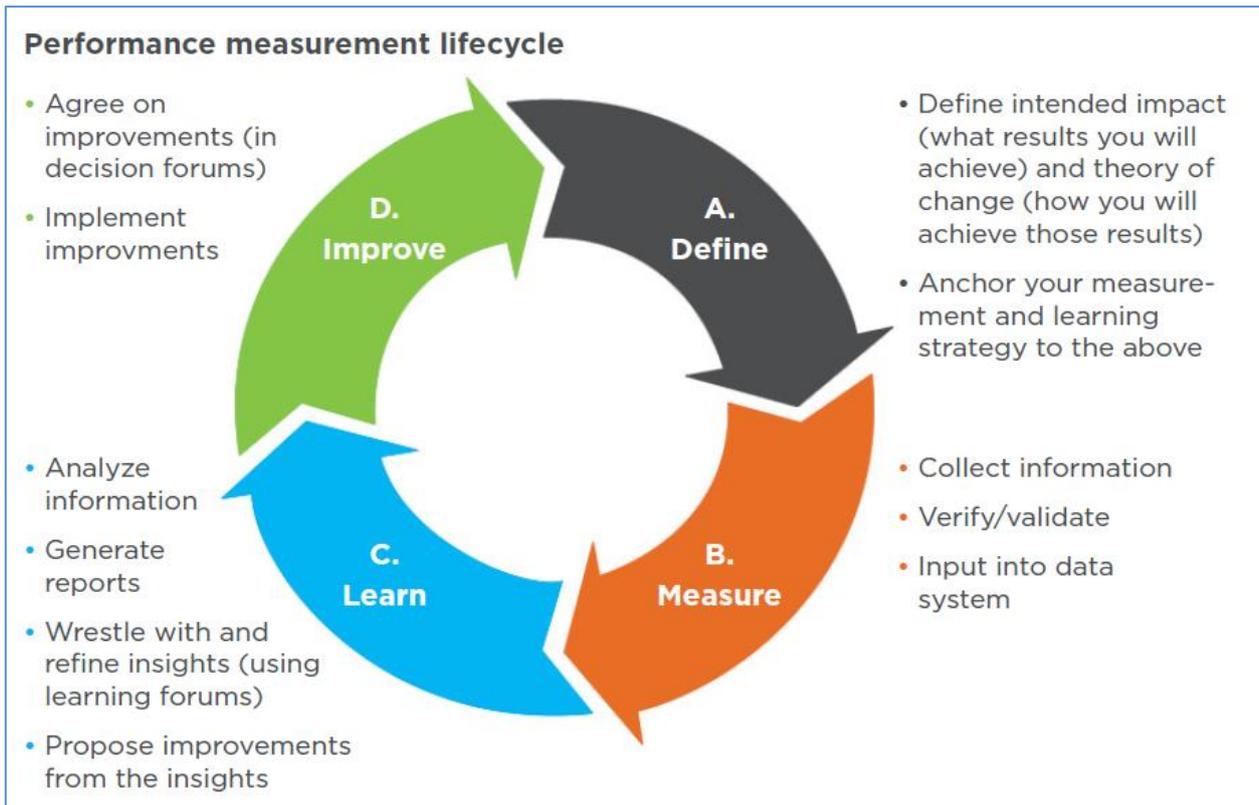
Performance Measurement

> *"Effectively managing a non-profit's performance begins with a clear understanding of what the organization is trying to achieve, what's being done today, what progress is being made, and what's needed to help the organization increase its impact."*

Performance Measurement is another of Bridgespan's practice areas that provides useful guidance to support Open Standards adoption. The Performance Measurement pages provide references to relevant case studies and research reports.

This report on "Building Capacity to Measure and Manage Performance" provides guidance on achieving the type of results-based management envisaged by the Open Standards. It is pitched at CEO level and makes the case for needing strong leadership support - "*Without a leader who is committed to measurement as a top priority . . . organizations will not overcome the natural reluctance among staff to embrace what seems like such an overwhelming enterprise*." The following graphic shows this as priority one.
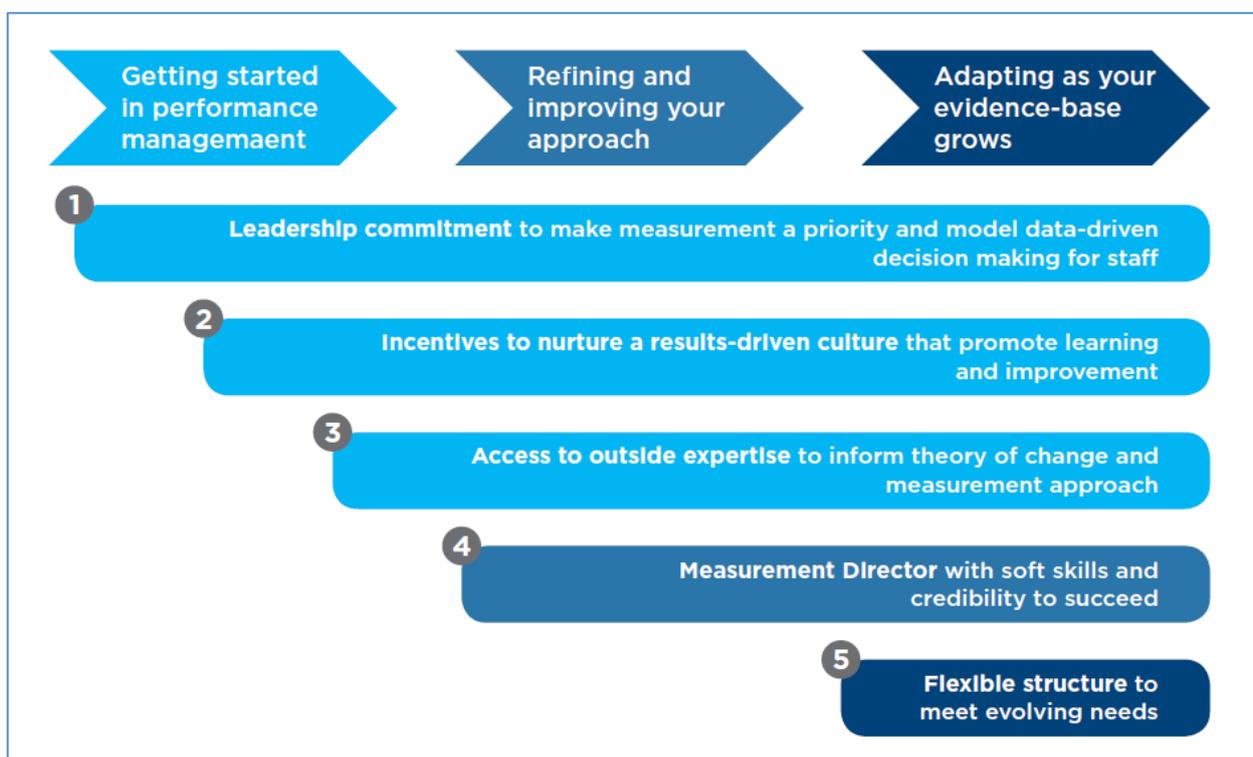
This Measurement as Learning report, again targeted at organisation leadership, outlines a Performance Measurement cycle that closely relates to the Open Standards; part A of their cycle covers the key outputs of Open Standards Steps 1 & 2; parts B, C and D almost directly state the outputs of Open Standards Steps 3, 4 and 5.

Performance measurement lifecycle

- Agree on improvements (in decision forums)
- Implement improvments

D. Improve

- Define intended impact (what results you will achieve) and theory of change (how you will achieve those results)
- Anchor your measurement and learning strategy to the above

A. Define

- Analyze information
- Generate reports
- Wrestle with and refine insights (using learning forums)
- Propose improvements from the insights

C. Learn

- Collect information
- Verify/validate
- Input into data system

B. Measure

The report goes on to explain the cultural support that allows results-based management to take effect - *"If a non-profit's CEO and board do not use data to make decisions, all attempts to instil a culture of measurement throughout the organization will languish."*

Good to Great in the Social Sector

What	Good to Great in the Social Sector
Purpose	A highly-respected business text defining the key characteristics that are the difference between good and great organisations
Who should use this, and with whom?	Integrators / M&E staff, with senior leaders and program managers
When	In discussions about aspirations for long-term organisational performance
How	Discuss some of the key characteristics of Great performance and explore how OS provides some of the associated mechanisms, such as "disciplined thought", and "a system" for managing the work.

http://www.jimcollins.com/books/g2g-ss.html

"Good to Great" is a highly regarded book by Jim Collins, who performed a detailed analysis of why some companies have succeeded and grown, while others haven't.   His findings are often referenced in business strategy discussions and the book remains on best-seller lists.

The author subsequently applied the concepts to the non-profit sector, where "*the challenges are more complex . . . . it can be more difficult to run a non-profit organization than a corporation, because there is no single agreed-upon measure of success for a non-profit, whereas it is easy to measure the success of a private sector company merely by the profit it generates*".

Several of his key concepts resonate well for anyone familiar with the Open Standards, and provide some counter-points to perceptions and concerns commonly expressed when discussing adoption of the Open standards -

- Perceived loss of autonomy, or of "bureaucratisation" of conservation work. Standardised processes like the Open Standards are aiming for what Collins calls discipline, or "freedom and responsibility within a highly developed system".   "*A culture of discipline involves a duality. On the one hand, it requires people who adhere to a consistent system; yet, on the other hand, it gives people freedom and responsibility within the framework of that system.*" [2]

- Perceived "corporatisation" of conservation. This perception rightly states that, unlike businesses, it's very difficult to quantify conservation results in financial or economic measures; accordingly conservation decisions require value judgements. Regardless, investment decisions still need to be made, and are best made when they are informed by data that is analysed and defined in a consistent and comparable manner (such as the health of targets or degree of threats). This approach builds on the concept of discipline – "disciplined *people* who engage in disciplined *thought* and who then take disciplined *action. A culture of discipline is not a principle of business; it's a principle of greatness*."[3] It promotes the concept of "rigorous decision-making, not ruthlessness".

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[2] Jim Collins, "Good to Great". .
[3] Jim Collins, "Good to Great in the Social Sector".

- "The good-to-great companies built a consistent system with clear constraints, and gave people freedom and responsibility within the framework of that system. They hired self-disciplined people who didn't need to be managed, and then managed the system, not the people"

- In for-profit organizations, what must be changed is comparatively easy to pinpoint based on metrics. Non-profit organizations, however, are blessed but also challenged by their passion for core values which is "hard to extract from practices." The secret to creating sustained greatness is knowing what shouldn't be changed — and changing everything else.

- The book contrasts "rigorous" decisions with "ruthlessness'. Often people in cause-driven organisations perceive or fear "ruthlessness" in decision-making, when so much of conservation requires value judgements.   A more appropriate concept is "rigorousness", where conservation decisions are made based on rigorous analysis of options so that limited resources can be applied to the areas of greatest conservation need.

External Reporting Frameworks

What	External Reporting frameworks
Purpose	Define expectations for reporting an organisation's performance
Who should use this, and with whom?	Integrators / M&E staff, with Finance Managers and others involved in investment decisions; and with funders to demonstrate value-for-money & performance
When	When reviewing project proposals, and progress, and outcomes; when preparing the organisation's Annual Reports
How	Shows how Open Standards projects create the information required for these types of reporting

A wide range of entities are increasingly analysing the performance of non-profit organisations, and calling for these organisations to report their performance and impact. The details below describe three of these types of entities – a major government funder (based on the UK's Value for Money framework), accounting standards boards, and a charity ratings agency. Open Standards generates information that helps to meet the reporting requirements of these types of entities.

Value for Money

https://www.nao.org.uk/successful-commissioning/general-principles/value-for-money/

The Value for Money concept provides a model for thinking about the cost-effectiveness of projects. This is a useful complement to the Open Standards' focus on the effectiveness of projects in terms of conservation outcomes. The framework is used primarily in the UK and Europe to guide government commissioning of projects by third sector organisations.

Value for money is defined as "*the optimal use of resources to achieve the intended outcomes*" and is a component of accountability – "*the obligation to explain to someone how well you have met your responsibilities*".   Translating Value for Money concepts into Open Standards equivalents provides guidance for the Implementation phases of projects, and creates a financial perspective that can help to explain conservation projects to managers, particularly those responsible for making investment decisions.

The model uses three criteria to assess the value for money of a project's spending :

- **Economy**: minimising the cost of resources used or required (inputs) – spending less;
- **Efficiency**: relationship between resources and the outputs they produce – spending well; and
- **Effectiveness**: relationship between the intended and actual results (outcomes) – spending wisely.

The components in the Value for Money model translate readily into Open Standards factors -

- **Objectives:** are the high-level aims of the project, described at a high level through the Project Vision and in more detail as Goals for Targets and Objectives for Strategies
- **Resources**: are the people and materials required to conduct the work outlined in the Strategies
- **Inputs – Processes – Outputs**: relationships between these are generally depicted in Results Chains, with Inputs being the resources required, processes being the Strategies / Activities performed, and Outputs generally being a series of measurable Intermediate Results and reduction in threats.   The project's Workplan and Budget shows the Resources required to achieve this work,

including the effort required to monitor progress (record Measures for Indicators), evaluate the results being achieved, and adapt the project's actions as required.

- **Outcomes**: are generally improvements in Target health, as measured through Viability indicators and achievement of Goals.
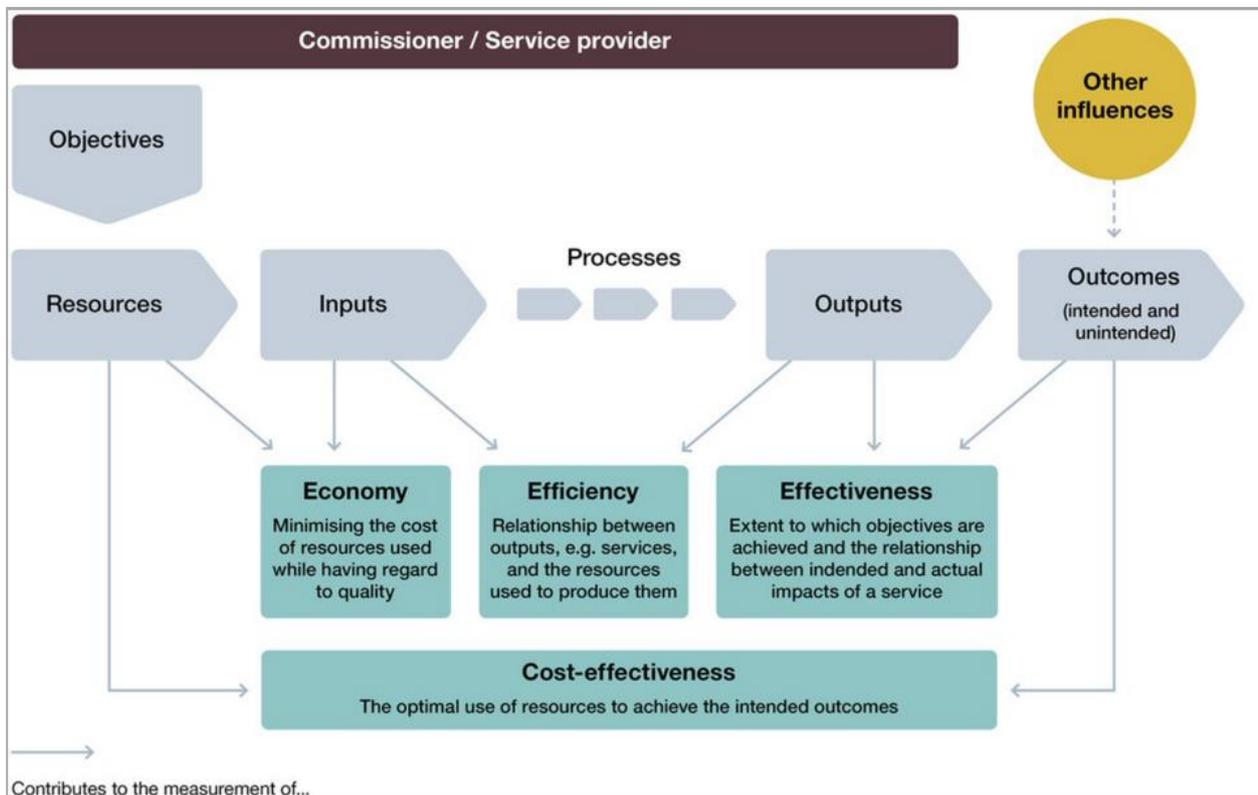
A project plan developed following the Open Standards should therefore be able to be translated into Value for Money components if required, and be able to demonstrate its **cost-effectiveness**, in terms of how it meets the criteria for assessing value for money:

- **Economy & Efficiency**: at the planning stage (OS Step 2), the plan shows why particular resources are required, in the context of the Strategies and outcomes they will be applied to (i.e., the total project cost can be seen in detail, and shown to be oriented toward achieving results and not just conducting activities); during Implementation (OS Step 3) the project's actual spend can be tracked against budget to maintain awareness; and with regular evaluation (OS Step 4) the project's actions can be adapted based on the results being achieved and ensure it stays on track.

- **Effectiveness**: at the project's key milestones, or conclusion, specific measures against indicators will be available to show the actual results obtained relative to those intended, augmented by evaluations to explain any differences, allowing a fact-based judgement of the effectiveness of the project.

Accounting Standards and Service Performance Reporting

A similar style of framework is now being adopted by various accounting standards bodies[4] to regulate reporting from public sector and non-profit organisations. The standards require these entities to report annually on their:

- **Inputs:** the resources used to provide goods or services
- **Outputs:** the goods or services provided
- **Outcomes**: the impacts on society that are reasonably attributable to the entity
- **Efficiency**: the relationship between inputs and outputs and outcomes
- **Effectiveness:** the relationship between actual results and service performance objectives

Accounting groups generally recommend that organisations work through the following steps to meet the reporting obligations, all of which are fundamental principles within the Open Standards -

- Developing a theory of change that shows the relationship between inputs, outputs and outcomes;
- Developing robust, verifiable measurement
- A commitment to transparency, reporting and assurance

Charity ratings agencies

Non-profit performance reporting is also analysed by a range of organisations that provide information services to the donors and philanthropic community.   These agencies are increasingly assessing the impact that assess the performance

For example, the Charting Impact initiative, led by the BBB Wise Giving Alliance and GuideStar aims to assess whether an organisation is making a difference. It asks 5 questions -

- What is your organization aiming to accomplish?
- What are your strategies for making this happen?
- What are your organization's capabilities for doing this?
- How will your organization know if you are making progress?
- What have and haven't you accomplished so far?

These questions are all framed at the organisational level, however answering them requires insights drawn from the actual work of the organisation, which occurs at the project and program levels. An organisation-level theory of change helps to answer the first two questions, with more specific views available at project and program levels through their own theories of change (OS Step 1 & 2). The quantitative aspect of question 3 is informed by the resources defined in workplans (OS Steps 2 & 3), while the 4th and 5th questions can be answered through regular application of OS Steps 4 & 5 at the project and program level, drawing out key insights for reporting at the organisational level.

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[4] For example "Reporting Service Performance Information" Australian Accounting Standards Board ED 270, and similar from New Zealand, both developed following the recommendations of international accounting standards.