



Pro Bono Capacity Building: Evaluating What Matters Most

GUIDANCE FOR CORPORATE PRACTITIONERS

Developed in partnership by

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The Measurement Challenge

In 2013, Mastercard worked with Taproot Foundation to develop the Pro Bono Challenge, an initiative to provide capacity building support to nonprofit organizations by engaging the professional skills of Mastercard employees. The vision for social impact was clear: build a program that would make a positive difference in the community by connecting the company's nonprofit partners to Mastercard expertise—all at no cost, or pro bono.

The Pro Bono Challenge arrived, and Mastercard finance, technology, marketing, and human resources experts tackled a broad range of projects the nonprofit organizations couldn't afford to address on their own. When the day was over, success seemed assured: the nonprofit partners were effusive in their praise, and the Mastercard teams were energized, confident they had helped their nonprofit partners build capacity to better carry out their missions.

But while participants all felt the initiative was successful in creating social impact, how could they objectively measure whether that was true?

Mastercard's measurement challenge illustrates a common problem for corporate social responsibility professionals: few companies are equipped to validate their assumptions about how much social value their programs are generating. We see three interconnected explanations for this:

- 1 The sector lacks standards for measurement, leaving practitioners with little practical guidance
- 2 There is a pervasive sense that some things just aren't measurable (or are prohibitively expensive to measure)
- 3 Measurement that is happening in the sector often focuses on basic inputs and/or outputs, and misses the resulting social impact

Recognizing the lack of pro bono program measurement standards and common confusion over how to measure the effects of pro bono service, Taproot partnered with True Impact and, with support from Mastercard, worked to demystify this issue and develop this practical measurement guidance for companies.

The Status Quo: Measuring Inputs and Outputs

Most companies judge the success of their pro bono programs by simply tallying up the resources invested (inputs) or the services they provide (outputs). Examples include the number of employees engaged or dollar value of services delivered to beneficiaries - see Table 1 below for additional examples.

Basic inputs and outputs are helpful indicators of the work that takes place during a pro bono

project and for calculating how much money a nonprofit saves by not having to outsource or hire someone to perform the services that are being provided pro bono.

But by reporting on inputs and outputs alone, companies miss a big opportunity: assessing the degree to which their services help increase nonprofits' capacity to fulfill their missions, and the resulting increase in social impact.

Table 1: Common Input and Output Metrics for Pro Bono Programs

INPUT METRIC	DEFINITION
Pro Bono Consultant Hours	# of volunteer hours logged
Employees Engaged	# of employees engaged through the program
OUTPUT METRIC	DEFINITION
Project Completion	% or # of pro bono projects completed over the program time period
On-time Completion	% or # of projects completed on time
Net Promoter Score	Recommendation of pro bono program to others
Value of Services	Dollar value of pro bono services delivered (standard valuation of pro bono service = \$150/hr)
Satisfaction with the Experience	% of employees and beneficiaries satisfied with training and the overall experience of delivering/receiving pro bono service

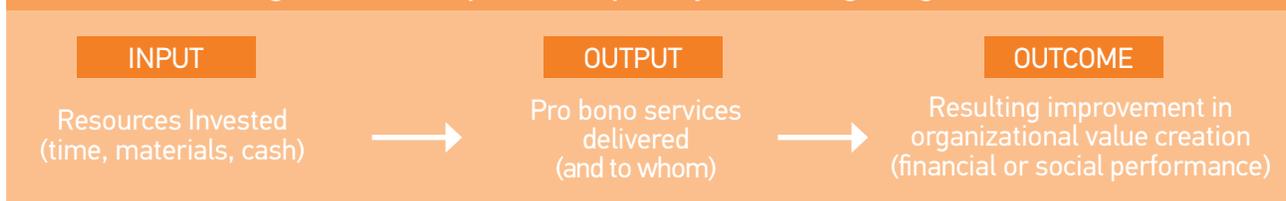
The Way Forward: Measuring Outcomes

To determine whether a pro bono program has made a lasting impact on a nonprofit, companies must look at their programs' results, or outcomes. Specifically, outcome metrics help you understand the extent to which your pro bono investment improves nonprofits' ability (organizational capacity) to carry out their missions (improving the lives of their beneficiaries). You can see the relationship between inputs, outputs, and outcomes in the logic model below (Figure 1).

Measurement that captures the social value generated by pro bono does require investment—and many of these metrics are more difficult to capture than commonly-reported metrics used

by companies to gauge program success. To make it easier for companies to start using outcome metrics, we developed a framework that adapts traditional concepts of organizational value creation (i.e. financial performance) to include nonprofits' "second bottom line" (i.e. social performance). The concepts are self-reinforcing: while the purpose of a nonprofit organization is to create social value, financial performance is what sustains or expands that generation of social value. These measurements can be applied to virtually any model of pro bono service, including one-day pro bono programs, loaned employee engagements and long-term team-based projects - see Table 2 on the next page).

Figure 1: Nonprofit Capacity Building Logic Model



This classic logic model structure illustrates the difference between inputs (what you are investing), output (what services you are delivering), and outcomes (resulting capacity development that drives organizational value). Pro bono service creates value for nonprofit organizations in two primary ways:

1. Financial Performance: The pro bono intervention can help to increase revenues or reduce operating costs.

2. Social Performance: The pro bono intervention can increase the effectiveness of the organization's services or their ability to serve (reach) more beneficiaries.

The Way Forward: Measuring Outcomes

Table 2: Outcome Metrics for Pro Bono Capacity Building

SOCIAL PERFORMANCE

METRIC	DEFINITION	EXAMPLE
Increased Effectiveness	The increase in the beneficiary organization’s success rate—i.e. the number of constituents served that achieve the targeted level of improved wellbeing—as a result of the pro bono intervention. This is often expressed as the number or percentage increase in additional constituents achieving success.	A team of pro bono consultants help a nonprofit develop a plan to restructure operations within the organization’s job training program. The new plan results in 50 more participants gaining a job from the nonprofit’s program, a 30% increase.
Increased Reach	The increase in the number of constituents the beneficiary organization serves as a result of the pro bono intervention. This is often expressed as the number or percentage increase of additional constituents served.	Pro bono consultants create an updated marketing and communications plan to expand community awareness about the client organization’s after-school programs, resulting in 200 additional children enrolling (a 17% increase).

FINANCIAL PERFORMANCE

METRIC	DEFINITION	EXAMPLE
Increased Revenues	The amount of additional income generated by the beneficiary organization as a result of the pro bono intervention. This is often expressed as a dollar value or percentage increase.	A team of pro bono consultants help develop a new donor outreach strategy and supporting IT system, resulting in \$100,000 more revenue, a 27% increase.
Reduced Costs	The reduction in resources required for the beneficiary organization to manage or deliver services as a result of the pro bono intervention. This is often expressed as the dollar value of costs saved, or percentage increase in efficiency.	Pro bono consultants help create a more efficient data reporting system for a nonprofit, reducing processing costs by \$50,000, a 20% savings.

Note: It is worthwhile to acknowledge that social value measurement is an area in which experts and practitioners are always learning and improving. For pro bono capacity-building projects, quantifying outcomes (as in Table 2 above) can be tricky if the resulting improvement in organizational

value is expected to occur far in the future or if the value-add of pro bono support is uniquely difficult to estimate. We expect to learn new ways to continuously improve the quality of measurement as this framework is more widely implemented.



The Benefits of Measuring Outcomes

When you measure outcomes, you'll find it much easier to quantify how pro bono investments increase the capacity of your nonprofit partners. And there are many other benefits to taking this approach to pro bono program measurement. Below, we outline three

BENEFIT #1: PROVE SOCIAL ROI

Program outcome data enables you to prove that your programs are generating positive social return on investment (SROI). The purpose of investing in nonprofit organizations or initiatives is to improve social wellbeing. Monitoring how your pro bono investments help increase this social value enables you to effectively commu-

nicate with key internal and external stakeholders. This will inspire and engage employees by reinforcing your company's commitment to social good, build your company's reputation and brand by educating the community at large about your program, and assure leadership that the program is successful and worth continued support.

BENEFIT #2: CONTINUOUSLY IMPROVE PROGRAMS

Measuring the outcomes of pro bono service for nonprofit organizations helps you continuously improve your programs. Monitoring the resulting financial performance (increased revenue, reduced costs) or social performance (increased effectiveness, increased reach) is critical to under-

stand whether a program is successful, and can inform whether a program should be replicated, expanded, or adjusted. Understanding these outcomes can also help guide investment decisions by better predicting which interventions are mostly likely to achieve the greatest success.

BENEFIT #3: ALIGN ON VISION OF SUCCESS

Outcome measures help you inspire and align nonprofits and employee participants around a common vision of success. Pro bono enables your employees to use their professional expertise in a new environment and for social impact. Many would-be pro bono practitioners are unfamiliar with the nonprofit sector and the unique resource, staff, and budgetary challenges that nonprofits

face. As a result, they might be unsure about how they can help solve their nonprofit partners' challenges. Educating participants about what the desired program success could look like aligns all participants around what's possible, enabling everyone—consultants and nonprofits alike—to better manage their resources and achieve a concrete, impactful result.



Incorporating Outcome Metrics

Think back to Mastercard and their Pro Bono Challenge. Their program was, by all accounts, a success. Employees walked away feeling like they made a meaningful contribution to their nonprofit partners and nonprofit beneficiaries indicated their satisfaction with the experience. But Mastercard still wanted to prove their impact and validate the social return on investment of the Pro Bono Challenge. So we worked with them to develop a survey that measured the four key outcome metrics outlined in this paper (see Appendix A on page 8). Through the results of this survey, they developed a much richer, more specific understanding of the lasting impact they made on the nonprofits that received their pro bono support.

If, like Mastercard, you are interested in applying these metrics to your company's programs, follow these steps:

1 Make the case for investing in nonprofit capacity building measures at your company: Be sure to explain the benefits of expanding pro bono program reporting criteria beyond input and output measurements with all relevant program stakeholders, using the benefits described above as a guide for your conversations. Buy-in is critical—be it from CSR, HR, executive leadership, or elsewhere—because these stakeholders can become champions for evaluation and may unlock resources to complete this work more successfully.

2 Incorporate nonprofit capacity building measurement into your pro bono program's infrastructure: To ensure that outcome measurement occurs seamlessly as part of your program, apply the following approach:

• **Make understanding nonprofit impact a key program objective:** When outlining key goals

Case Profile: Improving Organizational Efficiency at The Magic House

The following case highlights how best practices in outcome metrics implementation were brought to life through the Mastercard Pro Bono Challenge.

The Magic House, a children's museum in St. Louis, participated in the Pro Bono Challenge in November 2014. A Mastercard team worked with the museum to develop a Request for Proposal (RFP) for a new Point-of-Sale (POS) System. Directly after the Challenge, the

participants anticipated that the RFP deliverable would reduce costs by enabling the museum to select the best tool that would integrate several systems, in turn lessening the need for manual entries.

Six months after the Challenge, The Magic House reported that the new POS system allowed them to gather and admit visitors to the museum more quickly, resulting in a 25% savings in time for the museum's Membership Coordinator, or \$9,000.

Incorporating Outcome Metrics

and success metrics for your pro bono program, include evaluation as a component. For example, one of the goals for the Mastercard Pro Bono Challenge is to “Build Nonprofit Capacity”, and a metric that Mastercard uses to gauge progress against this goal is whether nonprofits report gains in at least one of the four outcome metrics.

- **Align with your nonprofit partners on your measurement approach before engaging them in pro bono projects:**

Measuring outcomes requires you to work with your nonprofit partners to understand the effect of pro bono work completed by employee participants. Some nonprofits may not be familiar with how to gather or report this particular kind of information. Mastercard expedited this process by incorporating guidelines on quantifying social and financial performance into a pre-project training, which encouraged nonprofit participants throughout the Pro Bono Challenge to consider the anticipated value that the solution would have on their organizations.

- **Train employee participants on the outcomes you want them to achieve:** Make sure that employees understand the ways in which their support can positively impact the social and/or financial performance of their nonprofit partners.

Doing so enables you to unlock the key benefit of aligning employees and nonprofits around a common vision of success as described above. Mastercard incorporated this information into their pre-project training for Pro Bono Challenge employee participants, which enriched the teams’ initial conversations about what successful outcomes to their projects could look like.

- **Build in time to measure results and conduct longitudinal follow-up surveys:**

To gauge outcomes, survey nonprofits both immediately after the pro bono projects’ completion and at a period of time after the project has been implemented at the organization. The length of time needed to conduct a follow-up survey depends on the deliverable created during the pro bono project. However, on average, you should wait 6-9 months to capture a project impact cycle.

Mastercard used this survey approach to measure anticipated and actual outcome of the Pro Bono Challenge on their nonprofit partners. Immediately after the Challenge, nonprofit participants were asked to describe all relevant anticipated outcomes of their pro bono project and quantify expected benefits. Then, six months after the Challenge, Mastercard re-surveyed nonprofits to determine the status of implementing the deliverable, barriers to implementation (if applicable), and actual outcomes of the Challenge on increasing revenues, reducing costs, increasing effectiveness and increasing reach.

3 Analyze the data and adjust your program as needed: Nonprofit outcome data will provide you with the tools to understand the social ROI of your pro bono program. If the data tells you that your program is not having the effect on your nonprofit partners that you wanted or expected, think about adjustments to your model that could strengthen it in the future.

Go Forth and Measure

You now have the tools to more easily and confidently verify the extent to which your company’s pro bono programs deliver value and build the capacity of nonprofit organizations. These suggested metrics should serve as a starting point for how you can think about pro bono program impact at your company.

Appendix: Pro Bono Impact Survey Questions

To quantify the impact of your pro bono projects on your client organizations, incorporate these questions into your post-implementation survey:

Please quantify the (anticipated) impact of the pro bono project on your organization by responding to the questions below. You may respond to more than one if relevant; simply skip those that are not.

1. What is the primary anticipated impact of the pro bono project? Select more than one if relevant; simply skip those that are not.

- Increased Effectiveness (the percentage of constituents who achieve a successful 'end outcome')
- Increased Reach (the number of constituents your organization serves)
- Increased Revenues
- Reduced Costs

2. If you selected Increased Effectiveness in Question 1: How much did the pro bono project increase the effectiveness of your organization's services? Be specific and use actual or estimated data as available.

For example: Our organization's original success rate is 50%, and the pro bono project helped improve the success rate to 60%, a 20% increase (10% gain / 50% original success rate).

3. If you selected Increased Reach in Question 1: How much did the pro bono project increase the reach of your organization? Be specific and use actual or estimated data as available.

For example: Our organization originally served 100 people, and the pro bono project helped increase that to 120 people, a 20% increase (20 people gained / 100 people originally served).

4. If you selected Increase Revenues in Question 1: How much did the pro bono project increase your organization's revenues? Be specific and use actual or estimated data as available.

For example: Our organization's original revenues through fundraising and earned income was \$100,000, and the pro bono project helped increase that to \$120,000, a 20% increase (\$20,000 gain / \$100,000 original income).

Appendix: Pro Bono Impact Survey Questions

5. If you selected Reduced Costs in Question 1: How much did the pro bono project reduce your organization's costs? Be specific and use actual or estimated data as available.

For example: Our organization's operating costs were \$100,000, and the pro bono project helped reduce that to \$80,000 through efficiency gains, a 20% reduction (\$20,000 savings / \$100,000 original costs).

6. If you anticipate that any of the above-cited outcomes (increased effectiveness, reach, revenues, or reduced costs) represented a change of more than 20% for your organization, classify the pro bono project as having provided "transformational support." Otherwise, classify the pro bono project as having provided "operational support."

- Transformational Support (>20% change)
- Operational Support (<20% change)



True Impact, 2016

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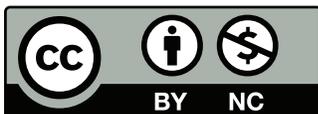
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Taproot Foundation, a national nonprofit, connects nonprofits and social change organizations with skilled volunteers through pro bono service. Taproot is creating a world where organizations dedicated to social change have full access—through pro bono service—to the marketing, strategy, HR, and IT resources they need to be most effective. Since 2001, Taproot has worked with over 60 Fortune 500 and other organizations to develop best-in-class pro bono programs. Over 4,000 social change organizations have been served through 1.4 million hours of work worth over \$150 million in value. Taproot is located in New York, San Francisco, Chicago, Los Angeles and Washington, D.C. and is leading a network of global pro bono providers in over 30 countries around the world. www.taprootfoundation.org. For more information, contact advisory@taprootfoundation.org



True Impact (www.trueimpact.com) is a web-based measurement tool and benchmarking network for the charitable sector. Donors and nonprofits use True Impact to measure the social impact of their grants, volunteerism, and other philanthropic investments, to demonstrate success and identify opportunities for improvement.



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