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Achieving Agenda 2030

The Impact Management Imperative for Humanitarian and Development INGOs in the Backdrop of COVID-19 and Historic Challenges

BY RAKESH BHARANIA
DIRECTOR, HUMANITARIAN IMPACT DATA
SALESFORCE.ORG

OCTOBER 2020

Abstract

Humanitarian and international development organizations are facing great uncertainty and challenge to deliver meaningful, measurable results grounded in evidence and data. This imperative to ground program results and impact in data is increasingly driven by ongoing sectoral reforms and stricter donor requirements that have only grown more urgent during the COVID-19 pandemic.

Salesforce.org and its partners provide best-in-class technology and service offerings trusted by leading global NGOs to enable organizations to build a culture and practice of impact management and center digital transformation efforts directly in the service of the humanitarian and development mission.

CHALLENGE

How Can INGOs Best Leverage Technology and Use Evidence to Make Better Decisions and Improve Outcomes?

In September 2015, the 193 countries of the United Nations General Assembly agreed to a broad set of interdependent goals to advance the long-term interests of people, planet and prosperity. The 17 Sustainable Development Goals (SDGs) aim "to free the human race from the tyranny of poverty and want and to heal and secure our planet [1]." The 169 SDG indicators can only be achieved through meaningful, measurable action.

To achieve the economic, social and environmental goals committed to in Agenda 2030, humanitarian and development organizations are increasingly required to use data and evidence to demonstrate their mission efficacy and impact against the SDGs and other relevant targets. Complicating matters, the 2020 COVID-19 pandemic created an ongoing, historic crisis for the International NGO (INGO) sector[2]. In July 2020, the UN Department of Economic and Social Affairs stated that decades of progress in poverty, women and childrens' healthcare, education and other critical development goals were being reversed in a matter of months due to the pandemic[3]. Given the shortfalls in fundraising and complications to programs and mission operations, leaders in these organizations are concurrently challenged in how to sustain their organizations, deliver on their increasingly complex missions, and build back better.

This is the moment for impact management.

Impact management is an integrated set of competencies, practices, and technologies for continual learning, measurement, and improvement to drive greater impact by connecting program design, delivery, and evaluation. They can be adopted by every International NGO (INGO) regardless of their size, operating model, and mission. By focusing on impact, leaders can target investments and actions in the most consequential areas and provide necessary data and evidence to donors. An impact management transformation aligns to sector reforms such as *The Grand Bargain*[4], and meets increasing donor requirements for impact data and evidence from organizations like USAID and FCDO (formerly DFID). Most importantly, it enables the delivery of meaningful, relevant and contextual humanitarian and development assistance to participants.

Impact management combines elements of impact measurement, learning, and continuous improvement, paired with core program management and strategy practices, to enable sector leaders to drive greater impact. It breaks the "one study at a time" approach to evaluation, and replaces it with

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[1] United Nations Sustainable Development Goals. https://sdgs.un.org/goals
[2] "NGOs say most COVID-19 funding is stuck in multilateral system", Devex. https://www.devex.com/news/ngos-say-most-covid-19-funding-is-stuck-in-multilateral-system-97255
[3] UN report finds COVID-19 is reversing decades of progress on poverty, healthcare and education. https://www.un.org/development/desa/en/news/sustainable/sustainable-development-goals-report-2020.html
[4] UN Agenda for Humanity, The Grand Bargain. https://agendaforhumanity.org/initiatives/3861

an ongoing, comprehensive, disciplined approach to using data and evidence across an organization's programming and operations. It involves complex and conscientious decision-making based not only on the results of programmatic impact measurement but also on performance and financial management, staff and participant feedback, and field context.

WHY NOW?

Sector Reforms Are Explicitly Tied to Impact

Historically, the modern humanitarian and international development sector has been on a journey to professionalize and convert good intentions to good outcomes. While earlier efforts to establish measurable performance in the sector like the 2014 *Core Humanitarian Standard on Quality and Accountability*[5] were voluntary, more recent reform activities are joint commitments between donors and aid organizations. *The Grand Bargain*, coming out of the 2016 World Humanitarian Summit has been signed by 61 governments, aid organizations, and intergovernmental organizations. It aims to get more means into the hands of people in need, and to improve the effectiveness and efficiency of humanitarian action. For signatories, regular reporting is required to measure progress against the 51 commitments across the 9 workstreams. Additionally, the *New Way of Working* (NWOW) of 2018 called on humanitarian and development actors to work collaboratively together based on their comparative advantages, towards 'collective outcomes' that reduce the need, risk and vulnerability over multiple years[6]. The NWOW explicitly links progress against development goals such as the SDGs and traditional humanitarian action focused on crisis response.

Concurrently with these cross-cutting sectoral reforms, major donors have also emphasized the role of data and evidence in their programmatic and grantmaking activities. The UK Department for International Development (DFID)'s *Better Data, Better Decisions*[7] program emphasized the integration of internal data and external data on development needs and other development partners' activities, while driving continued engagement to encourage uptake of data and analysis, and monitoring their use for effective decision-making. This emphasis is expected to continue as DFID was merged into the UK's Foreign, Commonwealth and Development Office (FCDO) in September 2020. The USAID Digital Strategy released in April 2020 also emphasizes the role of data and evidence: "The strategy charts how USAID will change the way it does business - including embracing digital technologies by default in certain instances - in a manner that reflects best practice and is evidence-based[8]."

As major funders like USAID and FCDO engage in a more mature use of data and evidence, and as broad-based reforms drive continued collaboration between humanitarian, development and peacebuilding organizations, the sector is evolving towards a more measurable, evidence-based focus on sustainable outcomes.

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[5] Core Humanitarian Standard. https://corehumanitarianstandard.org/
[6] Joint Steering Committee To Advance Humanitarian and Development Collaboration. https://www.un.org/jsc/content/new-way-working
[7] DFID Better Data, Better Decisions. https://www.gov.uk/research-for-development-outputs/better-data-better-decisions
[8] USAID's Digital Strategy. https://www.usaid.gov/usaid-digital-strategy

IMPACT MANAGEMENT IN-DEPTH

Enabling INGOs Use of Evidence to Make Better Decisions

INGOs that want to mature their impact management practices, working to improve the programs they offer today to increase tomorrow's impact, can do so by focusing in four main areas. These competencies are not just technical but include investing in human capital and processes that are the foundation of mature impact management practice.

Continuous Evidence Building

If there is one area where organizations could invest to create impact, it is in continuous evidence building; the process of constantly seeking to create and use evidence in decision-making. INGOs committed to continuous evidence building gather and use relevant new evidence at all stages of program development and implementation. They use mechanisms such as strategic evidence plans to identify their most important questions and design a roadmap to test and learn over time through a combination of performance management, program improvement, and impact measurement strategies. The data sources and methods they use are driven by the timing and nature of the decisions they need to make, and they regularly revisit and update their theory of change, learning agenda, and strategic evidence plan. For some organizations, third-party evaluation is an important element; but those organizations with strong continuous evidence building muscle will enter into those arrangements at the right time.

Integrated Financial Management

Those organizations that exhibit mature impact management evaluate impact questions and financial questions on a co-equal basis when making decisions that affect programmatic and organizational sustainability. While they practice good financial management, they do not allow monetary considerations to dominate mission considerations. Instead, they explicitly consider tradeoffs between mission and margin when considering new revenue opportunities or expense reductions. They might decide to forego one opportunity with revenue potential if it does not advance their theory of change, or to revise their theory of change where another opportunity offers a previously unrealized path to both impact and revenue.

Participant-Centered Program Management

All INGOs consider it a privilege and a responsibility to deliver outcomes for the people and the communities they serve; those with strong impact management cultures are able to demonstrate this with a verifiable commitment to listening to participants, assessing performance honestly, and

improving quickly. They value improvement over appearances and create a culture that encourages all stakeholders to name problems quickly so that data and evidence can be applied to find solutions that better serve participants – even if this requires publicly acknowledging shortcomings. This approach requires drawing on data and evidence assets enabled by technology to inform decision making in the best interest of participants that is unbiased, equitable, inclusive, protective, cost-effective, and timely.

An Ethical, Responsible Approach to Evidence and Data

INGOs that are focused on impact management also recognize the limitations and potential pitfalls of the very data and evidence that enables their enhanced success[9]. They actively and intentionally control for the threats not just to data security and privacy, but also to the rights, civil liberties, freedoms, and human dignity of participants and their communities. Being responsible also means understanding and controlling for the historic power imbalances that have long existed in the humanitarian and development sector: headquarters vs. field, empowering local actors and capacities vs. displacing them, and the tensions and intersectionality of humanitarian, development, and peace-building work.

Impact Measurement + Digital Transformation = Impact Management

For Chief Information Officers (CIOs) and other senior leaders within an INGO, the question isn't "Do we have the in-house expertise to do impact management?" but rather, "How can we leverage our existing staff, resources and technology to begin impact management now, and get better over time?" The job of impact management ultimately falls to everyone. It is not a specialist role but rather a responsibility that describes how an organization turns revenue into impact.

It is similar and related to an organization's digital transformation. It again falls to everyone to participate in digital transformation and for many organizations to be an impact management high-maturity organization will require investments in digital tools.

While many nonprofits responded to the COVID-19 pandemic with a switch to digital-first operations, in many cases it was a *de facto*, unplanned digital transformation[10]. According to a July 2020 survey of 33,000 nonprofits in 167 countries conducted by TechSoup, 76% of respondent nonprofits said they realized a benefit of using technology, but less than 25% had an actual strategy that they were executing against. While digital transformation has long been a goal of many NGOs, digital transformation is ultimately a means to an end. The end, in this case, is impact management and improved participant outcomes.

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[9] More is available from the Impacting Responsibly report at https://www.salesforce.org/about-us/impacting-responsibly/
[10] COVID-19 as the catalyst for NGOs' digital transformation. https://www.devex.com/news/sponsored/opinion-covid-19-as-the-catalyst-for-ngos-digital-transformation-97326

In order to realize the promise of impact management, the role of the INGO CIO is to guide their organizations through a digital transformation journey that places impact management front and center. In the current climate, the emphasis INGOs are facing on solidifying their digital infrastructure is a unique opportunity for CIOs to take a strategic view not only on how their organizations manage data, but crucially, on the processes around the collection, analysis, and decision-making related to that data.

CIOs can showcase how well-designed systems and tools provide a reliable and convenient way to collect and use data related to program outcomes as well as organizational performance. Harnessing the power of robust and continuous data collection through systems and tools designed to represent field outcomes, including participant feedback, as well as financial and organizational performance, can be a way to ensure a more effective organization. The critical component of the CIO role is to translate the use of this data to include processes that enable decision-making based on the results, and to validate that their organization is therefore more effective at carrying out its mission because of that data management and focus on impact.

Indeed, CIOs can implement the right tools to tie together traditional outcome evaluation data with organizational and program performance data, and the right systems to show how one set impacts the other; this will lead to INGOs understanding impact management with CIOs as the strategic thinker advocating for its adoption. By showcasing how impact data, both outcome and programmatic, can be visually represented for different audiences and expertise levels, as well as leveraged to make evidence-based decisions that focus on efficiency and effectiveness, CIOs are well positioned to make the case that INGOs' impact management should be core to their digital transformation and infrastructure development.

Salesforce.org as Your Trusted Partner for Impact Management

Salesforce.org recognizes that INGOs working in humanitarian, development and peace-building work have some of the toughest, most complex nonprofit missions on the planet. The work done by this community routinely engages with the most fundamental systemic challenges facing humanity: climate change, conflict, displacement, poverty, gender equality and opportunity, and so many others. Salesforce.org and its partners have been trusted by global nonprofits such as Plan International, Oxfam, and Catholic Relief Services (CRS) to enable their impact management journeys.

Our portfolio of impact management products and services were intentionally designed to help INGOs and other mission-driven organizations to meet the challenges of a changing world and an evolving sector. Impact management is a holistic practice, which encompasses people, process, technology and culture. When organizations choose Salesforce.org products and services, they are choosing a technology partner that recognizes technology is only useful to the extent that it enables and improves impact.

The portfolio of products and services available from Salesforce.org and its partners for impact management include:

Salesforce.org Nonprofit Cloud Program Management

Nonprofit Cloud enables organizations to measure and manage their programs more effectively. Program managers can better understand which initiatives or interventions are most successful, adjust services to better fit clients' needs, and quickly define and create new programs. Nonprofit professionals, the people they serve, and the donors that support their work deserve better program management tools than paper and spreadsheets.

The Program Management Module (PMM) in Salesforce.org's Nonprofit Success Pack (NPSP) provides you with a standard framework to help you track any type of program or service, regardless of complexity or volume. What an organization may be tracking on paper or spreadsheets can be translated into the Module with the help of our ecosystem of implementation partners to help you optimize, understand, and report on your programmatic outcomes. It is free, open source, and comes automatically with NPSP.

Amp Impact by Vera Solutions

Increasing requirements for accountability and transparency for humanitarian and development nonprofits means many things: financial transparency, collaboration, stakeholder engagement and most importantly, program execution. Today's due diligence standards demand too much for program and MEAL staff to rely upon spreadsheets and manual processes. Amp Impact, built on Salesforce, provides the platform nonprofits needs to measure impact, drive stronger accountability, and deliver better program impact.

Amp Impact enables end-to-end impact management, streamlining indicator management and performance reporting. Organizations can calculate and aggregate standard or project-specific indicators across the entire portfolio, using automation, set up logframes for projects to improve outcomes, and monitor budgets and expenditures in real-time to simplify financial transparency and accountability to all stakeholders. Amp Impact enables the analysis of targets and results across the entire portfolio of programs using built-in performance graphs, dashboards, and reporting tools.

SocialSuite

Socialsuite is a native Salesforce app used to listen, understand and assist people and communities to achieve their desired long term outcomes. Socialsuite is designed for organisations like INGOs to better achieve their mission by monitoring feedback on outcomes from people over time. Insights are used to refine services and communicate improvements back to people. Impact dashboards showing these improvements support funding applications and donor reporting requirements.

Any size organisation can use Socialsuite, its fast and easy to get started with:

- Pre-built impact measurement templates designed by impact experts, covering many INGO humanitarian outcome types. Or organizations can create their own.

- Built in online surveys and mobile app for feedback data collection in the field, in challenging environments unique to INGOs.

- Impact monitoring dashboards provide insights on where to improve services to deliver better outcomes and help support funding applications with evidence.

- Closing the feedback loop. Socialsuite automatically informs people of the service improvements made in response to their feedback for better outcomes.

Socialsuite is built on Salesforce and connects to Salesforce's Nonprofit Cloud and Program Management Module, and is used across Asia-Pacific, the Americas and Europe by nonprofits, charities, NGOs, foundations and government agencies to monitor impact.

CONCLUSION

Your Time for Impact Management is Now — and Salesforce.org Can Help

It is no secret that this is a time of unprecedented disruption and challenge for the humanitarian and development sector, and for humanity at large. Meeting the hardships of the moment and unlocking the possibilities that present themselves to INGOs will remain a large, complex undertaking for the foreseeable future.

However, a few things are quite clear.

Sector reforms and donor mandates are driving a set of evolving and deepening requirements on the sector to make data-driven decisions, to use evidence to deliver relevant and meaningful program interventions in the most efficient and impactful ways possible. Concurrently, it is also clear that all of these things must happen in a secure, dignified and ethical manner that comports with humanitarian values and norms. With the intersection of these trends, time is now right for all INGOs to consider embarking on an impact management journey. Regardless of how mature organizations may be on their digital transformation journey, all organizations can start incorporating the practices of impact management from where they are presently at. The role of the CIO and other senior technology leaders in an impact-focused organization will see their technology roles evolve to become increasingly strategic and deeply linked to the operations, mission and impact of the organization. By leaning into impact

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management, these leaders will be placing data and evidence in direct service to participants and their mission, further infusing their digital transformation efforts with aligned purpose and intentionality.

For INGOs that are undertaking an impact management journey, Salesforce.org and its ecosystem of partners are focused on providing an expanding portfolio of best-in-class technology and service offerings that center on using data and evidence to accelerate and improve their mission, measure what gets done, and deliver results to stakeholders in ways that are accountable, transparent, inclusive, and ethical. By focusing on the moments and places where international development and humanitarian work gets done, Salesforce.org empowers an organization with an end-to-end holistic understanding of its mission and impact, from the C-suite to the individual program officer working in the field.

To get started on your organization's impact management journey, contact your Salesforce.org account executive.

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