Five Ways Your CRM Can Help You Improve Client Outcomes

Of all the ways nonprofits can use technology to drive program innovation, possibly the most transformational is using a CRM (Constituent Relations Management) database to improve client outcomes.

INTRODUCTION

It is critical that nonprofits collect outcomes data—to satisfy funders' reporting requirements, but perhaps more importantly, to improve their ability to meet the missions.[1] Many nonprofits suspect there must be an easier and better way to collect meaningful and accurate client data. Grant reporting time is often a panicked scramble to assemble and tally data from various paper files and staff spreadsheets, coupled with relief if some reasonably factual numbers can be pulled together that respond to the funders' questions by deadline. The experience can feel unconnected to the mission of the organization.

Nonprofit staff surmise that a CRM database should solve most of their data problems. Those who have invested time and money in one often realize otherwise, unless the nonprofit has first clarified key mission and program commitments. Before a database solution can be customized to a nonprofit's specific operations, there are a set of interrelated questions to consider:

- What data should be tracked in the database versus manually?
- How do we keep from drowning in data?
- Who should input the data, when? How will we afford the time needed for data entry?
- How will we train our staff to use the system, so we can learn from our data, report on it, and improve our work?

1 See NTEN's 2012 State of Nonprofit Data Report.

This paper will share five clear ways nonprofits can use a CRM database to improve client outcomes. This approach is rooted in Theory of Change and nonprofit performance management practices, and assumes that nonprofits using these practices will engage in long-term culture change, using their data to inform improvements across operations. While this set of recommendations is not yet common practice in the nonprofit sector, they are within reach of any nonprofit that wants to build them.

The five ways a CRM can improve client outcomes are:

1. Identify which clients meet a nonprofit's target population characteristics
2. Identify which clients attend at the intended dosage and complete the full sequence of intended activities
3. Identify which clients improve on initial and achieve intermediate outcomes
4. Identify ways to help each individual client improve engagement and outcomes
5. Identify ways clients can improve engagement and outcomes

These will be explained and expanded upon below.

Improving Client Outcomes with a CRM

A few definitions are necessary in order to understand and implement these suggestions

- **Constituent Relations Management (CRM)** is an approach to managing an organization's interaction with clients over time. It uses data analysis about clients' history with an organization to improve its client relationships, specifically focusing on retention. Through the CRM approach, organizations learn more about their target audiences and how to best cater to their needs. Some nonprofit CRM databases are designed to hold participant data, others are designed to hold funder and volunteer data, and others can hold all three kinds.[2] This paper focuses specifically on nonprofit uses of participant or client data.
- **Theory of Change** is a clearly-articulated approach to creating social value that links nonprofit mission and strategy to program operations. This theory includes a deep analysis of target population, outcomes, codified program, indicators, measurement tools, and uses of data. (These terms are defined below.) Simply, it's your nonprofit's theory about how you help your clients to change. It allows a nonprofit to make its mission measurable, so that it can improve its effectiveness at meeting the mission.
- **Nonprofit performance management** is a system of organizational practices designed to improve an organization's effectiveness at meeting its mission. For many nonprofits this can be defined as increasing participant outcomes.[3] This system includes a nonprofit's theory of change and data measurement process, and also the process of gathering, learning from, and using program data to inform program improvements and other operational decisions related to staff, resources, and partners, intended to increase success at achieving client outcomes.
- **Client outcomes** are measurable, meaningful, intentional changes in the lives of a nonprofit's participants that are logically influenced by their experience in its program. Outcomes begin with internal, initial outcomes (understanding, skills, values, attitudes); which lead to intermediate outcomes (changes in behavior, milestones); which, in turn, lead to long-term outcomes (new life condition.)

Nonprofits need to be clear about what questions need to be addressed before they can customize and use a database. If needed, a nonprofit can hire outside support to reach clear agreement.

STRATEGY ONE

Identify which clients meet your target population characteristics

A nonprofit's target population is the group of people[4] with whom it hopes to achieve outcomes, as defined by its mission. In committing to a target population, a nonprofit can clarify three kinds of characteristics, which are essential to its theory of change, in this order:

- **Demographics:** Where do they live, work, attend school, are they homeless, etc.? How old are they? With what cultural groups and races do they identify? What language(s) do they speak? What unique abilities do they have or lack? This data is usually easily observable and measurable.
- **Assets:** What skills, understanding, connections, or resources do they bring to your nonprofit's engagement? What are they good at? A nonprofit's program design will hopefully take advantage of these gifts and resources.
- **Challenges:** What external and internal challenges do they face? Why do these challenges exist? What changes do they seek to make in their lives, with which a nonprofit can commit to help them? Once a nonprofit has named these challenges, it can identify meaningful, respectful ways to measure them.

A nonprofit can then select three to six data points which together define its target populations' demographics and challenges, and customize its CRM to track them. This allows a nonprofit to look at all

2 Adapted from Wikipedia and Idealware.
3 Not every nonprofit commits to help participants achieve outcomes, for example some soup kitchens that provide only food without help to make life changes, and disaster relief nonprofits. See Alnoor Ebrahim, Limits of Nonprofit Impact
4 Some nonprofits are committed to engage and influence organizations or a specific community. The same decisions apply to those participants.

enrolled participants and identify which ones meet its target population characteristics and which do not. The greater percentage of total enrolled participants that meets target population characteristics, the closer the nonprofit is to addressing its mission commitments.

STRATEGY TWO

Identify which clients attend at the intended dosage and complete the full sequence of intended activities

After a nonprofit clarifies its client outcomes commitment (see step 3 below), it can strengthen its program design through a Theory of Change or logic model. Either tool will work, if used to answer these questions:

1. What is the long-term participant outcome that represents the nonprofit's mission commitment?
2. What is the initial, intermediate, and long-term participant outcomes progression that the program is designed to help participants achieve? (One and two should be aligned.)
3. What is the codified dosage and duration of specific program activities, in which the program commits to engage participants? How much support do the participants need to logically, realistically make all the changes in the outcomes sequence? (Just as one antibiotic pill is insufficient to treat an infection, 12 hours of social work support is insufficient to reverse intergenerational poverty.)
4. What program elements does the nonprofit require for program completion? (This output measures program participation, i.e., were they present?) while client outcomes measure participant learning and change resulting from that participation.
5. What are the quality characteristics (such as strength of client relationship with staff or volunteers, or teacher certification) that are necessary for clients to progress on outcomes?

Once the program design is solid, a nonprofit can identify a handful of metrics that define intended dosage and program completion for each participant—for example, days or hours of attendance, or meeting specific participation requirements. Quality measures are unique to each program; some are captured by a simple piece of data and others by a more complex assessment process. These metrics allow a nonprofit to identify where it may be losing clients from its program pathway, so that it can develop improved ways to retain and engage them.

STRATEGY THREE

Identify which clients improve on initial outcomes and achieve intermediate outcomes

After clarifying a nonprofit's target population (strategy one), it can map the participant outcomes progression it commits to help participants achieve.

- Initial outcomes describe increased understanding and skills, and new values or attitudes.
- Intermediate outcomes are changes in behavior and program milestones, which can be observed while participants are enrolled.
- Long-term outcomes are a new status or life condition, which participants should achieve within one to two years after completing the program.

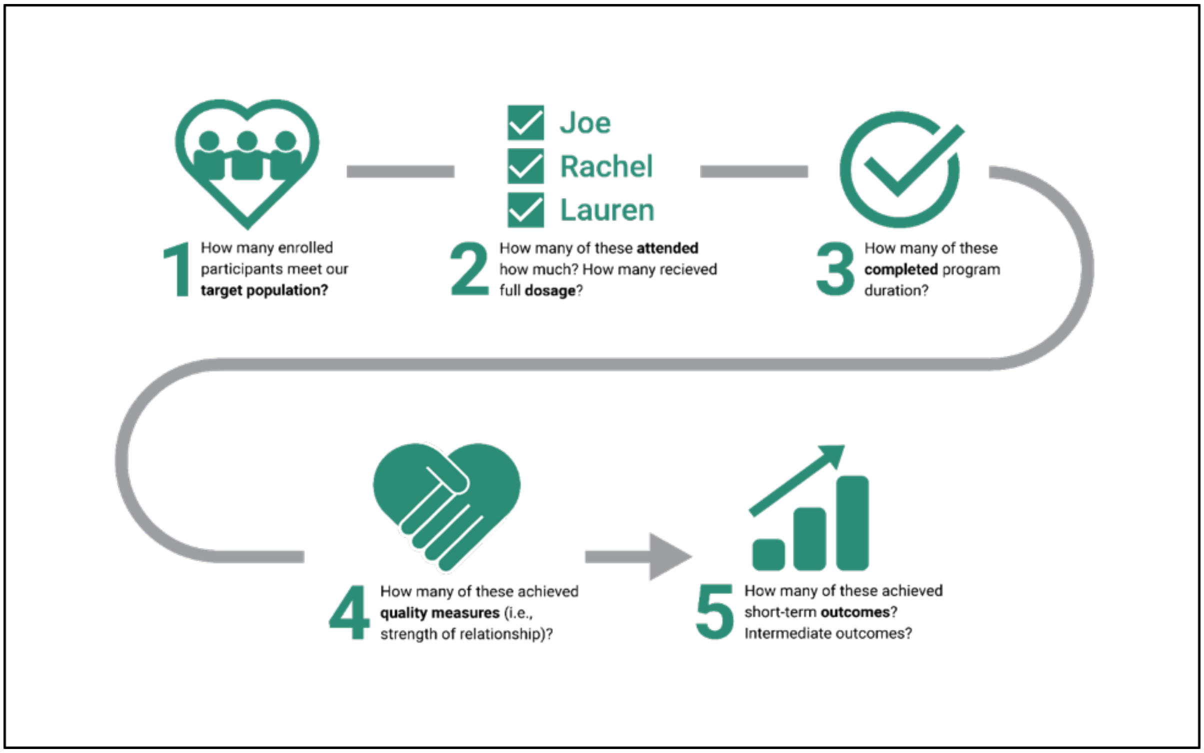
Afterwards, the program activities (strategy two) should be designed and adjusted to help reach goals. Staff should observe individual clients demonstrating these outcomes in their daily lives, before attempting to design or use an outcome measurement process. Any of these outcomes can be made measurable, within the client's developmental stage and cultural framework. An evaluator can help a nonprofit:

- Choose indicators to define what it looks like for clients to achieve each outcome.
- Choose a respondent who is most likely to give an accurate read on each client's progress.
- Select or adapt a set of measurement tools that are most likely to gather accurate data.
- Design a measurement process that staff and volunteers can realistically implement consistently.

This process allows a nonprofit to identify how much progress a client has made to date towards long-term outcomes. The data gathered is used to improve client progress and program operations, not to answer research and policy questions. These are important, too, but require a more rigorous evaluation approach than the internal performance management approach described here.

Following is an overview of the core data sets a nonprofit needs to gather in a CRM database for performance management and outcomes improvement.

Program Data Value Chain: How Do We Know If We Are Meeting the Mission?



Source: Capacity Institute

Some nonprofits decide to input minimal data in the database, with staff maintaining additional individualized data in paper files, while other nonprofits have used a CRM to automate much of their client recordkeeping, making their operations more efficient. To keep from drowning in needless outcomes data, nonprofits that invest in a clear theory of change can avoid tracking "interesting" data that is nice to have, in favor of the five sets of data above, which are absolutely necessary to inform outcomes improvement.

Developing the capacity to implement these practices is a significant investment in a nonprofit's mission, but is attainable and well worth the time. To maximize benefit from a CRM database, nonprofits should expect to allocate a staff person's ongoing time to customize and maintain the database and ensure that program staff are using it properly. Reporting to a senior executive or to program management, this evaluation or outcomes administrator bridges data quality and data use for the nonprofit, ensuring that all parties have the data needed to make strategic decisions for mission improvement.

The remaining two strategies illustrate ways to use the data sets described above, using individual client data and compiled client data.

STRATEGY FOUR

Identify ways to help each individual client improve engagement and outcomes

Data about each individual participant's progress empowers your front-line staff to make optimal daily decisions. This process is called tactical data use. A story may help illustrate why tactical data use matters so much for improvement.

Imagine a 5th grader who needs to improve his math grade by improving his homework completion. He doesn't always know when he has homework, sometimes he doesn't understand his homework, and he never wants to do his homework. Let's imagine that you ask him every day, "What's your math homework today?" If he says, "I don't have any," you may establish a closer connection with the teacher. If he says, "I've done it already," you may ask to review it together. And if he says, "I lost it," you may help him find the assignment.

Each day you ask the question afresh, and each day the answer leads you to an appropriate course of action that day, with the goal that the math homework is completed every single day. Likewise, tactical data is gathered and used to help an individual participant make daily changes. It only helps participants whose staff use individualized data. How would our math student fare if we decided we only needed to gather homework data once a month? Or if we only had access to aggregate data for the whole class' homework completion? Tactical data use is based on the conviction that every individual participant's experience matters every single day.

STRATEGY FIVE

Identify ways clients can improve engagement and outcomes

Data about groups of participants' progress can be used by different nonprofit functions:

- Program leadership can identify patterns of client success or delay, make needed program adjustments, and provide support to staff.
- Management and boards of directors can use compiled data about conditions for program success to make better decisions about raising and allocating resources, staffing, partnerships, and program strategy.

This process is called strategic data use. The improvement process is iterative, with one round of learning and improvement leading to greater opportunities for future improvement:

- Data on participant progress can lead to programmatic course corrections and dosage adjustments.
- Data analysis can lead nonprofits to refine their theory of change or decide to invest in staff training or new resources.

Together, tactical and strategic data use become a powerful engine for organization-wide learning and improvement, in the hands of leadership and staff committed to mission effectiveness.

CONCLUSION

While a full year is usually required to build these practices, and another year to fine-tune and align them with operations, the benefits of these five strategies are astonishing. After six years, nonprofits using these practices have increased their long-term participant outcomes success rate by 426%![5] This is good news for everyone: nonprofits, funders, participants, and our communities.

5 Capacityinstitute.org

This paper has been authored by 501Partners, with contributions from the Capacity Institute. *August 2017.*

www.501Partners.com

501partners

A LITTLE ABOUT US

Founded in 2012, 501Partners is a rapidly growing consulting company that provides Salesforce® solutions to nonprofits. While 501Partners' main presence is in New England, we support nonprofits and their missions nationwide.

OUR MISSION:
PROVIDE SALESFORCE® SOLUTIONS FOR NONPROFITS

It's as simple as that. We know nonprofits are vital to the health, growth, and well-being of our communities. 501Partners works with a wide range of nonprofit leaders and sectors. We design solutions that work with your business processes, solve problems, and create greater efficiency allowing you to focus on the work that matters most. Since our inception, 501Partners has worked with over 200 nonprofit organizations. We will gladly offer references of satisfied clients in your nonprofit sector.

OUR APPROACH:
WHAT MAKES US DIFFERENT

Each nonprofit has its own unique mission, history and culture, and its own set of needs. 501Partners consultants take the time to get to know each organization intimately so that we can map the right solution for your business processes. Based on this partnership model, we develop individualized Salesforce® solutions that are ideally suited to your needs.

Interested in learning more about our custom Salesforce services?