

11. Focus Your Dollars on Results

Yours and other social innovations that show results will be sustained when dollars and other resources flow to what works, not to the most politically savvy or connected. In an ideal world, public agency and philanthropic funders would be less impressed with the ongoing efforts of good-hearted nonprofits and more willing to make the difficult decision to repurpose dollars to what works. When dollars flow to what works, providers will be forced to trade their good intentions for performance.

Below are a series of questions and follow up steps to help guide a new focus on measurable results through a community or organization:

What public value are we purchasing?

- Avoid incentivizing the behavior you're addressing; taking preventive action instead when possible.
- Compete out services that put client and services first.
- Repurpose dollars and convince others to do the same; creating a new market for better services.

Are the funded activities still the most relevant and material?

- Rethink the environment in which you're operating.
- Leverage the new mandate to reinforce and sustain willingness to repurpose assets.
- Use all assets, including credibility, to influence others; making impact disproportionate to size.

What change does the community want and what assets can it mobilize?

- Look to the assets of your organization, sphere of influence, and beyond.
- Align all assets inside the system with your new goal.
- Articulate and collaborate on shared goals; creating coalitions.

Are we funding a project or sustainable system change?

- Fund what works; rigorously evaluating both the person and the business model.
- Seek entrepreneurs with the potential to transform lives and transform systems.
- Form a close, transparent relationship between funder and provider; agreeing on a growth strategy and metrics.

What will we measure?

- Do not let the perfect be the enemy of the good.
- Reject providers blaming poor results on someone else.

- Value and measure social or community effects.
- Use competition to drive continuous innovation.
- Ask the client and community to evaluate a service provider.