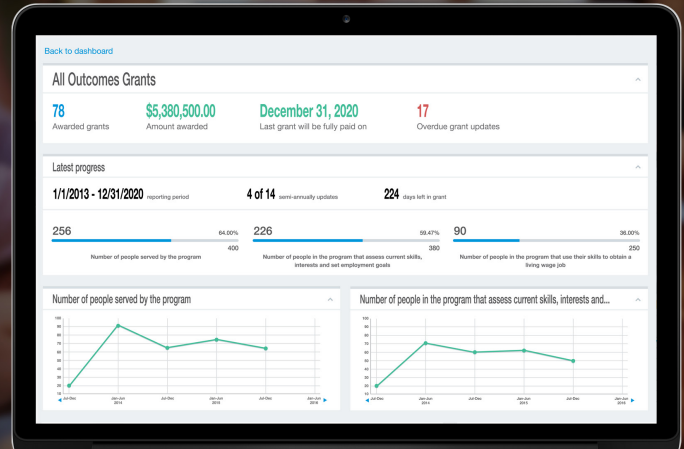


Greater Insight and Impact

The philanthropic community is increasingly moving to a more strategic and transparent way of funding. Blackbaud Outcomes™ helps you align your giving with your key priorities to make an impact. Our technology connects, powers and accelerates the movement from philanthropy to social investing.



Improve collaboration and mission alignment

- Shared, agreed-upon goals and expectations with your grantee partners
- Track progress in real-time—celebrate achievements or provide guidance
- Transparency and accountability throughout the entire grant cycle



Amplify your impact with more insightful investments

- Easily accessible dashboards put meaningful data at your fingertips
- See progress across your entire portfolio
- Make investment decisions based on grantee partner achievement



Tell your impact story clearly and powerfully

- Create best practice measurements with our sector-sourced outcomes measurement taxonomy
- Use statistics, results and common language to clearly demonstrate your impact
- Strengthen your investment story to secure funding, retain and engage employees, leave a lasting legacy, or build client loyalty



Learn more at: blackbaud.com/outcomes

The Point of Impact

Empowering
Champions for
a Better World



Table of Contents

Hello	3
Philanthropy Isn't Changing—It Has Already Changed	4
The Point of Impact	7
Linking Investments to Impact	11
Conclusion (But Not Goodbye)	14

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Annie Rhodes, MicroEdge + **Rachel Hutchisson**, Blackbaud, Inc.

Hello

If you're reading this, chances are pretty good that you're a champion for a better world. Quite possibly, you're a champion for a better world who is approaching philanthropy in a new way.

Almost certainly, you're driven to achieve impact to make the world a better place in some small—or large—way. Absolutely, you're intent on making a difference.

Hello to... the CEO and CSR team at a corporation actively making changes to the way their company gives back.

Hello to... the philanthropists and donors who are asking new questions about the impact of their funds.

Hello to... the mission-focused staff of a nonprofit changing the way they track and report on the outcomes of their good work.

Hello to... our families, neighbors, and friends who are showing the world that giving back can be as easy as clicking a few buttons on your phone.

Hello to... everyone who wants to make a difference.
We're glad you're here.

As you explore this paper, we hope you'll come away with:

Insight into a major shift that has taken place in the giving space

What we mean by “the point of impact” and why it matters for the giving community

A clear picture of how we're empowering both funders and nonprofits to do more good, better.

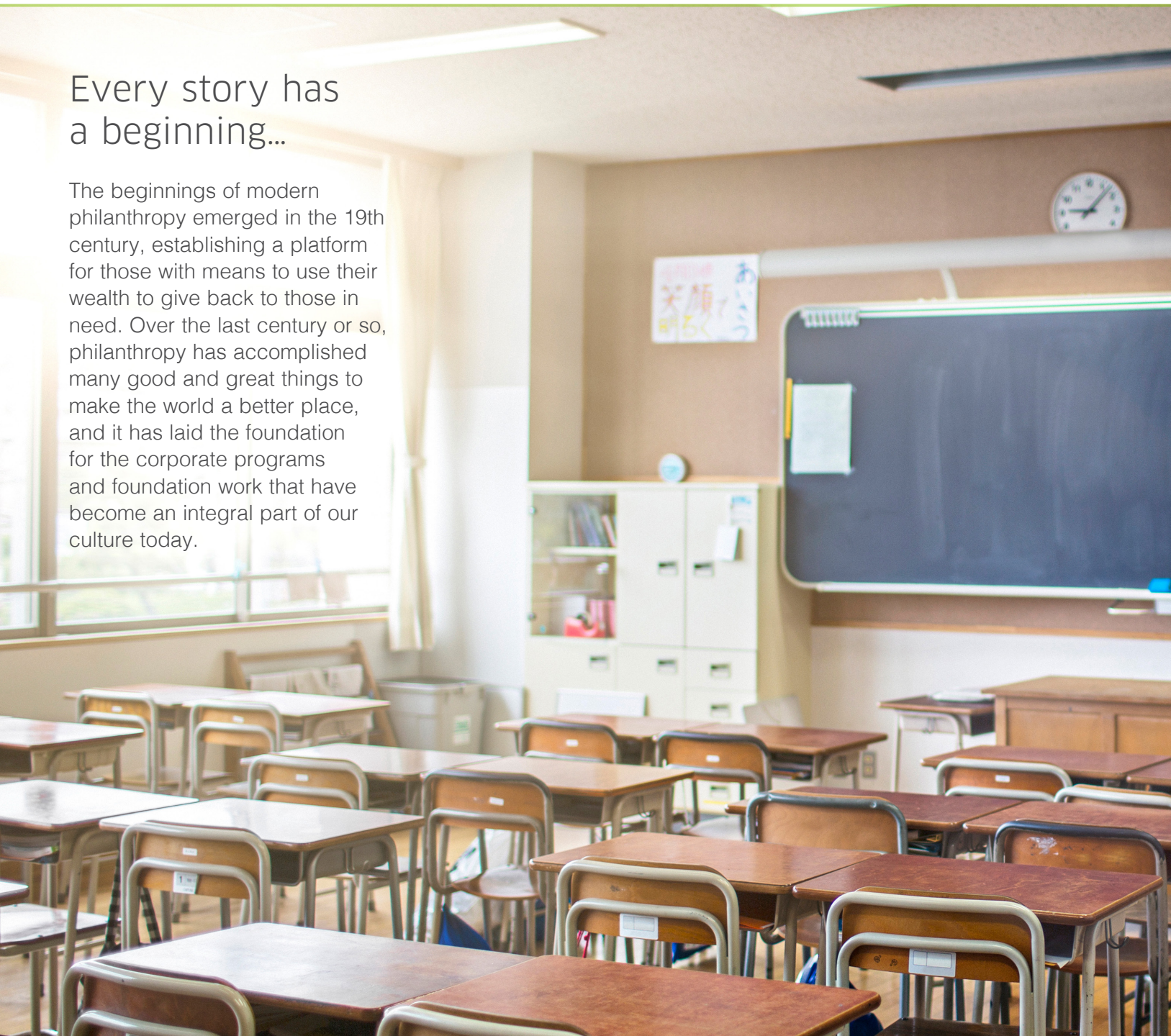
Our purpose is to provide you with useful information and insight to support you in furthering your mission in this new world of giving.

Ready to make a bigger difference? Read on, fellow champion.

Philanthropy Isn't Changing—It Has Already Changed

Every story has a beginning...

The beginnings of modern philanthropy emerged in the 19th century, establishing a platform for those with means to use their wealth to give back to those in need. Over the last century or so, philanthropy has accomplished many good and great things to make the world a better place, and it has laid the foundation for the corporate programs and foundation work that have become an integral part of our culture today.



Over time, our collective sense of responsibility to give back seems only to have increased, with year-over-year [data showing](#) total funds given trending upward and upward. And as more and more funds have been allocated and grants and donations have been given to advance worthy causes, our approaches and attitudes about the lifecycle of giving have transformed.

As more new participants join the giving community, we're seeing fewer instances of sign-my-name-and-I'll-be-on-my-way and more instances of foundations, corporations, and individual givers asking: "What is the impact of my giving? And, isn't having an impact the point?"

We've seen the evolution of the giving mindset have three distinct points on the timeline:

The Original Giver:

This giver profile signs her grant checks for a variety of causes and is generally satisfied with the noble act of giving back itself.

The Next-Generation Giver:

This giver profile starts focusing the foundation's giving activities into a certain category of importance to the foundation, such as education.

The New Giver:

This giver profile asks more questions about the changes in behavior or condition as a result of the grant such as, "What will be different for the students as a result of the program?" or, "What did your program help the students achieve?"

“ Impact Point

“Not too long ago, I was in an elevator...

with a C-level executive at my company—I was a corporate contributions manager at the time. As we approached the ground floor, he turned to me and said, ‘We’re giving millions of dollars to help victims of domestic violence. Where is that money going?’ In response, I started rattling off some surface-level metrics about grants and

nonprofits when he stopped me and asked, ‘But how are we *actually* helping these women and children in need?’ That says it all, doesn’t it? His question seems so simple—of course our investment should make a real difference—yet it also gets to the heart of a major challenge that faces nearly all giving sector participants—how can we ensure our investments are making an impact?”

Manager, Corporate Contributions
Fortune 200 Company



The Point of Impact

What is results-focused giving?

Whether you call it social investing, social impact investing, a grantmaking investment, philanthropy 2.0, or something else entirely, we see the new champion for a better world living—and giving—by the following definition:

Results-focused giving means more than simply “doing good.” It means investing with purpose to achieve specific, measurable outcomes and impact.

Further, in the results-focused giving model, for every dollar invested in a cause, whether from a corporation, a foundation, or an individual giver’s pocket, we should see specific and measurable impact in the form of social impact or social learning.

So, when we say we’re at the point of impact, we mean two things:

1. We’ve reached—and we’d argue have passed—a point where the giving space is changing shape and shifting from traditional philanthropy to results-focused giving with measurable impact.

2. We’re at a point in the evolution of giving where good intentions aren’t quite enough anymore—the point of giving is impact in the form of social change.

Of course, moving from a traditional funding model to a results-focused giving model is not without its challenges. Grantmaking organizations have to shift their funding strategy and practices, as well as the systems they leverage to support their programs.

As with social impact, moving to a results-focused giving model doesn’t happen overnight. However, recognizing what makes results-focused giving different and highly effective can help set you and your organization apart from other funders in your field.

What makes results-focused giving different?

As a new kind of champion for a better world, you're likely already a results-focused giver, whether on the funder or the funded side of the equation. You're probably seeing firsthand that the shift is well underway.

The importance of ROI: alignment of dollars to outcomes

Traditionally, the giving space was focused on, well, giving. People and organizations give back because they feel it's the right thing to do, because they feel a responsibility to help those in need, because it feels good. One of the key elements that makes results-focused giving different from traditional philanthropy is the focus on ROI—the return on investment.

If you look across nearly any other industry, where would you make an investment (of your money, time, or resources), and not expect some kind of return? Your giving should show real results, which means you should be asking important questions about changes that will occur as a result of your investment.

Ask: *What are the intended results for participants of the program? How will we know when results have been achieved? Is this the best use of our funds, and will we see an appropriate return on our investment?*

New perspectives on giving: diversification and sophistication of the field

All this talk about ROI and outcomes might sound more like a business plan than something you'd traditionally discuss around giving back. And you'd be right. Over the past several years, with more diversification of professionals entering the philanthropic space (welcome!), these business-backed perspectives have helped to shape the results-focused giving approach.

These new champions for a better world are bringing insight and experience from their previous careers to the table, and this has made grantmaking programs grow in sophistication and in their demand to connect the dots from funding to impact.

Ask: *How can we learn from what works in other sectors to make our efforts more effective?*

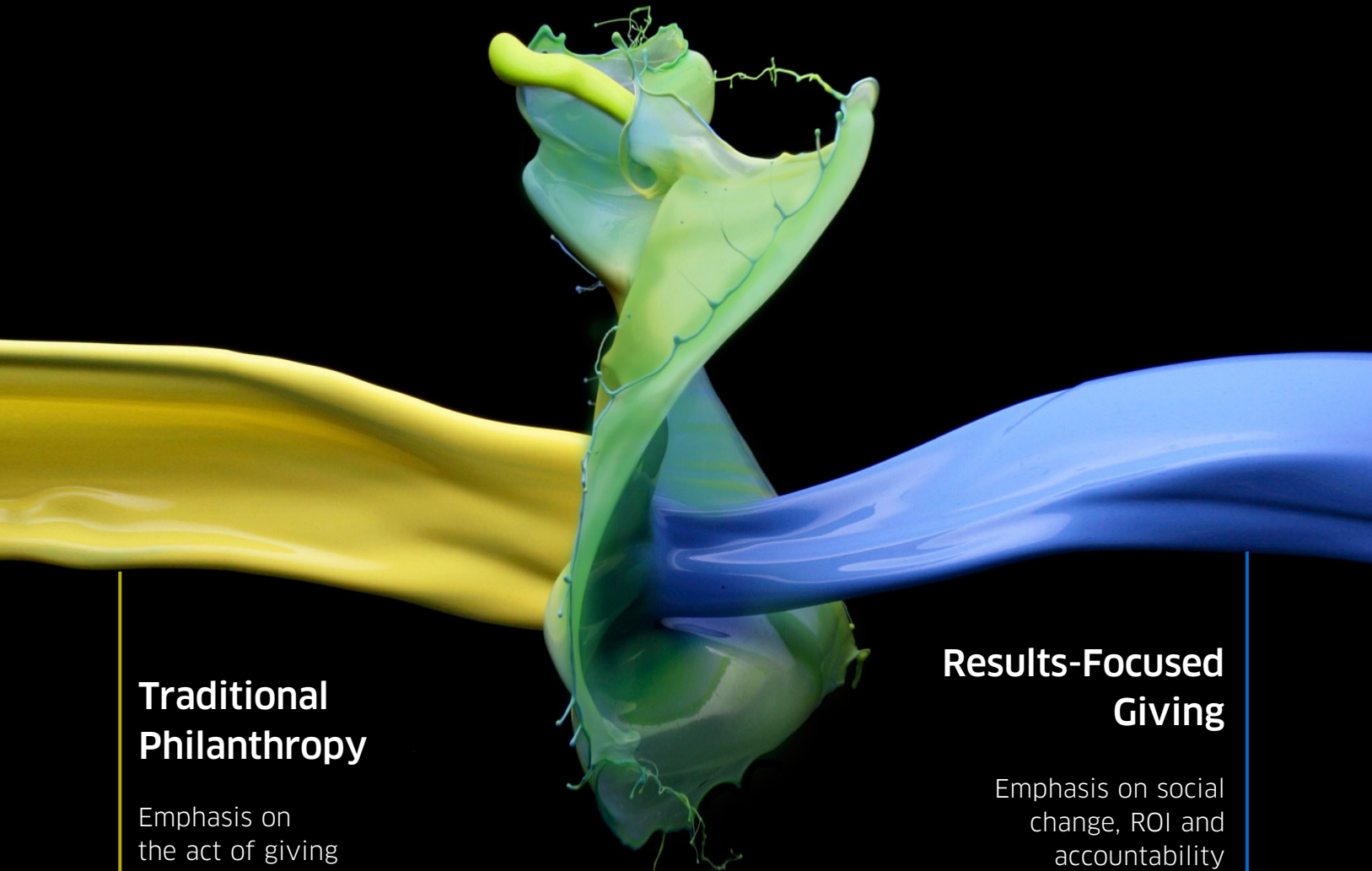
The effectiveness of partnerships: collaboration between funders and funded

In the giving space, where everyone is ultimately pushing for the same outcomes, it's common to find tension or frustration between funders and nonprofits. On one hand, foundations or donors may feel they don't have a clear picture of where their funds are going or that they have a say in how those funds are put to work; on the other hand, nonprofits or grantees may feel that they need to be chameleons and change to fit what they believe their funders want.

When funders and the funded collaborate and approach impact together, both sides are empowered to do more good, more effectively. When both sides are speaking the same language and approach giving programs collaboratively—setting incremental goals, defining steps in the program, agreeing to measurement and reporting schedules, communicating regularly—the focus and the effort can be spent on getting to impact versus tracking dollars donated and spent.

Ask: *How can we get more done and achieve greater impact through purposeful collaboration?*

Philanthropy is in Transition



Traditional Philanthropy

Emphasis on the act of giving

Characterized by funding nonprofits more so than investing in intended changes

More siloed operations, infrequent reporting

Results-Focused Giving

Emphasis on social change, ROI and accountability

Business-inspired program design and impact measurement

Consistent communication and collaboration

“ Impact Point

“As the executive director of an independent foundation, I’ve seen this shift in giving take place firsthand.

From my own vantage point, I’ve made a point of saying that I don’t want to fund nonprofits, I want to fund organizations that can effect change and truly have an impact. And I know I’m not the only one having this ‘eureka’ moment. That’s the shift.”

Executive Director,
Independent Foundation



Linking Investments to Impact

Are you achieving your intended impact?

While we've seen widespread adoption of the results-focused giving mindset, many champions for a better world are still wondering how they can go from asking the right questions to making this work in practice.

Quick. Raise your hand if you think measuring impact is easy. Anyone? Anyone? We get it. In our experience, we've found that the ability to understand and measure outcomes and impact is the single greatest challenge facing the giving community today.

You've got the right intentions. You've got the right organizations activated to make a change. You've got the right investments to contribute to achieving the results you hope to see.

But, if achieving impact is the point of giving, why is it so hard to figure out?

Anyone seeking to measure their giving outcomes who's currently multi-screening between several gargantuan spreadsheets with cringe-worthy pivot tables can tell you it isn't easy. Anyone who has spent countless hours at his desk crunching numbers to explain or defend funding can tell you it isn't easy. Anyone who has felt on the verge of

hallucination from combing through data points upon data points to find an answer about her giving program can tell you it isn't easy.

Now you're thinking to yourself, "Why does measuring impact have to be so difficult?" Good question. We believe that understanding the impact of your giving shouldn't require you to become a data and analytics virtuoso or a human computer.

This is why we get excited about technology. ● ● ● ● ● ● ● ● ● ●

Why technology is key to results-focused giving success

[The right technology](#) can power your ability to measure the effectiveness of your giving activities by linking investments and actions to outcomes and impact.

Imagine: evaluating programs on an ongoing basis to proactively inform decision-making about investments and activities. Imagine: easy access to the data that matters. Imagine: shared knowledge that brings funders and funded to the table to make more progress together.

Coming together over a standardized taxonomy

In the past, many funders and nonprofits looked at each other's "languages of giving" as if they're trying to decipher a teenager's texts. On each side of the giving equation, you may be trying to make similar changes, but have been talking about them in different ways.

Up until now, with no alignment on the way we talk about giving, each side of the table has experienced frustration about what the other means, which can slow down the process and potentially derail efforts to get to impact.

Of course there are many diverse groups and causes that work toward similar goals—a standardized taxonomy can help connect more results-focused givers with right-match organizations, which ultimately helps to unite the giving sector

Technology that provides a standardized, common language around outcomes and impact can help each side to better define measurable goals and communicate about progress along the way. Without any wondering or guessing at what each side means, everyone can be more efficient in their work toward making the world a better place.

Enabling smarter decision-making through on-demand outcome tracking

Fast-forward six months from the time a grant is made. What happened to the funds you invested? How much closer is your mission to reaching the ultimate impact point? What are the incremental outcomes the program has achieved so far?

Questions like these are often hard to answer (see spreadsheet number-crunching scenario). But when you think about it, in what other industry would you make an investment and then not monitor progress along the way?

With dashboard-style, analytics-driven technology, both funders and funded can have on-demand insight into their projects' progress toward outcomes and impact. All the time formerly spent digging through spreadsheets can be redirected to communicating success stories through results, informing decisions about how to continue or adjust the plan based on up-to-date data, and focusing on achieving the mission.

Supporting partnership and collaboration for alignment toward results

If one of the hallmarks of results-focused giving is a new sense of collaboration between funders and nonprofits, what does that look like in practice? Of course, if they're speaking the same language and accessing the same data as the basis for regular communication, that's the cornerstone—and this happens through strategic alignment supported by technology.

We've said already that in a results-focused giving environment, both sides can come to the table and share information and work together toward achieving impact. If it's doing its job, technology is the table. And with this table as the setting for a true partnership between funders and funded, more missions can reach their impact point most efficiently and effectively.

“ Impact Point

“I can't even fathom how much time I've spent looking through multi-tab spreadsheets to build reports...

and answer questions about how funds are being put to work. I'd probably need another spreadsheet to answer that. In the nonprofit world, we work so hard and dedicate so much of ourselves to our missions. I'm not a mathematician. I'm here to help people. Now with Blackbaud Outcomes™, I can finally track our progress on demand, which will support a more collaborative relationship with the organizations that we fund. With technology like this, I truly believe we can do more good than ever.

Manager, Community Relations
Corporate Foundation



Conclusion

(But Not Goodbye)

We've started the conversation. How will you continue it?

Forces of change within generations, approaches to philanthropy, and giving sector technology have collided at a point of impact where results-focused giving with measurable impact is no longer a shift but a reality. The wider giving community agrees that impact

is the point, and that measuring outcomes is a key to more effectively achieving missions and making progress toward the changes we want to see in our world.

At MicroEdge, a Blackbaud company, we're passionate about empowering impactful giving. (Could you tell?) We invite you to connect with us to learn more about how we're helping champions for a better world to do more good, better.

CONTACT OUR TEAM
TO SEE MORE



Learn more about
our outcomes solution:

blackbaud.com/outcomes



Meet the Authors



Annie Rhodes

Annie Rhodes, is a senior product manager at MicroEdge. As part of the product management team, she works closely with clients to understand their foundations' goals, and help MicroEdge develop technology to help organizations better manage and track their giving.

Prior to joining MicroEdge, Annie worked for over 10 years in the Office of Program Management at the Ford Foundation, most recently as a Grants Administrator in the Human Rights unit working with the Women's Rights, International Human Rights and Director's portfolios. She volunteers with the All Souls Church, Monday Night Hospitality Soup Kitchen and has served on the Volunteer Committee for the Challenged Athletes Foundation since 2012.

Annie earned an MBA focusing in Management and International Business from Pace University where she was inducted into the Beta Sigma Gamma business honor society. She graduated from Manhattan college with a B.A. in psychology.



Rachel Hutchisson

Rachel Hutchisson is VP of Corporate Citizenship & Philanthropy at Blackbaud (NASDAQ: BLKB), responsible for global corporate social responsibility, leading the company's 3,000 associates in efforts to serve and give professionally and personally. She is committed to the core philosophy that "good is for everyone," championing positive change and inspiring individuals to integrate service into their development.

Rachel brings experience in marketing, brand communications, corporate culture and strategic relationships to her role. She built Blackbaud's CSR program from the ground up, leveraging her deep experience working at the intersection of business and nonprofits.

She is a Phi Beta Kappa graduate of Dickinson College and holds a Master's Degree in Journalism from the University of Missouri. Rachel serves on the Board of Directors of the Giving Institute (Giving USA), the Association of Fundraising Professionals, Learning to Give and the Coastal Community Foundation.

Better Together

About MicroEdge

Established in 1985, MicroEdge is the leading provider of software and services that empower giving for corporations, foundations and today's champion for a better world. The company provides a full spectrum of solutions that help the giving community effectively collaborate around their efforts to raise funds for, manage, and communicate the impact of their philanthropic investments. MicroEdge is a wholly owned subsidiary of Blackbaud, Inc., headquartered in New York City with regional offices throughout the U.S. and supports thousands of customers worldwide. To learn more about MicroEdge, visit: www.microedge.com.

About Blackbaud

Serving the worldwide philanthropic community for 35 years, Blackbaud (NASDAQ: BLKB) combines innovative software, services, and expertise to help organizations achieve their missions. Blackbaud works in over 60 countries to power the passion of approximately 35,000 customers, including nonprofits, K-12 private and higher education institutions, healthcare organizations, corporations, foundations, and other charitable giving entities. The company offers a full spectrum of cloud and on-premise solutions, as well as a resource network that empowers and connects organizations of all sizes. Blackbaud's portfolio of software and services supports nonprofit fundraising and relationship management, eMarketing, advocacy, accounting, payments and analytics, as well as grant management, corporate social responsibility, and education. Organizations use Blackbaud technology to raise, invest, manage, and award more than \$100 billion each year. Recognized as a top company, Blackbaud is headquartered in Charleston, South Carolina and has operations in the United States, Australia, Canada, Ireland, and the United Kingdom. For more information, visit: www.blackbaud.com.

