

## The challenge of managing performance

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One of the greatest challenges facing voluntary organisations today is measuring their achievements and using this information to make better decisions about future services and campaigns.

There is growing demand for greater transparency, clearer accountability and better reporting of real accomplishments. But it is extraordinarily difficult to capture a meaningful understanding of performance when services have very nebulous boundaries, quality is paramount and outcomes depend on the intractability of the presenting problem. How productive was the counselling session? Did that research contribute to finding a cure for the disease? Did the campaign reduce the abuse of human rights?

Despite the huge challenges, leading edge organisations are grappling with the issue and finding ways to pinpoint what good performance means and to use the information in taking those crucial decisions about how funds should be spent.

Some organisations are adapting the 'Balanced Scorecard' approach from the corporate sector, to present trustees with an overview of organisation performance including outcomes achieved, fundraising results, organisation health and financial results. In the USA organisations talk about their 'Corporate Dashboard', a summary of key indicators which tell trustees, managers, staff and branches how the organisation is performing.

Other organisations are moving away from traditional annual reports and publishing reports that set out the organisation's mission, its plans and its achievements over the preceding year. The Royal National Institute for Deaf People has led the way with its trailblazing Impact Reports.

Leading edge organisations are striving to use this information to inform decisions so that the results achieved from past expenditure feed into decisions about future investments.

The key point is that donors and other stakeholders increasingly expect much higher standards of reporting and performance management from voluntary organisations. Those organisations that rise to the challenge will undoubtedly be rewarded with higher public profiles and greater fundraising success.

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