keystone

accountability for social change

Prospectus 2011-2013

> At its heart, Keystone's constituency voice methodology promises to shift the very power to define 'success' – and to declare when it has been achieved – into the hands of those that development organizations claim to serve. This shift toward greater agency is essential if we are to make development more effective.
>
> Raymond C. Offenheiser
> President, Oxfam America

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PRÉCIS

Keystone aims to establish ***constituency voice*** as a new norm for performance management among organizations seeking to create social value. Over the past six years, Keystone has developed the experience, relationships, capabilities, and tools required to do this.

Keystone hypothesizes that quantitative measures of constituency voice are the best available predictor of downstream outcomes and impact, just as customer satisfaction has proved to be a reliable predictor of profits and corporate growth. We are now assembling and assessing the evidence to test the hypothesis.

Constituency voice will come with or without Keystone. It will come with or without a social science proof that it leads to improvements in human welfare. It will come more easily because of the Internet and mobile technologies, where receptivity to it is already evident.

It will come because it expresses values of freedom and mutual respect, and our nature as beings capable of independent agency.

It will come because, like democracy and markets, it works. It strengthens relationships to make organizations more effective.

But whether it comes in decades or years will depend upon those who steward social investment capital. If they will provide the funding required for the catalytic interventions and evaluation proofs set out in this prospectus, we believe that we can reach a global tipping point in three years.

This prospectus sets out the rationale and strategies to precipitate a global shift in social change practice in favour of constituency voice.

Executive Summary

Because important societal problems tend to be complex, organizations that seek to solve them must grapple with that complexity. Until now, organizations seeking to create social value have had no ultimate performance principle akin to the commercial sector's principle of profit maximization. Whether they operate as foundations or charities (also known as "nonprofits") or social businesses (also known as social enterprises), all social purpose organizations face this challenge.

Keystone makes the claim to having achieved two things over the past six years. First, we have put a spotlight on a very significant gap: those who fund and implement social programs have no rigorous practice that compares to customer satisfaction in business and its utility for predicting future profits. Second, we have demonstrated how simple feedback mechanisms – akin to those used to measure business customer satisfaction – can transform nonprofits' practices in project management, evaluation, public reporting and accountability.

To highlight the distinctive context and opportunities for "customer satisfaction" when applied for social impact, Keystone has defined it as ***constituency voice***. The term is catching on, and a set of key influencers from government, large foundations, public charities, rating agencies, management consultants and academia have begun to recognize its value.[1] (Progress in this area and recognition of Keystone's central contributions are summarized on p.4.)

Our constituency voice methodology has yielded techniques that are feasible, affordable, effective, and replicable. We have demonstrated that they work. We now aim to foster broad adoption of the constituency voice practices that we have demonstrated. This prospectus explains how.

To realize social impact, social purpose organizations "help people to help themselves". The goals are not always things people immediately see the need for, let alone want, so these are typically not market-based activities – at least not at first. The benefits often take some time to be apparent. An agriculture project may introduce new practices, seeds and fertilizers to poor farmers, who through long experience of marginalization and bad advice have become distrustful. A health campaign may be promoting changes in diet and hygiene that clash with culture or require scarce cash. An environment and health intervention introduces new cooking practices to improve health and reduce deforestation. A group of citizens may campaign against corruption in public housing construction. If these projects are to succeed, then it will be because those most affected by the problem being addressed – the beneficiaries – claim and sustain them.

Organizations realizing this kind of change – in behaviors, in culture, in organizations, in power – depend upon relationships with high levels of commitment and trust. The academic literature calls this social capital. Social purpose organizations know the

importance of these high-trust relationships, and good ones are adept at the participatory methods that cultivate them.

What they have not done is systematically measure these all-important relationship qualities, manage purposefully to those measures, demonstrate how those measures relate to impact, and put those measures at the heart of how they communicate with their funders, government partners and peers.

We know from 50 years of data from the business world that customer satisfaction, properly measured, is a proven predictor of shareholder value, corporate growth and profit. Keystone believes that constituency voice metrics will prove to be even more powerfully predictive of social impact. By asking beneficiaries to assess an organization that seeks to help them, you are in fact giving them another way to engage with the organization and the organization's helping activities. You are providing people with another way to "help themselves". By cultivating constituency voice, you are directly contributing to the outcome that you are aiming for. Constituency voice measures are not mere predictors of outcomes; they are also causes of those outcomes.

Here is an illustration from Keystone's work. Our surveys have a section that focus on intended outcomes, asking respondents about progress toward outcomes. One question asks what the respondent is able to do differently as a result of the organization. If the organization promotes micro-savings schemes, for example, these questions might explore changes in savings and how those changes might relate to changes in education, health and other welfare outcomes. "I was able to save enough to pay the school fees for my youngest daughter and she is attending school for the first time."

These outcomes reported by beneficiaries are proper measures and are rolled up into report cards and other management and reporting tools. But, following our constituency voice methodology, when an organization reports back to its beneficiaries what it heard through the survey, the resulting interactions trigger a new process of value creation. In this case, the organization might report back by sharing the many ways that respondents have improved their lives through their work with the organization, and how the organization is considering changes it might make, in light of what it learned through the surveys. As a direct result of this careful reporting back, beneficiaries are called upon to recognize their own agency in the work of the organization – and in the reported outcomes. "We have realized these savings ourselves, with the help of the organization. Having listened to us, the organization is trying to improve. We too can do even more."

Keystone's experience is that organizations can easily follow a cycle of continuous improvement that begins with simple feedback mechanisms – independent surveys, focus groups, observation and transparency – that render quantitative measures of the quality of frontline workers' ongoing interactions with beneficiaries – their primary constituents.

Further steps include:

- ✓ **Integrating** the organization's impact data with accessible existing data sets for the wider community.
- ✓ **Analyzing** the data to assess organizational effectiveness and staff performance.
- ✓ Reporting **back** to constituents to (a) **validate** the feedback data and (b) deepen the organization's interpretations of the data and (c) hold mutually accountable dialogues about how to respond and improve.
- ✓ Reporting **out** to funders and society at large, adding to the accessible existing data sets.

The final step – reporting out – is essential to realize the full benefit of constituency voice. When organizations share rigorous feedback data with their funders and peers – and even more so when they publish it – they create *systemic* benefits. Funders, peers, and society at large can learn and act from this neglected tool for determining social impact. Incentives across the community align around this new vocabulary for measuring impact that is tempered through a mutually accountable dialogue with the primary constituents – those meant to benefit from the organization's work.

The hypothetical "Super Stoves" example, below, illustrates the cycle of constituency voice and shows how constituency voice can point to the critical interim factors leading to impact – such as product/service quality, clarity of communications, trust and openness, and even self-efficacy on the part of the constituent – thereby providing vital navigational soundings on the road to impact.

Super Stoves

Super Stoves promotes fuel-efficient low-cost cooking stoves. The stoves promise economic, health, and environmental benefits, and improved quality of life. Stove users save time otherwise spent collecting wood. Through manufacture, distribution and sales in Asia and Africa, Super Stoves creates jobs. They improve health by reducing smoke inhalation. They help the environment by reducing deforestation and carbon emissions.

Surveys: Assuming that increased use of the stoves will lead to improved health outcomes, Super Stoves puts in place the data collection processes that would capture these results – if they happen – in a few years time.

But we want to know how effective Super Stoves is right now and why. Long before we will be able to see changes in the health or environment, we can watch for the critical predictive indicators of actual stove use and likely future use. The best way to discover this is by asking people the right questions about the stoves, the impact of the stoves on their lives, the interest in the stoves in their community, and about their engagement with the organization introducing them to the stoves.

The most efficient sub-set of questions to ask will require some simple experimentation, but it could be as few as five, and the information will not be expensive to collect. In addition to direct questions about whether and how they use the stoves, we will want to ask how likely they are to recommend the stove to a relative or friend. If women no longer spend hours each day gathering firewood, we will want to ask what they are doing with their "extra" time. This will discover previously undiscovered benefits from the stove while providing new insights for the organization.

Independent social data: Super Stoves will keep track of existing health, welfare and environmental indicators available from government and academia. It will compare its measureable outcomes against these more macro indicators.

Internal management: Super Stoves monthly management reports show client satisfaction and stove utilization along with comparisons across regions. Management teams discuss further innovations for clients that will enable them to enhance family welfare.

Reporting back: Super Stoves runs regular focus groups of its clients as well as open community meetings at which the findings from the feedback surveys are reported and verified. Ideas for improvements and new products and services arise. Clients begin to organize new initiatives to advance the welfare of their families and communities.

Reporting out: After only one year of conducting feedback surveys, Super Stoves decides to publish its client feedback on its website. Then it integrates its feedback data into its funder reporting and its annual public report – after it discusses its results for the year with its clients. Funders take renewed interest in Super Stoves' work, increase their support for it, and begin to ask its competitors to provide comparative data.

Keystone 2011-2013 has three strategies that focus on fostering broad adoption of constituency voice practices. The strategies have both free-to-use and income generation elements. **Their essence is to: (i) stimulate demand for constituency feedback data by getting the raters, funders and givers to social purpose organizations to ask for it; (ii) support organizations that collect constituency feedback data through free resources and tools; and (iii) create the infrastructure for viral replication** by (a) creating a new free feedback data platform that will provide benchmark data (The Feedback Commons) and (b) creating and supporting a new form of volunteering that redeploys volunteers as constituency feedback data gatherers (The Civic Voices Data Corps). The past, present and future of these strategies are more fully explained in part 2 of the Prospectus.

Now is the best time for investing in constituency voice. There are three main reasons why.

First, Keystone can lead the field. It has the knowledge, capabilities and tools required. It has a strong set of partnerships and credibility across the key actors. This prospectus makes the case that over the next three years Keystone can make the shift from development and prototyping to scaling up.

Second, the Internet and mobile phones have dramatically reduced the cost of collecting feedback from the marginalized communities whose voices are most needed to effect change. Data that once cost $100 per household to collect can now be collected for pennies using mobile phones. A welcome explosion of much-needed experimentation with new communications technology has begun and investments now will enable Keystone to determine which results are applicable broadly and how to seed them strategically.

Third, there is a growing demand from funders for better impact measures. That demand has spawned a wave of measurement intermediaries and increased investment in evaluative activities by both funders and implementers. Dedicated investments in Keystone's strategy now will ensure that constituency voice spreads past the tipping point to become a new norm of performance management, in part by insinuating constituency voice into the DNA of other measurement intermediaries and service providers.

Given the simplicity and power of the constituency voice imperative – "listen to your direct beneficiaries" – it is natural to wonder why it has not taken off more quickly.

Keystone has asked the early adopters in this space – its paying clients – to rate Keystone's constituency voice services against other evaluative activities. The feedback tells us that constituency voice is clearly more useful and easier to do. But if this is so, then why do so many organizations continue to resist?

The answer may be that it also carries risks.

Organizations worry – usually silently – that by measuring and reporting constituency voice they will draw attention to their failings and thereby lose precious support. Absent external penalties for not doing so, or guaranteed rewards for doing so, they are reluctant to run this risk. This is why Keystone has teamed up with Charity Navigator to build constituency voice into the most important charity rating organization in the USA.

Another reason may be found in the absence of a strong social movement with the power to demand that its interests be heard. By definition, the beneficiaries of most programs addressing our deepest problems of poverty and disease are disadvantaged and marginalized. If they could compel organizations – whether they be governments, nonprofits or businesses – to pay adequate attention to their interests, many of these problems would be solved.

The "Dave Power and Consumer Rights" inset provides an illuminating historical lesson from the origins of the customer satisfaction industry.[2] It turns out that corporate executives mightily resisted the initial proposals to discover customer satisfaction. It took the power of a growing middle class consumer rights movement to persuade them to change their minds! Absent a social movement of charity recipients, Keystone looks to the public and private funders of human services and development programs to call for feedback data to enhance the voice of charity beneficiaries.[3]

Dave Power and Consumer Rights

When Americans think of the early champions of consumer rights, they are far more likely to think of Ralph Nader than Dave Power. Power, the founder of JD Power & Associates, an early pioneer of the customer satisfaction industry, has been outspoken about the initial resistance of corporate executives to his suggestions to research customer satisfaction. He notes that it was the passage of a set of laws "in the consumer interest" proposed by the Kennedy administration in 1962 that codified the rights demanded by the growing middle class consumer movement.

According to Dave Power, without the social movement we would not have gotten the laws. And without the laws – which among other things compelled companies to provide better information to consumer – we would not have gotten a customer satisfaction industry…at least not then!

Foundations stand in a uniquely important position to help organizations to overcome their resistance to cultivating constituency voice. Like raters, they have the influence to set new incentives for organizations to take up constituency voice. As they do that**, it will be important that they take an approach that rewards learning rather than penalizes failure. This would mean making funding decisions on what organizations do with their feedback data – and whether they improve – not on the initial data itself.**

Perhaps most importantly, Foundations are the only institutions in society with the freedom and resources to take the long view and create new philanthropic infrastructure such as that which Keystone is building. Constituency voice will come because, like democracy and markets, it works. It will come because it expresses values of freedom and mutual respect and our nature as beings capable of independent agency. If organized philanthropy invests in a few catalytic constituency voice interventions now, the needed change in practice and standards can happen in years rather than decades.

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I. Performance management, measurement and social impact: where we are today

Because important societal problems tend to be complex, organizations that seek to solve them must grapple with that complexity. **Until now, organizations seeking to create social value have had no ultimate performance principle akin to the commercial sector's principle of profit maximization.** Whether they operate as foundations or charities (also known as "nonprofits") or social businesses (also known as social enterprises), all social purpose organizations face this challenge.

Keystone began in 2004 with the hypothesis that part of the solution to improving the performance of social purpose organizations lay with the weak accountability among funders and implementers to their primary constituents – those ultimately meant to benefit from their funding and other activities. To test this hypothesis Keystone immersed itself in four literatures and practice domains: performance management, strategic philanthropy, international development, and evaluation. Through hundreds of conversations and scores of consulting assignments and action learning pilots we found ourselves at a very simple idea – *ask them*.

If you want to measure and communicate social change, ask the people who are meant to benefit from your work.

If you want to improve your performance or measure your impact, nothing makes more sense than asking the people who are *constituent of* the problem that you are tackling, and its solution.

When one listens responsively to these primary constituents, as we call them, one creates *constituency voice*.

There is both a normative and a practical utility to constituency voice that may be expressed in the language of accountability. As proponents of justice, equity, inclusiveness and transparency, social purpose organizations can and should lead by example in delivering accountability to constituents. Whether they are challenging service recipients to change their behavior (see the Reducing Recidivism inset) or promoting reform of government or

Reducing Recidivism

Ex-offender Mark Johnson has begun what could become a literal peaceful revolution in British prisons. His organization, User Voice, works with prisoners and correction officials to create "prison councils" that give prisoners a real say over important aspects of prison life. The results are notable. In one prison, complaints dropped by 37%. In another, solitary confinement days dropped from 160 to 47. Rates of participation in the councils are over 50%.

Mark's ultimate aims reside beyond the prison walls. He believes that "only offenders can stop re-offending" and he is teaching the UK prison system how to listen to prisoners in ways that enable offenders to change their antisocial behaviors and stop re-offending.

commercial organizations, social purpose organizations are most effective, credible and persuasive when they model accountability to their constituents.

The need and the search for better measurement

Over the past 20 years, a growing number of influential actors in the broad social change and development arena have converged around an ambitious theory of change with respect to social value measurement. The change logic argues that improved measurement will yield two interim outcomes. It will enable social purpose organizations to improve their performance. If published, impact measures will also produce a more efficient allocation of resources to better performers. These two interim outcomes would combine, according to this logic, to realign incentives and rewards for social purpose organizations so that they more quickly and efficiently achieve the ultimate outcomes – solving important societal problems and improving human welfare.[4]

Some Keystone Insights

1. If you want to measure and communicate social change efficiently and effectively, ask the people who are meant to benefit from your work.

2. Effective social purpose organizations do work in a participatory and inclusive way with beneficiaries. But what they don't do is systematically measure quality of their relationships, manage purposefully to those measures, demonstrate how those measures relate to impact, and put those measures at the heart of how they communicate with their funders, government partners and peers.

3. Relationships are significant for impact measurement in two ways.
   First, they are the medium through which impact is realized (or not).
   Second, the measure of relationships in social change is predictive of impacts that will later emerge. (It is long-accepted that customer satisfaction measures correlate to subsequent corporate growth and shareholder value.)

4. New methods and tools are needed to measure these important relationship dimensions of social impact. Here many of the techniques of the 50-year-old customer satisfaction industry are a useful starting point. But their adaptation and adoption must take into account the fundamental difference between paying consumers and most social purpose organization beneficiaries: the beneficiaries do not pay.

5. Since philanthropic organizations do not have the unambiguous micro-signal of buy/no buy that compels market-based organizations to self-correct (or go out of business), measures of constituency voice are even more important than measures of customer satisfaction.

6. Though it is understood that all development depend upon self-development, there is no organized social movement to advocate for constituents' participation in theirs. The funders of development have to stand up for beneficiaries – by asking for constituency feedback data and using it themselves.

There are a limited number of known ways to advance measurement practices at scale, including reporting standards, self-regulation, certification/audit, data management software, third-party research, peer reviews, and rating. Each has its own slightly different theory of change contributing to the meta-theory of change: "improved measurement leading to improved impact". Each has its place. And none alone can enable widespread adoption. The way forward will probably involve incremental gains in all of these areas punctuated by periodic leaps forward based on something the social sector has heretofore not been known for – mergers and acquisitions.

Keystone represents but one contender among the current wave of measurement innovators. Keystone's first funder and the leading investor in the space, the William and Flora Hewlett Foundation, has identified more than 65 such different projects working in the United States alone.[5] None of them, with the exceptions of GuideStar and the International Initiative for Impact Evaluation, are adequately capitalized at present. This capital scarcity is an important feature of the current environment.

Many existing efforts to advance measurement involve establishing a standard of some kind, and this is how it began for Keystone – as an alliance of diverse organizations that called for the development of a generally accepted reporting standard for social impact that recognized the imperative to strengthen accountability to beneficiaries.[6] In order to explore this approach we based ourselves at the London offices of AccountAbility, a global leader in accountability reporting standards.[7] Through studies and consultations, we came to understand that, for many stakeholders, the purported benefits from standardization were outweighed by the perceived risks and costs.[8] We concluded that there was no political authority strong enough to promulgate a reporting standard. Nor do we foresee that a consensus will emerge sufficient to have much real influence on what organizations and funders do.[9]

The *de facto* public reporting standard for social purpose organizations is the very low bar set by regulatory authorities around the world. In the US, for example, the public reporting required for social purpose organizations is set by the Internal Revenue Service's Form 990, which does not include meaningful result-related requirements. In 1996 Buzz Schmidt started digitizing and publishing charities' 990 forms on a new reporting platform that he founded called GuideStar. While GuideStar has grown and is now spreading to a few other countries, the transparency-will-spur-improved-self-reporting-by-charities theory of change has not visibly moved the needle on the quality of results reporting.[10] **Our conclusions in 2004 were that we needed a common platform for self-reporting like GuideStar, but we needed more as well.**

The ensuing years have borne out this early Keystone finding with respect to standardization. Where multi-organization measurement and evaluation have emerged, they have done so within niche domains.[11] Measurement practices in general are improving – very gradually – but mainly at the organization level. Self-reporting initiatives

continue to push up like garden perennials, but without evidence that they will influence performance management practices on the ground.

As the proponent of a new set of ideas about measurement and reporting, Keystone has been encouraged by a growing convergence of views among important academics, investors, and consultants in the social sector. Each of the examples below recognizes the importance of constituency voice as a necessary source of results data. All but one comes from 2010. Each credits Keystone with bringing these ideas to the foreground:

Evaluators: The debates rage on, but practice guidelines of the evaluations associations around the world are moving off the mistaken idea of a single "gold standard" of measurement and are embracing "multiple methods" – including constituency voice – to reckon with the complexity of evaluating development.[12]

Academia: A recent paper from the Harvard Business School that tries to address this question head on argues for "contingent performance measurement" that calibrates an organization's theory of change (the causal logic underlying an intervention) with its operational strategy (what it does every day to implement its mission) in order to enable the choice of right measurement practices – which include constituency voice as a method and citing Keystone as the lead practitioner.[13]

Management consultants: McKinsey & Company has produced a set of reports and online tools under its Learning for Social Impact Initiative that describe five "best practices" the first of which is constituency voice, quoting Keystone staff prominently.[14]

Foundations: The Bill and Melinda Gates Foundation sets out a nuanced way to think about what kind of "actionable measurement" activities are relevant where in a recent guide. The concept of constituency voice features in the guide.[15] The influential Hewlett Foundation-McKinsey 2008 report, "The Nonprofit Marketplace: Bridging the Information Gap in Philanthropy", highlights the role of constituency feedback, citing Keystone.[16]

While this emerging academic and practitioner consensus – and especially the growing appreciation of constituency voice – is positive, it is consistent with a pace of change that is more associated with decades than years. **We need catalytic interventions that significantly increase the external incentives on organizations to improve performance measurement. Left to the domain of academic research and the bilateral relationships between funders and implementers, the pace of change will remain geological.**

Here comes everyone…

Technology has been a welcome accelerator of pace and a driver of change and scale for all these efforts. Internet has precipitated a once in a century process of transformation in the ways we gather, analyze, debate, share, and publish information. Rapid innovation in information and media technology will continue to link the Internet with a range of portable and autonomous information devices such as laptop computers, handheld personal digital assistants, mobile phones, and cameras in new ways that have powerful implications for social impact performance. Community radio is exploding in the developing world. Free open source software applications like Frontline SMS have quickly become tools that social purpose organizations in the developing world are adopting to give citizens more direct voice.[17]

The rise of Internet-based social networks has shifted the balance of information provision away from organizational self-reporting and toward user-generated information and third-party analyses. Half a billion people – one thirteenth of all people – are members of the social media website Facebook, which has been in existence for less than seven years.

For today's net-connected world we might amend the old management maxim, "what gets measured gets managed", to "what gets onto Facebook gets managed". **Whatever else happens, it is certain that new information and communications technologies will be at the heart of extending measurement solutions everywhere.**

This insight is underscored when we move beyond the professional practice discourse around measurement and evaluation happening now with academics, practitioners and professional grantmakers, and consider individual citizens, who provide 83 percent of all giving. Individual givers have never been provided with good results data, they don't understand what it takes to get it, so they don't look for it.

What individual givers do want is an independent assessment they can rely on.[18] Up until now the rating and standards certification of social purpose organizations has stopped short of considering how a charity measures, validates and communicates its results. That is about to change. The world's largest and most influential charity rating website (4 million users in 2010), Charity Navigator, has publicly embarked on a fundamental upgrade of its rating methodology that elevates how charities report their results to a dominant position in its new rating criteria. Charity Navigator has hired Keystone to work with it to develop this new results dimension with Charity Navigator, as well as to co-create a web-based platform to distribute Charity Navigator rating to qualified volunteers.[19] The current pilot project with this new distributed rating platform is running now with graduate students studying nonprofit management.[20]

The overall picture today is dynamic and chaotic, and it is not clear how the many current fledgling efforts will pan out.[21] What is clear is that the lowered costs and near universal

access provided by connecting the Internet with mobile phones and portable multimedia devices is a powerful strategy that innovative organizations are seizing with both hands.

One leading example comes from the emergence of online giving and micro-lending marketplaces over the last decade. Because these organizations are Internet-based, they are more willing to apply emerging technology to test new ideas than off-line organizations. Keystone has found a higher degree of receptivity to experimenting with constituency voice in this community than elsewhere.[22] A 2010 gathering of these "markets for good" produced a vision of a global philanthropy marketplace that recognizes beneficiary voice as the central element in creating market efficiency and effectiveness.[23]

In addition to individual donors, raters, and online philanthropic marketplaces, there are encouraging signs that governments are recognizing the value of constituency voice. Government is the main funder of human services in many countries and also often the main direct service provider. To take a United States case that arguably transcends liberal-conservative ideological polarities, the federal government now emphasizes the importance of "improving measurable outcomes" based on a hierarchy of evidence of effectiveness.[24] It insists that government funding – including evidence of the results flowing from it – be completely transparent to the citizen taxpayers. As constituency voice takes its rightful place in the hierarchy of results evidence, this public sector trend will create a powerful incentive for social purpose organizations to invest in constituency voice.[25]

Another exciting public sector trend is expanding in the developing world, often with support of the World Bank. Known under the broad heading of "social accountability mechanisms", citizen groups in a number of countries are publishing assessments of public sector services, and organizing around those published "citizen report cards" to improve services.[26] Rigorous studies of these efforts are finding that they cause improvements in welfare outcomes (see inset, constituency voice and Ugandan Public Health Services"[27]).

Constituency Voice and Ugandan Public Health Services

An important recent study has illustrated how constituency voice can improve community health. In this case, a government-supported social accountability project in Uganda involved citizens in a rural district organizing to monitor, assess and report on the quality of the local clinics' care.

The study established that the citizen report cards on the clinics caused several significant benefits. Waiting times decreased. Doctor and nurse absenteeism plummeted. Clinics got cleaner and fewer drugs were stolen. Clinics were used more; forty to fifty percent more children were vaccinated.

Most importantly, one-third fewer children died under the age of five. In the region served by the clinics, an area of 55,000 households, an estimated 550 lives were saved.

These are all validated results from nothing more than introducing constituency voice into a rural Ugandan public health service.

Why we are stuck

The discussion to this point has described a climate of rising demand for accountability for social impact, a wave of measurement innovators responding to that demand, a gap in funding to support measurement innovation, and so far nothing resembling the kind of management norm that can drive performance effectiveness and replicate to scale. The business analogy is powerful here: the social sector has nothing like the demonstrated value of customer satisfaction that virtually any business can use. There is progress, but as things stand it is not in line with the urgency of the need.

Over the past few years, Keystone has become all too familiar with the main obstacles to broad adoption of improved measurement practices. In this section we consider how constituency voice can surmount these obstacles.

Risks versus rewards: Social purpose organizations see more risks than rewards to adopting improved measurement practices – particularly the ones that have risen to the top of the heap under the status quo ante in which actual outcomes do not determine fundraising success. This general resistance to better measurement is most apparent where direct comparison with other organizations is involved as it speaks directly to the competition for funding. Since social purpose organizations know that constituency voice is readily comparable, they are wary to being dawn onto a path that could lead to their relative weaknesses being exposed. The story in the inset "From an internal Keystone client reflection memo", opposite, is the rare exception to this rule.

From an internal Keystone client reflection memo…

On seeing that one participant in a Keystone benchmark survey was at the bottom of the data table on several dimensions, I sent a preview of the data to the client to ask if he was still comfortable with the Keystone's proposal that the full survey results be published.

He wrote back, "I am personally inclined to go public with whatever out of principle because we have been advocates for peer data. Can't advocate for peer data and then not agree to share just because we end up on bottom... It also creates a burning platform for our team to get better. And its like losing in spring training…first survey, who knew the rules, what was the sample, etc…. would rather build this into an important and trusted tool and be on the top for the 10th anniversary version…"

Turning to the reward side of the equation, there are at present few strong rewards for organizations willing to run the risks. The leading USA charity rater, Charity Navigator, has historically rated charities down for spending money on evaluation. This is about to change, however, as Keystone is working with Charity Navigator to produce new rating criteria that will recognize the importance of measuring outcomes (including constituency voice).

A series of Keystone surveys over the past six years has consistently shown that implementers find that funders do not appreciate, and therefore are reluctant to fund, the true costs of improved measurement practices. In an environment where there is too little funding set aside for evaluation and performance management, the prevalent view we find in surveys among both implementers and funders is that "every dollar spent on measurement is a dollar taken away from program". Many implementers argue that the fruits of investing in improving measurement do not justify the time and money required. This last point speaks to the inadequacy of some measurement methods being used, something we come to in more detail below.

The reality on the ground is that given many competing demands on scarce management time and budget, social purpose organizations tend to do only as much backward looking (including "monitoring") as is required by their funders. The strong default in the system is to compliance-oriented accountability – mainly for how funds are spent. This of course says nothing about actual results. Absent different incentives or new rewards, measurement innovation makes the cut for only five to ten percent of organizations.[28]

When we look closely at the small group of outcome measurement early adopters, we see that they concentrate in areas where the chain of causality between the activity and the outcome is very easy to measure by an objective indicator. Vaccinations prevent specific diseases. Microloan repayment rates have been assumed to be a fair proxy for a positive development intervention. Standard educational tests for levels of literacy and numeracy reflect the quality of schools. Re-offending is an objective metric for the effectiveness of programs for ex-offenders.

But for many – if not most – programs, the causality is more complex and outcomes both less attributable and harder to establish objectively. This is true even for those with a "simpler" causality, as the recent microfinance crisis in Andhra Pradesh has demonstrated. In that case, if we had been relying on the kind of feedback data that Keystone collects, then we would have been able to see and resolve the problems long before they reached the level of a systemic crisis for microfinance in India and perhaps beyond.

Keystone's approach to these challenges is to provide free resources – stories, guides, surveys, survey data, analyses, everything that is required to cultivate constituency

A Cautionary Tale

In mid 2003 a new European investment fund makes a significant equity investment in Parmalat, the Italian dairy company.

In late 2003 Parmalat files for what becomes the largest bankruptcy in Europe in history to that time.

When asked how the investor had missed the signs, the fund's principal noted that Parmalat was systematically falsifying its documentation.

When asked what he could have done to discover the truth, he said, "If we had spoken with the individual farmers they would have told us they were not getting paid."

voice and to utilize constituency voice measures. In addition, we plan a major awareness campaign aimed at funders to stimulate and inform their ability to utilize constituency feedback data.

Constituency voice-oriented evaluation works…

In August 2010 Keystone asked FY2009/10 all service clients to comment on their satisfaction with our work (17 respondents).

Indicator	1 – 10 scale
How would you grade the standard of Keystone's work?	8.1
How likely is it that you will take actions as a result of Keystone's work?	8.9
How well do you feel Keystone understood your organisation?	7.8
Compared to other monitoring and evaluation services, how useful was Keystone's work?	7.4
If the work Keystone conducted for you involved a survey, have you or do you plan to report the survey findings back to survey respondents?	63% said yes, 37% do not yet know

Keystone also asks the respondents to its client surveys how useful they found the experience. In our most recent surveys (n=1,263) the average score out of 10 is 8.

By making comparative constituency feedback data easy and inexpensive to get, and by showing how it is a reliable predictor of results, Keystone hopes to influence enough funders and intermediaries (as Keystone has already done with Charity Navigator and McKinsey) to shift the risk-reward equation in favor of constituency voice.

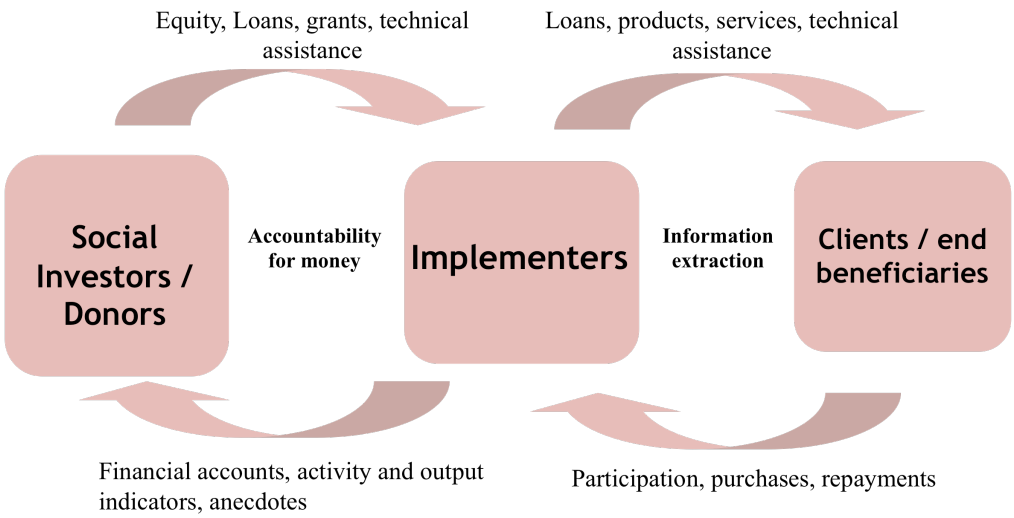
The principal-agent problem: Keystone has found that many implementers appreciate that constituency voice is aligned with their values and is likely to improve their client relationships and performance.[29] **Because different actors in the ecosystem value various outcomes differently, the answer to what is success is as much political as technical, as much negotiated as delivered.** This essential pluralism in social change processes has long frustrated efforts to create a single unifying approach to performance management.

Keystone's constituency voice begins at the planning stage with techniques that allow funders, implementers and beneficiaries to agree around common indicators of success.[30] The flywheel of the constituency voice method is what comes next – tracking progress against agreed indicators. Constituency voice does this through regular, independently collected feedback from beneficiaries. When this feedback is shared with funders and

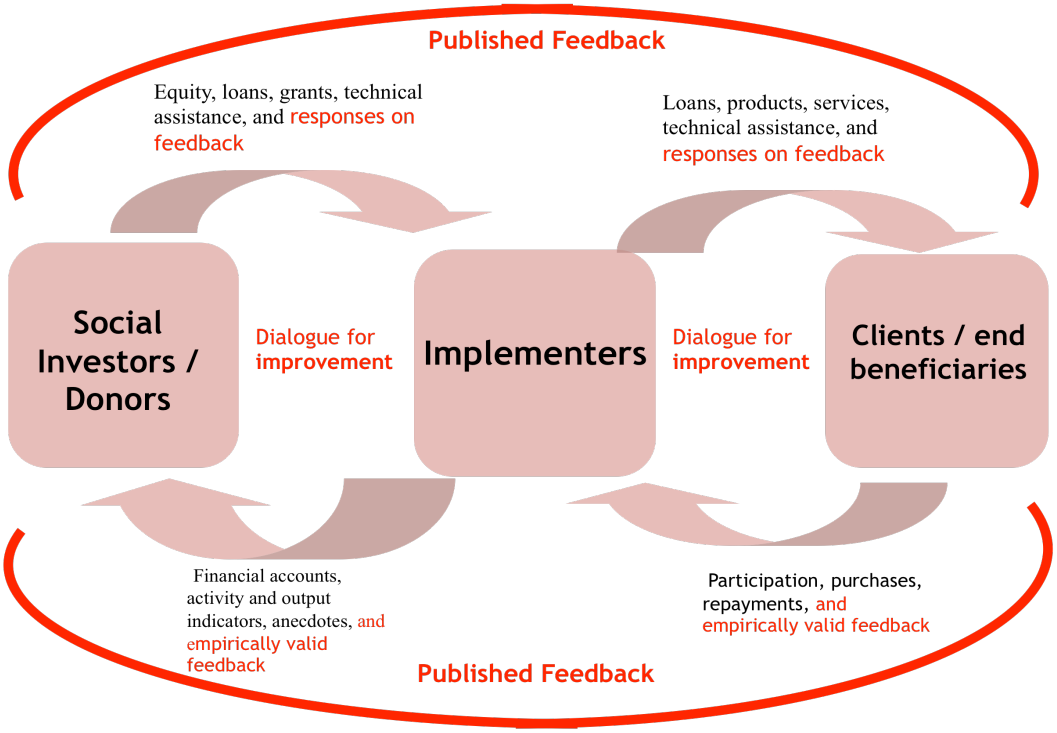
even better when it is published it begins to offer a solution to what is arguably the most significant structural challenge to making philanthropy and government-funded human services more effective – namely, the payer is not the beneficiary. In agency theory this is known as the principal-agent problem.

The two graphics below present two scenarios. The first is our current reality. The second is how the principal agent problem could be solved through constituency voice.

What we have:
Upward compliance for funds spend



What we want:
Empirically valid feedback available to all actors and dialogues for improvement



New communications technologies in the hands of result evidence-oriented funders with a commitment to constituency voice offers a formula for fundamental transformation in public reporting for social impact as illustrated by the second graphic above. **For the first time, it will be possible for the payers (governments, foundations and ordinary citizen taxpayers) to hear the unabridged voices of the beneficiaries in something approximating real time.** Once their historically muted voices are woven into systematic measurement and public reporting, those who are meant to benefit from social change will for the first time have a kind of leverage over social purpose organizations that consumers have with respect to companies.

<u>The absence of a social movement</u>: But where is the real pressure to collect and publish beneficiary feedback? By definition, the beneficiaries of most programs addressing our deepest problems of poverty and disease are disadvantaged and marginalized. If they could compel organizations – whether they be governments, nonprofits or businesses – to pay adequate attention to their interests, many of these problems would have been solved long ago.

The "Dave Power and Consumer Rights" inset provides an illuminating historical lesson from the origins of the customer satisfaction industry.[31] It turns out that corporate executives mightily resisted the initial proposals to discover customer satisfaction. It took the power of a growing middle class consumer rights movement to persuade them to change their minds! This historical analogy has informed Keystone's strategic use of feedback data to enhance the voice of charity beneficiaries.[32]

Dave Power and Consumer Rights

When Americans think of the early champions of consumer rights, they are far more likely to think of Ralph Nader than Dave Power. Power, the founder of JD Power & Associates, an early pioneer of the customer satisfaction industry, has been outspoken about the initial resistance of corporate executives to his suggestions to research customer satisfaction. He notes that it was the passage of a set of laws "in the consumer interest" proposed by the Kennedy administration in 1962 that codified the rights demanded by the growing middle class consumer movement.

According to Dave Power, without the social movement we would not have gotten the laws. And without the laws – which among other things compelled companies to provide better information to consumer – we would not have gotten a customer satisfaction industry…at least not then!

The need for benchmarks: As with all other measurement and evaluation findings, constituency voice is most useful if the findings are applied through performance management systems. The return to modify the familiar management maxim again, "what gets measured gets managed," it should read, "what *is not* measured *cannot* be efficiently managed; and what *is* measured *might* be managed". Metrics data need to come alive in performance management systems. Great leaders can and do bring them to life through regular reviews and rewards.

But very few organizations have great leaders. Fortunately, if we have benchmarks, we don't need great leaders. Published benchmarks add a level of external accountability to the internal organizational accountability of performance management. The necessity of benchmarks to drive utilization of evaluative data is strategy that the business world has perfected to a fine art, from JD Power & Associates famous car owner ratings to utility companies discovering that nothing promotes energy conservation like sending a bill that shows "Your usage, your neighbors usage, and your most efficient neighbors usage". It is long past time we put this proven trick to work to solve our most important societal problems.

The Feedback Commons

To ensure all organizations can get meaningful feedback benchmarks for free, Keystone is creating the Feedback Commons. In exchange for sharing their own anonymized feedback data, this Internet data platform will generate benchmarks to that data. The more organizations that use the Feedback Commons the better the benchmarks will be.

Again, the way customer satisfaction works in business is instructive. Because customer

ratings of products are published and are relied upon by potential customers, companies cannot afford to ignore the ratings of their current customers. What would happen if social purpose organizations knew that their potential funders were able to review constituency feedback on their work as well as for the work of other organizations like them?

Measuring the relationships that enable impact

Having considered the need for constituency voice, the obstacles to introducing it, and the ways to surmount those obstacles, we now look more deeply at how to cultivate constituency voice. We both draw from the techniques of customer satisfaction and suggest how constituency voice is even more important for social impact than customer satisfaction is for financial profit.

To realize social impact, social purpose organizations "help people to help themselves". The goals are not always things people immediately see the need for, let alone want, so these are often not market-based activities – at least not at first. The benefits often take some time to be apparent. An agriculture project may introduce new practices, seeds and fertilizers to poor farmers, who through long experience of marginalization and bad advice have become distrustful. A health campaign may be promoting changes in diet and hygiene that clash with culture or require scarce cash. An environment and health intervention introduces new cooking practices to improve health and reduce deforestation. A group of citizens may campaign against corruption in public housing construction. If these projects are to succeed, then it will be because those most affected by the problem being addressed – the beneficiaries – claim and sustain them.

Organizations promoting this kind of *change* – in behaviors, in culture, in organizations, in power – depend upon relationships with high levels of openness, commitment, and trust. The academic literature calls this social capital. Social purpose organizations know the importance of these high-trust relationships, and good ones are adept at the participatory methods that cultivate them.

What they have not done is systematically measure these all-important relationship qualities, manage purposefully to those measures, demonstrate how those measures relate to impact, and put those measures at the heart of how they communicate with their funders, government partners and peers.

We know from 50 years of data from the business world that customer satisfaction, properly measured, is a proven predictor of shareholder value, corporate growth and profit. Keystone believes that constituency voice metrics will prove to be even more powerfully predictive of social impact. By asking beneficiaries to assess an organization that seeks to help them, you are in fact giving them another way to engage with the organization and the organization's helping activities. You are providing people with another way to "help themselves". By cultivating constituency voice, you are directly contributing to the outcome that you are aiming for. Constituency voice measures are not mere predictors of outcomes; they are also causes of those outcomes.[33]

Let's illustrate this from Keystone's work. Our surveys have a section that focus on intended outcomes, asking respondents about progress toward outcomes. One question asks what the respondent is able to do differently as a result of the organization. If the organization promotes micro-savings schemes, for example, these questions might explore changes in savings and how those changes might be related to changes in education, health and other welfare outcomes. "I was able to save enough to pay the school fees for my youngest daughter and she is attending school for the first time."

These outcomes reported by beneficiaries are proper measures and are rolled up into report cards and other management and reporting tools. But, following our constituency voice methodology, when an organization reports back to its beneficiaries what it heard through the survey, the resulting interactions trigger a new process of value creation. In this case, the organization might report back by sharing how many respondents have changed their lives through their work with the organization, and how the organization is considering changes it might make, in light of what it learned through the surveys. As a direct result of this careful reporting back, beneficiaries are called upon to recognize their own agency in the work of the organization – and in the reported outcomes. "We have realized these savings ourselves, with the help of the organization. Having listened to us, the organization is trying to improve. We too can do even more."

The Self-Fulfilling Metric

When a recovering addict stands up at an Alcoholics Anonymous meeting and says, "I have been sober for 73 days," she is providing a metric that meets multiple purposes at the same time. She is giving AA data that it collects, aggregates, analyzes and uses to manage and support its local chapters. This simple indicator tells AA if that individual – or that chapter – needs additional support or attention. It is, in the logic of the measurement theory of change, an indicator of an interim outcome that speaks to commitment to participate in AA meetings and to staying sober. But something more is happening here. In providing this interim outcome indicator, the AA member is reinforcing her own sobriety. She is also enabling her fellow AA members to support her changed behavior.

Keystone's experience is that organizations can easily follow a cycle of continuous improvement that begins with simple feedback mechanisms – independent surveys, focus groups, observation and transparency – that render quantitative measures of the quality of frontline workers' ongoing interactions with primary constituents.

Further steps include:

- ✓ **Integrating** the organization's impact data with accessible existing data sets for the wider community.
- ✓ **Analyzing** the data to assess organizational effectiveness and staff performance.
- ✓ Reporting **back** to constituents to (a) **validate** the feedback data and (b) deepen the organization's interpretations of the data and (c) hold mutually accountable dialogues about how to respond and improve.
- ✓ Reporting **out** to funders and society at large, adding to the accessible existing data sets.

The final step – reporting out – is essential to realize the full benefit of constituency voice. When organizations share empirically rigorous feedback data with their funders and peers – and even more so when they publish it – they create *systemic* benefits. Funders, peers, and society at large can learn and act from this neglected tool for determining social impact. Incentives across the community align around this new vocabulary for measuring impact that is tempered through a mutually accountable dialogue with the primary constituents – those meant to benefit from the organization's work.

Cultivating Constituency Voice

The hypothetical "Super Stoves" example, below, illustrates the cycle of constituency voice and shows how constituency voice can point to the critical interim factors leading to impact – such as product/service quality, clarity of communications, trust and openness, and even self-efficacy on the part of the constituent – thereby providing vital navigational soundings on the road to impact.

Super Stoves

Super Stoves promotes fuel-efficient low-cost cooking stoves. The stoves promise economic, health, and environmental benefits, and improved quality of life. Stove users save time otherwise spent collecting wood. Through manufacture, distribution and sales in Asia and Africa, Super Stoves creates jobs. They improve health by reducing smoke inhalation. They help the environment by reducing deforestation and carbon emissions.

Surveys: Assuming that increased use of the stoves will lead to improved health outcomes, Super Stoves puts in place the data collection processes that would capture these results – if they happen – in a few years time.

But we want to know how effective Super Stoves is right now and why. Long before we will be able to see changes in the health or environment, we can watch for the critical predictive indicators of actual stove use and likely future use. The best way to discover this is by asking people the right questions about the stoves, the impact of the stoves on their lives, the interest in the stoves in their community, and about their engagement with the organization introducing them to the stoves.

The most efficient sub-set of questions to ask will require some simple experimentation, but it could be as few as five, and the information will not be expensive to collect. In addition to direct questions about whether and how they use the stoves, we will want to ask how likely they are to recommend the stove to a relative or friend. If women no longer spend hours each day gathering firewood, we will want to ask what they are doing with their "extra" time. This will discover previously uncounted benefits from the stove while providing new insights for the organization.

Independent social data: Super Stoves will keep track of existing health, welfare and environmental indicators available from government and academia. It will compare its measureable outcomes against these more macro indicators.

Internal management: Super Stoves monthly management reports show client satisfaction and stove utilization along with comparisons across regions. Management teams discuss further innovations for clients that will enable them to enhance family welfare.

Reporting back: Super Stoves runs regular focus groups of its clients as well as open community meetings at which the findings from the feedback surveys are reported and verified. Ideas for improvements and new products and services arise. Clients begin to organize new initiatives to advance the welfare of their families and communities.

Reporting out: After only one year of conducting feedback surveys, Super Stoves decides to publish its client feedback on its website. Then it integrates its feedback data into its funder reporting and its annual public report – after it discusses its results for the year with its clients. Funders take renewed interest in Super Stoves' work, increase their support for it, and begin to ask its competitors to provide comparative data.

Why Keystone Accountability?

Keystone 2011-2013 has developed three interrelated strategies that focus on fostering broad adoption of constituency voice practices. The strategies have both free-to-use and income generation elements. Their essence is: (i) to spike demand for constituency feedback data by getting the raters, funders and givers to social purpose organizations to ask for it, (ii) to make constituency feedback data collection tools and constituency feedback data freely available to social purpose organizations through the internet, and (iii) to create the infrastructure for viral replication. Part 2 of this prospectus sets out the strategies in detail. This conclusion to the first part of the paper summarizes why now is the best time for investing in constituency voice and Keystone.

First, Keystone can lead the field. It has the relationships, knowledge, capabilities and tools required. It has a strong set of partnerships and credibility across the key actors. This prospectus makes the case that over the next three years Keystone can make the shift from development and prototyping a system-changing measurement innovation to scaling it up to become a new norm of performance management.

Second, the Internet and mobile phones have dramatically reduced the cost of collecting feedback from the marginalized communities whose voices are most needed to effect change. Data that once cost $100 per household to collect can now be collected for pennies using mobile phones. A welcome explosion of much-needed experimentation with new communications technology has begun and investments now will enable Keystone to determine which results are applicable broadly and how to seed them strategically.

Perhaps Keystone's most catalytic proposed strategic investment in feedback infrastructure is the Feedback Commons, which will enable any organization to obtain meaningful benchmarks for its feedback data for free. It will also dramatically reduce the cost of collecting feedback data through online tools and guides and an efficient marketplace of feedback services providers. The Feedback Commons is described in detail in Part 2, below.

Third, dedicated investments in Keystone's strategy now will ensure that it has the institutional heft to insinuate constituency voice into the DNA of other measurement innovators and service providers and enable them to assist implementers and funders to adopt constituency voice practices.

Like the intermediary service providers, foundations also stand in a uniquely important position to help organizations to overcome their resistance to cultivating constituency voice. They can stand in for the missing social movement of the beneficiaries themselves. Like raters, they have the influence to set new incentives for organizations to take up constituency voice. As they do that**, it will be important that they take an approach that rewards learning rather than penalizes failure. This would mean making funding decisions on what organizations do with their feedback data – and whether they improve – not on the initial data itself.**

Perhaps most importantly, foundations are the only institutions in society with the freedom and resources to take the long view and create new philanthropic infrastructure such as that which Keystone is building. Constituency voice will come because, like democracy and markets, it works. It will come because it expresses values of freedom and mutual respect and our nature as beings capable of independent agency. If organized philanthropy invests in a few catalytic constituency voice interventions now, the needed change in practice and standards can happen in years rather than decades.

II. Strategy

Keystone's vision and objectives

Keystone's vision is ***"Social purpose organizations achieve more because they systematically build effective relationships with the constituents of the changes they seek."*** Keystone's methodology, services and guides enable social purpose organizations to be significantly more effective and efficient in achieving intended outcomes. In a world of limits, Keystone offers a way to get more with less.

We say this is so because:

- ✓ Keystone has an important analysis that is increasingly recognized as such. We have a 'Big Idea' and the world rightly associates it with us.

- ✓ We have simple, free and practical applications of our Big Idea. Organizations have easy access to all that they to apply constituency voice principles and practices are every point in the operational cycle from planning through to public reporting.

- ✓ Keystone's model has the potential to impact at scale because we are building an open infrastructure that can replicate virally – constituency voice method and tools – rather than become a proprietary provider of constituency voice services.

Over the past five years we make the claim to having achieved two things. First, we have made it impossible to ignore the fact that social purpose organizations – including both the funders and the implementers – do not have a rigorous practice comparable to what in business is known as customer satisfaction. Second, we have demonstrated how simple feedback mechanisms – such as those used in the business customer satisfaction – can transform the practices that nonprofits do have in areas like evaluation, project management, public reporting and accountability.

We now aim for a third and most important objective: to foster very wide adoption of the constituency voice practices that we have demonstrated.

Keystone recognizes that it is but one of many organizations chipping away at the measurement challenge. We have evolved a distinctive niche that enables us to work collaboratively with others in the measurement and performance management space. Competition is useful when it incentivizes excellence and improvement. We have aimed, however, to create a business model and culture of work that invites and enables collaboration. We publish all of our intellectual property using a Creative Commons license, which invites people to use it with attribution. We encouraged McKinsey & Co. for example, to bundle constituency voice into its "Learning for Social Impact Initiative".[34]

Because we aim to deepen our offerings into the commons as a central part of our plans going forward we need to be – and be seen to be – "eating our own dog food" as they say in the software industry. Accordingly, Keystone rigorously applies its constituency voice method to itself. The most notable product of an ongoing set of constituency voice activities was the December 2009 publication of a five-year report (available as a PDF or html web pages).[35] The web version is designed to encourage ongoing constituent comment. The five-year report captures and analyses ongoing feedback collected from our clients, partners and other constituents and reflects (i) what our constituents told us and (ii) what we propose to do in response to that feedback.

So What?

Is this really new or different, after all is this not what 50 years of participatory development methodology has been promoting? Yes, constituency voice builds on participatory planning, monitoring and evaluation in two original ways.

First, it asks a different question – "How am I doing?" It presupposes a relationship, and it seeks to improve that relationship in order to measure and improve outcomes. One important result from constituency voice work is that an organization's beneficiaries – its primary constituents – become more active, take on more responsibility to achieve the agreed outcomes. It extends the idea at the heart of existing participatory development methodologies – people need to lead in their own development – by embedding it in organizational performance management.

Second, Keystone's constituency voice method emphasizes the importance of public reporting, a dimension not well covered by participatory methods heretofore.

Integrated strategies to achieve system-wide change

Historically, as Keystone developed the constituency voice method (including its related impact planning, assessment and learning tools), staff spent a significant amount of time in R&D type activities, learning by doing and building theory, methodology and tools. Going forward, we envision a shift toward delivery and scale up.

The strategies' essence is to spike demand for constituency feedback data by getting the raters, funders and givers to social purpose organizations ask for it, and to make constituency voice tools and constituency feedback data benchmarks available for free to social purpose organizations through the internet. The Keystone 2011-2013 has three strategies organized through seven workstreams:

1. Stimulate demand for constituency feedback data:

- ✓ Positioning and proving – making the case and building the brand through books, reports, articles, blogs and conference presentations.
- ✓ Rating – building constituency voice principles into the criteria of those who rate charities, thereby creating incentives for social purpose organizations to take up constituency voice.

2. Provide constituency voice-oriented services to meet current demand for measurement services:

- ✓ Measurement services – providing fee-based constituency voice-oriented evaluative services in three areas: (a) impact planning, assessment and learning strategies; (b) constituent surveys; and (c) monitoring systems that feature constituency voice.
- ✓ Online benchmark surveys – Expand steadily on our growing collection of benchmark performance surveys from the constituents of like organizations, including social investment funds, African community grantmakers, transnational social change networks, and international development NGOs.

3. Create the infrastructure for viral replication:

- ✓ Free content – Publish methodology reviews, case studies and how-to guides. These tools are targeted to implementing agencies who use them to cultivate constituency voice and to the intermediary consulting and training organizations that work with implementers to help them measure and communicate their impact.
- ✓ Scale up a low cost model of interviewing for feedback data using volunteers – expand original pilots of the Civic Voices Data Corps using university undergraduate "service learners" in the USA to (i) universities across the USA, and (ii) to federally funded national service programs.
- ✓ A global resource of comparative feedback data – the Feedback Commons is a free data resource that would allow any organization to build and implement surveys in a way that would allow it to compare the feedback from its surveys with feedback data residing in the commons. The Feedback Commons website would allow a user to select survey questions from a menu, and then match those questions with data resident in the commons that is correlated with those questions.

The discussion that follows sets out how we aim to build on these workstreams. The scope and scale of the activities described, and the milestones associated with them, build organically from our ongoing work. The evidence to support this is either indicated in text and footnotes or provided in the appendices to this prospectus.

1. Stimulate demand for constituency feedback data

Positioning and proving

Objective	Activities	Outcomes
Positioning	▪ Constituency Voice, the book ▪ The Keystone Blog (from April 2011) ▪ Articles and reports	▪ Increased awareness across key influencer groups of the value and application of constituency feedback ▪ Increased incorporation of constituency voice services into service offerings of management consultants and evaluation specialists
Proving	▪ Seed and catalyze rigorous impact evaluations of 3 or more constituency voice projects	▪ By 2018 the evidence base for attributing the outcomes of constituency voice is of the highest standard

In order to position constituency voice ideas and practice for wide take up, Keystone needs to expand its presence and presentations at major industry conferences and meetings. We have done a lot of this already, as is evidenced in Appendix 1.

Keystone staff frequently publishes articles and reports. A partial list of publications is included as Appendix 2 to this prospectus.

We need to continue contributing to the professional literature, but it is time to invest in Keystone's social media by a more active approach to blogging, Facebook, Twitter, Wikipedia, and other social media. Even more importantly from a strategic perspective, it is time to write "the book" on constituency voice. The budget presented here frees up much of David Bonbright's time for six months from April 2011 to lead author this book together with present and past Keystone staff.

In order to win major investments in constituency voice – especially from governments – we need three or more independent impact evaluations that demonstrate conclusively that constituency voice practices flow through to improvements in human welfare outcomes. We seek the proof that the perceptions of the primary constituents of development interventions are predictive of future impact in much the same way that customer satisfaction is predictive of corporate shareholder value and profits. Over the next three years Keystone plans to invest in efforts to undertake these impact evaluations, which may take several years to implement. The objective is to have three or more "proofs" of the constituency voice at the impact level in five years.[36]

Rating

Objective	Activities	Outcomes
Rating	▪ Incorporation of constituency voice into Charity Navigator 2.0 and the Charity Navigator Rating Platform development in the U.S. ▪ Expansion of Charity Navigator Rating Platform to U.K.	▪ New nonprofit ratings incentivize nonprofits to practice constituency voice ▪ Deepened understanding of constituency voice in among US and UK giving public

We have formed a partnership with the world's largest charity rating agency, Charity Navigator, to enhance and improve its rating methodology. Ken Berger's presentation on "Charity Navigator 2.0" at the SOCAP conference in October 2010 is included as Appendix 3 to this prospectus. It highlights Keystone's role, which was funded from Charity Navigator's first grant from an established foundation (Hewlett Foundation).

Charity Navigator will have 5 million discrete users on its website in 2010 and independent evaluation shows that users rely on Charity Navigator ratings to make giving decisions. By incorporating constituency voice into Charity Navigator rating, we aim to (a) create an incentive for organizations to take up more constituency voice work; and (b) educate the American public about constituency voice.

The Charity Navigator partnership addresses both the content of the Charity Navigator rating and the way that it carries out those ratings. We are looking to 'volunteer source' Charity Navigator ratings by creating a Charity Navigator Rating Platform. The platform will initially only be open to graduate and undergraduate students in registered courses on nonprofit management and related courses. The plan is to expand the pool of Charity Navigator raters from graduate students to anyone willing and able to volunteer their time for this effort. Using this cadre of qualified volunteers provides a low cost, scalable means to achieve Charity Navigator's goal of expanding its rating coverage from 5,500 charities to 20,000 charities.

Under Keystone's direction, the Charity Navigator Rating Platform is now being tested with seven graduate student courses with seed funding from the Hewlett Foundation.

Charity Navigator and Keystone have a working understanding with New Philanthropy Capital to expand the platform to the UK as and when funding becomes available.

2. Provide constituency voice-oriented services to meet current demand for measurement services

Constituency voice-oriented measurement services

Objective	Activities	Outcomes (3-5 years)
Provide constituency voice-oriented evaluative services	▪ 8 evaluative services gigs per year	▪ Keystone widely recognized as a skilled provider of constituency voice-oriented evaluative services

Since its inception Keystone has provided evaluative services for fees. The range of this work is listed in Appendix 4.[37] This consulting type work has established a reputation in the marketplace and demonstrated the value of constituency voice practices.[38] One of our projects – a partnership with the Institute of Development Studies and the Gates Foundation – the Agriculture Learning and Impacts Network (ALINe) – has positioned itself as a measurement innovator for the field of international agricultural development.[39]

Going forward, we plan to offer services in three areas: (a) the design of impact planning, assessment and learning strategies, particularly for networks and related organizations in a common system (such as a funder and portfolio of grantees working on a common problem); (b) constituent surveys, either as a stand alone or as part of a larger evaluations where constituency feedback is a central feature; and (c) to design and develop monitoring systems that feature constituency voice. We are specifically looking for opportunities to create mobile phone and community radio enabled feedback loops for large development programs.

Online benchmark surveys

Objective	Activities	Outcomes (3-5 years)
Enable constituency voice practices in organizations	▪ Repeat runs of 6 existing benchmark feedback surveys ▪ An additional 2 benchmark surveys per year	▪ Benchmark survey participants cultivating constituency voice
Establish benchmark surveys as for-benefit social enterprise	▪ Undertake detailed feasibility analysis and develop business plan for a new separate enterprise to commercialize constituency voice benchmark surveys	▪ By mid 2011, Keystone able to take an informed decision on whether or not to establish a separate for-benefit survey enterprise

Keystone has now conducted 5 benchmark surveys based on feedback from the constituents of like organizations, including in the area of social enterprise, local community grantmaking in East and Southern Africa, transnational social change networks, and international development partnerships. An overview of Keystone's survey work to date is included as Appendix 5 to this prospectus, and is also detailed on the Keystone website.[40]

The confidential benchmark survey reports that we provide to our clients are highly valued. We know this because we charge a fee on a sliding scale according to size. But we also collect after-service client feedback. We have taken a strong stance on transparency and publish all of our after-service client feedback on our website, both per project (e.g., for the transnational network benchmark survey) and in our annual public reporting.[41] The "Constituency voice-oriented evaluation works…" inset (see above, p. 9) shares findings at two levels, from our clients and from the constituents of our clients that we surveyed and supports our claim to have a superior product.

Keystone is a pioneer in identifying this market, which is analogous to customer satisfaction in the business world, and at the present there is virtually no other provider addressing this opportunity.[42] We believe on the basis of our experience to date that this activity can expand significantly and can generate growing surplus over costs. Keystone's recent social investment benchmark survey won grant support from the Rockefeller's Impact Investing program.

When it comes to performance management, comparison against targets, self (over time) and others are all necessary. While it has become common practice for organizations in the non-profit sector to survey their stakeholders (and less commonly to use the same instrument over time to get longitudinal comparisons), it is uncommon to have feedback benchmarks against other like organizations. Constituency voice benchmarking surveys, therefore, address a gap that organizations recognize. Most organizations find some value from the stakeholder survey work they currently undertake, but since they do not have comparative data, they are aware of the limitations in their current feedback practices.

Keystone has developed a service offering that creates comparative data sets made up of constituency feedback for cohorts of like organizations who then enjoin in a community of practice for improvement. Comparative feedback data sets allow benchmarking and standard setting, greatly improving the value of each organization's unique feedback. Once a comparative data set exists for a cohort of like organizations, a virtuous spiral is created through which further development of the data set over time adds value for all participants, and creates an incentive for new organizations to join the cohort by participating in the annual survey. Keystone also offers a follow on service to survey participants to build out their feedback infrastructure and to progress from collecting feedback to more authentic conversations with their primary constituents.

Benchmarking surveys and the related constituency voice method is analogous to customer satisfaction in the business world. It involves a system-wide change in management practice and is capable of improving performance and outcomes for any organization that seeks to create social and environmental improvements.

Accordingly, the market for Keystone benchmarking surveys and related consulting is as large as the universe of organizations that are seeking to create social and environmental

value through their work. This includes internal benchmarking within larger projects as well.

How it works and what it covers

Comparative constituency feedback surveys use a carefully designed questionnaire to collect perceptions anonymously from organizations' constituents on key aspects of the organizations' performance. The questionnaire is administered simultaneously to comparable constituents of a cohort of similar organizations.

Keystone provides each participating organization with a unique and confidential constituency feedback report with absolute and comparative data. This is anything but a one-time data extraction exercise. Keystone provides advice and coaching to help organizations to reflect and act upon the data by reporting back to their constituents on the findings and to engage with them in a two-way dialogue about how to improve performance.

Keystone also produces an overview public report for a survey cohort that draws on the results of all participating organizations in the cohort (on an anonymous basis) to identify important trends and issues across the field.

While the final survey instrument for each cohort of like organizations is customized to the needs of that work domain, the general areas of performance that are explored are common. They include:

- ✓ Outcomes attributable to the organization's work (notably changes that beneficiaries recognize in their own or others' behaviour or changes they perceive in other intended outcome areas)
- ✓ The quality and character of the relationship (e.g., trust, responsiveness, learning)
- ✓ The quality of communications from the organization (e.g., clarity, materiality, comprehensiveness)
- ✓ The quality of delivery of the inputs at the core of the value proposition in the relationship (e.g., finance, advice and technical assistance, training, research and policy support, brokering)
- ✓ Monitoring, evaluation and reporting requirements (where applicable)
- ✓ Perception of the organization's influence in and contributions to its field (e.g., competence and reputation)

The surveys provide a range of benefits to participating organizations:

- ✓ New insight about their impact on their constituents
- ✓ Suggestions to improve operations and strategy
- ✓ Exchange and learning with their peers based on specific data identifying relative strengths and weaknesses
- ✓ Opportunity to renew relationships with constituents on the basis of new, important and independent data

- ✓ Greater legitimacy as a result of visible efforts to be accountable to constituents

The surveys also provide benefits for the field and for field builders:

- ✓ The survey empowers constituents by amplifying their voice
- ✓ Sends a powerful message to the wider society of funders, government and business about the importance of understanding how constituents are experiencing organizations in the field
- ✓ Sets an example to other organizations in the field of how to hear the voices of those affected by their work
- ✓ Data help other organizations in the field to refine their strategies
- ✓ Assists citizen sector infrastructure institutions to develop appropriate technical assistance and resources to support organizations in the field

3. Infrastructure for viral replication

Free content

Objective	Activities	Outcomes (3-5 years)
Build the field of constituency voice by providing free content	▪ Publish methodology, case studies, and 'how-to' guides	▪ Increased incorporation of constituency voice services into the normal work of social purpose organizations and into the offerings of management and technical assistance providers

Keystone has always freely shared its methodology and tools. A list of methodology reviews, case studies and 'how-to' guides is included in Appendix 2 to this prospectus. To provide one recent example, in July 2010 we published a step-by-step guide to conducting comparative feedback surveys for social change networks.[43] Another example is a forthcoming book that we are producing as part of our collaboration with the Gates Foundation and the Institute of Development Studies. We ran a Farmer Voice Awards competition and are now producing a book of case studies of the award winners.[44] This volume is being prepared as a practical 'how-to' resource for agriculture development projects that wish to cultivate more and better farmer feedback.

Looking ahead to 2011 and beyond we envision a combination of refreshing existing guides, forming alliance with related tool providers (such as theoryofchange.org, Innonet, Impact Alliance, McKinsey's Learning for Social Impact Initiative), and writing new guides following ongoing work.

Our partnership with the Gates Foundation and Institute for Development Studies continues into 2011 and hopefully beyond and yields a steady stream of "farmer voice" case studies, guides, tools and evaluation services in the field of agriculture development.

A low-cost model for interview-based feedback: The Civic Voices Data Corps

Objective	Activities	Outcomes (3-5 years)
Create and spread a low-cost, effective model to collect feedback from people not easily reachable through Internet	▪ Pilot projects with universities and volunteering organizations to model for volunteers as constituency feedback data gatherers	▪ Civic Voices Data Corps is widely perceived by universities as a preferred means to enhance 'service learning' ▪ America's leading volunteering agencies are actively seeking to incorporate the CVDC into their programs
	▪ Develop congressional and federal executive support for national adoption of the Civic Voices Data Corps model	▪ Civic Voices Data Corps becomes part of American national service alongside VISTA, AmeriCorps and other legislated service programs

Under the working title Civic Voices Data Corps, this multi-year initiative is creating a very low cost model for cultivating constituency feedback from those who are meant to benefit from social programs. Oftentimes these are the people who are most difficult to reach as they lack access to technology and even literacy and therefore won't be easy to reach through Keystone's benchmark surveys. To engage them one needs boots on the ground.

To create this model we are promoting the creation of a new form of national and voluntary service that deploys service learners (graduates and undergraduates) and adult service volunteers as a kind of voluntary JD Power & Associates, cultivating feedback from the beneficiaries of clinics, shelters, centers, offices and schools across America. These young service volunteers will collect feedback from service recipients that the service providers can use to improve and that those who fund the service providers can use to improve funding decisions.

Georgetown University's Center for Social Justice undertook a successful small pre-pilot effort in 2009-10 with Keystone. We began the first full pilot effort in partnership with St. John's University in 2010 utilizing undergraduates as feedback data gatherers for two leading NYC charities, the Doe Fund and Little Sisters of the Assumption Family Health Center. St. John's University is funding the current pilot project. St John's University and Keystone presented the project at the 2010 national conference on volunteering.[45]

The work on this to date is extremely encouraging. It is clear that undergraduate volunteers can undertake meaningful data gathering. The normal level of university service learning support is appropriate for this model. We have no reason to believe that the charities will value the feedback received from the volunteer effort any less than that received through Keystone's other survey work. In sum, we believe there is a strong likelihood that with modest investments to create the guides and case materials to support the model, it can be replicated to universities across the country rapidly and successfully.

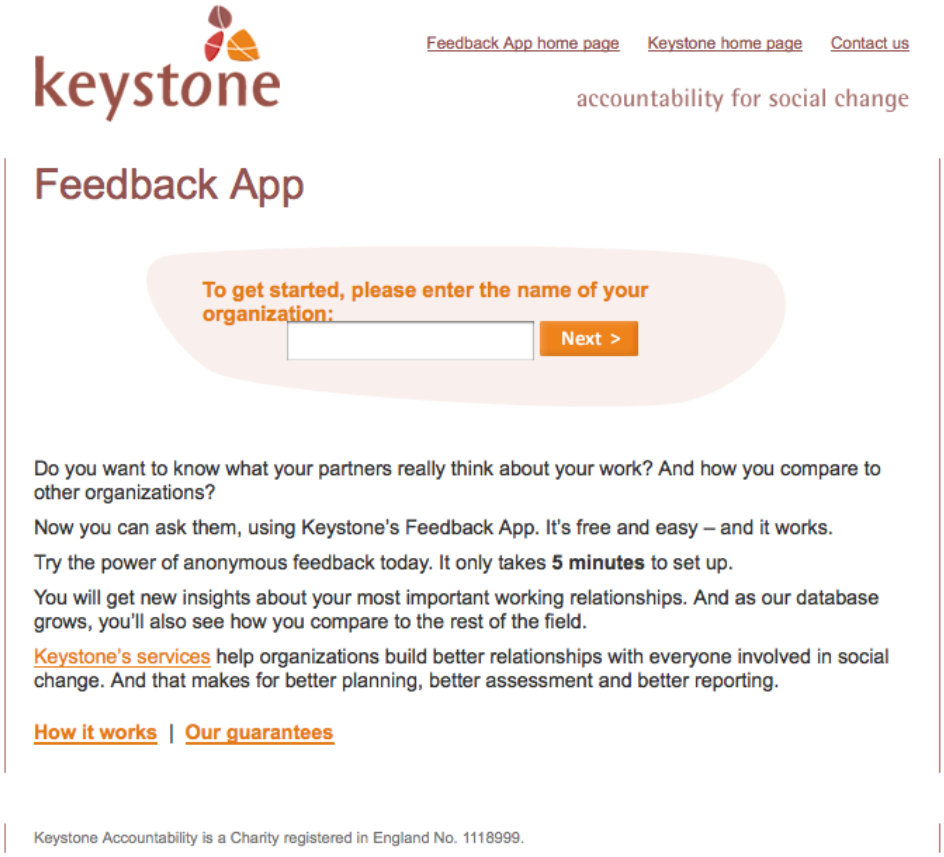
It could also integrate and augment existing national service programs and we are in discussions with the White House Office of Social Innovation and the Corporation for

National and Community Service about the best way to begin to introduce this idea to that universe of organizations.

The Feedback Commons

Objective	Activities	Outcomes (3-5 years)
Create the Feedback Commons as free global resource of comparative feedback data	▪ Design and develop the Feedback Commons technology platform and governance systems ▪ Launch and support Feedback Commons as free online resource	▪ Feedback Commons recognized as the most useful resource for social purpose organizations using feedback loops

Keystone has been experimenting with a primitive free feedback application on its website: http://feedback.keystoneaccountability.org/ (screenshot below). This experience has spurred us to expand the idea into the Feedback Commons.



Today, any organization can survey its stakeholders, and many do. Until now, however, that survey data was severely limited by the absence of benchmarks. The Feedback Commons solves this problem, for everyone.

The Feedback Commons is a commons resource of feedback data designed to allow any organization to build and implement surveys in a way that allows it to compare the feedback from its surveys with feedback data residing in the commons. The Feedback Commons website would allow a user to select survey questions from a menu, and then match those questions with data resident in the commons that is correlated with those questions. The match would have three main filters – organizations to be compared with (e.g., by type, function, size, geography), data quality (as determined by method of data collection), and feedback providers (e.g., end beneficiaries, donors, peers, government officials, other constituents).

To provide a simple illustration, let's imagine that an HIV/AIDS prevention project wants to survey the workers and the patients in 400 clinics that it touches in its work. It chooses nine questions that explore the timeliness and quality of its advice, technical assistance and training. It then filters the universe of data associated with those questions to reflect only nonprofit primary health care service providers in Sub-Saharan Africa. It then filters it further for the data that would be comparable to data that would result from a written questionnaire that would be placed manually in a locked collection box in the clinic over a 60-day period.

After it had undertaken the survey, the project would provide its data, duly anonymized and coded, into the Feedback Commons. In return, it gets its benchmarks. The more organizations that put in their data, the more value everyone gets from using the questions in the commons. Organizations could also add new questions; **the community of users will determine which questions are the most useful**.

This contrasts with a closed proprietary model in which feedback data sets are owned by individual survey firms. We believe that the public benefit equation for feedback with respect to the field of impact investing argues that the open feedback commons approach should be tested, at the least.

The Feedback Commons exploration is particularly important now as the constituency voice field is young and there are no significant investments in proprietary feedback data sets. Keystone would support the Feedback Commons platform with its rich content on constituency voice methodology – how-to guides, case studies, techniques to convert feedback data into improvements.

While the Feedback Commons would expand to include all types of social value creation organizations, it could begin with a focus on the field of impact investing where there is already a critical mass of measurement infrastructure building activity. Accordingly, the Feedback Commons could be fully integrated with Pulse (as way to hold the data on a common platform), IRIS compliant, and the feedback data itself could be made available to GIIRS.

III. Appendices

1. Keystone presentations

2. Keystone publications

3. CN 2.0: 3-Dimensional Rating System Prototype

4. Consulting work

5. Overview of Keystone performance surveys to date

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[1] Keystone has been tracking web search engine results for constituency voice for four years so has a documented reference point as the term grows.
[2] This story was related to David Bonbright through a series of conversations with Dave and Jamey Power.
[3] The rapid spread social audit by citizen activists in India holds the same strategic insight. There, citizen groups are empowered by higher up politicians to monitor flows of government monies. The higher-level politicians are benefitting in the polls from the resulting citizen discoveries of corruption by lower-level officials and contractors. And of course, society benefits from the reduction in the space for corruption in public works and services.
[4] In "Learning for Social Impact", McKinsey & Company argues that three factors favor progress on measuring "what works and why" at this time: new talent coming into the social sectors from measurement-oriented technology and venture capital fields; increased demand from a new generation of philanthropists who are looking for a mix of financial returns and social benefits on their "social investments"; and a U.S. government push for better evidence of results for the half of all funding that comes to nonprofits that government provides. sso.mckinsey.com/socialimpact
[5] In 2008, Hewlett Foundation co-authored an influential report on the philanthropy information marketplace with McKinsey & Company, "The Nonprofit Marketplace: Bridging the Information Gap in Philanthropy". See http://www.givingmarketplaces.org/.
[6] Founding members of the alliance included the Aga Khan Development Network, Inter-American Foundation, Schwab Foundation for Social Entrepreneurship, Medley Global Advisors, and the Nelson Mandela Foundation. Keystone: An Inception Report (2003) (available at http://www.keystoneaccountability.org/about/history).
[7] AccountAbility's AA1000 series are principles-based standards to help organisations become more accountable, responsible and sustainable. See http://www.accountability.org/standards/index.html.
[8] See, for example, Bonbright, David, et. al., A BOND Approach to Quality in Non-governmental Organizations: Putting the Beneficiaries First". www.**bond**.org.uk/data/files/a_**bond**_approach_to_quality.pdf.
[9] Robert Chambers has characterized the present debates about "social impact" as an "intensifying paradigmatic tug-of-war" between a "top-down, donor-driven and bureaucratic" paradigm and an alternative participatory paradigm associated with "local diversity, differing values and evolving goals, and methodological pluralism and inventiveness." The top-down paradigm is characterized by "targets set from above, donors with logframes, objectively verifiable indicators, impact evaluation in its cruder forms (overlooking multiple causation and multiple effects, ignoring counterfactuals, measuring and comparing only the measurable), and reporting upwards on achievements rather than sharing what has been learnt…The contrasting paradigm, which has been associated with much good management practice, tends to be participatory, more egalitarian, more flexible, concerned with what is less tangible and less measurable like relationships, and often with trust, empowerment and people." [Personal communication with David Bonbright].
[10] For a conversation between GuideStar and Keystone founders, respectively, Buzz Schmidt and David Bonbright, on the pros and cons of GuideStar's strategy, see "Civil Society & The Internet: Made for Each Other: a conversation between David Bonbright & Buzz Schmidt", AccountAbility Forum (Fall 2006). There are numerous surveys that validate this assertion. Keystone's 2008

survey of the evaluation and reporting practices of human services organizations in the US found no evidence that GuideStar was improving their measurement and reporting practices.

[11] Examples would the International Initiative Impact Evaluation (3IE) in the international aid industry or the Impact Reporting and Investment Standards in the emerging area of impact investing. For a US domestic report that provides case studies of more niche-based "shared metrics" models, see FSG Social Impact Advisors, "Breakthroughs in Shared Measurement and Social Impact" (2009).

[12] Keystone has been a recognized leader in social impact measurement and evaluation methodology. For a 2-page summary that sets out where Keystone stands in the filed of evaluation see "Improving Impact Evaluation for Development", by David Bonbright, Fred Carden, Sarah Earl, Sanjeev Khagram, Nancy MacPherson, Zenda Ofir, and Patricia Rogers, available at http://idl-bnc.idrc.ca/dspace/handle/10625/40519. A white paper expanding on this by the same authors with the same title is forthcoming. For a portal into the professional evaluation discourse, see the website of the International Organisation for Cooperation in Evaluation (IOCE): www.ioce.net.

[13] Alnoor Ebrahim and V. Kasturi Rangan, "The Limits of Nonprofit Impact: A Contingency Framework for Measuring Social Performance (2010). The hierarchy of measurement approaches catalogued in this working paper locates Keystone's constituency voice method as a leading exemplar of the two most sophisticated levels of the hierarchy, "participatory and relationship-based" methods and "integrative" methods.

[14] McKinsey's Learning for Social Impact Initiative products are published and available for free, including a significant body of research on extant tools that has been transferred to the Foundation Center. To access the full body of work available, see sso.mckinsey.com/socialimpact and http://trasi.foundationcenter.org/.

[15] The Foundation's "Guide To Actionable Measurement" can be found at http://www.gatesfoundation.org/learning/Pages/a-guide-to-actionable-measurement.aspx.

[16] Accessed 30 November 2010 at a website dedicated to supporting discussions about the report: http://www.givingmarketplaces.org/.

[17] For some case studies of how Frontline SMS is being uses see http://www.frontlinesms.com/aboutthesoftware/case-studies/.

[18] For a recent survey of high net worth giver attitudes that is getting a great deal of attention, see Hope Consulting's "Money For Good" report (www.hopeconsulting.us).

[19] For a collection of Charity Navigator statements on its current upgrade see https://docs.google.com/leaf?id=0B4agI2UX89XWMzcwYmNiOTYtMzI3OS00ZTMxLWJhNTQtZGEyNGJmNjYwMmY5&sort=name&layout=list&num=50. For an influential blogger's take on the Charity Navigator 2.0 process see Tactical Philanthropy on 11 November 2010 at http://www.tacticalphilanthropy.com/2010/11/charity-navigator-2-0?utm_source=feedburner&utm_medium=email&utm_campaign=Feed%3A+TacticalPhilanthropy+%28Tactical+Philanthropy%29.

[20] The charity rating platform pilot has initial funding from the Hewlett Foundation.

[21] Keystone is involved with a number of these innovative fledgling efforts and profiles some of them at http://www.keystoneaccountability.org/analysis/examples.

[22] In partnership with the Omidyar Network, Keystone convened the first global meeting of online giving markets in 2006 and published one of the first research studies of this set of organizations in 2008, David Bonbright, Natalia Kiryttopoulou and Lindsay Iversen, "Online Philanthropy Markets: from 'feel-good' giving to effective social investing?" [Accessed 17 October 2010 at http://www.keystoneaccountability.org/resources/reports].

[23] To see a set of slides summarizing the vision from the "markets for good" meeting, see http://marketsforgood.com/. For Keystone's own efforts to capture this visually see http://www.keystoneaccountability.org/analysis/cvtransformation. For a great example of how a leading online giving marketplace has pursued constituency voice, see Global Giving's storytelling project at http://blog.globalgiving.org/2010/12/13/globalgivings-storytelling-project/.

[24] The Obama administration has, for example, created "innovation funds" as part of the Corporation of National and Community Service, the Department of Education, the Department of Health and Human Services, the Department of Housing and Urban Development, and the White House Office of Faith-Based and Neighborhood Partnerships. The Office of Management and Budget, which has signaled the importance of rigorous evidence-based funding decision-making, oversee all these

funds. The Big Society programme of the Conservative-Liberal Democrat coalition government in the UK has signaled a similar set of intentions to put transparency and evidenced-based results at the core of public funding of UK charities.

[25] David Bonbright was an expert reviewer in the first round of proposals for the Social Innovation Fund and building from that experience is advocating a vigorous role for constituency voice in the unfolding thinking around evidence at the SIF and other federal innovation funds in education and health.

[26] For a book length exploration of this exciting phenomenon, see Malena, Carmen (ed.), "From Political Won't to Political Will: Building Support for Participatory Governance." Kumarian Press / CIVICUS (2009).

[27] Björkman, M. and Svensson, J. (2009) 'Power to the People: Evidence from a Randomized Field Experiment on Community-based Monitoring in Uganda.' *Quarterly Journal of Economics* 124(2): 735-69.

[28] This is even true in the young, dynamic and measurement-oriented "impact investing" community. Keystone recently marketed a benchmark survey to 350 impact investors. After an intensive effort, 7 subscribed to the survey. Another 21 said they would definitely join the next run of the survey in a year's time.

[29] This is supported by a survey of funders and NGOs on attitudes toward evaluation (see http://www.alliancemagazine.org/node/258) as well as two sector studies undertaken by Keystone. For a U.S. human services sector study see David Bonbright, David Campbell and Linda Nguyen, op. cit. For a review of M&E in agriculture development, see Johanna Lindstrom, op.cit.

[30] To see Keystone's complete constituency voice tool suite, see http://www.keystoneaccountability.org/resources/guides.

[31] This story was related to David Bonbright through a series of conversations with Dave and Jamey Power.

[32] The rapid spread social audit by citizen activists in India has the same strategic insight. There, citizen groups are empowered by higher up politicians to monitor flows of government monies. The higher-level politicians are benefitting in the polls from the resulting citizen discoveries of corruption by lower-level officials and contractors. And of course, society benefits from the reduction in the space for corruption in public works and services.

[33] Harvard Business School professor Alnoor Ebrahim has pointed out another way that measuring constituency voice is more fundamental than measuring customer loyalty. With for-profit firms, value created for customers returns directly to owners and shareholders in the form of payments for goods and services: Customer satisfaction ⇒ Corporate profits ⇒ Shareholder returns. But in social sector organizations, the value needs to flow the other direction: Beneficiaries ⇐ Implementing organization ⇐ Funders. In the absence of a "return" flow in something as clear as a payment for services, it is even more important to listen carefully to beneficiaries to understand what value if any is reaching them.

[34] sso.mckinsey.com/socialimpact and http://trasi.foundationcenter.org/.

[35] http://www.keystoneaccountability.org/about/publicreport.

[36] A very good illustration of the kind of evaluation we need is the Martina Bjorkman and Jakob Svensson's evaluation of citizen monitoring of local health programs in Uganda. (Björkman, M. and Svensson, J. (2009) 'Power to the People: Evidence from a Randomized Field Experiment on Community-based Monitoring in Uganda.' *Quarterly Journal of Economics* 124(2): 735-69.)

[37] The recent history of our consulting work and its relationship to benchmark surveys is also described in our public report for 2004-2009, "Constituency Voice: Linking the Means and Ends of Social Change", especially from page 14 – 21. (http://www.keystoneaccountability.org/about/publicreport).

[38] One of our projects – a partnership with the Institute of Development Studies and the Gates Foundation – the Agriculture Learning and Impacts Network (ALINe) – has positioned itself as a measurement innovator for the field of international agricultural development. *See* www.aline.org.uk.

[39] See http://www.aline.org.uk.

[40] See http://www.keystoneaccountability.org/services/surveys.

[41] http://www.keystoneaccountability.org/about/publicreport
[42] One potential competitor is the Center for Effective Philanthropy's successful comparative surveys for U.S. foundations. Keystone does not intend to compete with Center for Effective Philanthropy as a provider of grantee feedback to US foundations. David Bonbright has written an article with one of the leading names in the customer satisfaction industry, Jamey Power, formerly of JD Power and Associates, to highlight the opportunity to apply customer satisfaction techniques in the social change arena: David Bonbright and Jamey Power, "Private Sector Metrics Contributions to Social Change: Customer Satisfaction meets Agriculture Development" (forthcoming, IDS Bulletin).
[43] http://www.keystoneaccountability.org/services/surveys/2009networks.
[44] http://www.aline.org.uk/awards.
[45] A copy of the presentation can be found at http://dl.dropbox.com/u/10940660/NCVS-%20STJ%20%26%20Constituence%20Voice%20FINAL.ppt (15.5 MB).