The Top 25 Nonprofit Management Tools

This year, the nonprofit Bridgespan Group is collaborating with *The Chronicle of Philanthropy* to start a new report offering guidance to nonprofit leaders.

This project will ask a wide range of nonprofit leaders to provide insight on the use and effectiveness of 25 top tools, and to voice their opinions on the importance of 21 major trends affecting the sector.

To start, Bridgespan interviewed more than two dozen nonprofit leaders and other experts to identify the tools that they believed were among the most important currently available to nonprofits. See the results below.

GETTING CLEAR ON YOUR GOALS AND STRATEGY

Strategic planning	Planning for the next 3-5 years; also known as business planning
Intended impact and theory of change	Clarifying precisely what a nonprofit will hold itself accountable for achieving, and how it will accomplish it
Program-contribution analysis	Analyzing the contribution each program makes to accomplishing a nonprofit's mission, and the financial contribution it makes (break-even, net contributor, or net user)
Scenario and contingency planning	Identifying potential situations and environments the nonprofit may encounter in the future, and deciding how the organization should respond
Mission and vision statements	Explaining the organization's reason for existence and goals in a single compelling sentence

RUNNING AN EFFECTIVE ENTERPRISE

Leadership succession and planning	Proactively identifying and developing new leaders to succeed current ones and meet the nonprofit's future leadership needs
Talent assessment and development	Creating systematic processes to identify a nonprofit's human-capital needs and develop staff accordingly (also known as staff development)
Decision-making processes	Clarifying how decisions will be made, who will make them, and how others in the organization will be involved (e.g., RAPID, RACI, etc.)
Organizational-effectiveness diagnostics	Identifying organizational strengths and weaknesses through a structured rating by senior management
Full-cost analysis	Determining the actual total cost of each program by allocating all direct and indirect costs (also known as service line contribution or total cost allocation)

UNDERSTANDING YOUR ENVIRONMENT

Constituent engagement — Gathering input from or deeply involving the individuals, families, and communities an organization affects (also known as beneficiary engagement)

Funding models — Clarifying the best strategy for building a reliable revenue base

Benchmarking — Comparing a nonprofit to its peers or best practices in the field

Market mapping and landscape analysis — Identifying all the key players in a field, sector, or geography and classifying them by relevant characteristics (type, revenue, etc.)

Beneficiary and donor segmentation — Grouping beneficiaries and donors into categories based on needs, interests, or other key characteristics

Big-data analytics — Analyzing large data sets to identify useful insights

TAKING ADVANTAGE OF NEW OPPORTUNITIES

Collective-impact collaborations — Creating formal cross-sector partnerships and working together to address a common goal

Social-media programs — Using social media (e.g., Facebook, Twitter) to help accomplish a nonprofit's goals

Partnerships and collaboration — Working together with other nonprofits to achieve greater impact (e.g., sharing services, mergers, joint programming, etc.)

Design thinking — Using creative brainstorming and experimentation techniques to identify, test, and implement new approaches and solutions

MEASURING AND EXTENDING YOUR SUCCESS

Performance measurement and improvement — Continuously tracking important data (typically by staff, using an internal data system) for accountability, learning, and improvement (e.g., ETO, balanced scorecard, dashboards)

Program evaluation — Conducting studies to determine a program's impact, outcomes, or consistency of implementation (e.g., randomized control trials)

Donor-relationship management — Thoughtfully cultivating relationships with new donors and stewarding current donors in order to maximize donor retention, engagement, and investment

Beneficiary-satisfaction measurement — Soliciting information from beneficiaries on the strengths and weaknesses of a nonprofit's services, and how to better meet their expectations and needs

Knowledge-management systems — Proactively collecting, reflecting on, sharing, and integrating knowledge and insights, in order to improve a nonprofit's practices and programs