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New guide helps charities measure their performance

A new practical guide which helps charities to improve their work and measure the impact they have on people's lives has been welcomed by the charity sector.

The little blue book, published by charity think tank and consultancy New Philanthropy Capital (NPC), is a guide to analysing charities, aimed at charities and funders. Covering issues such as results, leadership and finances, it helps them to ask crucial questions about their performance and provides practical examples of how charities have improved through evaluation.

'All charities should strive to be as effective as they can be, and understanding more about your organisation, including what works and what doesn't, helps charities to improve,' says NPC's chief executive Martin Brookes. *'This guide represents the fruits of more than nine years of analysing charities at NPC and advising donors. We hope that charities and funders will use The little blue book to ensure that charities can achieve as much as possible.'*

At a time when many charities are having to make tough decisions, this guide will help them assess their own performance and improve their work. It will also help funders to identify a charity's strengths and weaknesses and make decisions about funding. It's a step that has been welcomed by Andrew Hind, chief executive of the Charity Commission.

'Charities should continually search for ways to improve the way they operate and identify how they can use their resources to best effect, particularly in a difficult economic climate. I'm pleased that NPC has produced this guide; any tools that may help charity trustees and their staff identify room for improvement are valuable, and I would encourage charities to take a look and see what they may gain from this.'

The little blue book brings together methods used in other professions, such as investment analysis and management consultancy, but its approach is firmly grounded in a thorough knowledge of charities and the way they work. NPC has analysed hundreds of charities and advised many funders, and this guide is written with a clear understanding of the day-to-day challenges of running a charity, of managing finances in the turbulent world of fundraising, and of the difficulties of measuring impact.

One of the charities that has benefited from NPC's analysis is Quaker Social Action (QSA), which won a CAF Charity Award as a result of being able to show the effectiveness of its creative financial education project, Made of Money. QSA's chief executive, Judith Moran, explains why she thinks it is important for charities to examine their own work.

'I love the fact that NPC is such an advocate of the concept of effectiveness. Charitable effectiveness is about working hard, day in, day out, to deliver the very best services you can, to people that need them. But effort alone isn't enough either, and the thing that stands out for me

in our relationship with NPC is the rigour of its approach. This has been inspiring and challenging and going through this process, in itself, has further improved our effectiveness.'

NPC will be launching a series of seminars to help charities and funders put some of the ideas from *The little blue book* into practice, and to promote discussion. The guide can be downloaded for free from NPC's website (www.philanthropycapital.org), and hundreds of copies are being sent, free of charge, to charities and funders.

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For further information, or to arrange an interview with one of the authors, please contact Gemma Davidson (PR Manager) on gdauidson@philanthropycapital.org, or Esther Paterson (PR Executive) on epaterson@philanthropycapital.org or +44 (0)207 785 6300/6310. www.philanthropycapital.org.

Notes to Editors

New Philanthropy Capital (NPC) is a consultancy and think tank dedicated to helping funders and charities to achieve a greater impact. We provide independent research, tools and advice for both charities and funders in the UK and internationally. We have an ambitious vision: to create a world in which charities and their funders are as effective as possible in changing people's lives and in tackling social problems. For charities, this means measuring the results of their work and using evidence to learn and improve, as well as to attract support. For funders, it means using evidence of charities' results to make funding decisions and to measure their own impact. For further information, see www.philanthropycapital.org.