Theory of Change

The theory of change is designed to be used in order to support organisations to refocus away from their day to day activities, weigh up their priorities and start measuring the impact they are having with service users and the community.

NPC Publication [Theory of change: The beginning of making a difference](#) advises:
A theory of change shows a charity's path from needs to activities to outcomes to impact. It describes the change you want to make and the steps involved in making that change happen. Theories of change also depict the assumptions that lie behind your reasoning, and where possible, these assumptions are backed up by evidence.
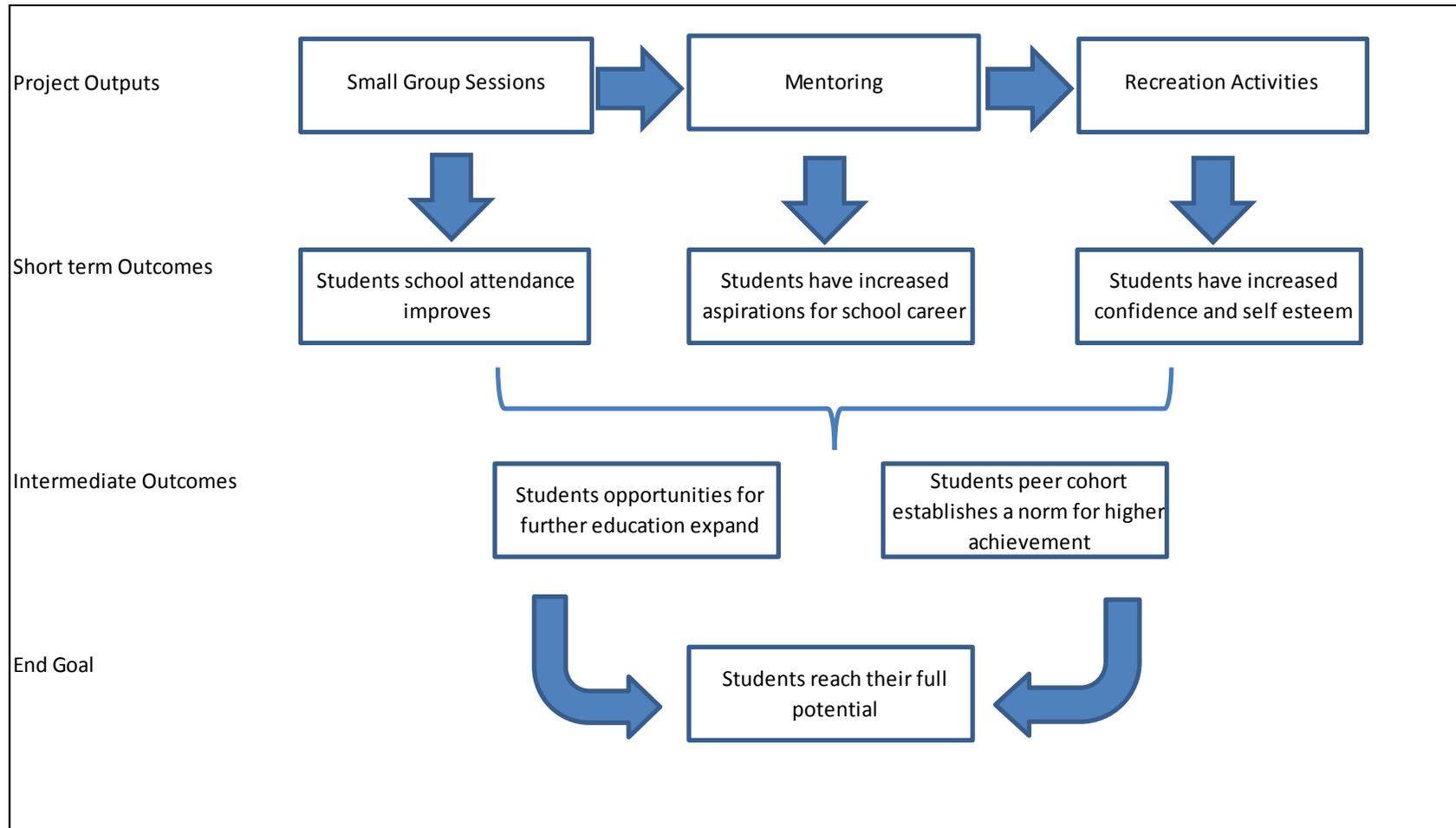
A good theory of change can reveal:
• whether your activities make sense, given your goals;

• whether there are things you do that do not help you achieve your goals;

• which activities and outcomes you can achieve alone and which you cannot achieve alone; and

• how to measure your impact.

Theories of change are often shown in a diagram, allowing you to see the causal links between all the steps. Of course, the world that charities work in is in fact complex, messy and impossible to reflect comprehensively in a diagram. But that is where the theory of change approach has real value: it forces you to take a clear, simple view, crystallising your work into as few steps as possible to capture the key aspects of what you do.

The work of social-purpose organisations often leads to outcomes with a number of stages or layers. Interventions may impact a beneficiary's life on multiple fronts, and continue spreading and creating new impacts into the future. A single output (for example, a beneficiary entering

and completing a job training programme), may have an obvious and direct outcome (the beneficiary finding a job), but this may in turn drive a wave of further benefits (enhanced confidence, improved social skills, boosted income, better quality of life, etc.).

Example of how this can be used for a project working to ensure students achieve their potential at school:

Project Outputs	Small Group Sessions	→	Mentoring	→	Recreation Activities

Short term Outcomes

Students school attendance improves	Students have increased aspirations for school career	Students have increased confidence and self esteem

Intermediate Outcomes

Students opportunities for further education expand	Students peer cohort establishes a norm for higher achievement

End Goal

Students reach their full potential

If you decide to implement the Theory of Change methodology within your work there are two ways of approaching this:

Focus, aims and activities are identified and planned beforehand
To identify the current situation (in terms of needs and opportunities), the intended situation and what needs to be done to move from one to the other. This can help to design more realistic goals, clarify accountabilities and establish a common understanding of the strategies to be used to achieve the goals.

Focus, aims and activities are adapted in response to emerging issues, creating a platform for decisions of where to focus the change made by the stakeholders and relevant partners

A theory of change can also be used during implementation to identify which indicators must be monitored, and to explain to staff, funders and partners how the programme or policy works. Theory of change is useful for identifying the data that need to be collected and how they should be analysed in regards to impact as well as providing a framework for reporting.

Here is a case study from Clarity Tec, a CYPN member, which demonstrates how they have worked with the University of Newcastle to use the Theory of Change.

CYPN Network member recommended resource

For a practical guide to creating your own theory of change please visit the NPC website

Avoiding pitfalls:
The Standard Social Innovation Review has an article on the 'Six Theory of Change Pitfalls to Avoid' written by Matthew Forti and advises that:
' To start, a good theory of change should answer six big questions:

1. **Who** *are you seeking to influence or benefit (target population)?*
2. **What** *benefits are you seeking to achieve (results)?*
3. **When** *will you achieve them (time period)?*
4. **How** *will you and others make this happen (activities, strategies, resources, etc.)?*
5. **Where** *and under what circumstances will you do your work (context)?*
6. **Why** *do you believe your theory will bear out (assumptions)?'*

Organisational Theory of Change

You may feel that you need to look at your organisational aims before becoming project specific, the New Economics Foundation (nef) have created an impact map that can support this work. The impact map from nef will assist you in creating your goals and how best to affect change in your organisation and details. Some questions that can arise when an organisation asks how it creates change listed below:
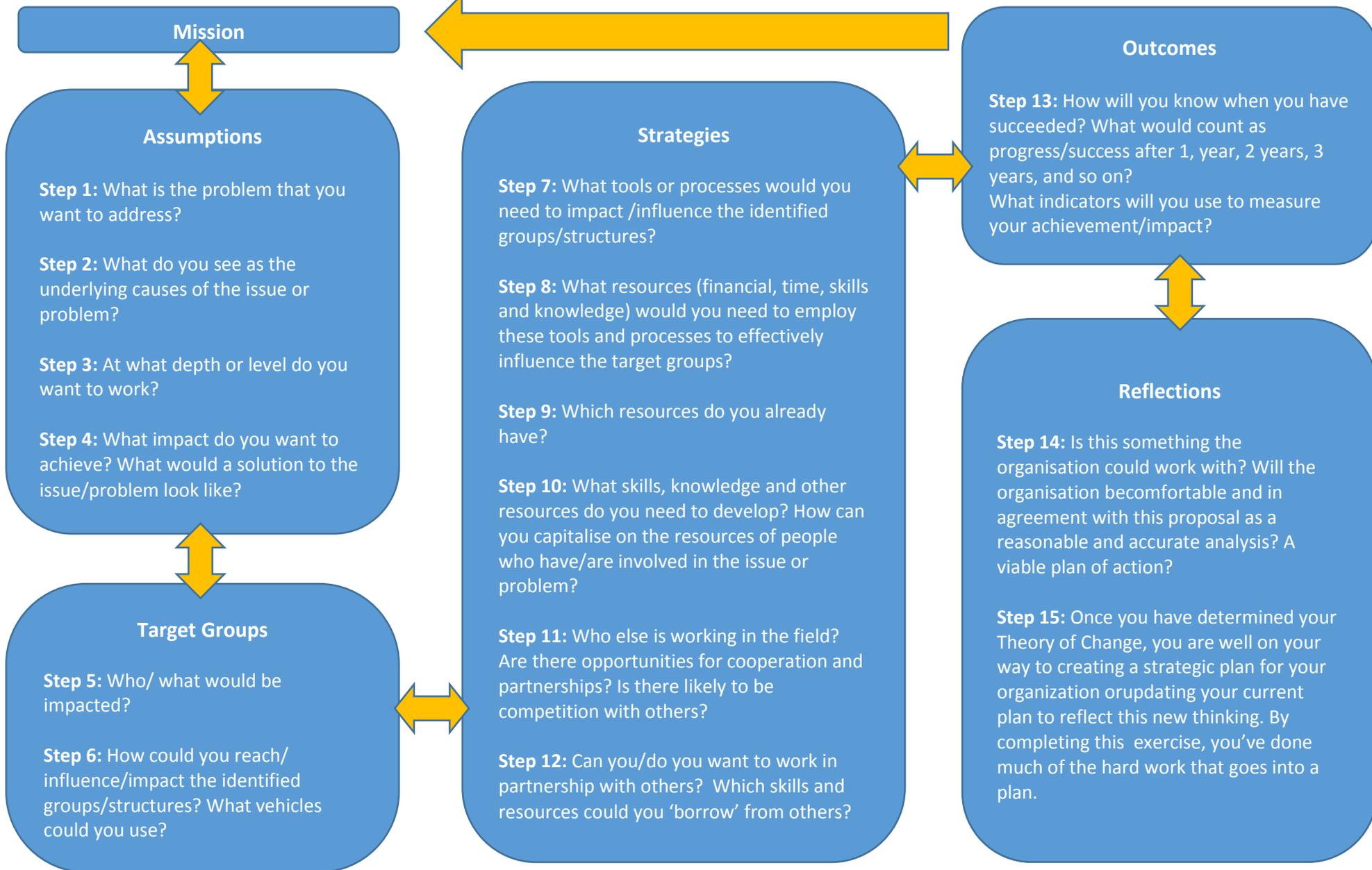
- Do our activities really lead to the most important outcomes to reach the mission – are the activities necessary?
- Are they strategically important for the social side, the enterprise side, or both?
- Can our activities be changed to create more positive benefit, better outcomes or further progress toward our mission?
- Do our activities lead to any negative outcomes for anyone? Could a change to the activity or undertaking a different activity with the same objectives and outcomes minimise these negative effects?

It's easy to lay out your theory about how you are going to change things in the world; how you are going to achieve your business goals; or how you are acting in accord with your values. The table below gives you the skeleton:

The Building blocks of the Impact Map

Inputs	Activities	Outputs	Outcomes	Expected Impact
Resources of all kinds	What the organisation does	The direct result of an activity	The longer term change is wants to see in people, communities, or areas if affects	Fulfilling: It mission Its business strategy The values
Money Time Premises People	Training Advice Youth programme	Qualifications Received advice about x,y and z Number of youth involved for x amount of time	Job readiness Job attained Client better informed to make different choices Increase in self-esteem New knowledge	Effect on people, community, economy How are things better in the world? – your vision

Theory of Change: International Network of Strategic Philanthropy

Mission

Assumptions

Step 1: What is the problem that you want to address?

Step 2: What do you see as the underlying causes of the issue or problem?

Step 3: At what depth or level do you want to work?

Step 4: What impact do you want to achieve? What would a solution to the issue/problem look like?

Target Groups

Step 5: Who/ what would be impacted?

Step 6: How could you reach/ influence/impact the identified groups/structures? What vehicles could you use?

Strategies

Step 7: What tools or processes would you need to impact /influence the identified groups/structures?

Step 8: What resources (financial, time, skills and knowledge) would you need to employ these tools and processes to effectively influence the target groups?

Step 9: Which resources do you already have?

Step 10: What skills, knowledge and other resources do you need to develop? How can you capitalise on the resources of people who have/are involved in the issue or problem?

Step 11: Who else is working in the field? Are there opportunities for cooperation and partnerships? Is there likely to be competition with others?

Step 12: Can you/do you want to work in partnership with others? Which skills and resources could you 'borrow' from others?

Outcomes

Step 13: How will you know when you have succeeded? What would count as progress/success after 1, year, 2 years, 3 years, and so on?
What indicators will you use to measure your achievement/impact?

Reflections

Step 14: Is this something the organisation could work with? Will the organisation becomfortable and in agreement with this proposal as a reasonable and accurate analysis? A viable plan of action?

Step 15: Once you have determined your Theory of Change, you are well on your way to creating a strategic plan for your organization orupdating your current plan to reflect this new thinking. By completing this exercise, you've done much of the hard work that goes into a plan.

Action Point: Collect and Evaluate

In order to maximise your ability to gain a better understanding for you and potential funders the following needs must be met:

o Understand what data you want to collect – be realistic about that you can achieve and what your limitations are (funding, capacity/time)

o Data gathering and processing- ensure that you have the right systems/processes in place to gather evidence in a systematic manner. This does not just have to be the facts and figures but also case studies, surveys and interviews

o Identify the project impacts and able to explain the link these have to social value

o Keep continuously looking at the data to improve the social, environmental and economic value your organisation achieves – keep a record of this process in order to demonstrate your ongoing work

o Arrange for an independent review or audit of your work to add credibility to your data and processes