

A Think Tank's Bottom Line

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Peter Drucker, author of the book Managing the Non-Profit Organization: Principles and Practices asks, “What is the bottom line when there is no bottom line?” Profit and loss may not be the only judge for the performance of a business enterprise, but they are most certainly a visible measure. Non-profits must go beyond the balance sheet and for think tanks, performance is spoken of in terms of their “impact on public policy”.

But how do you measure impact? How do you identify concrete measurable results when your vision is to build a freer and more prosperous society? In the case of The Heritage Foundation, our vision is to build an America where freedom, opportunity, prosperity and civil society flourish. You can start by defining “freer” and “more prosperous” with concepts such as, lower taxes, fewer regulations, smaller government, etc. However, these are long-term goals and progress can be slow. These long-term goals can be broken down further into more immediate goals that relate to specific pieces of legislation, regulations, ballot measures, administration initiatives or court decisions. In the case of taxes it might for example, include eliminating the marriage penalty and death tax. A more tactical goal might be the implementation of dynamic scoring by the tax committees in the Congress and by the U.S. Treasury and OMB.

Each of these goals requires a shift in opinion or understanding of an issue, and that requires a rigorous education, or marketing effort. To put together your marketing plan you must decide: Who are the decision makers and what will it take to move them? What resources are required in terms of people, products and money? And what is the timeline?

FOCUS YOUR RESOURCES

Think tanks operate in an environment of scarce resources and we must always focus our efforts and target our resources. For each goal specific constituencies or target audiences should be identified. These might include:

- Members of your state legislature or Congress
- Governor or President
- Appointed officials
- Local Media – print, radio, TV, internet
- Business and community leaders and their associations
- Other policy experts
- Anyone who influences a targeted constituency

Most importantly, don't forget your donors. Detailed marketing strategies should be developed for each, and resources allocated to achieve results.

TRACK RESULTS

Shifts in opinion and behavior occur over longer periods of time, but think tanks need to demonstrate impact on a regular basis, to build credibility among the policy making community and media. This is done in order to motivate and enlist decision makers, and to renew donor support. Incremental steps are important to identify in advance so that it will be possible to measure performance against the plan and demonstrate impact.

You can measure these incremental steps by tracking the number of:

- Times you've been asked to testify before legislative committees
- Visits to your website or downloads of documents citing your position
- Media calls you've fielded and appearances you have had on radio and television discussing the issue
- Briefings conducted for policymakers
- Editorials endorsing your position, with or without attribution
- Other organizations taking up your position
- Politicians adopting your position

A shift in polling numbers on an issue and growth in donors or contributions are also concrete measures. You can even calculate the dollar advertising equivalency of your media hits, based on the cost per column inch of an advertisement about your organization or its projects. Or you can calculate the cost per minute of advertising for the radio/TV interviews. The list could go on. The idea is that you build these measures into your marketing plan and report on them regularly.

As opinions shift and the debate moves forward, the plan must be revised and updated because your target audience may have changed as well. And, be prepared to re-visit old strategies on issues you thought were sealed. As Heritage president Ed Feulner openly says, "In policymaking, there are no permanent victories – or permanent defeats!" Every small step forward has to be defended even as we work to advance policy change further. Laws can be changed and reversed tomorrow.

That is why the real impact of think tanks has to be measured over the long term. Sure we need to measure whether we've changed laws and policies, but even more important is whether we've changed minds. Is our network growing? Do policymakers and opinion leaders come to us for advice and guidance? Even better, are our alumni now serving in the government or editing the opinion journals and newspapers of influence? Have we dominated the debate to the point that our ideas are mainstream? Then more Americans will share our vision and join us in building an America where freedom, prosperity, opportunity and civil society flourish.