



Catalyst

inFocus

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# Evaluating digital products and services in the non-profit sector

Version 1.1 – December 2023

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# Introduction

Charities can derive numerous benefits from the creation and adoption of digital products and services.

By using digital tools to develop, deliver or augment services, charities can experience improved operational efficiency, increased accessibility and usability of services, expanded outreach to marginalised communities, and a more significant overall impact.

Assessing and evaluating a digital product or service often necessitates a distinctive approach compared to the traditional evaluations of in-person services.

Within this guide, we explore key considerations in relation to monitoring and evaluating digital products and services.



# Methodology

In 2023, Catalyst supported the evaluation and research consultancy inFocus to explore the approaches to monitoring and evaluating a digital product or service, and how different stakeholders can adapt accordingly.

The research included a desk-based review of existing resources, in-depth interviews, and a 1-day workshop with 22 evaluators and representatives from charities, digital agencies, and funders working across the charity sector.



# Who is this guide for?

This guide provides evaluation advice for four key stakeholders involved in the development of digital products and services:

| Stakeholder             | Description   | This guide can help with...  |
|-------------------------|---|--|
| <b>Charities</b>        | Charities developing and/or commissioning digital products or services, e.g. a charity developing a new app with the aim of reaching more people with its services. | <ul style="list-style-type: none"><li>• Understanding both what to measure and how to measure the impact of digital products and services.</li><li>• Communicating with funders and external evaluators around expectations of digital products or services.</li></ul> |
| <b>Evaluators</b>       | Any individual or organisation involved in evaluating digital products or services developed by charities.  | <ul style="list-style-type: none"><li>• Getting ideas on monitoring and evaluating digital products and services and how to adapt frameworks from traditional evaluations.</li><li>• Understanding the challenges and pitfalls of this type of evaluation.</li></ul>   |
| <b>Funders</b>          | Organisations providing funding to charities to develop digital products and services.  | <ul style="list-style-type: none"><li>• Understanding what measurement is possible (and when) with digital products and services.</li><li>• Learning how to support charities, evaluators and digital agencies to run successful evaluations.</li></ul>                |
| <b>Digital agencies</b> | Digital agencies, or consultants, supporting charities to develop digital products or services.   | <ul style="list-style-type: none"><li>• Understanding how to combine aspects of traditional evaluation with digital approaches, and what that could look like.</li></ul>   |

# How this guide is structured

## Section 1: Before you start to evaluate

Traditional evaluation methods can sometimes be too rigid for digital products and services developed with an agile approach. See the steps you can take to ensure that stakeholders are on the same page with terminology and processes.

## Section 2: Deciding what to measure

Learn what to measure and when. We also delve into key considerations, such as how social outcomes from the development of digital products or services may take longer to emerge, and what you could measure in the short term.

## Section 3: Deciding how to measure

Explore the different approaches you could take to monitor and evaluate a digital product or service.



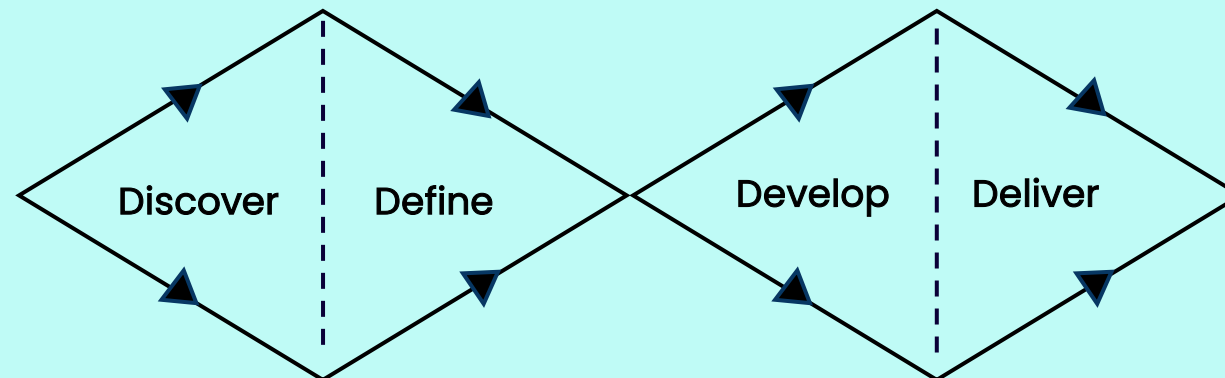
# Section 1: Before you start to evaluate

## Agile approaches

Often, charities will follow an 'agile' or iterative approach to developing a digital product or service (see the [Design Council's 'Double Diamond'](#) process below). Agile approaches to managing software development projects focus on continuous releases and customer feedback (source: Atlassian). This means that outputs and projected outcomes often change as development pivots.

## User research

In agile development, assumptions about outputs and outcomes can be tested through user research (e.g. user interviews or testing) and adjusted to meet the needs of the product or service users. A charity might discover that its original intention for developing a digital product or service doesn't align with user preferences, or that an 'off-the-shelf' or non-digital solution might be preferable.

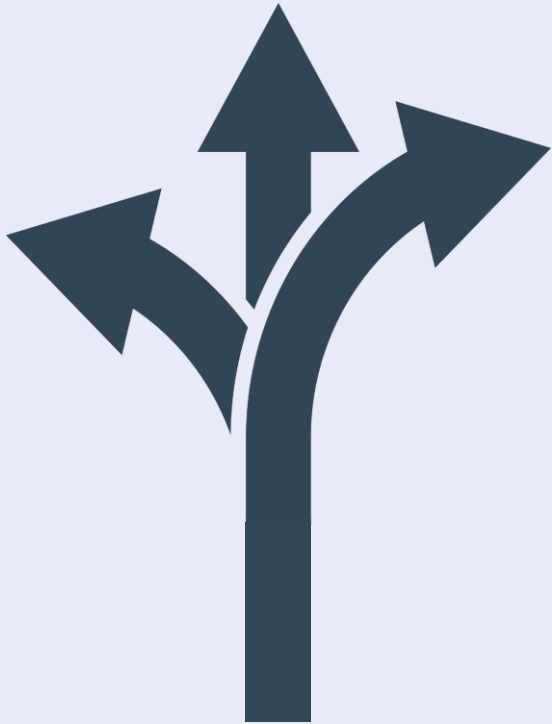


The [Double Diamond](#) by [the Design Council](#)

## Flexibility in monitoring and evaluation

Conventional evaluations typically involve defining outputs and outcomes at the project's outset. But for digital products and services, this approach can prove overly rigid. For instance, funders may require a comprehensive outcomes framework right from the start of development, emphasising predefined targets that may limit adaptability and hinder the agile learning process.

We'll delve further into the limitations of traditional monitoring and evaluation approaches when applied to digital products and services later in this guide.



## Before you start evaluating...

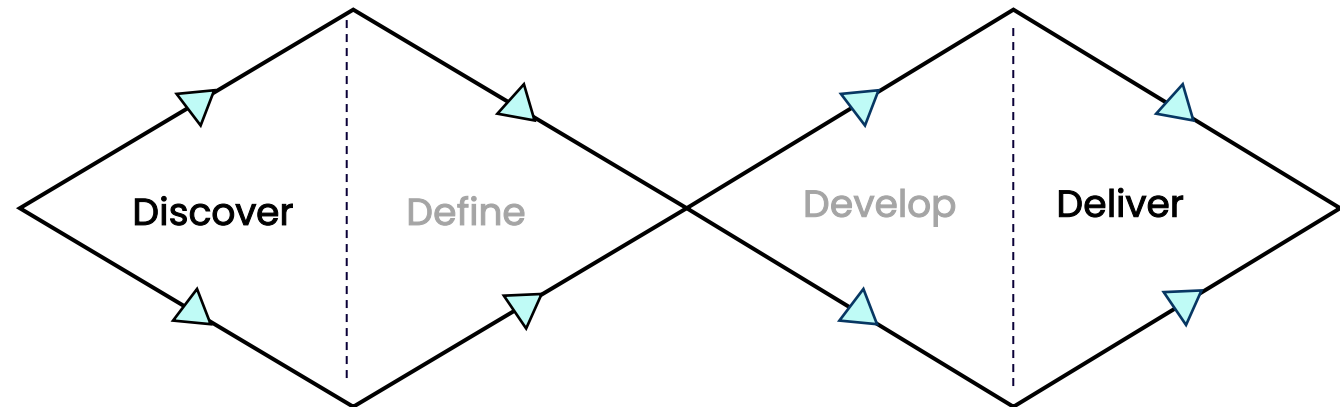
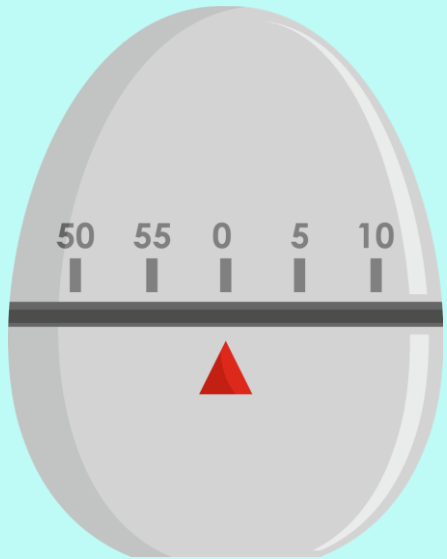


- ✓ **Get on the same page with digital:** Ensure that all stakeholders are familiar with digital development practices and terminology, such as 'agile' and 'user research', before commencing any evaluation (or the development itself). The scale of this exercise will depend on various factors (e.g. if the charity has in-house digital expertise or is digitally advanced).
- ✓ **Define success:** Discuss and agree on what a successful project outcome would look like to help manage expectations. For example, agreeing that a development pivoting from original plans in line with user research is a positive result (rather than a failure), provided a robust process is followed.
- ✓ **Tell stories about digital:** Seek out case studies or stories from charities that have undergone a digital development journey. This can aid in setting expectations around the digital development process and highlighting what to anticipate from an evaluation, especially if there have been negative experiences with digital developments in the past.

## Section 2: Deciding what to measure (and when)

### Stage of development

What to measure and evaluate is often dependent on the stage of development of a digital product or service.



For example, in the **discovery stage**, we might explore to what extent we have been successful in identifying the needs of a particular audience...

...while it may not be possible to measure the social value of a project or service until it is stable and into the **delivery stage** (if it gets this far).

## Measuring social value

Social value outcomes resulting from a digital product or service can take longer to emerge – several years in some cases. This can give a false initial impression that a digital product or service is underperforming.

That's why it's important to consider short-term outcomes too (see the next page). It's also important to remember that digital products and services come in all shapes and sizes, and sometimes social value outcomes *do* emerge early on – so do remember to look out for them.

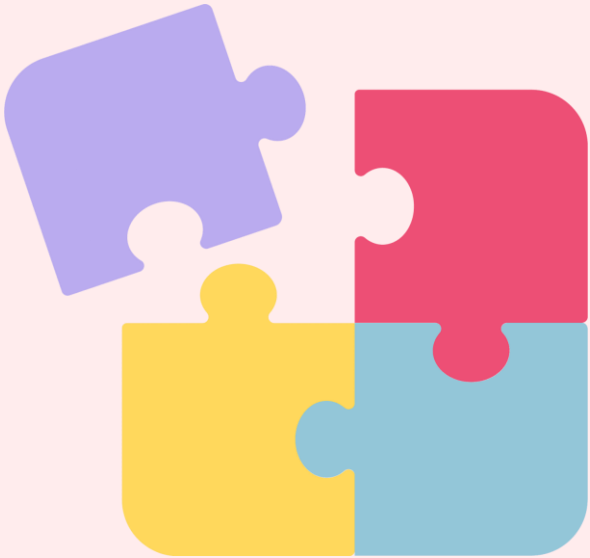
**“Social value refers to the additional financial and non-financial value created by an organisation through its day-to-day activities in terms of the social, economic wellbeing of individuals and communities.”**

[How to include social value in digital procurements](#) – Social Value Portal



## 6 things you could measure

- **Social value:** As described on the previous page, social value often takes time to emerge, but *can* sometimes be measured in the earlier stages of the development of a digital product or service. For example, a user group testing a digital application in the development or delivery phase could increase their knowledge about a particular topic.
- **User value:** The perceived benefit and satisfaction that users gain from its features, functionalities, and overall experience. User value can also act as a proxy for longer-term social change; if users repeatedly access a product or service and leave positive reviews, they are likely to be benefiting.
- **Learning:** What learning has emerged from testing assumptions about the product or service, and what actions have been taken based on the learning?
- **Financial value:** This might include the cost savings to a charity and/or overall financial sustainability from creating the digital product or service.
- **In-house expertise:** Is there capability and capacity to deliver and continue to run the digital product or service? Think about in-house expertise or partnerships with digital agencies.
- **Quality of processes:** You could measure the quality of the software development process. For example, how well have assumptions been tested? How comprehensive was the user research? To what extent have adjustments been made based on lessons learned? How effectively did stakeholders collaborate?



## Other measures to think about

- **Value to the wider sector**

Explore the potential for other organisations to reuse the product or service. Have steps been taken towards this, such as implementing a digital commons license? Have organisations operated transparently and shared their learning? Have partnerships been established that could benefit the wider sector?

- **Where the digital product or service fits?**

It's also important to consider where the digital product or service fits within the service offering of a charity. Is the digital product or service focused on increasing the reach of an in-person service, or providing an online alternative to an in-person service to improve accessibility? If so, measuring reach and access might be a priority.

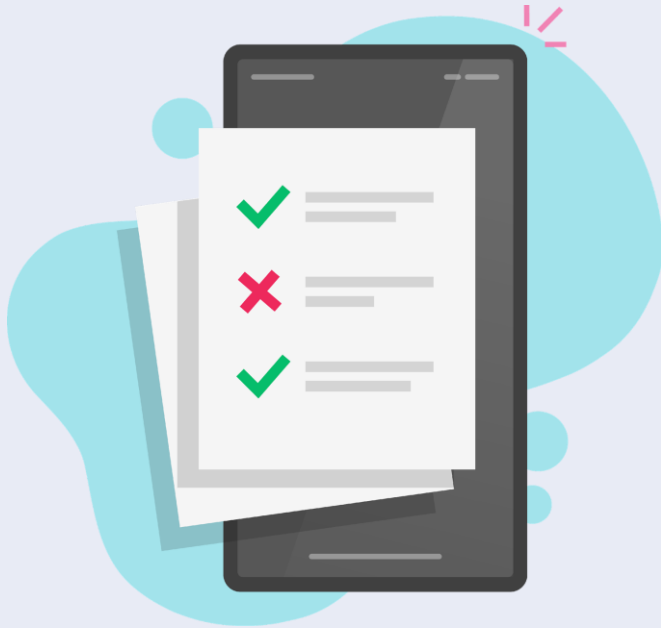
- **Unintended negative impacts**

Has the digital product or service widened the digital divide by inadvertently excluding individuals or communities without access to technology or the necessary digital skills, for example?

Consequence scanning can help to foresee potential negative impacts.

- **Unintended positive impacts**

For example, staff at charities may acquire new skills in user research or agile project management that they can apply to other projects, whether digital or non-digital. They might also gain insight into developing or updating a digital strategy.



## Section 3: How to measure

Consider these key points when evaluating a digital product or service in the midst of development or involving an agile development process.

- Avoid producing (or requesting, if a funder) a detailed set of social outcome measures at the start of a project, as the project could pivot away from this.
- A theory of change or topline set of outcomes can be helpful as a framework to understand why something exists but should not necessarily be used to develop a measurement framework at the outset.
- Setting more regular points of contact across an evaluation (measuring little but often) can provide more rapid and useful learning. Data collection tools could also be adapted regularly to take account of ongoing learning.





Developmental evaluation is a useful reference point, with its focus on real-time ongoing feedback and evaluators taking the role of a ‘critical friend’ to charities.

This can be particularly helpful for charities going through a digital development process for the first time, as they may benefit from empathy and support.

**“Developmental Evaluation (DE) is an evaluation approach that can assist social innovators develop social change initiatives in complex or uncertain environments.**

**DE originators liken their approach to the role of research & development in the private sector product development process because it facilitates real-time, or close to real-time, feedback to program staff thus facilitating a continuous development loop.”**

[Developmental evaluation](https://www.betterevaluation.org) - [betterevaluation.org](https://www.betterevaluation.org)

While outcomes measurement through more traditional methods (e.g. online surveys) may be possible in the early stages of development, it won't often be possible again until after delivery, when the digital product or service is more stable. In the earlier stages the following combination is more common:

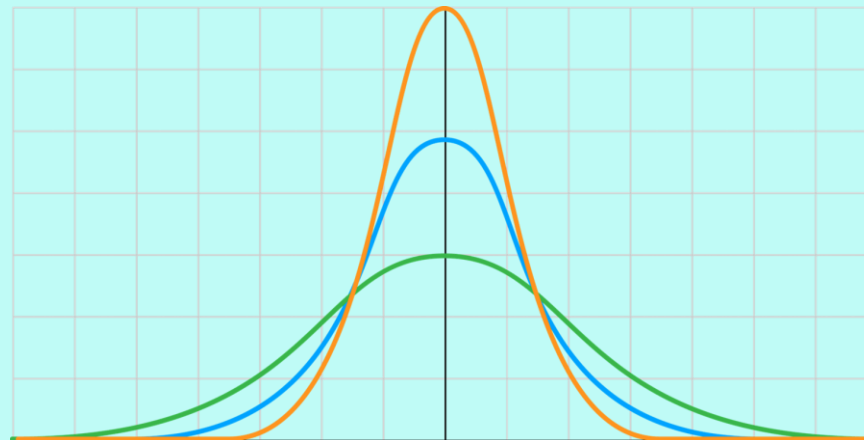
### **Qualitative evaluation methods**

Interviews, online focus groups and learning workshops can help charities reflect back on the process of developing a digital product or service and pick up on any unintended outcomes.

### **Usage statistics (e.g. via Google Analytics)**

Look at site visits and user engagement metrics that measure performance and user behaviour. Evaluators should ensure they are comfortable with accessing and interpreting this type of data.

Overall, try and build data collection into the development and design process (e.g. registration questions, usage data or feedback gathering) rather than seeing evaluation as a separate process.





## Next steps

Thank you for taking the time to read through this guide.

If you would like to learn more about this topic, we are soon releasing a digital version of this guide that will include audio and video examples from many of the contributors to the guide on page 19.

We also ran a webinar in December 2023 introducing the research on the topic and you can find this [here](#) (when complete the digital version of this guide will also be accessed from the same webpage).

# Authors



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Catalyst is a network helping the UK third sector grow its digital skills and processes. We offer free services and resources to support you at every step of your digital journey.



inFocus is a social impact consultancy that supports partners to improve lives and transform communities worldwide. Established in 2007, we've designed and implemented social impact measurement programmes and grant management solutions for funders, policy makers and frontline agencies in more than 40 countries.

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This guide would not have been possible without the time and support of the following people and organisations who took part in research interviews and/or a live workshop in March 2023.

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