



**THE HERRON
GROUP LLC**

You Know Your Work Matters. Can You Prove It?

A Brief for Mission-Driven Organizations on Building
the Data Systems That Tell Your Story

Navigate Complexities. Engineer Success. Measure Impact.

The Herron Group, LLC | Oklahoma City, Oklahoma
March 2026

When a funder asks how you know your program is working, do you have an answer that goes beyond "we see it every day"?

If you had to write a grant proposal tomorrow, could you back up what you do with real numbers, or would you be starting from scratch?

If those questions made you uncomfortable, you are not alone, and you are not behind. **You are exactly where most small nonprofits are.** The majority of U.S. nonprofits, 59%, operate on annual budgets under \$50,000 (National Council of Nonprofits, 2025). Research consistently shows that the most common barriers these organizations face with data are not about willingness. They are about capacity: limited staff, lack of technical expertise, and difficulty identifying what information actually matters (Mayer & Fischer, 2023). Nearly one in four nonprofits reports a lack of data expertise, and a similar share reports challenges simply collecting and working with their data (CommunityForce, 2024).

Here is the harder truth: when funders ask for data that an organization does not have, as many as half of nonprofits provide estimates or approximations rather than admit the gap (Quinn, as cited in CommunityForce, 2024). That is not a character problem. It is a systems problem. And it is solvable.

The Standard Your Funders Already Know About

The *Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector*, maintained by the Standards for Excellence Institute, lays out what strong nonprofit management looks like across six guiding principles, including Mission, Strategy, and Evaluation (Standards for Excellence Institute, 2025). The Code does not ask organizations to become research institutions. It asks them to do something more fundamental: **build a defined, ongoing, systematic process for understanding whether their work is making a difference.**

That process includes collecting both quantitative and qualitative data, using evaluation results to inform decisions and strengthen programs, and sharing what you learn with stakeholders, from board members to funders to the communities you serve. The Code specifies that evaluations should be respectful of diverse cultures, include feedback from community members, and include input from people impacted by the mission (Standards for Excellence Institute, 2025). The Minnesota Council of Nonprofits (2026) reinforces this expectation, noting that nonprofits should have a defined, ongoing, systematic, and sustainable process for improving their services using methods appropriate to their size.

In other words, *funders are not asking you to do something unreasonable. They are asking you to do what the sector's own standards already call for.* The question is whether you have the systems in place to do it.

The Data You Probably Already Need (and May Not Be Collecting)

Small nonprofits often assume that "data" means complex analytics or expensive software. In reality, the data that funders, boards, and community partners need most is straightforward. The challenge is capturing it consistently. Here is what most grant applications, board reports, and impact statements require:

Data Category	What This Looks Like for a Small Nonprofit
Demographics	Who are you serving? Age, race/ethnicity, gender, income level, zip code, household size. Funders want to know your program reaches the population it claims to serve. Without demographic data, you cannot demonstrate equity, community alignment, or cultural responsiveness. The Standards for Excellence Code calls for organizations to have a clear picture of the community they are serving and to ensure their board, staff, and volunteers are inclusive of that community (Standards for Excellence Institute, 2025).
Outputs	How much are you doing? Number of people served, meals distributed, sessions held, referrals made, hours of service provided. These are the counting numbers that show your program is operating at the scale you describe in proposals.
Outcomes	What changed because of your work? Did participants gain employment? Did reading scores improve? Did housing stability increase? Outcomes connect your activity to the difference it makes, moving beyond what you did to what happened as a result.
Satisfaction	What do the people you serve say about the experience? Simple post-program surveys, interviews, or feedback forms capture the voice of your community. The Standards for Excellence Code specifies that evaluations should include input from people impacted by the mission and be respectful of diverse cultures (Standards for Excellence Institute, 2025).
Organizational Effort	How are your resources distributed across programs? What percentage of staff time and budget goes to each program area? The Standards for Excellence Code states that each year, a nonprofit evaluates how its people, efforts, and money help it achieve its mission and reach its goals (Standards for Excellence Institute, 2025).

If you are not collecting data in most of these categories, you are not failing. But you are leaving your strongest case for funding, partnerships, and community support on the table.

The Landscape Is Making This More Urgent, Not Less

The expectations around data and accountability are increasing even as the resources available to small nonprofits remain flat. Funder reporting requirements continue to grow. Federal

datasets that larger organizations have relied on for benchmarking and context are being restructured. And AI tools are entering the sector at a pace that has outrun the governance frameworks needed to use them responsibly.

A 2025 survey by the Center for Effective Philanthropy found that 90% of nonprofits express interest in increasing their use of AI, yet nearly two-thirds report that few or none of their staff have a solid understanding of AI and its applications (Center for Effective Philanthropy, 2025). Separately, research from TechSoup and Tapp Network (2025) found that more than 75% of nonprofits still do not have a formal AI strategy, and organizations with budgets under \$500,000 are significantly more likely to cite financial constraints and lack of technical expertise as barriers to adoption.

For small nonprofits, this creates a compounding challenge. Organizations that were already struggling to collect basic program data now face a landscape where the bar for demonstrating impact is rising, new technology is available but without clear guidance on how to use it, and the organizations that build simple, consistent data practices now will be in a fundamentally stronger position for the next grant cycle and beyond.

Three Starting Points (You Do Not Need a Data Team)

1. Name your outcomes, not just your activities.

Most small nonprofits can describe what they do. Fewer can clearly articulate what changes because of what they do. Sit down with your team and identify three to five specific outcomes your programs produce. Not activities ("we held 12 workshops") but results ("85% of participants reported increased confidence in their job search skills"). This single step transforms how you talk about your work to funders, boards, and community partners.

2. Audit what you are already capturing.

You are likely sitting on more data than you realize. Sign-in sheets capture attendance and basic demographics. Intake forms capture household information. Follow-up calls capture outcomes. Email open rates capture engagement. Before you build anything new, inventory what you already have. You may find that your data challenge is less about collection and more about organization and consistency.

3. Build one consistent tracking system.

This does not have to be expensive. A well-designed spreadsheet, a free CRM, or a simple database can work. The key is consistency: every participant, every program cycle, the same information collected the same way. That consistency is what turns scattered numbers into a credible story of impact. Evaluation standards for the nonprofit sector emphasize that performance measures should be realistic, specific, measurable, and appropriate to the size and scope of the organization and its diverse constituents (Mississippi Alliance of Nonprofits and Philanthropy, n.d.).

Where The Herron Group Comes In

The Herron Group helps mission-driven organizations build the measurement systems, data strategies, and practical tools that let them state their case with confidence. We do not start with what you should be doing. We start where you are. For organizations that have never had a formal data collection process, we help you identify what to measure, design simple systems to capture it, and build the reporting frameworks that funders and boards need to see. For organizations already collecting data but struggling to make sense of it, we help you organize, analyze, and present your story in ways that move decision-makers.

We combine over 20 years of leadership experience in education, nonprofit, and public-sector systems with technical expertise in AI, data analytics, and evaluation design. Our clients do not just get a report. They get a partner who understands their world and builds solutions that stick.

Schedule a Free Consultation

If you recognized your organization in this brief, we would like to talk. Schedule a free 30-minute consultation with The Herron Group to walk through where your data stands today and what a practical first step could look like. No sales pitch. Just an honest conversation about how to start telling your story with evidence.

Dr. Marsha Herron, Lead Consultant

Email: marshah@theherrongroupllc.net

Web: theherrongroupllc.net

References

- Center for Effective Philanthropy. (2025). How foundations and nonprofits are thinking about and using AI. https://cep.org/wp-content/uploads/2025/09/CEP_AI_Layout_FINAL.pdf
- CommunityForce. (2024). Nonprofits are faring poorly with data collection and use. <https://www.communityforce.com/nonprofits-are-faring-poorly-with-data-collection-and-use/>
- Mayer, D. J., & Fischer, R. L. (2023). Exploring data use in nonprofit organizations. *Evaluation and Program Planning*, 97, Article 102197. <https://doi.org/10.1016/j.evalprogplan.2022.102197>
- Minnesota Council of Nonprofits. (2026). Principles and practices for nonprofit excellence: Evaluation. <https://minnesotanonprofits.org/resources-tools/principles-practices-for-nonprofit-excellence/evaluation>
- Mississippi Alliance of Nonprofits and Philanthropy. (n.d.). Evaluation: Principles and standards for nonprofit excellence. <https://alliancems.org/principles-standards/evaluation/>
- National Council of Nonprofits. (2025). About the nonprofit sector. <https://www.councilofnonprofits.org/files/media/documents/2025/ncn-about-the-nonprofit-sector-2025.pdf>

Standards for Excellence Institute. (2025). Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector (3rd ed.). Maryland Nonprofits. <https://standardsforexcellence.org/about-the-standards/standards-for-excellence-code/>

TechSoup & Tapp Network. (2025). The state of AI in nonprofits 2025: Benchmark report. <https://page.techsoup.org/ai-benchmark-report-2025>