

NONPROFIT ALLIANCE EDUCATION SESSIONS

Using AI to Build (Better) Metrics

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Today's Speakers



Deb Rolfes



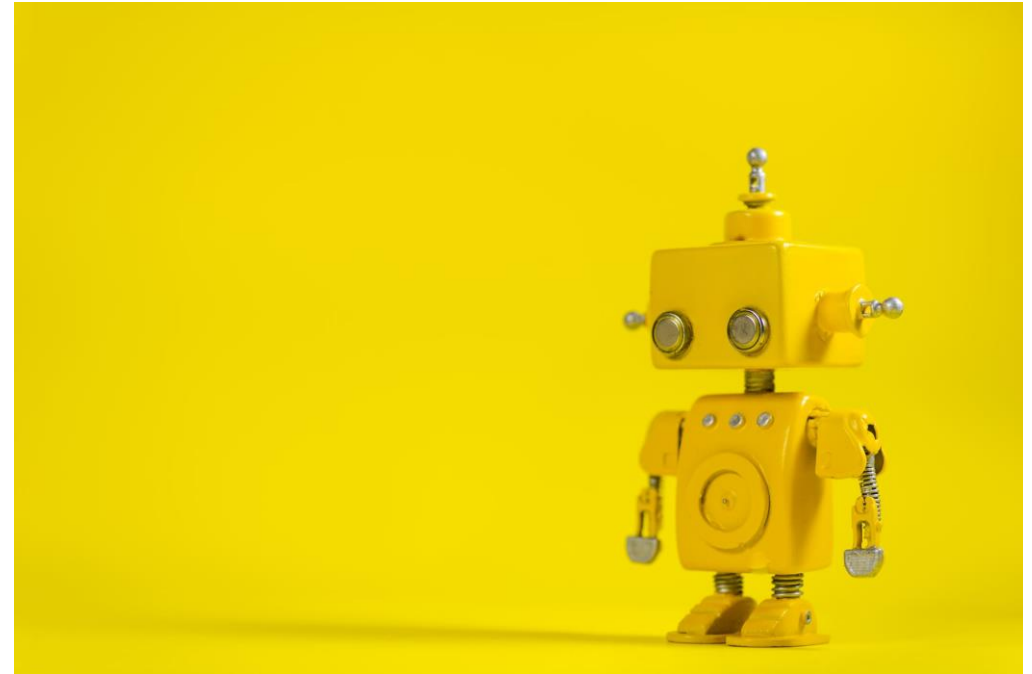
Erin Nelson

Today's Objectives

Why Metrics Matter



Using AI To Build (Better) Metrics



How do you measure your mission?

Type your answer in the chat.

The background of the image is a blurred screenshot of a financial trading platform. It features several overlapping data visualizations: a candlestick chart with red and green bars, a line chart with multiple colored lines (green, blue, orange, red), and a bar chart at the bottom. The overall aesthetic is dark with vibrant, out-of-focus colors, suggesting a high-tech, data-driven environment.

Why Metrics Matter

The Purpose of KPIs & Their Relationship to Strategic Goals



What do we measure?

Financial Metrics

Revenue: Earned, Donations, Grants, Corporate Sponsorships

Expenses: Program, Operating, Fundraising

Margin: Surplus

Non-Financial Metrics

Mission: Impact

Stakeholder: Program Effectiveness

Efficiency: Internal Operations

Growth: Learning and Capacity Building



When KPIs Go Wrong



Misalignment

Metrics disconnected from organizational goals



Vanity Metrics

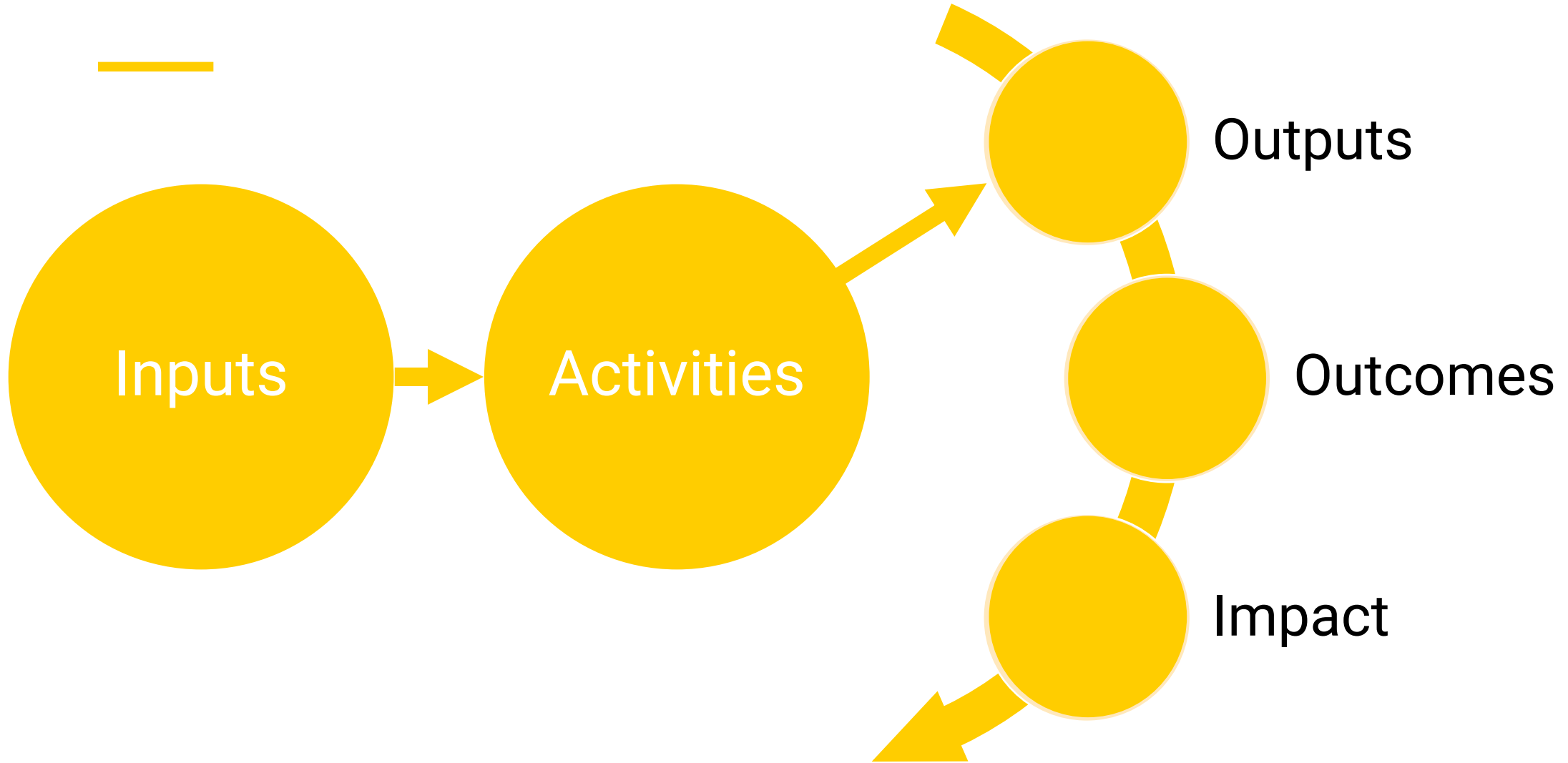
Impressive numbers that don't drive meaningful action



Data Limitations

Too many or too little metrics causing confusion and inaction

Non-Financial Causal Model



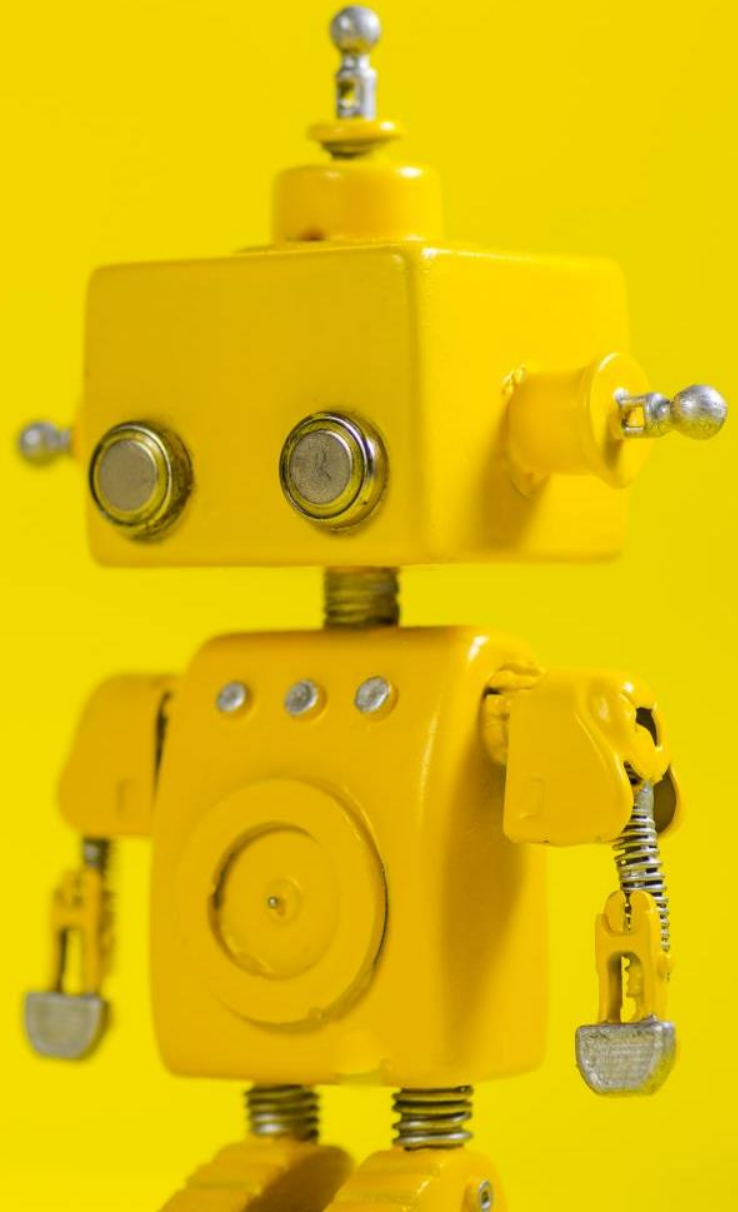
Causal Model for a Literacy Program



Building a Non-Financial Causal Model

1. **Start with Your Mission:** What long-term impact are you trying to create?
2. **Identify Key Outcomes:** What measurable changes indicate success?
3. **Map Out Your Activities:** What actions contribute to those outcomes?
4. **Gather Data & Test Assumptions:** Are your activities truly driving impact?
5. **Refine & Communicate Your Model:** Use the model to make strategic decisions and engage funders.

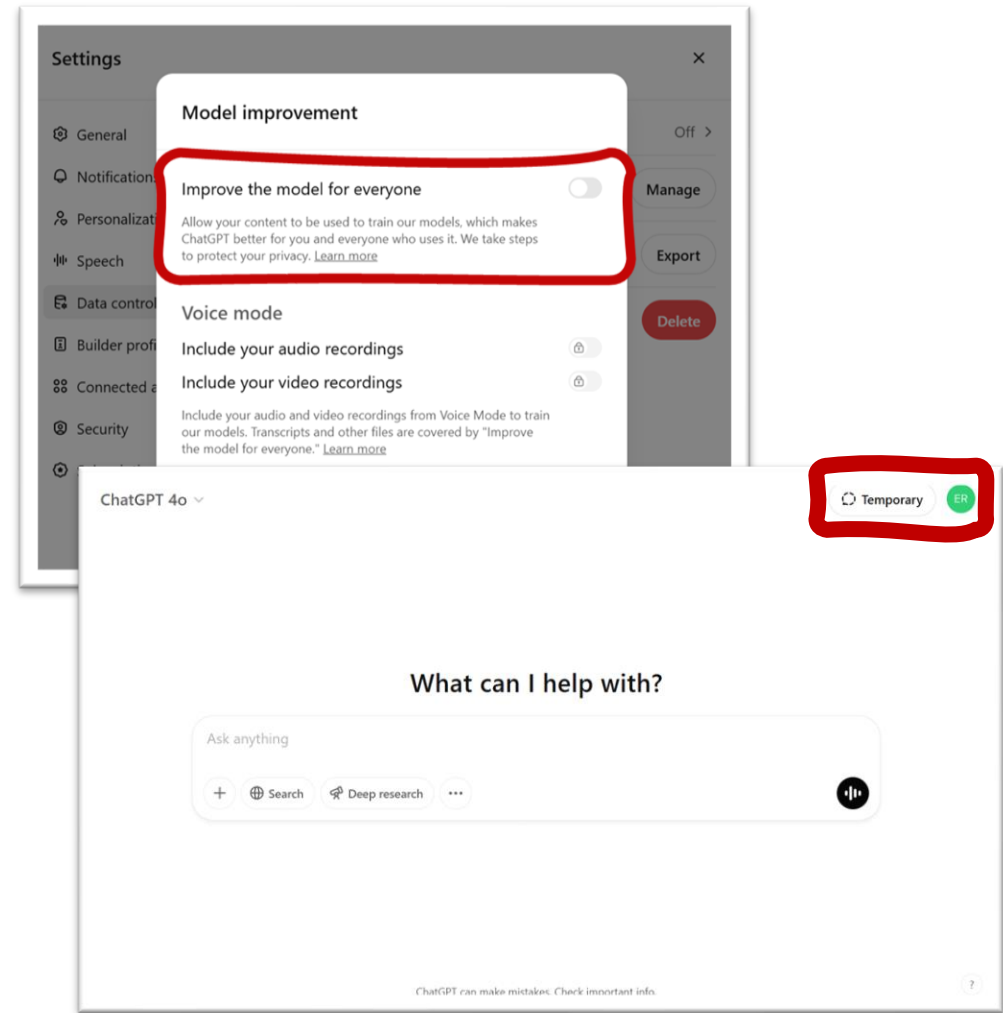
Using AI To Build (Better) Metrics



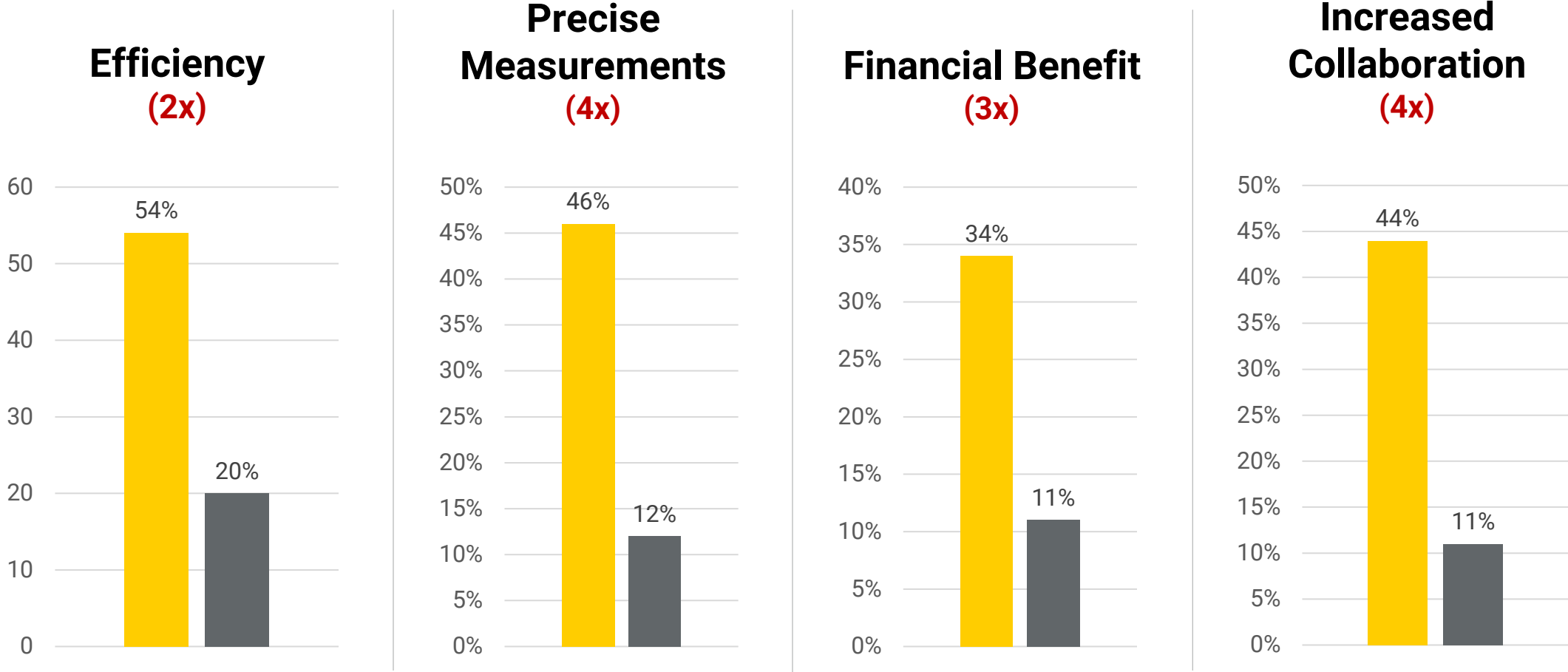
But first...

Increase Your Safety

- ✓ Assume this is a public conversation
- ✓ Anonymize your data and organization name
- ✓ Use a locally deployed LLM



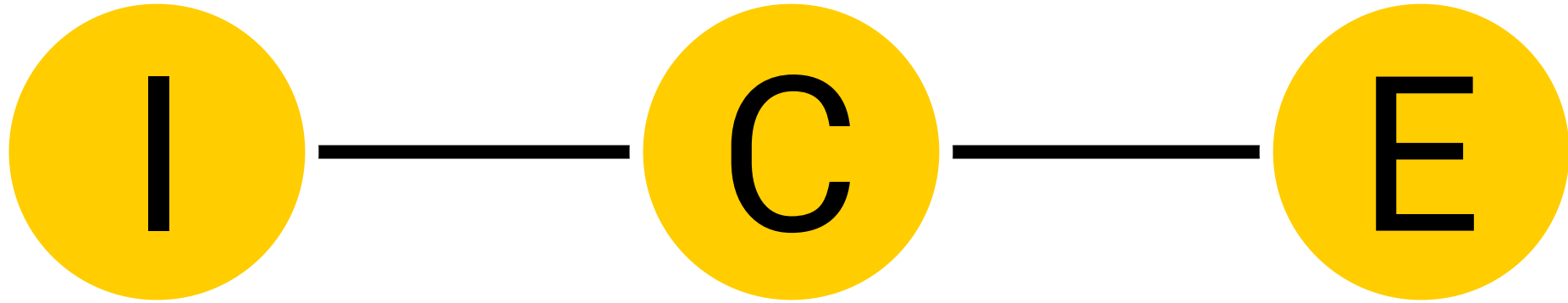
Organizations Using AI to Build Better Metrics



Schrage, M., Kiron, D., Candelon, F., Khodabandeh, S., & Chu, M. (2023). Improve Key Performance Indicators with AI. *MITSloan Management Review*.



Building Better Metrics



**Improve Existing
Metrics**

Create New Metrics

**Establish Relationships
Between Metrics**

Using AI to Build (Better) Metrics

Improve Existing Metrics

1. Describe your mission, key outcomes, main activities, and the metrics you track.
2. Ask the AI chatbot if your measures are aligned with your mission and strategic goals.
3. Describe your industry.
4. Ask AI what industry standard KPIs are relevant for you to benchmark against.
5. Ask the AI chatbot to suggest refinements to your current measures.

Create New Metrics

1. Describe your mission, key outcomes, main activities, and the metrics you track.
2. Ask AI what metrics are missing.
3. Describe your industry.
4. Ask AI to suggest new metrics based on this strategic evaluation and industry benchmarking.

Establish Relationships Between Metrics

1. Ask AI to build a causal model to show the relationships between your current metrics.
2. Ask AI to determine if the measures are statistically valid and reliable.
3. Ask AI which nonfinancial measures have the most powerful impact on long-term performance.
4. Ask the AI chatbot to identify any areas where the measures will cause strategic confusion, incongruence, or conflicting priorities.

Let's see AI in action

Seattle Literacy Program



Mission: improve literacy rates among children in underserved communities.

Output metric (Improve)

The program collects **student satisfaction** data through basic post-program surveys.

Challenge

Response rates are low, and insights are limited.

Input metric (Create)

Staff and volunteer engagement is measured only through annual self-reported satisfaction surveys.

Challenge

The lack of real-time data makes it difficult to address engagement issues proactively.

Input>Activity relationship metric (Establish)

The program has high **turnover rates among volunteer tutors**, with no clear reason why.

Challenge

Operational activity (such as time spent on administrative tasks) is not linked to retention, but is there a connection?

Seattle Literacy Program

Output metric: Improve

"I am designing a survey to measure student satisfaction for a literacy program. Can you generate engaging and insightful survey questions that go beyond a simple 5-star rating?"

"What are some leading indicators that could help measure student engagement beyond survey responses?"

"Can you suggest ways to encourage higher response rates for student satisfaction surveys?"

Input metric: Create

"I need to create a new KPI to measure volunteer engagement in a literacy program. Can you help define a meaningful metric based on behavioral indicators rather than self-reported surveys?"

"Can you suggest methods to measure volunteer interactions in a way that predicts long-term engagement?"

"What are the best ways to track and visualize engagement metrics for volunteers in real time?"

Input>Activity relationship metric: Establish

"I want to analyze the relationship between volunteer workload and retention rates in a literacy program. Can you help me identify correlations and potential predictive metrics?"

"What data points should I collect to measure the impact of administrative workload on tutor retention?"

"Can AI identify early warning signs that a volunteer might disengage from the program?"



Demo

In Summary

Building Better Metrics

- Align your metrics with your mission and strategic goals
- Use a combination of financial and non-financial metrics
- Validate relationships between the metrics

Ways to Get Started with AI

- Talk with your Board of Directors
- Verify you are using the most secure version of your AI tool
- Anonymize your data and organizational information
- Critically evaluate the output

Questions?



Keep in touch



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Thank you

→ Good luck with building better metrics!