

Philanthropy's Change Agents

San Diego Grantmakers

October 4, 2006

Anyone who is willing to make some changes so you can achieve more, please stand up.

You've come to the right place

This is a common sentiment. It's what we've been hearing from our members. Grantmakers are frustrated we're not making progress more quickly and they are anxious to do more. GEO was founded on the belief that philanthropy must do more and that we must be relentless in our pursuit of higher performance for ourselves and for our grantees.

So the GEO community began a journey to discover examples where people and organizations are achieving uncommon results despite facing all of the same obstacles and resistance. Through a national series of interviews and focus groups, this process has involved asking nonprofits and grantmakers "**What helps or hinders grantee performance? What's getting in the way of making the change you want to make?**"

We're also asking people to tell us who in philanthropy is getting in right and why.

It turns out there is a lot of agreement on the issues that are most important. During our time together, I'd like to share some of what we're discovering about:

- How grantmakers can become successful **community change agents**.
- How by making meaningful adjustments to your approach, your organizations themselves become change agents
- And how each of us as individuals, can make a broader contribution to achieving the change that we want to see. Through our own actions, we can be **Individual Change Agents**.

But first, I want you to think about why you got into grantmaking. What was your motivation?

I bet most of your answers are a variation on this theme:

You wanted to do your part to help make our world a better place.

So you joined institutions created to do just that. As a grantmaker, you are in the social change business. You're learning what works; discovering the fundamentals of social change. What we're learning from you and your colleagues is that the **fundamentals apply no matter what kind of change you're trying to achieve.**

If you ...

Ask a community activist how to create successful neighborhood revitalization. Or
Ask those involved in school reform what's at the heart of their success. Or

Ask public health officials how they successfully combat malnutrition in Vietnam. Or Ask an organizational development consultant about what it takes for capacity building to stick?

You'll hear echoes of the same theme. And the common refrain is this:

Change—no matter what kind—will only sustain if the people with the most stake in the issue, those with experience on the ground are involved in

- defining and identifying the problem and
- discovering and implementing solutions.

This isn't news to you.

The thing that's new is the increasing recognition that change needs to happen a little closer to home: We as **grantmakers need to engage in our own change process to do a better job of supporting nonprofit success.**

Building on what you all have learned about how to affect change, GEO's Change Agent Project applies those principles to philanthropy itself. It is based on the fundamental premise that:

Grantmakers are only successful to the extent that their grantees achieve meaningful results.

Grantmakers for Effective Organizations is leading an effort to speed the pace of innovation in philanthropy by bringing isolated successes into mainstream philanthropic practice. We're learning from those who are redefining their relationships with nonprofits to help them achieve broader results

Design was influenced by Jerry Sternin whose success in speeding innovation is irrefutable.
--premise of the approach is that the answers are in the community
--rather than looking at deficit, Positive Deviance looks at strength
--it's a process of discovery
--the result: in a 2 year period using this approach, Save the Children was able to reduce childhood malnutrition by 70%.

So we began to apply this thinking to philanthropy itself, recognizing that there are numerous pockets of innovation and numerous exemplars.

What we've realized along the way is that this process is part of the *solution we seek*. We spend a great deal of time on content—the WHAT. But we're learning that, in order to be successful is such complex work, the process (the HOW and the WHO) matter just as much.

So let's take each in turn:

- How grantmakers can serve as community change agents
- How grantmaking organizations can serve as change agents
- How each of you can bring about changes that really count

Grantmakers as community change agents

Let me start with a quick example

As part of a community revitalization effort, The Ruth Mott Foundation in Flint, Michigan is supporting an emerging movement in the design and use of public spaces. This approach relies on energy and input by committed citizens.

These people are affectionately called "Zealous nuts"

They know more about the places where they live and work than anyone else, and therefore, their ideas turn out to be most practical and valuable. **The Ruth Mott Foundation is committing more resources to small-scale initiatives led by impassioned citizens.** Rather than building a comprehensive plan at the outset, they intend to build momentum gradually as they create true destinations across the city that people will want to visit again and again. At the heart of the approach is engagement of the people most affected.

They arrived at this approach based in part on a very public and painful failure of **AUTOWORLD**, chronicled in Michael Moore's film **Roger and Me**.

Autoworld was an automotive-based theme park intended to draw tourists that opened in 1984. It closed by 1986. A host of things went wrong, but notably, few, if any, of the owners and investors had ties to Flint. Very few visitors saw reason to go more than once.

In contrast, Ruth Mott's investment strategy is showing early success with a **Farmer's Market, with the leadership of a few of these "Zealous Nuts"**. People come week after week to buy local produce, to see friends, to find a unique gift, to get gardening tips from the master gardener or to get a blood pressure screening.

The people created a place where they'd want to spend their Saturdays. And it turns out tourists like it as well.

A contrasting approach in philanthropy—a very commonly used one—is to assemble a panel of experts or hire a leading academic in that topic area and ask them to engineer ways of changing the world.

We're discovering that a better approach may be to support the people on the ground as they do the social engineering.

And you know what? **It's lucky for you, the pressure is off!** You don't need to have all of the answers. Frankly, in the beginning, you don't need to have ANY of the answers.

As grantmakers, you can call the question.

You can act like an explorer; confronting problems with curiosity rather than solutions.

You can get the right people in the room and

Facilitate a process of discovery that arrives at a solution everyone can own.

Am I suggesting that grantees are always right? Absolutely Not.

They may even arrive at the same solution as your panel of experts. But the only way **for the changes to stick, is that the capacity must be left behind in the community. It must be culturally appropriate** (meaning originating from “people like me”). It must engage those with the greatest stake from the outset.

One more quick example of how this has played out with very positive results:

The Jacobs Family Foundation

The Jacobs Family Foundation has made deep, long-term investments in capacity building in the Diamond neighborhoods. They talk about their approach as being “resident-led”. They engage those affected in all parts of the work. Now, many of the small business start-ups are owned by community members themselves. And the neighborhoods are being transformed.

It goes back to the saying, “Don’t do anything about me without me.”

Change will come about with more action and less talk.

Serving as an organizational Change Agent

Many of the same principles apply as you serve as an organizational change agent.

One simple but powerful thing to strive for is to be brilliant on the basics. As with many things in life, the devil is in the details.

Do you know how many grantees praised foundations for the simplest things like getting them a check in a reasonable amount of time after the grant is approved or returning their phone calls? Or being very public and clear about what they will or will not fund?

In our interviews, we learned that several foundations have instituted an organization-wide policy of returning every phone call or email within 24 or 48 hours.

Others are very deliberate about grantee feedback, incorporating grantees in everything from strategy formulation to assessment. A few, including REDF, include grantee feedback as part of a 360 degree performance evaluation process.

Still others we interviewed described their philosophical approach to **grantmaking as “grantee-centric”**. **In the process, they rethink their policies through the grantee’s lens.** How does our application process affect granters? How else can we help?

This is a good idea

- Not because we in the nonprofit sector are all nice and touchy-feely
- Not because it’s politically correct
- Because it’s the only way we in philanthropy can succeed

Through GEO's focus groups and interviews with more than 200 nonprofits and grantmakers, we're looking at changes grantmakers have the power to make. In their *Daring to Lead* research, CompassPoint asked executive directors what grantmakers could change that would help them the most. We both are hearing the same things:

- **Provide more flexible support,**
- **Provide more multi-year support so that we can plan**
- **Be willing to invest in capacity building**

Right here, the San Diego Foundation's Organizational Success Program helps facilitate grantees as they think through their needs and set priorities. Then, they fund the plan constructed by the nonprofit itself.

None of these are “the” answer, but they represent a step forward.

A word about boards. In conversations with grantmakers, many lamented the fact that they weren't able to make the changes that they knew were necessary to enhance performance. When asked what was standing in their way? A common refrain was: It's our boards of directors.

But the issue is much deeper than merely saying it's the boards. Trustees do this work part time. As paid staff in philanthropy, it's your job to help them understand the context in which your grantees work as a precursor to making the case for changes in practice. There are a variety of ways to go about that.

Jesse Smith Noyes Foundation in NY recognized that they needed more diversity not simply to reflect the movements they fund, but to understand them. In 1980, they launched a wide-ranging effort to build a professional staff and board that are more representative of the communities it serves. Today, the family foundation's 16-member board includes 10 non-family members — including several representatives of the communities served by Noyes Foundation grants.

Their commitment reflect an understanding that diversity can deliver multiple benefits for a foundation; it's not just about having your board and staff pictures in your annual report look like a Benneton ad. Rather, a true commitment to inclusiveness—along the dimensions that most affect your work—can contribute to a foundation's success in achieving its mission.

Individuals as Change Agents

As we've talked about this work, people often ask “But what can I do? I don't have the authority to make these kinds of changes?” My response is, yes but there's plenty that you do have the power to change.

Tolstoy once said: “Everyone thinks of changing the world, but no one thinks of changing himself”

I prefer David Sedaris' take on the issue: he says “I don't have the slightest idea of how to change people, but I keep a long list of prospects in case I ever figure it out”.

But seriously, that's where this transformation can and should start. Today. With you, with us. No matter who you are, no matter your role in the organizations, there's something that you have the power to change.

One of the most frequently-cited barriers to nonprofit performance is the lack of a productive and supportive working relationship between grantmakers and nonprofits.

Each of us has the power to make that a bit better.

Program officers: Your jobs are important. And they are hard. You spend the majority of your time saying "no".

Several pieces of research support the fact that the grantee's experience with the foundation hinges primarily on the program officer.

We went out and talked to several program officers who had been nominated (by their grantees and their peers) as change agents. We hoped to find out some things that they do that are translatable. Actual behaviors that make a difference that others can start tomorrow.

Dick Matgen of Penninsula Community Foundation was often cited as a change agent. When asked why people might experience him in this way, he cited his enthusiasm for helping people and organizations reach their potential.

We uncovered a great example of what he means by this:

The pastor of a local church was seeking support for work with migrant agriculture workers. But it was clear from her proposal, that she'd never put together a plan or budget before. Dick had every reason to turn her down, but because of the importance of the work, he decided to say yes and to provide some technical assistance as well.

Today, the pastor is running a full service nonprofit agency with a staff of five serving more than 500 migrant workers a year. According to Dick, now she can write a mean proposal.

This is one of the most rewarding parts of being a grantmaker. Helping grantees succeed. In this example, a little flexibility went a long way.

Rick Moyers from the Meyer Foundation in Washington DC mentioned things as basic as what they wear when they meet with grantees or whether to meet grantees on their home turf or at the foundation's offices. He says his behavior is very much influenced by the philosophy at Meyer: What's at the heart of Meyer's approach? "We don't try to tell grantees what to do. We trust them to know what's best"

Again, it's about being brilliant on the basics:

- Answering phone calls promptly
- Avoiding telling grantees their business; be inquisitive
- Being flexible enough to know a good idea even if it doesn't fit your exact specifications

- Meet them where they are comfortable. Try to conform to their culture rather than requiring them to emulate yours.

None of this is rocket science; but it's a place to start. And they are changes that will make a difference.

It's not only program officers that can make a real difference:

The finance department can commit to a fast turn-around on checks to help grantees meet their cash flow needs.

Grants managers can champion improvements to the application and reporting process so that the foundation gets the information they need while reducing the time executives need to spend.

Conclusion

Call them what you will: Zealous Nuts, Positive Deviants, Change Agents, Exemplars.

Some common themes unite their approach to change. These are themes of Discovery, of Trust, of Collaboration.

Our entire business hinges on trust, because our success in philanthropy relies on the performance of the organizations we support.

And if really believe that, we'll make the changes that we have the power to make to ensure they reach their potential.

Because it's the only way we in philanthropy succeed.
