A Practical Guide to

Outcome-Focused Philanthropy

November 2016

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A Message from the President
Larry Kramer

The Hewlett Foundation's Guiding Principles begin with a commitment to honor the aspirations of our founders "by using the resources they placed in our trust in ways that remain true to their philanthropic ethos and values." Among other things, that means using the foundation's resources effectively for the betterment of society — a responsibility we take seriously, and one that calls upon us constantly to reexamine not just what we are doing but how we are doing it.

Doing philanthropy well — doing it effectively — is not easy. For the dozen years of his presidency, Paul Brest made improving the impact of our grantmaking a particular focus of attention, along the way becoming a leading ambassador for what has come to be known as "strategic philanthropy." But Paul did more than advocate. He also formulated a way of doing strategic philanthropy that was grounded in the particular culture and practices of the Hewlett Foundation. Detailed in a working paper published in March 2012, entitled "Outcome-Focused Grantmaking: A Hard-Headed Approach to Soft-Hearted Goals," Paul laid out a carefully constructed, 10-step process for formulating philanthropic strategies in a way most likely to achieve results. Outcome-Focused Grantmaking, or OFG as it came to be called around here, provided the starting point for much of the foundation's current work.

But OFG was never meant to be fixed and unchanging. Just as it responded to and grew out of earlier practices, we sought to learn from experience whether OFG might be improved. In 2014, with two years under my belt, I decided it was time to see how things were going and take a fresh look. I asked our Effective Philanthropy Group to manage a process that would broadly engage our staff and relevant outsiders. We spent the next two years asking questions, exploring possibilities, and seeking generally to tap the wisdom and experience of our grantmakers, peers, grantees, and others.

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The result is this guidebook. We have named the approach it depicts Outcome-Focused Philanthropy, or OFP, to reflect the close relationship it bears to its predecessor. This is a refinement of past practices: an evolution, not a revolution. Rather than discard the basic precepts of OFG — setting clear goals, making sure we have a plausible plan of action to achieve those goals, and establishing systems for tracking progress — we have modified them in appropriate ways. First, and most important, OFP extends beyond the initial development of a strategy by providing clear guidance that encompasses the strategy's full lifecycle, including its implementation, periodic refreshing, and possible wind-down. Second, we have replaced OFG's specified 10 steps with a more fluid approach organized, at each stage, around relevant guiding questions and recommendations for process and work product. Between these and a myriad of smaller adjustments, our strategic efforts should become both more systematic and more flexible. OFP also expressly embodies our commitments to continuous learning and to working in partnership with grantees and with fellow funders.

Hewlett Foundation staff are the principal audience for this guidebook, which is meant to be a practical resource. Grantees, too, should benefit from this clear explication of how we approach strategy and grantmaking. But we hope these materials also are helpful to other foundations and grantmakers. Just as our work has been informed by them, we hope they can learn from us.

The guidebook is intended to be a living document, something we continue to refine and change based on experience and ongoing feedback. So stay tuned, but also share your thoughts and ideas and reactions. We're eager to keep learning.

Larry Kramer

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ABOUT THIS GUIDEBOOK

"A Practical Guide to Outcome-Focused Philanthropy" reflects the collective experience of staff at the William and Flora Hewlett Foundation, incorporating input from colleagues across the organization about what has – and has not – worked in their grantmaking.

AUTHORS

Fay Twersky, director of the foundation's Effective Philanthropy Group, and Lori Grange, strategy and organizational effectiveness officer, were the principal authors. Lori also managed the overall project. Larry Kramer, foundation president, was the primary editor.

CONTRIBUTORS

The foundation's board provided thoughtful input and guidance, and we are particularly grateful to Harvey Fineberg, Billy Hewlett, Walter Hewlett, and Rakesh Rajani, who are members of the Effective Philanthropy Group's Board Advisory Committee. Program directors Barbara Chow, Ruth Levine, John McGuirk, Tom Steinbach, and Daniel Stid played a leadership role in shaping both the project and this publication. All of the foundation's program officers and fellows – including some who have since left the organization – contributed to the guidebook, in individual interviews, as focus group participants or as reviewers: Joseph Asunka; Matt Baker; TJ Bliss; Kevin Bohrer; Jean Bordewich; Kelly Born; Helena Choi; Christine Clark; Marc Chun; Margot Fahnestock; Julie Fry; Megan Garcia; Libby Haight; Sheena Johnson; Lindsay Louie; Sarah Lucas; Jessica Mele; Jacqueline Nader; Chloe O'Gara; Aya Okuma; Emiko Ono; Margarita Parra; Alfonsina Penaloza; Rachel Quint; Erin Rogers; Reuben Tomás Roqueni; David Sasaki; Patricia Scheid; Dana Schmidt; Michael Scott; Chris Shearer; Elisha Smith Arrillaga; Kristin Stelljes; Eli Sugarman; Prithi Trivedi; Denis Udall, and Angela Whitney. Members of the foundation's administrative departments provided content and feedback, including Sara Davis, director of grants management, and grants officers Aimée Bruederle, Jillian Galbete, Jessica Halverson, and Hannah Kahn; Dwight Koda, controller; Vidya Krishnamurthy, director of communications; and Elizabeth Peters, general counsel. Staff in the foundation's Effective Philanthropy Group and Communications department also provided content and feedback and supported the production of the publication, including Amy Arbreton, evaluation officer; Andrea Jeong, executive assistant; Leeanne Oue, program associate, Kate Payne, communications associate, and June Wang, organizational learning officer.

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ABOUT THE WILLIAM AND FLORA HEWLETT FOUNDATION

The William and Flora Hewlett Foundation is a nonpartisan, private charitable foundation that advances ideas and supports institutions to promote a better world. For 50 years, we have supported efforts to advance education for all, preserve the environment, improve lives and livelihoods in developing countries, promote the health and economic well-being of women, support vibrant performing arts, strengthen Bay Area communities and make the philanthropy sector more effective. Established through the personal generosity of the Hewlett family, the foundation is wholly independent of the Hewlett Packard Company and the Hewlett Packard Company Foundation. Learn more at www.hewlett.org.

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CHAPTER 1

Essentials of OFP

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Overview

William Hewlett was an engineer who liked to solve problems, whether developing new systems and devices for business or using philanthropy to make the world a better place.

He took the same basic approach to both: Start by understanding what drives a problem. Identify the key issues. Define what you are trying to achieve. And give those working on the problem a wide berth to exercise creative decision making — including latitude to experiment, ongoing support, and tolerance for risk and failure.

The William and Flora Hewlett Foundation strives to realize the same values, both internally and externally, in its efforts to address some of the most important problems and opportunities facing society — imbuing in them our approach to philanthropy, which we have called "Outcome-Focused Philanthropy" (or OFP for short). OFP is a framework that guides how we do our philanthropic work, from start to finish. It reflects the foundation's commitments to being rigorous, flexible, adaptive, transparent and open while staying focused on results and actively learning at every juncture. It embodies our guiding principles of working in partnership with grantees and other funders, and of promoting the values and practice of diversity, equity, and inclusion in our workforce, culture, and grantmaking. The very origins of OFP reflect these commitments, inasmuch as it modifies the foundation's previous approach — which had been called Outcome-Focused Grantmaking — based on experience in practice.

Photo Credit: Paula Bronstein/Getty Images Reportage

OFP is a framework that guides how we do our philanthropic work, from start to finish.

Like its predecessor, OFP reflects our belief in the value of having a foundationwide framework for approaching philanthropic strategy, not least for the shared culture and sense of purpose it fosters. This guidebook is designed to provide a practical road map for staff as they work across the lifecycle of a philanthropic strategy. We have divided this strategy lifecycle into four stages: (1) origination, (2) implementation, (3) refresh, and (4) exit. While directed primarily to program staff, the guidebook is nevertheless important for other departments whose work is equally essential for our strategies to succeed. And while intended for staff at the Hewlett Foundation, we hope other foundations and grantmakers will find our approach informative and helpful in their own work.

In this chapter, we provide an overview of OFP's scope (to whom and what it applies) and of the stages of the strategy lifecycle. Chapters 2-5 then dig deeper, offering detailed guidance for each stage. Chapter 6 discusses the different roles and responsibilities of participants and stakeholders. Chapter 7 contains a set of at-a-glance worksheets designed to structure and assist decision making in each stage. Chapter 8 addresses frequently asked questions to help staff use the worksheets most effectively.

The information provided in this guidebook and the worksheets is supplemented by other tools and resources for staff, including trainings, peer-to-peer learning, and related materials. Four departments that work particularly closely with programs on their strategies — the Effective Philanthropy Group, Grants Management, Communications, and Legal — are available to assist staff throughout the lifecycle.

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Our Expectations for OFP

We hope and expect OFP to accomplish the following:

- Guide the foundation toward taking smart risks to address important social problems by pursuing strategies that are positioned for the best possible chance of success.
- Help us develop strategies that are disciplined, rigorous, outcome-focused, and designed for ongoing learning.
- Enable staff and grantees to respond effectively and flexibly to changing circumstances and emerging needs or opportunities.
- Offer standards that are clear, consistent, and flexible enough to facilitate our ability to pursue different types of strategies — from supporting policy advocacy and direct services to helping build the capacity of organizations and fields.
- Strengthen the foundation's long-term impact and effectiveness by providing constructive guidance and tools, meaningful support, and examples of successful and unsuccessful approaches.
- Reflect and advance the foundation's values and operational commitments.

Photo Credit: Tim Peterson

Learning from Outcome-Focused Grantmaking

The concept of strategic philanthropy has been around for many decades, and most large foundations employ some version of strategic planning in their work.

Under President Paul Brest's leadership from 2000 to 2012, the Hewlett Foundation developed a well-specified approach to philanthropy that it called "Outcome-Focused Grantmaking," or OFG. The OFG process was designed both to guide the foundation's own grantmaking and to contribute to the larger sectorwide dialogue about how foundations can best achieve meaningful results.

OFG articulated 10 distinct steps to follow in developing a strategy. The steps included such things as establishing a goal, articulating outcomes and metrics, identifying partners, and developing a monitoring and evaluation plan. One step, "Expected Return," provided a means to help program staff identify strategic approaches with the greatest potential for impact.

By the time OFG was formalized in a March 2012 working paper, it had already been six years in the making. A first trial had been made in 2006, with the foundation's then-Global Development Program. In 2009-10, the Education Program used OFG to develop its Deeper Learning strategy, soon followed by the Performing Arts Program, which used OFG to develop a program-wide strategy. Other strategies and substrategies employed OFG in whole or in part over the next several years.

By 2014, we judged the time ripe to revisit and reexamine our approach. With a fair amount of experience under our belt, a number of programs were getting ready to review their portfolios or look at possible new strategies. Larry Kramer had become the foundation's president in September 2012, and he was interested in getting a better look at how OFG was playing out in practice — an inquiry encouraged by the board of directors. We also were giving renewed focus to related values and operational commitments — particularly those emphasizing learning, flexibility, collaboration with grantees and other funders, disciplined grantmaking, efforts going

The OFG process was designed both to guide the foundation's own grantmaking and to contribute to the larger sectorwide dialogue about how foundations can best achieve meaningful results.

"beyond the grant dollar" (such as convening grantees for joint learning and sharing), and a broad commitment to increased transparency and openness.

Led by the president, program directors, and the Effective Philanthropy Group, we undertook a foundationwide process of reassessing our overall approach to strategy. Our goal was to keep what had worked, to improve or set aside what had not, and to respond to evolving needs. We looked to other foundations for inspiration and ideas. We invited feedback from dozens of nonprofit, philanthropic, and other leaders. Naturally, we paid great attention to our own staff, seeking their input and reactions to learn from their firsthand experience. Program teams and other departments were consulted extensively. Every program officer gave feedback either through individual interviews or focus groups. And a number of strategy teams piloted new ideas or helped us test assumptions in real time.

We learned, among other things, that staff at the Hewlett Foundation value having a shared framework for strategy, in no small part because it engenders a common culture and sense of purpose. Staff strongly endorsed OFG's emphasis on discipline, rigor, and clarity, as well as its unwavering focus on outcomes. Key elements singled out for particular utility included the importance of articulating theories of change with clear goals in mind, and of scanning the landscape to understand the issues and become familiar with nonprofit organizations, funders, and other stakeholders.

At the same time, staff identified challenges with the existing approach. They perceived it as a one-size-fits-all approach, even though the foundation's diverse strategies call for a degree of heterogeneity. Evaluation was included among the 10 steps, yet it received short shrift in practice. Most important, OFG was perceived to focus chiefly on the process of developing an initial strategy, whereas much of the work — and so the need for guidance — begins after that: when staff put their strategies into practice and confront the world's messy, confounding realities.

We ultimately concluded that we should maintain the shared purpose and discipline of OFG while extending it to encompass the full lifecycle of a strategy and reshaping it to better accommodate the need for flexibility, learning, and adaptation. Outcome-Focused Philanthropy is the result. The change in name is deliberate: It is our way of signaling something different that is, nevertheless, built upon and closely connected to the past.

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Photo Credit: Jonathan Torgovnik/Reportage by Getty Images

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The Scope of Outcome-Focused Philanthropy: Who Uses It, When, and Why

OFP is designed for flexibility, relying more on standards than rigid rules. But even standards are not endlessly elastic, and there are limits and expectations. In particular: Who should use OFP? For what type of work? At what level of strategy? Additional expectations are discussed, where appropriate, in chapters 2-5 in connection with the different stages of the strategy lifecycle.

Who should use OFP?

All program teams are expected to apply this approach to their work. Administrative departments are expected to be familiar with OFP, and those that interact particularly closely on strategies and initiatives should get to know it well.

For what type of work?

OFP guidance applies to all our work, regardless of program, issue, field, or budget. The foundation's strategies and initiatives encompass a wide variety of approaches. Some support policy or regulatory reform, others focus on field-building or research, and still others are built around providing direct services. Some are local, with modest budgets, while others pursue national or global campaigns much larger in scope and scale. We have worked in some areas for decades, while in the last several years we have launched a number of "emergent" strategies focused on exploring a field before settling on a specific set of outcomes.

The OFP framework was crafted based on input from staff with experience in all these different strategy approaches. Certainly there are differences among them, but — as explained more fully below — the guidance was intentionally designed with sufficient flexibility to apply across approaches without the need for whole-cloth exemptions or exclusions.

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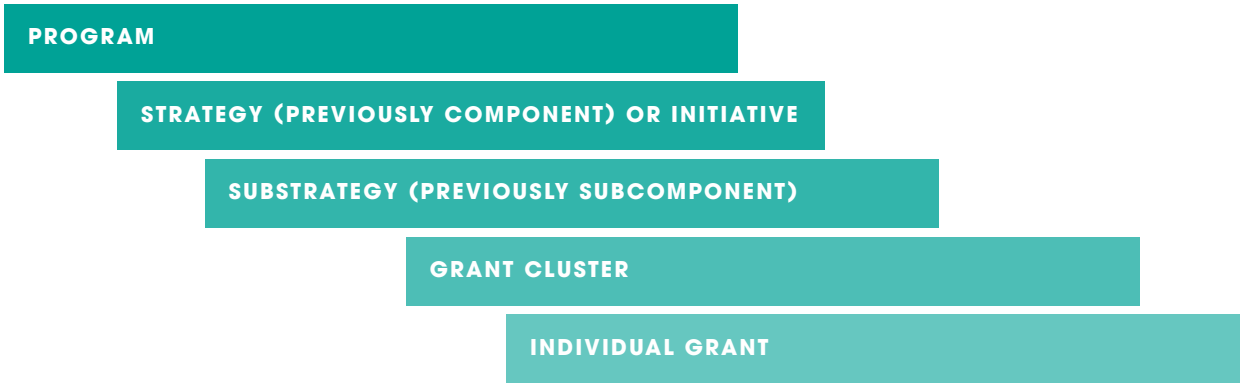
At what level?

A foundationwide approach to strategy can benefit from a shared taxonomy. OFP is based on the following categories of work across programs:



Even a shared taxonomy will not achieve complete uniformity in how programs apply these terms, chiefly because of issues of size and scale. One program's strategy may be another program's substrategy. One team's substrategy may be another team's grant cluster. Given the inevitability of such differences, we draw on basic common sense when deciding whether or how to use the OFP guidance. We encourage staff to follow the guidance to the extent reasonable and helpful at every level except individual grants.

At a minimum, staff must use OFP for their strategies and time-limited initiatives. OFP applies to substrategies when they are, for practical purposes, equivalent to a strategy. To illustrate, one of the Global Development and Population Program's (GD&P) two overarching strategies, Amplifying Voices, aims to make governments more responsive to their citizens' needs. It comprises substrategies focused on two areas: (1) Transparency, Participation, and Accountability and (2) Evidence-Informed Policymaking — each of which, by virtue of its size and complexity, is for all intents and purposes akin to a full strategy. Program directors have discretion about when a substrategy should be considered equivalent to a strategy.

OFP is not required for smaller-scale efforts, like grant clusters. Given that these are still strategically oriented, however, the guidance can be quite useful. For this reason, program directors may sometimes ask staff to follow some or all of the guidance when developing strategic clusters of grants.

For brevity's sake, we use the term "strategies" throughout the guidebook as shorthand for strategies, initiatives, and substrategies that are the equivalent of strategies.

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The Strategy Lifecycle: Four Stages and Worksheets

Stages of the Strategy Lifecycle

The strategy lifecycle comprises four stages:

1) Origination

The process of selecting and defining a problem or opportunity and devising an initial approach to addressing it.

2) Implementation

Putting the initial plans into operation and execution. Learning, reflection, and adaptation are crucial in this stage.

3) Refresh

A more thorough review of a strategy. While good implementation includes ongoing evaluation and tracking of progress, at some point — typically after several years — staff should take a deeper and more comprehensive look at how a strategy is going.

After a strategy has been refreshed, we enter a new phase of implementation. In some cases, however, reexamining a strategy may lead to a decision to exit.

4) Exit

The process of winding down a line of work, in whole or part (though it is rare for the foundation to leave a field entirely). Unlike program strategies, exit is built into the foundation's initiatives, which are time-limited from the outset.

OFP is a continuous process, and how well a strategy does in one stage will affect what happens in another. Implementing a new strategy will obviously be smoother, for example, if the process of origination was thoughtful and thorough. A successful refresh likewise hinges in large part on how effective staff have been in implementing the strategy, particularly when it comes to working with grantees to refine outcomes, collect data, track progress, monitor changes in the field, and so on.

OFP is a continuous process, and how well a strategy does in one stage will affect what happens in another.

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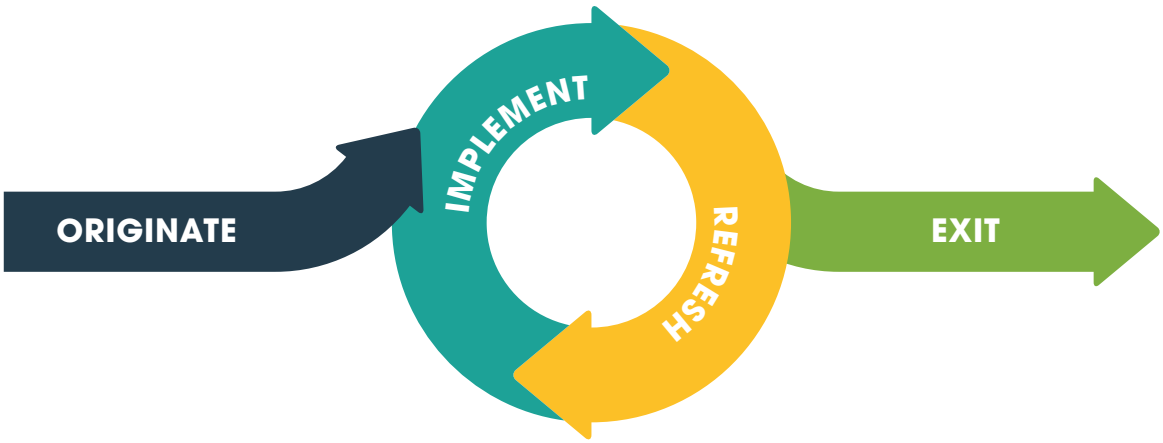
The Hewlett Foundation's Strategy Lifecycle



ORIGINATE	IMPLEMENT	REFRESH	EXIT
• Defining the problem or opportunity • Identifying promising approaches • Exploring opportunities for leverage and partnership • Setting the goal and outcomes, tracking progress, and evaluating the work • Developing the strategic approach and implementation plan	• Selecting, supporting, and engaging grantees • Engaging other funders and stakeholders in the field • Tracking progress and evaluating the work • Monitoring the external and internal landscape	• Assessing progress to date • Scanning for developments in the field and at the foundation • Refining the strategy • Contemplating exit	• Planning for an exit • Understanding and summarizing results • Managing the exit with external and internal stakeholders • Using and sharing what we have learned

OFP Worksheets

Four OFP worksheets — one worksheet for each stage of the lifecycle — serve as a user-friendly, at-a-glance resource for staff. These are designed to be a kind of "cheat sheet," providing a quick but comprehensive overview of what staff need to think about and do at each stage. The worksheets use four common aids to guide strategic action at each stage:

1) **guiding questions** that help staff think through the who, what, where, when, why, and how of the strategy;

2) specific **processes** to follow in answering the guiding questions, developing appropriate written products, and engaging key stakeholders;

3) specific **information and products** needed to document and record answers to these questions (e.g., internal team documents, a memo to the board of directors, materials for grantees or other external audiences); and

4) a list of some **key sources of support** in the foundation that program staff can call on for assistance.

The worksheets can be found in chapter 7, and we answer frequently asked questions about them in chapter 8.

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CHAPTER 2

Origination

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ORIGINATION

Overview

Creating an entirely new strategy or initiative sets the stage, direction, and tone for every grant, and every action beyond the grant dollar that follows. So it is critical to do it well.

Launching new strategies is not an everyday occurrence at the Hewlett Foundation. Most strategies aim to achieve ambitious goals and are begun with the expectation that we are making an enduring, long-term commitment. Strategies like Western Conservation, U.S. Reproductive Health, Open Educational Resources, and Arts Education, to name only a few, have been ongoing for more than a decade.

While many or most strategies may be launched with an expectation of longevity, programs will end a strategy if its goals have been met — as happened, for example, with Conflict Resolution — or if we conclude that they cannot or will not be met in a cost-effective way. The decision of the Philanthropy Program to shut down the Nonprofit Marketplace Initiative, discussed in chapter 5 on Exit, is a case in point.

Not every new strategy reflects such enduring commitments, and the foundation's programs also frequently develop shorter, time-bound initiatives. Examples include the Global Development and Population Program's Think Tank Initiative and the Education Program's ZTC-Degree Initiative, based on zero-textbook-cost degrees, now part of the program's longtime focus on Open Educational Resources. Some of these time-bound initiatives fall outside the scope of the foundation's core programs and are housed in Special Projects, such as the Cyber and Madison initiatives. The Cyber Initiative is a five-year effort to kick-start a multidisciplinary field to catalyze better cyber policy. The Madison Initiative was approved initially as a three-year exploration to determine whether there is a role for philanthropy in reducing political polarization in Congress.

Photo Credit: Kathryn Rummel/Rapt Productions

Each cluster's guiding questions are listed alongside its description below. The Origination worksheet, which can be found in chapter 7, has the complete list of questions, along with guidance about specific processes to follow, information and work products expected, and sources of support that staff can tap for help.

A Road Map, Not a Blueprint

Think of the originating stage as creating a road map as opposed to a blueprint. The difference is worth highlighting, because it captures a critical nuance in how we think about strategies. A blueprint is a precise set of instructions for building something. Its specified steps are supposed to be followed without variation; otherwise, the whole design falls apart. A road map, in contrast, provides multiple routes to reach a destination. Some appear better than others, but the map leaves room to adjust and change course if unanticipated obstacles or opportunities are encountered along the way.

OFP is designed to apply to any and all strategies and initiatives, regardless of scope, scale, or subject matter. Whenever we are charting a new course, we want to ask the same core guiding questions — recognizing that the answers to these questions will lead different strategies down different paths, as they should. What matters is that we design strategies that thoughtfully balance rigor with common sense and flexibility, so as to create an initial road map likely to launch a successful journey to our intended destination.

Guiding Questions

At each stage in the strategy lifecycle, OFP instructs staff to consider specific guiding questions. In the origination stage, these questions fall into five clusters:

1) defining the problem or opportunity

2) identifying promising approaches

3) exploring opportunities for leverage and partnerships

4) setting the goal and outcomes, tracking progress, and evaluating the work

5) developing the strategic approach and implementation plan

Across the Guiding Questions: Consulting the Field

Foundations are often criticized for developing strategies in isolation, accused of disappearing into conference rooms to talk among themselves, only to emerge with strategies that seem ill-informed, out of touch, and unrealistic. Whether this caricature accurately describes anyone's actual work, the spirit underlying OFP is emphatically different. In OFP, respect, consultation, and collaboration with others in the field are essential for considering and shaping our potential role.

When wrestling with the guiding questions, and this is true for all of them, we must take care to understand the work and perspectives of others in the field, whether that means nonprofit organizations, other philanthropic funders, government agencies, elected officials, private-sector actors, or the media. Our exploration should include a thorough literature review, as well as conversations with leaders across the field about their understanding of problems, opportunities, and possible solutions — including the proper role, if any, for philanthropy. We should gain an understanding, to the degree possible, of who is doing what and why, of what has worked and what has not, of what stands in the way of change and what capacity nonprofits (and potential grantees) have or lack to do the work. It is imperative to reach out to skeptics as well as potential allies. Common ground may be possible, but even if it is not, understanding their point of view is crucial.

It is likewise important to understand what the intended beneficiaries of our work think, want, and need — whether they be young students, poor women, workers, nature lovers, community residents, audience members, or others. We may work primarily with intermediaries to affect change, but we strive always to keep these "end users" in mind. That does not mean going around our grantees or surrendering responsibility for resource allocation. Rather, it means, to the degree possible, consulting with and incorporating

It is imperative to reach out to skeptics as well as potential allies. Common ground may be possible, but even if it is not, understanding their point of view is crucial.

the views of those we seek to help, whether by listening to them directly; considering an aggregation of end beneficiaries' experiences, perceptions, and insights; or, at the very least, talking with groups that work on the front lines who have a line of sight to beneficiaries' interests.

All that said, staff are not expected endlessly to explore every nook and cranny of an issue during the origination phase. Too much due diligence can be as harmful as too little. It can unduly burden staff and others in the field, mislead us into being overly specific and prescriptive, and inhibit our and our grantees' ability to learn by doing. Confirmation bias, always a risk, is likely to be exacerbated if we launch something with too firm a conviction that we already know everything.

Staff should also feel comfortable if, after some initial exploration, they conclude that an issue is not ripe for intervention or that we have no useful role to play. Before it settled on the Fund for Shared Insight, for example, the Philanthropy Program seriously considered focusing on big data. We were exploring ways to improve philanthropy generally at a time when defining big data and considering what it might mean for philanthropic and nonprofit work was a hot topic. We commissioned a landscape analysis and discussed what we might do before concluding that, while use of data is or ought to be pervasive, we could not see a distinct strategy around big data in particular. The Education Program had a similar experience looking at opportunities to help California's community colleges raise resources by developing more sophisticated development operations. Investigation fairly quickly revealed that, while the idea may be good, it could not be pursued in a cost-effective way because schools in the system operate independently.

Confirmation bias, always a risk, is likely to be exacerbated if we launch something with too firm a conviction that we already know everything.

Listen for Good

The Fund for Shared Insight, a strategy of the Philanthropy Program, was launched in 2014 by the Hewlett Foundation and five other funders to improve philanthropy by increasing openness in the sector. Beneficiary feedback loops are a central focus of the fund's grant-making, which supports using quick surveys, both online or in hard copy, to systematically gather end users' feedback for nonprofit and government service providers and funders. "Listen for Good," a targeted initiative within the fund's larger strategy, provides grants to nonprofits to test a modified net promoter system for the social sector. Beneficiaries are asked if they felt treated with dignity and respect, if their needs were met, and if they would recommend the service to a friend or family member in need. The feedback is collected on a SurveyMonkey platform and benchmarked against similar organizations. Early results suggest the efficacy of such devices in improving customer service experiences, from health clinics to after-school programs.

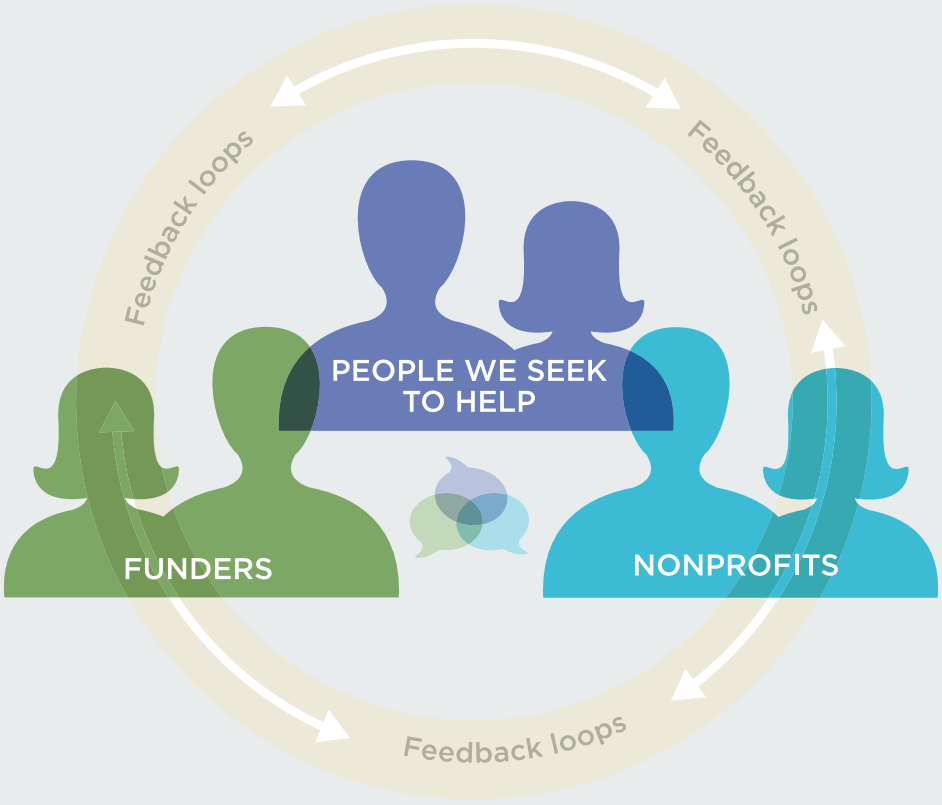

Image provided by Fund for Shared Insight

Drought and Democracy

The teams creating the California Drought Initiative and the Madison Initiative, respectively, took many of the same steps. They asked the same guiding questions and placed similar emphasis on the need to share information and collaborate with other funders. But they arrived at different answers to many of the questions and so developed different sorts of road maps, each tailored to its respective problem based on considerations like the state of the field, the nature of possible solutions, tractability, and so on. This is exactly how OFP is supposed to work.

California's water system — among the most complex in the world — has grown increasingly labyrinthine and ineffective with each passing decade. But four years of severe drought drove the need for water policy reform to the top of decision makers' agendas. The California Drought Initiative, launched in 2015, seeks to mitigate the effects of the state's ongoing drought by promoting reforms to allocate water more efficiently among users while better protecting the environment.

With a relatively small investment — $6 million over three years — the initiative seeks to capitalize on the window of opportunity opened by concern for the drought, a window that could close as quickly and unexpectedly as it opened. As a result of this and other factors, the initiative's tactics are focused on very specific, quick action. For instance, to increase urban conservation, we support efforts to require cities' land-use plans to reduce water-consuming sprawl; to reform agricultural water management, we invest in efforts to eliminate privacy constraints on water utility data.

The road map developed by the Madison Initiative took a very different shape. Having begun with concern for the widely perceived breakdown in our political processes, the staff conducted extensive research and consulted a variety of experts before settling on the problem of political polarization in Congress. Even thus narrowed and focused, there were many routes to explore and no obvious "best solutions." So the team asked the board for an initial investment of $50 million over three years, which they are using to explore and experiment with different pathways to alleviate the consequences of polarization — from reforming campaign finance and primary elections to changing practices and norms inside Congress, improving election administration, and enhancing citizen engagement.

With the Madison Initiative, the idea is to be flexible, try many different things, and enable the foundation's team and grantees in the field to better understand where, how, and to what extent change might be possible. Staff will follow up with a more focused and specific plan at the end of three years, but even then it will assume a long, slow arc.


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Defining the Problem or Opportunity

- What is the problem or opportunity you are seeking to address? Why does it matter?
- What is causing or caused the problem or opportunity? What led us to want to act?
- Who does this problem or opportunity primarily affect? Are there particular opportunities to help those who are disadvantaged?
- What gives you confidence that now is the time to take this on — that change is possible? E.g., a political shift, new champions inside or outside the foundation?

Many philanthropic institutions begin by identifying a system to sustain (e.g., investigative journalism) or by looking for opportunities to use a particular tool (e.g., impact investing). The Hewlett Foundation, in contrast, starts by identifying a problem to solve or an opportunity to capture. We may reach conclusions similar to what would happen if we started with something broader in mind. But we believe the difference matters. Framing our approach this way — starting with a problem or opportunity and asking whether there is something we can do to address it — has real consequences in shaping the investigation we undertake, the hypotheses we test, and the ultimate strategy we formulate.

In part, we begin with the problem or opportunity because the foundation does not take just one approach to its work. That is, we do not support only research or public policy advocacy or direct services or capacity building. Nor do we begin with any particular theory about the right or best way to effect change, whether that means government action, private markets, or a combination of both. Instead, starting in a more focused way, with a distinct problem or opportunity, leads us to investigate with eyes wide open what is causing the problem or driving the opportunity, and that freedom, in turn, makes it easier to identify the appropriate philanthropic tool or tools to employ. This careful, analytical approach is essential given the complex fields in which we work. If our understanding of a problem or opportunity is too thin or imprecise, we are likely to waste precious resources on unpromising approaches, whether by heading down dead ends or throwing everything but the kitchen sink at a problem.

For example, our Open Educational Resources (OER) strategy seeks to improve education outcomes through the use of freely available, openly licensed instructional materials. While pursuing this strategy, Education Program staff learned that the market for instructional materials in higher education is badly broken. Digging deeper, they found that the burden of high textbook costs is particularly acute among community colleges. That more specific problem of high textbook costs for community college students then became the focus of the ZTC-Degree Initiative, which encourages schools to adopt OER for an entire degree program and not just for particular

See chapter 5 on Exit for a profile of the Nonprofit Marketplace Initiative.

classes. If successful, the initiative will simultaneously ease a difficult challenge facing community college students and significantly advance the goal of mainstreaming OER.

Compare this experience with the Nonprofit Marketplace Initiative. When it came to identifying the specific problem to be addressed, the strategy made overgeneralizations about individual donors and factors that inhibited their choices, leading to a goal of influencing 10 percent of individual philanthropic donations in the United States to move from lower-performing nonprofits to higher-performing ones on the basis of data about performance. For a variety of reasons, the initiative failed to meet that goal. The team would have been better served by developing a nuanced, specific understanding of the motivations of different types of donors, likely leading to a different goal and possibly supporting other efforts.

One guiding question in this cluster prompts staff to identify who primarily is affected by the problem or opportunity and to consider from the outset how a strategy may or may not be able to address their interests and needs. Among other things, we want to know whether there may be particular opportunities to help people who are disadvantaged. "Disadvantaged" means different things in different contexts and is one consideration among many — but it informs our thinking and exerts an important gravitational pull on our discussions, analyses, and conclusions. Our work across the foundation sometimes explicitly and always implicitly reflects a commitment to this population. Our Serving Bay Area Communities grantmaking is an example of the former. The foundation makes grants directly and through intermediaries to support a range of vital nonprofit organizations that offer services to disadvantaged communities in the Bay Area and Central Valley.

Focusing on Opportunity

The Performing Arts Program seeks to help build a thriving arts ecosystem that benefits individuals and communities across the San Francisco Bay Area. Program staff view this work through the lens of opportunity, rather than problem-solving. "(T)he performing arts are a powerful vehicle for individual expression and understanding and for community establishment and cohesion," staff wrote in their 2012-2017 strategy paper. "Shared artistic experiences can be powerful unifying forces, affirming deep bonds across cultural, ethnic, and generational lines."

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Identifying Promising Approaches

- What proven or promising approaches could address the problem? What has worked, what has not, and why?
- What is the evidence base? Is it strong enough to make the case for change? Does the field need support testing and developing possible solutions?
- What are others advising us — including experts, potential grantee partners, and, as feasible, our intended beneficiaries?

Identifying and defining a problem or opportunity can be difficult. Figuring out what to do about it will often be more so, though properly specifying the problem or opportunity should helpfully narrow the field of possible solutions. This cluster of questions guides staff to learn from the field about which approaches have or have not worked (or do or do not hold promise) and under what circumstances.

Our values and worldview surely affect the problems and opportunities we choose to address. This is as it should be. But we must be careful not to let strongly held beliefs inappropriately influence how we approach solving those problems. Wishful thinking and blind ideology are anathema to strategic thinking and constructive problem-solving. To be credible and generate the best outcomes, solutions must be logical and fact-based. We need to understand what evidence, if any, supports a particular approach and whether that evidence is strong and reliable enough to support a proposed effort. For this reason, among others, some form of research and literature review is essential.

Often we find ourselves working in a new field or otherwise venturing into uncharted territory, meaning evidence may not exist either to support or to disprove particular choices. This should not and does not preclude making an effort. It does, however, require us to carefully articulate our hypotheses about how change might occur, and then test those hypotheses during implementation, sometimes with formal studies, other times with on-the-ground experiments or less formal approaches. As with all of OFP, the answer depends on the circumstances, but the goal is to be as rigorous as possible.

Exploring Opportunities for Leverage and Partnerships

- What is philanthropy's role, if any? What is the Hewlett Foundation's added value — both through and beyond grantmaking?
- Who else — government, the private sector, other foundations — is funding in this field and what is their focus?
- If there are other funders, how might you leverage their investments — e.g., pooling funds or using our dollars in other areas?

It is all too easy, when setting out to develop a new strategy or initiative, to assume the issue is something for philanthropy to address — or, even if it is, to assume the Hewlett Foundation adds value and can have an impact. This cluster of guiding questions is designed to test those assumptions at the outset.

As mentioned in our earlier discussion about "Consulting the Field," staff should as a matter of routine investigate which, if any, other funders — government, the private sector, or other foundations — are investing in the field, what they are focusing on, and what they hope to achieve. Sometimes research reveals that a field is crowded. This might mean that our dollars would be better spent elsewhere, though it could also mean there are opportunities to leverage resources beyond our own, whether by partnering with other funders or by focusing on an underfunded niche within the field. Consider, for example, GD&P's strategy to promote women's economic empowerment. Many other funders are working on the issue, most supporting either microfinance projects or efforts to train and equip individual women to launch successful business ventures. The program saw an opportunity to add value by filling a different role: supporting efforts to produce data and research about women's economic contributions that can inform and influence labor and industrial policy, coupled with targeted advocacy to make gender an important consideration in economic policy development.

In some cases, there may be few funders making grants in a given field — meaning not only that there might be a great opportunity for impact, but also that we might play a valuable role beyond making grants, including catalyzing broader interest and support.

Photo Credit: Paula Bronstein/Getty Images Reportage

For more about "beyond the grant dollar" activities and partnering with other funders, see chapter 3 on Implementation.

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Setting the Goal and Outcomes, Tracking Progress, and Evaluating the Work

- What is your aspirational goal — the overarching guide star for your efforts?
- What are your intended specific, or at least directional, outcomes? If directional, why is greater specificity impractical at this time?
- What implementation markers will you use to track progress, learn, and consider course corrections?
- What are your most important evaluation questions?
- What is your ideal sequencing for answering those evaluation questions in the strategy lifecycle?

A critical element of strategic philanthropy is the setting of clear goals, combined with a system for tracking progress toward those goals and evaluating the work. Defining a problem or opportunity and choosing a means to address it are insufficient by themselves. Just as it is foolish to head down a road with no idea where you want to end up, it is imprudent to spend precious philanthropic resources without an end point in mind and a compass to ensure that work is moving toward it.

Key terms:

To add clarity in defining end points and describing progress, OFP uses three important terms throughout the strategy lifecycle:

GOAL
a general statement of what we want to achieve; our aspiration for the work.

OUTCOME
a specific change we hope to see in furtherance of the goal.

IMPLEMENTATION MARKER
a catch-all term referring to particular activities, developments, or events (internal or external) that are useful measures of progress toward our outcomes and goal.

Why These Key Terms?

Philanthropy is full of jargon, and it is not all commonly understood. Put funders, grantees, and consultants in a room and ask them to define goals, outcomes, and implementation markers, and you will probably hear things like: "Goals and outcomes are the same thing." "Goals and outcomes are entirely different things." "It's not 'outcomes,' it's 'objectives.'" "We use both outcomes and objectives!" "You have to have indicators of progress — inputs and outputs." "Hmm … we say 'benchmarks.'" "Targets are essential — but are you talking about qualitative or quantitative?" "What in the heck are 'implementation markers'? We've never heard of those."

Whether in the public, private, or nonprofit sector, there is no accepted right term or framework to use in describing a strategy's progress and objectives. What is clear is that these varied terms and references can cause confusion, and a lot of it — in no small part because they are used so frequently and interchangeably in everyday conversation.

After much deliberation, we settled on three terms to use in describing our approach to setting targets and measuring our work: goal; outcome; and implementation marker. The foundation had already been using the words "goal" and "outcome," so they were generally familiar. More important, we find it useful in our work to distinguish between the overall purpose — empowering women, for example — and specific progress we hope will be a meaningful means to that end. For our purposes, then, a goal speaks to the question, "Why does this matter?" An outcome, in contrast, speaks to the questions, "What does success look like?" and "What will change as a result of our efforts?"

Having defined and clarified our goals and outcomes, we still need some way of knowing whether we and our partners are on track and seeing the kind of progress we expect. We chose the term "implementation marker" to represent the variety of particular signifiers staff may choose to track and observe as they implement their strategies.

All three terms must be understood broadly enough to encompass the enormous diversity of our programs and strategies, and each is elaborated with examples below. But we do not want to make a fetish out of it. We noted in chapter 1 on OFP Essentials that a shared, foundationwide taxonomy matters. But context matters too, especially when it comes to using language to convey complex ideas.

It is important to define outcomes with as much thoroughness and clarity as possible and to avoid sloppiness or intellectual laziness.

Articulating what success looks like, tracking progress along the way, and evaluating key components of our strategies are crucial steps that persist across the strategy lifecycle. But it is critical to put these on a proper footing in the origination stage. We do this through the following four steps:

Articulate the goal

The goal of a strategy or initiative should be aspirational and should reflect the foundation's commitment to work on society's most important problems. Goal statements are meant to be ambitious, to push us to attempt outcomes that likely can be achieved only over a long time horizon and with significant effort. The statement will not specify how the goal will be achieved, and it usually does not portray the goal in quantitative terms. Rather, goal statements establish the ultimate ambitions of our work in broad parameters, serving as a kind of guidestar for our efforts.

We do not use our goals as units of analysis, and except in the rarest of cases, we do not track or evaluate them as such. Instead, we set targets in terms of measurable outcomes and use implementation markers to assess whether we are making progress toward achieving them.

Establish clear but realistic outcomes

Some degree of specificity is critical, and this finds expression in the expected outcomes programs must develop. These outcomes reflect particular results we hope to achieve to get us closer to our larger goal. Unlike goals, we do use outcomes to track and evaluate progress. So it is important to define outcomes with as much thoroughness and clarity as possible and to avoid sloppiness or intellectual laziness. It is equally important to be pragmatic and to avoid the trap of false precision. A strategy's desired outcomes can thus be short-term or long-term, quantitative or qualitative. It just depends on what makes sense under the circumstances.

Strategy goals — a few examples:

Climate Initiative

Avoid the worst effects of climate change and promote prosperity and health by dramatically cutting greenhouse gas pollution and ultimately meeting all energy demand from clean and renewable energy sources.

Cyber Initiative

Cultivate a field that develops thoughtful, multidisciplinary solutions to complex cyber policy challenges and catalyzes better policy.

International Women's Reproductive Health, substrategy: Supporting Local Advocacy in Sub-Saharan Africa

A vibrant local civil service organization sector in sub-Saharan Africa that can capably and positively influence the family planning and reproductive health policies and funding decisions of their own national governments and of international donors.

Often, staff will be able to articulate specific, measurable outcomes when a strategy is launched. The ZTC-Degree Initiative, for instance, aims to make ZTC degrees available at 20 to 30 community colleges within its three-year time frame. This kind of specificity can be exceedingly useful, and staff should strive for as much specificity as is reasonable and possible when originating a strategy.

Not all outcomes can be specified this precisely at the outset, especially outcomes that themselves depend on prior learning. For example, GD&P's Transparency, Participation, and Accountability strategy promotes government transparency as a means to encourage citizen participation in the service of greater public accountability for delivering social services. At present, the program is making grants to learn what kinds of citizen action are most likely to influence government. Once those lessons are better understood, the team will be able to set more specific targets for increasing effective citizen participation and what it can achieve.

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Photo Credit: High Tech High

In some cases, specificity of any sort may be impossible at the outset. Even after careful review and analysis, staff may be unable to identify more than the nature and general direction of an expected outcome. For example, the Madison Initiative initially identified increased voter turnout in primary elections as something that might help mitigate political polarization. The direction and nature of the outcome — increased voter turnout — was clear, but how much change was needed or feasible was still unknown, so no specific target was set. This is perfectly acceptable, so long as staff grapple with the problem and can explain why greater specificity is impractical or impossible. We do, however, normally expect outcomes to be refined over time, which may require collecting data, piloting promising approaches, or building grantee capacity, among other things. An inability to add specificity to an outcome during implementation may be a warning sign that something is amiss.

Identify implementation markers to track

"Implementation marker" is a catch-all phrase referring to key developments that are useful to understand and follow in measuring progress toward outcomes and goals. Developments that serve as markers may be activities, outputs, and processes that we or our grantees undertake, or they may be things outside our control, like election results, economic trends, or other events that affect decision makers' behavior.

Sometimes we use implementation markers to track and assess short-term progress directly, especially when sought-for outcomes can only be realized over a long time period. For instance, completing research or establishing coalitions may be important precursors to long-term change, such as greater use of evidence in policymaking.

"Implementation marker" is a catch-all phrase referring to key developments that are useful to understand and follow in measuring progress toward outcomes and goals.

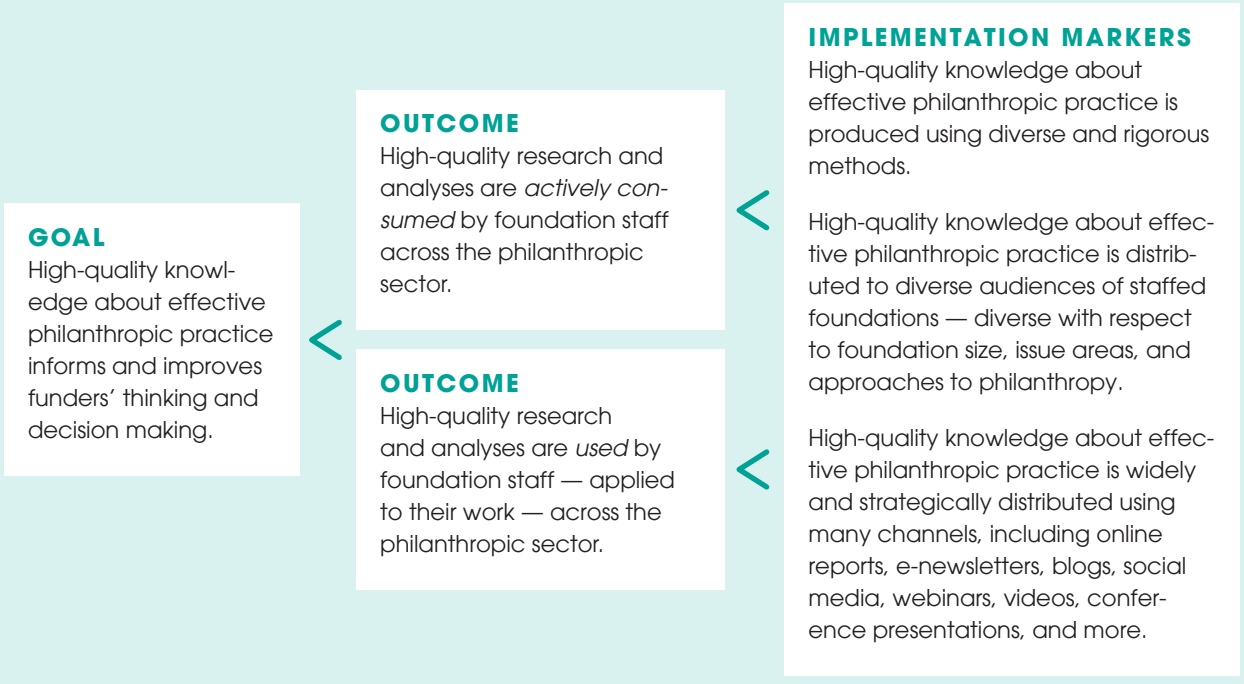
PUTTING IT ALL TOGETHER:

Goals, Outcomes, and Implementation Markers

While most strategies have only a single goal, they typically advance that goal by pursuing multiple outcomes while tracking multiple implementation markers. As noted above, programs adjust their outcomes and implementation markers over time as they learn. The strategies and initiatives illustrated here reflect work at different stages of maturity. (Not all of their outcomes and implementation markers are listed.) EPG can provide additional examples.

Knowledge for Better Philanthropy (as of September 2016)

The Knowledge strategy has been in place since the early 2000s. It was refreshed in 2014, and staff continue to refine their outcomes and implementation markers.



Cyber Initiative (as of September 2016)

The Cyber Initiative was launched in 2014. Staff have devoted significant attention since then to developing increasingly robust and specific outcomes and implementation markers.

GOAL
Cultivate a field that develops thoughtful, multidisciplinary solutions to complex cyber policy challenges and catalyzes better policy.

OUTCOME
Civil society organizations take a holistic, multidisciplinary approach to cyber, and contribute to informed policy debate.

IMPLEMENTATION MARKER
Two to four civil society groups form more multidisciplinary cyber teams, as evidenced by increased hiring of technologists, national security, and other experts.

OUTCOME
More and better policy-relevant research on cyber issues is produced and being used by decision makers.

IMPLEMENTATION MARKER
New ideas contained in thought leadership are actively discussed at the policy level (e.g., as evidenced in congressional research and hearings).

Western Conservation (as of September 2016)

The foundation has been working to preserve the open spaces of the American West since 1969. Staff refreshed the strategy in 2013 for an additional five years, including updating its already specific outcomes and implementation markers.

GOAL
Conserve the ecological integrity of the western United States and Canada for the health and well-being of people and wildlife.

OUTCOME
Protect 320 million high-priority acres.

OUTCOME
Improve 10,500 river miles.

IMPLEMENTATION MARKERS
The location of the conservation work — in particular, whether it is in one of the 48 ecoregions targeted by the strategy.

Whether a given conservation success moves a priority ecoregion toward or into a category of "sufficient permanent protection" (defined as fully conserving at least 50 percent of their acreage).

Incorporate early evaluation planning by identifying key questions to answer as the strategy proceeds

The usual practice in philanthropy has been to think about evaluation as something to do at the refresh or exit stage. In fact, evaluation is relevant and important at every stage of the strategy lifecycle. Done well, it clarifies assumptions, contextualizes evidence, and helps us learn and adapt as our work proceeds. It is useful and important to integrate evaluation planning into the development of a new strategy from the outset. Building evaluation into the origination stage provides a proper "baseline" against which to measure subsequent developments, prepares staff to collect data in a useful and common format, lets grantees know what to expect and when, and sets us up to engage in ongoing evaluation in the implementation phase.

It may sometimes be difficult to institute a full evaluation plan at the outset. At a minimum, however, staff should identify a set of important evaluation questions and think about how best to sequence answering them. The Cyber Initiative, for example, commissioned its first evaluation in summer 2016, focusing on progress in building a network of experts. This is only one of five outcomes the initiative seeks to advance, but staff began with it because network building provides the best opportunity for learning. To that end, they identified a number of questions to investigate. For example, have cyber experts in industry, government, academia, and other relevant sectors begun working together? If not, why not? If so, what are the key enablers? Are there particular forces that can promote or inhibit the emergence of a network?

Some teams have gone further. The Madison Initiative commissioned an external evaluation group to work closely with foundation staff throughout the initial three-year exploratory period. The evaluators play the role of "critical friend" and help the team take a developmental approach by asking tough questions, uncovering assumptions, and collecting and interpreting data in real time.

See the foundation's "Evaluation Principles and Practices" paper and consult EPG staff for additional examples of evaluation questions designed to test key assumptions.

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Developing the Strategic Approach and Implementation Plan

- How will you get from problem or opportunity to your desired outcomes? What activities will the foundation support?
- How much alignment exists with organizations in the field?
- Do potential grantees have enough capacity to partner with us on this work? If not, would we have to build it? What are the implications in terms of resources, timing, and results?
- Who are potential allies, including unlikely bedfellows? Who are opponents or skeptics and what is their perspective? How might you and your grantees contend with them?
- What assumptions are driving the strategy — i.e., about whether, how, and why particular activities will advance or impede progress?
- What are the risks — strategic, operational, reputational, legal — and potential mitigation tactics?
- What is the timeline for the work?
- How will you allocate staffing and budget resources? If you do not have enough internal capacity, how will you adjust?
- Have you consulted with other departments, particularly those that work closely with programs in creating new strategies — the Effective Philanthropy Group, Communications, Grants Management, Human Resources, and Legal?

This cluster of guiding questions seeks to help staff get at the nuts and bolts of the strategy: how best to get from problem or opportunity to the hoped-for outcomes.

Crafting a road map to guide the work — both grantmaking and actions "beyond the grant dollar" — can be the most creative part of the strategy development process. The guiding questions in this cluster leave room for staff to be imaginative as they determine what to do (or not do). But ingenuity needs to be informed by knowledge, and the questions also encourage staff to draw on their research, to think about different stakeholders and where they stand on issues, to consider what practices seem to be working, and to assess whether the proposed strategy aligns with organizations in the field.

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SOURCES OF SUPPORT:

Effective Philanthropy Group

By Fay Twersky, Director, Effective Philanthropy Group

The Effective Philanthropy Group (EPG) supports programs by providing specialized expertise in strategy, evaluation, monitoring, capacity building, organizational learning, and philanthropic partnerships.

Consider EPG's role in GD&P's development of a substrategy for its International Women's Reproductive Health strategy. The foundation had for decades supported access to family planning and reproductive health services in sub-Saharan Africa. Over time, program staff learned that locally based, indigenous organizations needed help pressing for more and better services in their communities and countries. The team concluded that it should make strengthening local advocacy capacity a priority. After interviews with leaders of local and regional organizations, government officials, peer funders, and others, staff had a sense of a new direction and approach, but they wanted to double-check their thinking and to get advice on next steps. They turned to EPG.

Over the next year, EPG's strategy and evaluation officers offered a range of support. The strategy officer provided guidance and feedback on preliminary materials to help program staff sharpen the approach. The evaluation officer supported the team in articulating key assumptions and evaluation questions. EPG staff participated in meetings with external advisors to discuss the new substrategy, and they supported program staff in testing their ideas, developing a detailed plan for tracking progress, and finalizing a strategy paper.

In April 2016, the GD&P team publicly shared the paper, "International Women's Reproductive Health: Supporting Local Advocacy in sub-Saharan Africa." Since then, EPG's evaluation officer has provided ongoing evaluation planning support to program staff.

The Cyber Initiative again offers a useful illustration. The Cyber strategy targets the inability of policymakers to make informed and sophisticated decisions about cybersecurity policy. Analysis is hampered by various shortages: too few people with the right mix of policy and technology training, too little data about the scope and nature of the problem, too little sharing of information and too few opportunities to do so, too few players with incentives to think long term, and so on. The initiative's goal is to cultivate a field that develops thoughtful, multidisciplinary solutions to complex cyber challenges and catalyzes better policy.

To chart a path between problem and goal, staff looked at existing research, talked to a wide range of stakeholders in the field, met with potential grantees, and assessed previous and ongoing attempts to address cyber security issues. They landed on a set of five activities that, cumulatively, should advance the larger goal — activities like building the capacity of civil society organizations; generating policy-relevant research and thought leadership; and catalyzing additional funding from other foundations, government, and private-sector sources. It is not certain these activities will jell into a field capable of promoting smart policy, but the approach seems promising and is flexible enough to adjust if experience in the implementation phase suggests that a different approach would be better.

In addition to articulating an initial path, the questions in this cluster point toward other best practices to follow in formulating a strategic approach. One is that staff should talk to people and organizations that may not agree with our analysis. Their arguments and experience may not dissuade us, but they will surely deepen our understanding and sharpen the focus of whatever approach we ultimately decide to take.

Strategies invariably rest on assumptions about whether, how, and why particular activities will bring about or impede particular outcomes, and it is critical that staff identify and articulate them. They may apply to anything and everything from tactics and target audiences to foundation resources, field capacity, economic conditions,

the political climate, and more. Some assumptions reflect value-based beliefs, while others are wholly empirical. What matters is to be clear about what they are.

By way of example, staff developing the California Drought Initiative explicitly articulated a number of assumptions that shaped their strategic choices. Among the most important are the following:

(1) crisis conditions make significant water policy reform possible;

(2) natural and human systems are interlinked: maintaining and restoring natural systems and appropriately reforming urban and agricultural water go hand in hand;

(3) decision makers and other stakeholders need more and better data to make good decisions about water policy;

(4) the federal government will need to be a supporting partner in policy reform efforts; and

(5) the drought has created opportunities for immediate policy reform, but developing and implementing lasting solutions will still take time.

Identifying and documenting central assumptions during origination serves multiple purposes. It clarifies important beliefs that influence and shape the strategy, enabling staff to examine and test them. It helps the team begin to formulate evaluation questions to assess whether its assumptions hold. And it memorializes the thinking behind a strategy so it need not be re-created later during a strategy refresh or when there is staff turnover.

As strategies rarely unfold without a hitch, best practice requires identifying potential risks

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As strategies rarely unfold without a hitch, best practice requires identifying potential risks and considering how to address them.

and considering how to address them. To illustrate, the ZTC-Degree Initiative assumes that if some community colleges have success with the degrees, others will follow suit. But might other schools hear about and even like the idea yet find it difficult to change for other reasons, like lack of technical knowledge or capacity? Having anticipated this risk, the team included in its initial planning the possibility of boosting support in such cases by helping faculty adapt to open resources.

Foundation staff can help when it comes to assessing risk. Some teams have organized groups of colleagues to help "pressure test" proposed plans by pointing out strengths and constructively identifying holes. Legal, Grants Management, and Communications can provide tailored guidance to help programs identify strategic, operational, reputational, and legal risks. It also is important to consult those departments more broadly as the strategy takes shape, as noted elsewhere in this chapter.

Teams must determine what internal resources — both staffing and budget — are needed to carry out the work. Time-limited initiatives created within Special Projects, such as Madison and Cyber, typically require new staff with specialized expertise. Their budgets are determined based on a combination of opportunity, need, absorptive capacity in the field, and foundation dollars available.

Strategies and initiatives that originate within the core programs sometimes replace lines of work that have ended. For example, after the Nonprofit Marketplace Initiative ended, the Philanthropy team re-allocated the regular program funds that had been supporting it to start the Fund for Shared Insight. In other cases, programs may begin a time-limited initiative that extends or is connected to ongoing work (e.g., the California Drought Initiative is part of Western Conservation; the ZTC-Degree Initiative is part of Open Educational Resources). In these cases, programs typically do not hire additional staff but instead delegate the work among the existing team members in whatever way seems most sensible.

Program directors take the lead in determining budgets for new lines of work, subject to approval from the president and board. Programs' overall budgets stay basically the same, year after year, indexed for inflation or more if and when the endowment grows. Program directors have discretion to move funds from one substrategy to another based on emerging needs and opportunities.

STRATEGY PROFILE:
Madison Initiative

Reducing political polarization in the United States

By Daniel Stid, Program Director, Madison Initiative

The Madison Initiative is grounded in a simple premise: that the foundation's ability to solve the problems that many of its programs are addressing depends on a minimally functional and rational policymaking process in the United States. In 2013, we conducted an assessment that identified political polarization as the primary barrier to a functioning system. So we set out to explore the possibility of creating a strategy to address the problem of political polarization — the widening ideological gulf between the two parties and the hyper-partisanship flaring up in the ongoing political contest between them.

How to tackle this daunting problem? As we told the board in an initial concept paper, we were very cognizant that "we must take care not to oversimplify an exceedingly complex and dynamic reality. This is a common mistake ... resulting in a great deal of bad conventional wisdom." We went on to observe that the system of representative democracy whose health we seek to improve is more accurately described as a system of systems (and subsystems) on a national scale. These interconnect in ways no one fully understands, partly because the systems and subsystems are themselves dynamic. We understood that any approach resting "on a model of linear causation ('if we do X, then Y will happen'), is inapposite to this sort of problem."

Fair enough. But if we were not going to use a conventional logic model, what would guide our efforts? How would we decide where, why, and how we would fund grantees? If we did not feel like we knew enough to bet big on a particular intervention, how could we decide where to spread small bets? How would we determine whether those smaller bets were paying off so we could follow up and focus accordingly?

Three steps helped us navigate these questions. The first was developing a set of four principles to guide our work. The principles included the following: First, we will collaborate with other funders — programmatically and at the institutional level. This is a huge undertaking and engaging with other foundations and their leaders is key. Second, we will rely on the best evidence available. We have thus sought to invest in and rely on the work of leading social scientists focused on the health of representative democracy, even when their research has run counter to the conventional wisdom of pundits or the long-standing ideals of democracy reformers. Third, given how closely divided we are as a

nation, any practical solutions will require support across the political spectrum. We therefore have been working with leaders and organizations from the right, left, and center with whom we have goals in common. Finally, and perhaps most importantly, the Madison Initiative should remain agnostic about policy outcomes outside of democracy-enhancing reforms. To proceed otherwise would miss the point. Any assessment of a democracy's effectiveness should depend not on the adoption of particular policies, but on whether its representative institutions are addressing problems in ways the public can support.

Our second step was to develop a systems map of the key variables we believed were driving — or could potentially mitigate — the problem of polarization, as well as the relationships among these variables. We posted the map online and shared it with grantees and funding partners to solicit additional input, and adjusted our thinking accordingly in multiple instances.

Finally, we retained "developmental evaluators" from the Center for Evaluation Innovation. Working with us from the outset, these evaluators help us identify and clarify major strategic questions, identify what it would take to apply our guiding principles, further develop our systems map, and assess not just our grantmaking but also the broader context in which our grantmaking is unfolding.

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STRATEGY PROFILE:

International Women's Economic Empowerment

Ensuring that women have—and can take advantage of—full and fair opportunities to earn a living

By Ruth Levine, Program Director, Global Development and Population

Early in my tenure as program director, the president and board encouraged me to develop a grantmaking strategy to expand economic opportunities for women in developing countries. This was envisioned as a logical complement to the foundation's long-standing emphasis on reproductive health and rights and a way to link reproductive health to the broader global development policy agenda.

Based on background knowledge and interest, the GD&P team developed a rough outline of ways in which women's economic empowerment was linked to existing strategies and grantees. We also considered what the potential niche of the foundation could be within this broad field. A review of Foundation Center materials revealed that the majority of private philanthropy is dedicated to microfinance, with much of the rest put toward initiatives (like Goldman Sachs' "10,000 Women" program) that seek to provide individual women with skills and other means to develop business ideas. Based on this analysis, and with some support from an outside consultant, the team started to develop a wide-ranging strategy that focused on ways in which policy changes could help women overcome barriers to employment, including the provision of child care.

The writing was difficult, in large measure because these ideas had not yet been hammered out and subjected to consideration by others in the field. Our nascent strategy was heavy on diagnosis: the many reasons women's work is undervalued and the constraints women face in earning a living and controlling their earnings. But our answer to "what should we do?" looked like a laundry list of activities, hard to describe and probably harder to implement. Strategy development progress was slow, and more than a year later the strategy was still unfinished.

Feeling the pressure of time, and recognizing that grantmaking resources in the early years would be small (and would, therefore, need to be laser focused), the team sought an efficient way to move past the "everything plus the kitchen sink" approach. They wanted to ask the right questions, tap into external expertise, and come up with a sensible strategy that would match the foundation's strengths, the interests of the board, and the needs of the field.

Stymied, the team asked the foundation's in-house strategy officer to weigh in. She read an early draft of the strategy, met with the team,

and gently (but persistently) asked a set of important questions: What problem are you trying to solve? Who do you think needs to do what? How will our grantmaking make a difference? How will you know?

These questions provoked a series of highly productive conversations among the team that enabled us to hone our articulation of the problem: Macroeconomic policies, and the models underpinning them, do not integrate an understanding of gender-specific determinants and consequences of economic activity. Without that understanding, women are easily overlooked in national and international policymaking.

Having thus narrowed our vision, it became clear that some of our ideas for grantmaking were still "in" while others no longer fit. With a clear definition of the problem, we could easily identify the right influential institutions at the global and regional level — for example, the World Bank, the International Monetary Fund, and the regional development banks and economic commissions. With the specific problem articulated, we could likewise seek guidance from experts about how the practices of these institutions might be affected by actions of potential grantees.

We settled on a three-pronged strategy. First, we would seek to improve the quality and amount of information available about women's work for pay and at home. Second, we would undertake research to deepen understanding of gender-specific economic issues — for example, how different tax, labor, and industrial policies differentially affect men and women. Third, we would strengthen the ability of advocates for economic justice for women to use this information and research to influence both decisions about policy prescriptions by international agencies and their application in low- and middle-income countries.

The support from the foundation's strategy officer, which turned out to be a dry run of the guiding questions now embedded in Outcome-Focused Philanthropy, represented a crucial turning point for the women's economic empowerment strategy and helped the team find a coherent and practical way to think about the work we were to undertake.

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CHAPTER 3

Implementation

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IMPLEMENTATION

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Overview

Implementing a strategy requires the same care and attention as originating or refreshing one. Implementation is where the rubber meets the road: where we learn whether our hypotheses and assumptions are accurate and whether our grantees are achieving what we hoped for or expected.

Effective implementation depends first and foremost on how well we select, support, and partner with grantees, both through our grantmaking and activities beyond the grant dollar. It also depends on our being rigorous in collecting data, open to learning from experience, and flexible about changing course when needed. OFP is about keeping one's eyes on the goal while learning and adapting over time to meaningfully advance it. As any capable grantmaker will admit, this sounds a lot easier than it is. The guiding questions in implementation are designed in no small measure to help staff navigate this terrain.

Guiding Questions

At each stage in the strategy lifecycle, OFP instructs staff to consider specific guiding questions. In the implementation stage, these questions fall into four clusters:

1) selecting, supporting, and engaging grantees

2) engaging other funders and key stakeholders

3) tracking progress and evaluating the work

4) monitoring the external and internal landscape

Each cluster's guiding questions are listed alongside its description below. The Implementation worksheet, which can be found in chapter 7, has the complete list of questions, along with guidance about processes to follow, information and work products to produce, and sources of support that staff can tap for help.

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Selecting, Supporting, and Engaging Grantees

- What criteria are guiding your grantmaking choices? Are they clear and well understood?
- Is the strategy serving as a useful filter for soliciting and choosing from among grantee proposals? If not, what adjustments might you make?
- Do your grantees need capacity-building support to do their work effectively? How are you planning to address those needs?
- In what ways are you planning to support grantees "beyond the grant dollar" — e.g., convening them, introducing them to other funders, bringing attention to their research? How do you know which type of support is most helpful to them?
- How and to what extent do your efforts to select, support, and engage grantees reflect the foundation's commitment to promote diversity, equity, and inclusion?
- How will you collect and use honest feedback on the strategy and your performance from grantees and partners?

Selecting grantees

Successful philanthropy requires working with grantees that are aligned with one's goals and have capacity to do the work. The due diligence and outreach to the field that went into creating a new strategy or initiative should give program staff a great deal of preliminary insight into which organizations are properly aligned and positioned to partner. Even so, it is important to keep a fresh eye out. The same is true, perhaps even truer, when it comes to ongoing or newly refreshed strategies or initiatives. Staff will have experience working with particular organizations, many or most of which likely will continue as grantees, particularly if the work is going well. But staff may also choose to wind down support to some partners and bring in new ones.

In either context, staff make choices among many organizations working in a field. How do we choose the "right" grantees? How do we translate our strategies into practice?

An important factor — one this cluster of questions highlights — is to have clear, consistent grantmaking criteria. For example, the Performing Arts Program has five formal criteria for making grants under its Continuity and Engagement strategy: (1) the applicant's strategic alignment with the program's grant portfolio; (2) the quality of its artistic programs and services;

Revisiting the Guiding Questions

Implementation is an ongoing process. In contrast to the other lifecycle stages, there is no single moment or fixed event to trigger reviewing and responding to the guiding questions. It is critical, however, not to let this responsibility slide. Staff can and should reconsider the guidance whenever problems arise, but they should be sure to review this phase's guiding questions at least once a year. To make this easier and optimally constructive for staff, we have aligned the implementation questions clustered in "tracking progress to date and evaluating the work" with questions programs need to address in their annual strategy and budget memos. The budget process should therefore serve as a trigger or reminder to review the guidance.

(3) the extent of audience participation and engagement in its work; (4) the quality of the organization's leadership, and (5) strong evidence of fiscal responsibility and financial health. The strategy's goal is to foster and sustain a diverse array of high-quality arts in the Bay Area — so staff consider the degree of strategic alignment by looking at such things as aesthetic/discipline, geography, and audiences served, and by asking whether, where, and how a particular applicant adds diversity to the program's portfolio and to the Bay Area arts community. None of this is necessarily surprising or counterintuitive, but clearly articulating the criteria significantly enhances their observance and provides greater assurance of continuity in grantee selection over time.

Developing clear criteria and making them public can be as useful to potential grantees as it is to us. Even with our resources, the foundation can fund only a small percentage of performing arts organizations in the Bay Area. The criteria help applicants understand what the program is looking for and help the team explain the tough choices they make about whom to support. Grants Management and Legal staff play a critical role in the due diligence process and can provide both detailed guidance and tailored support.

For some efforts, staff have created formal tools to help them identify, assess, and choose organizational partners. For instance, the Quality Education in Developing Countries Initiative (QEDC) fashioned a detailed checklist of strategic, legal, governance, and financial considerations for vetting and choosing grantees. Not only was the checklist useful, the simple act of creating it helped clarify the team's understanding of what mattered to them in making funding decisions.

It is important not to let such criteria unduly constrain programmatic options. Some teams set aside flexible dollars in case they come across interesting organizations that may not strictly fit existing criteria. And while it is rare, the foundation has helped create new grantee organizations when the field lacks needed capacity, as in the case of our Climate Change Initiative. The Hewlett, Packard, and McKnight foundations jointly created and funded the ClimateWorks Foundation in 2008 to implement the initiative.

As we noted in chapter 2 on Origination, an effective field scan teaches what existing organizations are already doing, and the process of exploring a new strategy or initiative gives us a sense of potential partners and their capacity to work with us. But it is only a sense, and during implementation we frequently discover gaps between our strategic goals and those of existing organizations. Many teams begin with smaller project grants to organizations to develop relationships and learn better whether they and grantee organizations are aligned.

DUE DILIGENCE CHECKLIST, QUALITY EDUCATION IN DEVELOPING COUNTRIES INITIATIVE

QEDC Due Diligence Checklist

Strategic & Substantive Considerations *The Due Diligence Tool, pp. 16-29*

- ☑ Alignment with Program's strategy?
  - Improve quality of the teaching-learning process in schools; add to evidence-base for policy (on teaching-learning process); increase attention to the importance of education; or increase amount and efficiency of money to education?
  - Will the project reach the most disadvantaged students?
- ☑ Clarity of goals and sound theory of change?
  - Does the organization clearly link its activities to the objective of improving student learning?
  - Does the organization have dissemination plans for its work?
- ☑ Quality of past work (track record)/reputation of the organization?
  - Demos: successful working to improve student learning in the past?
  - Advocacy: demonstrated influence on the public and/or policymakers?
  - Does the government have a positive/receptive view of the organization?
- ☑ Value-add to the field?
  - Demos: does the project answer key questions about practice or implementation?
  - Is the organization operating at a scale that the government cannot ignore?
- ☑ Chances for success and potential risk factors?
- ☑ Appropriate project methodology?
  - Demos: can the project realistically be implemented at scale given the external environment (i.e. does it take into account constraints like student:teacher ratios, role of teachers unions, etc.)?
  - Methodology grounded in education research and/or organizational experience?

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SOURCES OF SUPPORT:

Grants Management

By Sara Davis, Director, Grants Management

Grants Management has a unique vantage point on the foundation's grantmaking. Working with every program on every strategy across the whole strategy lifecycle, the Grants Management team designs systems, aggregates information, analyzes data, and learns and shares best practices.

The Grants Management department plays perhaps its most essential role during the implementation phase, helping programs advance their strategies by ensuring that operations go smoothly. As programs figure out the what and the why of their strategies and initiatives, Grants Management helps them answer questions about how the work can and will be executed.

Consider the department's work on the foundation's Climate Change Initiative. In 2013, the foundation renewed its $100 million-per-year commitment to mitigating climate change. But it shifted from outsourcing these funds to a regranting partner to having the Environment team make all the grants itself. The refreshed initiative not only quadrupled the Environment team's budget, but it allowed grants to be made at any time throughout the year on a rolling basis, rather than according to the board's meeting schedule.

Faced with the challenge of developing and using an entirely new grantmaking process, the Climate team turned to its grant officer to scope system and technology solutions. Within a few weeks, the grant officer had engaged all the key program and administrative staff and rolled out a brand-new process, complete with database codes and other enhancements, workflow updates, board book changes, and staff training. By the time the refreshed Climate Change Initiative went live, the Environment team and other key staff were prepared to execute.

Photo Credit: Dziurek/Shutterstock.com

Supporting and engaging grantees

Among the foundation's most important and long-standing values is a commitment to helping strengthen grantees' capacity to perform consistently at a high level. And once strategic alignment is clear, we begin moving to larger, longer grants, often in the form of general operating support. In fact, in a typical year, at least 65-70 percent of our programs' grant dollars are largely or entirely unrestricted.

The foundation also seeks to help grantees build their internal capacity. Staff regularly supplement program dollars with capacity-building grants through our Organizational Effectiveness (OE) program, part of the Effective Philanthropy Group. These relatively small grants help our partner organizations develop strategic, fundraising, and communications plans; navigate leadership transitions; and strengthen board governance and development, among other needs.

Beyond helping their organizations meet those short-term objectives, targeted OE funding helps grantee leaders avoid the challenge of having to justify diverting resources for capacity building from already scarce general operating funds. The grants also provide opportunities for program officers and grantees to talk openly and honestly about organizational challenges and needs without fear of jeopardizing program funding. Both parties say that collaborating closely on OE proposals helps strengthen their relationships by treating organizational health as a priority and encouraging mutual trust, respect, and understanding.

We can support grantees in many ways that do not involve money — that is, beyond the grant dollar. Some programs regularly bring grantees together to network, learn about each other's work, develop collaborations of their own, and consider collective planning. These gatherings take many forms. The Madison Initiative held a "collaboratory" with more than 70 of its partners to help them see their individual work as part of a broader tapestry of efforts addressing the challenges facing representative democracy in the United States. The Deeper Learning team annually gathers grantees from particular substrategies or grant clusters to promote greater alignment around common aims. Staff also share information about grantees' research or other work, introduce grantees to other potential funders, and the like.

Engaging closely with grantees during implementation reaps many benefits — a point underscored by the Grantee Perception Report (GPR), an independent survey conducted by the Center for Effective Philanthropy. We know from the GPR how important it is to grantees that funders understand their goals and develop strong relationships with them so they feel comfortable bringing problems forward. These sorts of dynamics are what make the grantor-grantee relationship into a genuine partnership, and they are critical to successful strategy implementation.

We can support grantees in many ways that do not involve money — that is, beyond the grant dollar.

Diversity, Equity, and Inclusion

As staff select, support, and engage grantees and partner with other funders and stakeholders (discussed below), they should keep in mind the foundation's commitment to promoting diversity, equity, and inclusion both internally, in our hiring process and organizational culture, and externally, in our grantmaking and related practices.

As an endowed institution with significant resources, the foundation has a responsibility: its decisions about how we use our assets have important consequences. When we choose grantees and other partners we must do so thoughtfully, mindful of the larger society of which we are part, and of the historical, economic, and cultural forces that shape it. We have a responsibility to recognize that certain groups have been historically disadvantaged, whether by virtue of race, ethnicity, socioeconomic status, gender identity, sexual orientation, ideology, religion, or other characteristics that reflect significant social categories or fractures.

Pursuing diversity, equity, and inclusion is not just right. It is also smart, because our work is enhanced by including a diverse range of voices and perspectives.

We do not limit ourselves to perspectives drawn from the divides that dominate public discourse. When we speak of diversity and inclusion, we mean the whole range of attitudes, outlooks, and perceptions that matter to the people who work with us. We do not want to reduce ourselves or our partners to labels or turn each other into anything less than the complex, multifaceted individuals we all are. We seek, rather, to develop enough awareness of difference — enough mutual understanding and cultural sensitivity — that people can raise what matters to them, and we and our partners can learn from the enriched dialogue and relationships that result.

There are many ways to reflect this commitment in our grantmaking and beyond the grant dollar practices. Among other examples, staff in the Education, Environment, and Global Development and Population programs have provided capacity-building support to help grantees with their own efforts to enhance the diversity, equity, and inclusiveness of their organizations. The Environment Program also has provided support for the broader environmental field to increase diversity. The Performing Arts Program has created a "Letter of Inquiry" process with the articulated goal of reaching marginalized communities. And many staff support and/or participate in affinity groups that advance work in specific racial and ethnic communities or other identity groups of interest.

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Engaging Other Funders and Key Stakeholders

- In what ways are you communicating with other funders? How are you staying abreast of their work and interests? Have you considered opportunities to collaborate?
- How are you engaging others in the field as appropriate — e.g., relevant non-grantee organizations, the media, the business sector, decision makers?

Engaging other funders

We almost always need other funders to advance our goals, and we look for both informal and formal ways to learn from and collaborate with them.

It goes without saying that we should invite other funders to share information and ideas on issues of mutual interest and discuss potential ways to work together. There are, however, a variety of other ways to discover and establish partnerships. Many staff participate in funder affinity groups, like Grantmakers in the Arts or Grantmakers for Education. These groups can be enormously helpful as forums for the exchange of information or places to find and forge new connections. In some instances, we have played a leadership role in bringing foundations together around an issue. When staff began the QEDC Initiative, for example, they worked to identify and bring other funders together in an International Education Funders group. It was formally launched in 2011 with eight funders, and as of March 2016 had more than 90 members.

But we are equally willing to join groups started by others when this serves to advance our programmatic objectives.

Many strategies rely on formal funder collaboratives. For example, the Effective Philanthropy Group partnered with five other foundations to launch the Fund for Shared Insight in July 2014; as of June 2016, the number of co-funders had grown to 30. Between pooling funds and collaborating on both strategic and tactical grantmaking, the partners have created a robust mechanism to think through resource allocation and expected results. The collaborative structure facilitates questioning assumptions and addressing issues that might get pushed aside or overlooked if funders were acting independently. Participants meet in person or by phone several times a year to discuss progress, vet new ideas, and make decisions about grants.

Being involved with the Fund for Shared Insight "enables us to collaborate with other funders and learn from them," according to Nicky Conroy, special projects officer at the Gordon and Betty

Different Approaches to Funder Collaboratives

It is important that staff embark on any funder partnership with eyes wide open. Developing and maintaining them will require time and effort, including from the Legal, Finance, and Grants Management departments. Program staff exploring these options should work with colleagues in these departments who can explain the trade-offs involved and guide staff through key questions and considerations.

Moore Foundation. "We're able to participate in setting and implementing smart strategies to support philanthropic infrastructure."

The difference these sorts of collaborations can make is illustrated by the foundation's work in International Women's Reproductive Health. Spurred by the interests of local stakeholders and grantees, the Hewlett Foundation has worked closely with the U.S. Agency for International Development, the French government, and the Gates Foundation to expand and accelerate progress on family planning efforts in nine Francophone West African countries. After several years of intensive effort, the partnership has begun paying off in significant actions by national governments and donors. As of fall 2015, investments by donors for family planning in the region had increased by 30 percent, and five of the nine governments were dedicating significant new financial and technical support to family planning efforts. It is highly unlikely that the partners would have achieved so much acting alone.

The Legal department provides detailed guidance about four types of formal funder collaboratives and key considerations for using them. Here is a brief overview:

PUBLIC CHARITY/FISCAL SPONSORSHIP

This is the most commonly used form of collaboration. Funders grant money to a 501(c)(3) public charity, which serves as the fiscal sponsor for the project/program. The sponsor is responsible for administering the project, including making grants to outside organizations to support activities and paying contractors to perform work.

PUBLIC CHARITY/PRIVATE FOUNDATION HOST

Another approach involves grants by a group of funders to a public charity or private foundation that serves as the project host. The host administers the project, including making grants and direct expenditures and paying contractors to perform work. (The general counsel's office generally discourages using a private foundation as host because the law then imposes a variety of complex grantmaking and reporting requirements.) This structure differs from the first primarily in that the host employs or hires individuals to work on the project.

FUNDERS' TABLE

Sometimes multiple funders will designate a strategic lead to coordinate grantmaking efforts for a project, usually by preparing shared research about grantmaking opportunities and facilitating meetings of the funders. The strategic lead does not control the project, and each funder makes grants directly in support of specific project subject areas.

MEMBERSHIP STRUCTURE

In some instances, a separate legal entity may be established, with each funder serving as a member and providing funding. The new entity is governed by the members, who assume fiduciary responsibilities for it. (The Hewlett Foundation has not used this option because of the complexities involved.)

Engaging other stakeholders

As noted in chapter 2 on Origination, effective due diligence involves reaching out to a broad array of organizations and constituencies to gather information and understand different perspectives. This sort of outreach remains important during implementation, and program teams will invariably find it useful to communicate and work with many types of interested parties — including nongrantee organizations, business leaders, government officials, opinion leaders, and the media as appropriate.

Building connections and sharing knowledge often requires little effort while still producing significant benefits. Staff in GD&P, for instance, have produced a biweekly e-newsletter that highlights key events, developments, and resources related to the United Nation's Sustainable Development Goals. As of early 2016, the newsletter was being read by more than 200 people, including grantees, donors, other nonprofit organizations, and government officials, as well as our own staff.

Conferences and meetings require greater effort but also can be highly effective in engaging a broader set of stakeholders. The Cyber Initiative helped support a first-of-its-kind summit in early 2015. Hosted by Stanford University (one of the initiative's grantees), the summit brought together government, private-sector, academic, and nonprofit stakeholders to discuss cybersecurity and consumer protection issues. President Obama spoke and underscored the pressing importance of the issues. Similarly, in 2013, EPG and GD&P co-hosted a highly successful meeting at the White House with leaders from the public, private, philanthropic, and nonprofit sectors to discuss the use of feedback mechanisms to amplify citizen voice. This was a key event contributing to the World Bank's adoption of citizen feedback as a component of its development efforts, and it inspired a number of philanthropic funders to join what subsequently became the Fund for Shared Insight.

Such examples are hardly exhaustive, and stakeholders can be engaged in any number of ways. QEDC formed an advisory panel to help inform its work, provide guidance on implementation, and cultivate external ambassadors to amplify the strategy's impact. The Deeper Learning team created a "kitchen cabinet" of advisors for similar reasons.

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Photo Credit: Whitney Legge

Center for Effective Philanthropy conference in San Francisco, 2015

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Tracking Progress and Evaluating the Work

Questions marked with an asterisk* are identical to questions programs need to address in their annual strategy and budget update memos.

- What were your anticipated outcomes and key implementation markers for the past year?*
- How did you do against them, and why?*
- Are you and your grantees able to collect useful data to track progress and to learn? Are you collaborating with grantees as needed to develop efficient, reliable, and useful data collection tools and systems? If not, why?
- Are you making progress in answering the evaluation questions identified in the original or refreshed strategy? Are there new or different questions you want to ask or assumptions you want to test?
- What are you learning from targeted evaluations in this stage? How are you adapting in response?
- How are you sharing what you have learned with grantees and the field?
- What refinements or course corrections, if any, are you considering making to your outcomes and implementation markers as a result of everything you have learned to date?
- Have you further specified your outcomes or implementation markers since the strategy was launched or refreshed? If not, why — and when do you anticipate doing so?
- What are your anticipated outcomes and key implementation markers for next year?*

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Review chapter 2 on Origination for a detailed explanation of goals, outcomes, and implementation markers.

Implementation ultimately boils down to a handful of straightforward questions: Is the strategy progressing according to plan? What is enabling or inhibiting progress? What are we and our grantees learning? How are we applying those lessons in considering changes, such as adjusting outcomes and implementation markers or revising assumptions?

Each summer and fall, as part of the annual budget process, program directors submit memos to the president and board that answer these questions for each strategy and initiative. The strategy and budget update memos provide detailed assessments of progress on outcomes and implementation markers in furtherance of goals. They underscore the extent to which effective implementation depends on a team's ability to monitor and evaluate progress and its willingness to act on what team members have learned. Three of the questions staff must answer in these annual budget memos appear in the implementation worksheet as well:

(1) What were your anticipated outcomes and key implementation markers for the past year?

(2) How did you do against them, and why?

(3) What are your anticipated outcomes and key implementation markers for next year?

In this way, the budget process serves as a trigger for reviewing the implementation phase guiding questions.

Refining outcomes based on progress and learning

Outcomes may be directional rather than specific, especially at the outset: "more engagement," for example, or "increased capacity in the field." Staff have sometimes felt pressure to make these outcomes too specific too soon, before they have enough information to do so well. Under OFP, such pressure is unnecessary — not because there is no requirement to be specific, but because this means "as specific as is reasonable under the circumstances." The trick is to balance reasonableness with rigor, to avoid being rigid but also being sloppy or wishy-washy.

As implementation proceeds, outcomes and implementation markers will normally become more specific and precise — for example, clarifying what "more" means in "more engagement." That "more" may be qualitative as well as quantitative. Qualitatively, more engagement could mean specific audiences and types of engagement. Quantitatively, it might take the form of a target number (e.g., 1,000 citizens) or it could be a percentage change (e.g., 10 percent).

Articulating outcomes with greater specificity and precision depends in no small part on identifying, collecting, and using good, timely data. We must work diligently to gather and refine the information needed to understand whether we are making progress. Ideally, we will collaborate with and support grantees to do so, striving for the least possible burden on them. Systematically

Evaluations during implementation focus on aspects of a strategy that offer timely opportunities for learning or decision making that are important to the strategy's success.

collecting data about where we are (or are not) gaining traction helps us choose specific issues or pathways to focus on, and improves our ability to determine the best and most reliable measures of progress. Programs gather and use this information in different ways. In some fields, such as performing arts, shared data systems like the Cultural Data Project are well-established mechanisms for grantees to share common data with a variety of funders. In other strategies, such as Western Conservation, an external consultant collects annual data from grantees on their progress.

In most circumstances, staff will find it beneficial to work with grantees on their overall approach to measurement. The Education Program's Deeper Learning team invested a great deal of time and money working with partners to develop a shared approach to monitoring and evaluation — ultimately articulating joint outcomes for 2017, together with key activities for the intervening years.

The Philanthropy Program took a similar approach in its Knowledge for Better Philanthropy strategy, which seeks to inform and improve funders' thinking and decision making. Grantees were producing reports and articles that were objectively good taken individually, but a lack of common measures made it impossible to know whether or how the philanthropic community was using these reports, much less which were most or least influential. Program staff proposed developing a collaborative study to measure influence on the field. That effort at collective measurement, a first for this community, is still very much a work in progress. But just launching it has helped the partners better understand their respective target audiences and strategies for influencing them.

Not every strategy can or should have a collective approach to refining outcomes, tracking progress, and collecting data. In considering whether to pursue a shared measurement effort, it is fair to ask how useful it will be to the relevant stakeholders and whether the benefit of having the information is worth the cost and effort of generating it.

Evaluating the work

Evaluation threads across all four stages of the strategy lifecycle. Looking back again at chapter 2 on Origination, developing evaluation questions to answer along the way is an important part of strategy creation. Carrying through during implementation then typically involves commissioning targeted evaluations to inform the team's ongoing work and establishing a baseline against which a comprehensive evaluation can assess progress down the road. Targeted evaluations

may focus on discrete parts of a strategy (e.g., a substrategy or cluster), assess high-risk or untested approaches (e.g., a pilot program), or look into particular sorts of activities (e.g., policy advocacy). Evaluations during implementation most usefully focus on aspects of a strategy that offer timely opportunities for learning or decision making that are important to the strategy's success.

The Education Program has made good use of targeted evaluations in connection with its Deeper Learning strategy. Three years into the strategy, the team commissioned an evaluation of the cluster of grants focusing on policy advocacy. It was premature to expect policy to have changed in such a short time, so instead staff asked questions to test whether the strategy was making such change more likely: How aligned are current grantees with Deeper Learning? What is their track record to date? How effectively are grantees communicating information about Deeper Learning to their constituents?

While most of the policy grantees were aligned with the program's priorities, the evaluation identified a few standouts that were particularly credible and effective, as well as more amenable to working collaboratively. Based on these findings, the Deeper Learning team shifted several high-performing grantees from short-term project grants to larger and longer general operating support (GOS) grants and tied off some less-aligned organizations. The team has since planned for or commissioned additional targeted evaluations — both to strengthen their ongoing work and to inform a summative evaluation of the overall strategy.

Learning from foundation colleagues

Staff in other programs and departments can be a tremendous resource in helping teams reflect and learn as they implement their strategies. Programs are required to update the whole staff on each strategy (or substrategy) at least every other year, and the foundation's organizational learning activities — from In-Town Weeks and Shop Talks to various forums and retreats — provide opportunities for sharing information and finding guidance throughout the year. The Board Advisory Committees play a similar role, providing feedback and guidance to staff on particular strategies.

Sometimes teams invite colleagues from across the foundation to participate in "pre-mortems," an exercise that helps pressure test strategies by imagining it is years later, the work has failed, and staff are looking back to consider how problems might have been avoided or mitigated.

Chapter 6 provides a detailed look at the roles and responsibilities of foundation staff and others in OFP.

Monitoring the External and Internal Landscape

- What important developments have occurred outside or inside the foundation that could affect your strategy? Are course corrections needed?
- Are your implementation markers helping you track progress and monitor developments? Are adjustments needed to make them more effective?
- Are you tapping other departments — the Effective Philanthropy Group, Communications, Grants Management, and Legal in particular — for consultation and support?

Remaining flexible in order to learn, adapt to experience, and change as needed is a hallmark — perhaps the hallmark — of OFP. Developments inside and outside the foundation inevitably occur that demand consideration and sometimes call for a shift in course. Some of these developments will have been anticipated and flagged as implementation markers; others may be unexpected. To navigate effectively, staff must keep their eyes and ears open — relying on colleagues, grantees, the media, and other stakeholders to keep them informed. Equally important, staff must remain open-minded about making potential minor or major adjustments when warranted.

By way of example, GD&P's strategy to promote women's economic empowerment was profoundly affected by a variety of changes in the external environment — some with our involvement, others simply fortuitous. Melinda Gates embraced women's empowerment as an issue, creating new potential for high-profile, well-resourced programs. The United Nations approved women's equality and economic empowerment as one of the new Sustainable Development Goals. And the World Bank and International Monetary Fund made ambitious statements about integrating women into industrial and labor policy. The effect of these developments and others was to create new opportunities that led GD&P to move the strategy to emphasize the production of data to make women's roles in the economy more evident.

Photo Credit: Jonathan Torgovnik/Getty Images Reportage

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General Operating Support: A Vital Means To A Strategic End

Excerpted from the President's Letter, October 21, 2014

By Larry Kramer, President, Hewlett Foundation

The Hewlett Foundation's long-standing preference, whenever possible, is to provide organizations with long-term, general operating support. In a typical year, at least 65-70 percent of our programs' grant dollars are given in the form of discretionary support, whether to a whole organization or to a program within an organization that pursues multiple missions.

It is critically important to bear in mind that general operating support (GOS) is a means and not an end. Our intention is to find the best way to enable grantees to accomplish goals we both share, which in some circumstances may legitimately point toward grants that are shorter or smaller or project-based. Project support may be called for to ensure proper alignment between our mission and that of a particular grantee, for example. Or sometimes a grantee prefers project support for budgetary, legal, or internal management reasons. Sometimes a particular grant is part of a larger grant cluster, as when we make small project grants in support of the work of an anchor grantee who is receiving long-term GOS. The range of the foundation's work necessarily requires us to contend with a multitude of constantly changing circumstances and situations, making generalization impossible and, indeed, counterproductive.

The tricky part comes in implementing a strategy, and it is here that the interplay between our efforts to achieve results and our preference for long-term general support becomes important. The typical strategy has a more or less predictable lifecycle. The first few years are characterized by uncertainty and experimentation. No matter how well we have done our homework, no matter how precisely we have tried to articulate our theory of change, no matter how thoroughly we have scanned the field, it is only when we start making grants and seeing up close how different grantees perform that we can determine where to make deeper and longer investments. The early stages of a new strategy thus normally have a large proportion of grants that are project-based and, for this reason, shorter and smaller.

That is not always true, of course. Some strategies lend themselves to general support more easily than others, even in the early, experimental stages. This is true, in particular, where the strategic goal itself is to support some kind of institution (as opposed, for example, to producing a change in public policy). The core purpose of the Performing Arts Program's Continuity and Engagement strategy is to ensure ongoing support for arts organizations in the Bay Area; the

Philanthropy Program's Knowledge for Better Philanthropy strategy likewise aims to support journals, nonprofit organizations, and others that are in the business of generating research, analysis, and tools to improve philanthropy. Though grants may grow longer and particular recipients shift after the first few years, strategies like these can incorporate relatively high levels of general support from the outset.

But most of our strategies aim for a policy outcome of some sort, which requires finding organizations that are effective in moving policymakers or in helping create the conditions to do so. As there seldom are single organizations that cover all the bases or are capable of realizing our ends entirely by themselves, we identify and support clusters of organizations — cultivating an institutional ecosystem — that can, cumulatively, achieve our strategic objective. As a result, we typically begin these strategies by testing alternative approaches and experimenting with different organizations and combinations of organizations: things best done with shorter-term, project grants. For similar reasons, we expect to go through a courtship period with many new grantees, as we look to confirm alignment between our respective goals before committing to a deeper relationship in the form of long-term general support.

As time passes and we learn more, we can begin to reduce the number of grantees and shift to grants that are less restricted, larger, and longer.

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STRATEGY PROFILE:
Western Conservation

Conserving the ecological integrity of the West

By Michael Scott, Program Officer, Environment

Implementing a newly refreshed strategy provides a great opportunity to track results, prove or disprove the assumptions in the strategy, make adjustments, and generate data to inform the next refresh or an exit, as the case may be. The 2013 refresh of the Environment Program's Western Conservation strategy serves as a good example.

The strategy's goal is to conserve the ecological integrity of the western United States and Canada for the health and well-being of people and wildlife. It has substrategies focused on land, water, and energy.

The Western Conservation strategy identified two measures — acres protected and river miles improved — for ongoing monitoring to determine if we were on track to meet our outcomes. Using a consultant, we put together an annual data gathering process to track these metrics. The consultant works with grantees to gather both quantitative and spatial data (for example, how many acres have been protected and where they are located). In addition, we ask grantees to project their expected gains in acres and river miles for the next year. This gives us the data to report to the board annually on accomplishments, compare it to projections, and include new estimates of what will be accomplished in the coming fiscal year. It is a quick and easy check on progress toward the overall outcomes expressed in the five-year strategy.

These data give us an opportunity, if we find that grantees are deviating from estimated progress, either exceeding expectations or falling behind, to ask why. Did we, and grantees, over- or underestimate the ability to achieve progress, necessitating an adjustment to the five-year goals? Our river mile metrics are a good example. During implementation of the previous Western Conservation strategy between 2008 and 2013, we found that grantees were consistently exceeding expectations. After conversations with grantees, we came to see that their capacity to protect rivers was greater than we had estimated, so we increased our target for the next five-year phase by 2,500 river miles.

Monitoring individual grantee progress is critical to determine whether work is on course. But so, too, is asking (at a slightly broader level) how well key campaigns are faring. The Western Conservation effort's Land, Water, and Energy and Climate substrategies are supported by 10 campaigns — targeted sets of activities such as efforts to institutionalize "master leasing plans" across the West. We commission evaluations of

each of these campaigns at some point over the course of the five-year plan. These are not complex reviews. Rather than undertake extensive analysis, it usually suffices to seek the professional judgment of an experienced consultant. The purpose is to determine if the campaign is functioning as it should or if adjustments are necessary. Typically, an evaluation is 15-20 pages with recommendations.

These "mini" evaluations also play an important role when it comes time to refresh the entire strategy. Between data from our annual monitoring of individual grantees and qualitative assessments of the larger campaigns in which they are embedded, we have a wealth of information to evaluate the effectiveness of the overall strategy and to develop either the framework for a refresh or the reason for an exit.

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STRATEGY PROFILE:
Deeper Learning

Improving the quality of U.S. education so that all students are prepared for college, careers, and civic success

By Barbara Chow, Program Director, Education Program

By the time we received board approval for our nascent "deeper learning" strategy in March 2010, the strategy had been thoroughly researched and vetted. Over the course of the previous year, the Education team, working in conjunction with the Redstone Strategy Group, had consulted with over 100 education experts and practitioners, visited a wide range of schools, digested dozens of research studies, tested and retested specific approaches with a "kitchen cabinet" advisory committee, and completed the full Outcome-Focused Grantmaking sequence (when OFG was still in place).

We were ready — or so we thought — to begin grantmaking. The board gave us the go-ahead in March 2010, signaling an initial commitment to spend $130 million through 2017.

The plus side of the year of strategic planning is that we had "left no stone unturned." The discipline and rigor we applied to strategy development helped us make a strong case for the work and establish a clear, long-range goal. The downside was that a number of specific grantmaking ideas in the strategy were untested, and as we moved into implementation, we quickly realized that the work was not necessarily going to go as planned. As a practical matter, we found it challenging to translate the high-level and sometimes abstract goals into the day-to-day practice of grantmaking.

For example, our policy goal was to "steer the education system toward the institutionalization of deeper learning across the US by 2017." We knew then, as we do now, that we would rely heavily on the incorporation of high-quality, affordable assessments of deeper learning as a critical element. But what other policy changes would have the greatest impact? Which grantees were best positioned to undertake this work? Which had the capacity and alignment to carry it out? And how would we know that we were making progress along the way?

Making grant decisions was challenging for other reasons as well. The notion was that if we had general goals in mind, we could make particular grants to achieve them. The reality was more complicated. One organization could

be highly aligned in terms of what we both want to achieve, but lack the capacity to take on the work. Another organization could have plenty of capacity but lack enough alignment.

One alignment challenge stemmed from differences in language. The ideas undergirding "deeper learning" are hardly new — they have been present in education circles for many years under various monikers (e.g., 21st-century skills). When we entered the fray, the age-old debate over "skills versus knowledge" was going strong and we decided to create a new term, "deeper learning," to emphasize the integration of the two. However, this affected our efforts to create partnerships with grantees. Some organizations used slightly different language, but they gener-

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STRATEGY PROFILE:

Deeper Learning (continued)

ally shared our goals and ways of thinking about the issues. With others, we had to introduce a new term and overcome cynicism that this was just another education reform effort that would come and go.

We began to bridge theory and grantmaking practice at the substrategy level. Early on, we had some staff transition and brought in two new program officers who had not been involved in developing the overall strategy. So we began by having each program officer develop a theory of change and approach for connecting grantmaking to goals for his or her substrategy, consulting with and learning from grantees and others in the field along the way. It was a very collaborative process, with the entire program helping each program officer brainstorm and vet ideas. We had a lot of give and take, trying things out and seeing if they worked, and going back to the drawing board if necessary.

It remains a work in progress, with ongoing learning and adaptation, but today, our program officers and team are better equipped to make better-informed choices in their grantmaking. They can more effectively make specific trade-offs and balance alignment and capacity by taking high-level goals such as "policy reform" and breaking them down into more bite-sized questions. For example, in making choices about policy grantees, program officers consider the organizations' track record in achieving prior policy wins, relationships with policymakers, and flexibility in the face of political opportunity or setbacks. Once grantees are selected, if questions of effectiveness remain, independent evaluations of "clusters" of grant-funded projects have provided either confirming or disconfirming evidence of impact and alignment.

In sum, what we have learned is that well-thought-out strategic plans can present a useful and motivating vision and serve a critical anchoring function. However, grantmaking is more art than science — and underneath the stated objectives are often a series of untested assumptions. For these there is no substitute for articulating a hypothesis, testing it out, and modifying the strategy as more is learned and as the context shifts. Strategy is very much a living and a human process that must hold fast to clear goals while also adapting to new information and circumstances. This is what OFP's implementation phase is designed to achieve.

Strategy is very much a living and a human process that must hold fast to clear goals while also adapting to new information and circumstances.

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CHAPTER 4

Refresh

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REFRESH

Overview

While staff should be learning and adapting continuously, it makes sense from time to time to take a comprehensive look at how things are going — assessing progress, evaluating key assumptions, taking stock of major external and internal developments, and revising the work accordingly.

We call this a "strategy refresh": a methodical review that focuses on whether (and how) to make significant course corrections. Strategy refreshes typically include use of an independent third-party evaluator to help staff take a fresh look and apply lessons learned to a revised road map for moving forward.

We encourage staff to review the material on origination before launching a refresh. Much of the work during refresh consists of revisiting and updating work done while creating a strategy or initiative, and the final products — including a refreshed strategy paper — will likely resemble the originals in many respects. Re-familiarizing oneself with the original process may save time and improve the outcome.

Strategies are ordinarily approved for five- to 10-year periods, and a refresh will typically be done around the halfway mark. Strategies may be refreshed sooner — if, for example, the landscape has shifted significantly or it is already apparent that initial assumptions were wrong (whether for better or worse). Only rarely should a program wait longer than five years to conduct a refresh, and strategies that continue for more than a decade will therefore be refreshed more than once.

A refresh typically takes six to nine months, culminating in a document that is reviewed by the president and appropriate Board Advisory Committee, with a presentation to the full board. A refresh paper that documents the results of the process and describes modifications to the strategy is also typically shared (in whole or in part, as appropriate) with grantees, other stakeholders, and the field at large.

Photo Credit: IDEO.org

Each cluster's guiding questions are listed alongside its description below. The Refresh worksheet, which can be found in chapter 7, has the complete list of questions, along with guidance about processes to follow, information and work products to produce, and sources of support that staff can tap for help.

Guiding Questions

At each stage in the strategy lifecycle, OFP instructs staff to consider specific guiding questions. In the refresh stage, these questions fall into four clusters:

1) assessing progress to date
2) scanning for developments in the field and at the foundation
3) refining the strategy
4) contemplating exit

If staff have been implementing their strategies well — monitoring external developments, tracking progress, conducting targeted evaluations, and the like — they should enter the refresh process well positioned to tackle the guiding questions. It is nevertheless important to consult stakeholders, both allies and skeptics, throughout this stage. This includes grantees, other funders and pertinent nonprofits, government officials, and relevant private-sector actors. It also includes intended beneficiaries of our work, whose perspectives, opinions, and preferences should inform our thinking. Such conversations are bound to generate new information and insights, and they help staff keep an open mind about possible directions the refreshed work may take.

While seeking guidance, staff must take care not to inadvertently create an expectation that we will act on all the advice we receive. This is especially important when consulting current or potential grantees, who may develop unrealistic hopes or beliefs about future funding. External consultants may be useful in communicating with stakeholders in the field — enabling us to reach a wider audience and obtain unvarnished feedback from sources otherwise inclined to tell us what they think we want to hear.

It is essential to understand the origins of the strategy being refreshed, and staff should consult documents prepared during the origination stage, including supporting analysis and memos by or for the program director and president, the strategy paper presented to the board, and so on. This is essential for new staff, but should be done even by staff who worked on the original plans, as memory can fade and is often selective. The same is true for materials created during implementation. AppSums (proposal summaries), closing reports, and annual budget memos provide invaluable data for staff as they size up the work and explore the need to change direction.

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Assessing Progress to Date

- What are your intended outcomes and implementation markers, and what progress have you made toward them? What have been your key successes and misses?
- What factors have enabled or inhibited progress?
- Which activities (e.g., research, policy advocacy, citizen engagement) have been most and least effective, and why?
- If progress has been made, what can you say about whether and to what degree grantees had a role in driving it? Which grantees have been most effective and why? Least?
- Which "beyond the grant dollar" activities have been most and least effective, and why? Consider activities such as convening grantees, introducing them to other funders, and bringing attention to their research.
- What were the strategy's original assumptions? Given what you know now, were they valid? Are they still? Why or why not?
- What targeted evaluations did you conduct during implementation? What were the major takeaways? How will these inform a full strategy evaluation during refresh?
- Did the anticipated risks play out? If so, how did you mitigate them?
- Did the strategy have unintended consequences, whether positive or negative? Did you make unexpected changes? What key lessons should you take away?

It is not enough just to understand what happened.
We also need to understand why it happened.

This first cluster of guiding questions focuses on whether work is progressing in the expected direction at the expected pace and whether it is gaining traction. How easily and effectively we can assess progress during refresh depends on how well staff laid the groundwork during origination and implementation. This includes the extent to which a team established useful outcomes and implementation markers, further specified them along the way, and tracked their progress.

It is not enough just to understand what happened. We need also to understand why it happened, and several of the guiding questions are designed to help programs identify and unpack key factors that have enabled or inhibited progress. Teams are asked to reexamine assumptions made when the strategy was created, including matters within the foundation's control (e.g., financial resources available for the work) and those outside its control (e.g., economic conditions, political climate, resources in the field).

The 2015 refresh of the Transparency, Participation, and Accountability strategy is illustrative. When launched, the strategy focused primarily on transparency, funding grantees to promote global norms and standards that prompt governments to disclose information about public revenues and expenditures. These grantees had made impressive gains, but in the process of refreshing the work, GD&P staff came to realize that better information alone did not translate into citizen action and government accountability. As this

Photo Credit: Ashley Hockenberry

was a key assumption underlying the strategy, the realization required a significant change in approach.

The revised strategy still supports efforts to advance global norms and standards, but it has added a new focus on participation — seeking ways to motivate citizens to demand public sector responsiveness and to strengthen channels for citizens constructively to communicate and collaborate with government. Staff also incorporated a robust learning agenda (wanting, for instance, to learn how and under what conditions citizen groups and social movements can most effectively influence government responsiveness).

Staff are not required to use third-party evaluators when they refresh their strategies, but such assistance is useful in gathering critical data. Perhaps more important, independent evaluators can ensure that staff are not operating with blinders on by offering an unbiased perspective on whether and why a strategy is (or is not) succeeding. This need not entail starting from scratch, and the comprehensive evaluation done as part of refresh can and should build on targeted evaluations commissioned earlier, during implementation. It may, however, add some new data while putting all the pieces of the puzzle together in a new light.

Consider the 2013 refresh of the Western Conservation strategy. The Environment Program brought in two evaluation teams: one focused on policy, the other on science. Both teams drew on previously conducted "mini" assessments of substrategies and grant clusters. Each focused on its particular expertise before coming together with program staff to develop a comprehensive view that synthesized both perspectives.

Keep in mind that third-party evaluations take time, money, and effort. It can take two to three months to develop a request for proposals and select an evaluator, and an additional six to nine months to complete the evaluation, analyze the findings, and develop revised plans. EPG can guide staff through the process while providing user-friendly materials that highlight key steps, hands-on assistance in designing and commissioning evaluations, and other support as needed.

The comprehensive evaluation done as part of refresh can and should build on targeted evaluations commissioned earlier, during implementation.

Scanning for Developments in the Field and at the Foundation

- Has the external landscape, including the nature of the problem or opportunity, changed significantly and, if so, how? What, if any:
  - important new research, data, or knowledge about the problem has emerged?
  - significant opportunities have emerged — e.g., new science, funders, readiness for action by decision makers?
  - major challenges have emerged or worsened?
  - noteworthy organizations have entered or exited the field?
- Have internal conditions changed significantly? If so, how — e.g., a program officer departure or other major staff transition, board interest, funding levels? How might that affect the work?
- Have you consulted with other departments, particularly those that work closely with programs in refreshing strategies — the Effective Philanthropy Group, Communications, Grants Management, Human Resources, and Legal?

The guiding questions in this cluster ask staff to consider evolving circumstances in the field and at the foundation and to assess how these might affect the work going forward. This could involve everything from research that sheds new light on the problem to uncovering unexpected champions who can encourage decision makers to act, exposing political and economic shifts likely to facilitate or impede reform, or making significant changes in the program's different lines of work. Remember that monitoring the external and internal landscape is also part of the implementation process, so staff should already have a great deal of knowledge and fairly well-developed intuitions about relevant changes and conditions.

When the Performing Arts team refreshed its Next Generation Arts Leadership substrategy in late 2014, for example, it began by comprehensively reassessing the landscape. The substrategy had been focused on preparing emerging leaders — defined as 18- to 35-year-olds with 10 years or fewer of experience — for careers in the Bay Area arts community. Staff knew the field had changed significantly since this work began

in 2009, but they commissioned research to help them and others in the field better understand how and why.

The researchers found that economic pressures, increasing professionalization of the field, and demographic shifts in the Bay Area were significantly reshaping the evolution of performing arts leadership. Opportunities for advancement by early- and mid-career leaders had not materialized as anticipated because leaders from the Baby Boom generation, feeling financially insecure, were choosing to defer retirement. Younger leaders, in the meantime, had more training than their elders and were, as a result, particularly eager to advance and take on new responsibilities. This left arts organizations struggling to manage a wide range of career development needs, distinct work styles, and disparate expectations about leadership and workplace culture. The Performing Arts team responded by making important changes to the substrategy — including expanding the focus to include helping mid- to late-career managers find new ways to share responsibilities and authority within their organizations.

PROGRAM OFFICER PERSPECTIVE ON WWW.HEWLETT.ORG

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SOURCES OF SUPPORT:

Office of General Counsel

By Elizabeth Peters, General Counsel

Lawyers in the foundation's Office of General Counsel are assigned to specific programs, enabling them to provide efficient and effective support throughout the lifecycle — advancing programmatic goals while ensuring compliance with legal requirements.

Legal advice is helpful and important at every stage of the strategy lifecycle, including ways that facilitate creative thinking. Our discussion of collaboration in the chapter on implementation draws heavily from the Legal department's detailed guidance on structuring funder collaboratives. Staff attorneys serve as important information resources and thought partners during refresh as well. The Legal team can help programs think through a wide variety of guiding questions. For instance, our attorneys help program staff draft and execute contracts for evaluation and monitoring projects, as well as provide legal guidance for evaluating the foundation's role in public policy advocacy campaigns and citizen/voter engagement activities. When it comes to considering possible changes to a strategy, including desired outcomes, the Legal team helps program staff think creatively about how to support different types of grantee organizations and activities. Staff attorneys play a critical role in considering how to reach advocacy goals while complying with the foundation's legal obligation to remain nonpartisan and not to engage in lobbying activities.

Legal staff also provide input to programs about litigation, investigations, or other important developments that have occurred since a strategy was first designed or that are anticipated to occur in the near future. These may inform course corrections in refresh and affect many facets of implementation going forward.

The Legal team helps program staff think creatively about how to support different types of grantee organizations and activities.

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Refining the Strategy

- Based on everything you have learned, what, if any, changes should you make to the following?
  - problem or opportunity statement
  - outcomes and implementation markers
  - key investments to support the theory of change
  - "beyond the grant dollar" efforts
  - substrategies, grant clusters, or individual grants
  - assumptions underlying key components of the proposed strategy
  - support for building grantees' capacity
  - timeline
  - budget and staffing
  - expectations of risks and mitigation plan
  - evaluation questions and evaluation plan
  - communications strategy

Deciding on changes

Armed with evaluation findings, input from people with a range of perspectives, and a better understanding of challenges and opportunities that could influence the work moving forward, staff will decide whether, to what degree, and how the strategy should change. This cluster of guiding questions helps staff better understand important elements they need to consider. Choices run the gamut from staying the course to making minor adjustments to significantly altering or even ending a strategy.

Three examples illustrate programs' tailored responses to these guiding questions:

INTERNATIONAL WOMEN'S REPRODUCTIVE HEALTH

One of the foundation's most enduring commitments is to provide women with access to family planning and reproductive health services. When GD&P staff refreshed their International Women's Reproductive Health strategy in 2013, they recognized the need to adapt to changing social, economic, and political circumstances. "Reproductive health in the international sphere is what you'd call a 'mature' field," wrote Margot Fahnestock, a GD&P program officer, in a website blog at the time. "[T]o reach the next wave of contraceptive users — particularly young women, rural women, and poor women in

sub-Saharan Africa — donors, governments, and service-delivery organizations will have to think and do business differently."

Among other changes to the strategy, staff decided to use human-centered design to improve the delivery of quality services to adolescent girls and young women. Human-centered design uses immersive fieldwork, interviews, and other methods to understand what potential clients want and need, followed by prototyping and experimentation to develop and test ways to improve the service-delivery experience. The team has made grants to a major reproductive health service provider and a nonprofit organization specializing in human-centered design to collaborate on compelling ways to reach teenage girls.

OPEN EDUCATIONAL RESOURCES

The Open Educational Resources (OER) strategy began in 2001 as an experiment. With support from the Mellon and Hewlett foundations, MIT made content from its undergraduate courses available free online. Simultaneously, the Hewlett Foundation funded the creation of Creative Commons, which developed easily used licenses to make copyrighted material freely and openly available. These were originally meant to be one-time investments, but staff soon realized that an opportunity existed to build a field for free and widely accessible educational materials. The Education Program crafted a strategy focused on supporting new institutions to provide critical infrastructure for the burgeoning field of OER.

Photo Credit: Jonathan Torgovnik/Getty Images Reportage

Photo Credit: Joe Mikos/Expeditionary Learning

When the program took stock of the strategy in 2015, it concluded that progress had outpaced expectations. Use of OER had increased exponentially as early adopters discovered benefits from using openly licensed materials beyond just reduced costs. The staff decided to pursue a more ambitious goal: not just building a field, but actually achieving mainstream adoption of OER. To do so, it shifted from just supporting infrastructure to also addressing particular problems facing teachers and students for which OER offers a unique solution. To combat the high cost of textbooks in community colleges, for example, staff launched a time-limited initiative called the zero-textbook-cost or ZTC-Degree Initiative, which enables students to complete an entire degree program using free OER.

ORGANIZATIONAL EFFECTIVENESS

The foundation's Organizational Effectiveness program (OE), overseen by the Effective Philanthropy Group, was created in 2004 to help address a perpetual and formidable challenge: helping the organizations on which we depend to adapt and respond to change. OE provides relatively small, targeted grants to current grantees for strategic planning, board development, fundraising, and other needs to help strengthen their organizational health and resilience. The program aims to help grantees build their internal capacity, making their work (and so ours) more likely to succeed.

The OE team commissioned an independent evaluation of the program in 2014. It found that short-term, targeted OE support has positive and

Whether maintaining or changing course, it is important to engage others in "pressure testing" proposed plans

immediate effects on grantees' capacity, but that we know too little about long-term effects. Better systems are needed to collect and analyze data to help the OE team understand whether and why the program is (or is not) achieving long-term impact. That work is underway in the refreshed strategy.

Pressure testing ideas

Whether maintaining or changing course, it is important to engage others in "pressure testing" proposed plans. A variety of ways exist to get useful feedback for this purpose. In summer 2016, the Madison Initiative team shared a draft of its refreshed strategy first with its grantees and then with the field more broadly, inviting constructive feedback and advice. The Transparency, Participation, and Accountability (TPA) team asked outside experts to review a draft of its refreshed strategy paper. The Climate team convened colleagues from other programs and departments at the foundation to question the assumptions of its redesigned strategy.

This last method can be particularly helpful. Staff in the foundation's other programs and departments know how to be "critical friends" — drawing on their experience to spot confirmation bias, identify potential barriers, or unearth other problems in the draft strategy. As with external stakeholders, help may be sought in any number of ways, ranging from asking individuals to review a draft to convening a group to poke holes in a proposed approach. The latter approach sometimes takes the form of a "pre-mortem," in which colleagues gather and imagine that it is several years in the future and the refreshed strategy has failed miserably. Participants try to identify what might have gone wrong and brainstorm about how the problems might have been mitigated or avoided.

Board Advisory Committees also play an important role in refresh by reviewing draft strategy papers and other materials, posing tough questions, and helping staff prepare for a full board discussion.

Sharing results

The final step in the process involves sharing the refreshed strategy paper with foundation colleagues, grantees, other partners, and the field at large. Programs should work closely with Communications staff to develop a dissemination plan, including deciding whether the board version of the paper needs to be revised for external use (e.g., to protect the privacy or confidentiality of external contributors).

Sharing with grantees is critical. Current and potential grantees need to understand our approach to engage with us productively and to decide whether their work aligns with ours. At the end of the refresh processes for both TPA and OER, staff held conference calls to walk grantees through the plans, get input, and answer their

A note about risks

When originating a strategy, staff identify potential risks and articulate how they plan to avoid or mitigate them. These predictions should be revisited during the refresh process, as the risks may have changed. When the Climate Initiative was first launched, for instance, staff had identified the problem of attracting new funders as a risk. They were right, but the original plans for mitigating the risk and bringing in new funders had proved unsuccessful. An important element of the refresh process involved drawing on this experience to develop new and different ways to engage funders. The result: a new form of collaboration that replaced efforts to pool funds with a "funders' table" — a forum for sharing information and coordinating grantmaking that has proved successful in attracting additional funds and funders.

questions. Two-way communication with grantees — in which we understand their questions, concerns, and ideas — helps us be more effective grantmakers.

Other funders also may want to understand our strategies to inform their thinking and grantmaking and to decide whether to co-fund or fund others to coordinate. And other parties — policymakers, government officials, journalists, business leaders, researchers and advocates in other fields, and so forth — often have interests that our work might inform. Beyond engaging key partners, we hope everyone can learn from our experience, avoid our mistakes, and build on our successes. This is part of the foundation's commitment to transparency and openness.

We should make what we have learned and what we have decided to do as a result broadly available. Just putting strategy papers on our website may not be enough. Social media — tweeting, blogging, posting on Facebook, etc. — can reach many different audiences. Philanthropy, trade, or mainstream press may be interested in covering the work or publishing commentary by foundation staff, grantees, or funding partners. As always, conferences, meetings, webinars, and the like provide opportunities to discuss the work.

Finally, programs should plan to present the revised strategy to the rest of the foundation's staff — at an all-staff meeting, for instance, or as a Shop Talk.

SOURCES OF SUPPORT:

Communications

By Vidya Krishnamurthy, Director of Communications

The foundation's Communications department helps programs develop, implement, and measure the success of communications strategies for their work and the work of their grantees. Rather than serve as "marketing" for the foundation, our Communications officers act as partners with program directors and officers.

Communications staff participate in the refresh process by focusing on the communications-related guiding questions, grantmaking opportunities and risks, and the success of the communications-related work in the field. Each program's Communications officer helps grantmaking staff identify key audiences and decision makers and determine whether communications-related capacity gaps exist in the field.

For example, when the Education Program's strategy on Open Educational Resources (OER) shifted from a focus on early adopters to encouraging more widespread adoption of OER, grantees had difficulty defining OER for new audiences. The Communications officer helped program staff spot the problem, clarify grantees' perspectives about priority audiences and capacity gaps, and figure out how the foundation could help fill these gaps in ways that complemented grantees' existing work.

The Communications team also helps programs design communications strategies for sharing information about a refresh with grantees, peers, and the public. When GD&P updated its Transparency, Participation, and Accountability strategy, Communications arranged to publish the revised strategy paper online and share it via blog, email, and social media. It also helped organize a conference call for grantees to ask questions and learn about the refreshed approach firsthand.

Rather than serve as "marketing" for the foundation, our Communications Officers act as partners with program directors and officers.

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Contemplating Exit

- Under what circumstances will you exit the work? (E.g., it is a time-limited initiative, or the strategy has succeeded, failed, or irreversibly lost traction.)
- If you foresee an exit, what is the anticipated timeline?
- How will you know whether these circumstances exist?

The purpose of a refresh is to take a hard look at how the work is going with an eye toward making it even better. As a practical matter, however, this is also where staff are most likely to come across reasons to consider winding down a line of work — whether a strategy, a substrategy, or a grant cluster. We discuss how to identify and handle this prospect in chapter 5 on Exit, which provides guidance about formulating and implementing an exit plan.

The guiding questions in this fourth cluster of refresh are designed to help staff identify and begin to flesh out those issues. Even if no significant reasons to exit surface during the refresh process, staff should ask themselves: "Under what circumstances would we exit this strategy? How will we know if those circumstances exist?" (Bear in mind that the circumstances may involve either success or failure, both of which can provide a reason to end something.) Staff should, at the same time, consider other questions that help guard against confirmation bias and complacency — for example, "is our strategy still providing value?" or " would the work continue just as well without us?"

Deciding to end particular grants or grant clusters is something that happens throughout the strategy lifecycle, even when a broader exit is not in play. The guidance in this cluster and in chapter 5 can help staff navigate those smaller-scale exit processes as well.

Chapter 5 offers comprehensive guidance on exiting.

STRATEGY PROFILE:
Climate Initiative

Transforming the global economy away from fossil fuels and toward efficient, renewable energy sources

By Tom Steinbach, Program Director, Environment Program

In early 2008, the Hewlett Foundation launched a five-year, $500 million initiative aimed at cutting global greenhouse gas emissions to mitigate the worst effects of climate change. As the Climate Initiative approached the five-year mark in 2013, we recognized that it was time to step back, assess progress, and refresh our approach as part of a board process to consider renewing the initiative.

The stakes could hardly have been higher. This was the largest initiative in the foundation's history. It was also the most ambitious — requiring a fundamental transformation in the global economy away from fossil fuels and toward efficient, renewable energy sources. Further raising the stakes, the Hewlett Foundation's role was such that its decision whether and how to continue would have profound implications for how other philanthropies viewed the prospects for progress on climate change, not to mention for resources available to the global network of NGOs working on the problem.

When the initiative was first launched, momentum for addressing climate change was building: Hurricane Katrina, An Inconvenient Truth, a booming global economy, the election of Barack Obama, and growing public demand for action had combined to make policy changes that could put the planet on a path to sustainability seem feasible. But even the most auspicious conditions can change, sometimes quickly, and by 2011 this momentum had evaporated in the face of global recession and effective opposition from fossil fuel interests. Progress had been made, including many gains in Europe and strong new policies in a few U.S. states. But these were offset by significant setbacks in larger arenas, especially the failure of national climate legislation in the U.S. and negotiations for an international climate change treaty in Copenhagen.

It was at this moment that the Environment team launched a climate strategy refresh. At the time, the foundation was using the Outcome-Focused Grantmaking (OFG) framework, which focused heavily on defining specific goals, outcomes, and measures of progress. And in these respects, the original climate strategy

was quite robust. We had a clear goal: cut emissions enough to ensure that average global temperature would not increase more than 2 degrees Celsius. Our outcomes and progress indicators were also specific, aiming at the adoption of particular public policies in the U.S., China, India, Europe, and Latin America.

Because OFG was focused on strategy creation, it offered less guidance when it came to implementing or refreshing a strategy. When the Climate Initiative was launched, we assumed that leaders were ready to act and that momentum for policy change would remain strong. We thought they needed only technical support to develop and implement effective solutions. The original strategy did not anticipate the Great Recession or the effectiveness of attacks on climate science that, together, decimated the appetite for policy action. As a result, we were unprepared to adjust our funding to build public will or defend the scientific basis for climate change.

Photo Credit: Ben Hattenbach

STRATEGY PROFILE:

Climate Initiative (continued)

In the refresh process, the Environment team followed a process consistent with the new OFP framework. We spent more time articulating the assumptions underlying the Climate Initiative's goals and strategies, including assumptions about the external environment, and we articulated warning signs that would trigger further reassessment. We pressure tested the new strategy by hosting a pre-mortem in which we convened climate and other experts to join us in imagining scenarios in which our refreshed strategy had failed. We asked them to help us understand why and, with that in mind, to help identify steps we could take to avoid the problems.

As part of refresh, we mapped the field for capacities we now recognized as critical to achieving our specific climate strategies. Experience had made clear, for example, that we were not set up to influence the agencies making new policies and that both we and our partners lacked capacity to adjust quickly to changing conditions. This recognition, in turn, helped us focus the refreshed strategy on building capacity and strengthening connections in areas of relative weakness — including, for example, strengthening our connections to political conservatives and Latinos and incorporating outreach to global business leaders.

The OFP guiding questions that we developed subsequently for refreshing strategies — based in part on lessons learned in our process — provide a powerful road map we could have used and most certainly will use in future strategy refreshes. They are relevant to thinking through both the overall strategy and its component substrategies, such as advancing renewable energy policy in California.

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CHAPTER 5

Exit

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EXIT

Overview

Ending a strategy is trickier than one might think. At least, doing so well is tricky, particularly if one takes seriously the responsibility to be fair to grantees and other stakeholders.

It is imperative when the foundation exits a strategy or initiative to do so thoughtfully, openly, and respectfully. This includes careful planning, beginning as soon as exit is on the table. Still more important, it includes communicating clearly to grantees, funding partners, internal colleagues, and the larger field why, when, and how we are leaving. Exiting well includes avoiding surprises, making an effort to learn about accomplishments and setbacks, sharing those lessons with others, and trying to leave grantee organizations and the field stronger than when we entered.

These same objectives apply when we wind down substrategies, grant clusters, and even support for anchor grantees. In fact, exiting work at those levels is much more common, and staff can and should draw on the material in this chapter that refer to those instances as well.

Guiding Questions

At each stage in the strategy lifecycle, OFP instructs staff to consider specific guiding questions. In the origination stage, these questions fall into four clusters:

1) planning for an exit

2) understanding and summarizing results

3) managing the exit with external and internal stakeholders

4) using and sharing what we have learned

Each cluster's guiding questions are listed alongside its description below. The Exit worksheet, which can be found in chapter 7, has the complete list of questions, along with guidance about specific processes to follow, information and work products expected, and sources of support that staff can tap for help.

Planning for an Exit

- What is the rationale for ending this strategy? This is usually not applicable for initiatives, which are time-bound from the outset
- What is the anticipated end date for the work?
- Which departments — e.g., the Effective Philanthropy Group, Communications, Finance, Grants Management, Human Resources — will need to be involved in the exit? How and when will you work with them?
- Have you commissioned a third-party evaluator?
- Should aspects of the work continue? If so, why, and in what form? What are the implications for the foundation and the field?

Timing

The first cluster of questions focuses on the most important and difficult issue: how does one know whether and when to exit a strategy?

As discussed above, initiatives are designed to end after a specified time period, and their duration is set and explicitly announced when they are approved. Most initiatives are run by programs — adding resources to the program's regular budget for a time. When the initiative ends, so do the additional resources, though the program can choose to use some of its regular budget to continue aspects of the work.

Consider, for example, the Quality Education in Developing Countries Initiative (QEDC), which was directed by GD&P. The goal of QEDC was to improve learning outcomes for children in developing countries. A strand of its work entailed support for citizen-led, household-based assessments to understand and measure whether students were learning. The eight-year initiative wound down in 2014 just as GD&P staff were refreshing the program's international transparency and accountability strategy. As part of the refresh, staff decided to continue support for QEDC's learning assessments, only now as a means to explore whether and how citizen-generated information might affect policy and improve service delivery. The program expects to learn such things as how information generated in citizen-led assessments can be used to catalyze local action by parents, teachers, local officials, and other community leaders; which ways of presenting information are most likely to encourage

citizen action; and what information to couple with assessments to increase their effectiveness in producing action.

When it comes to regular program strategies, the opposite presumption prevails: these strategies pursue long-term, highly aspirational goals, and we assume they will continue. Many of our program strategies have run for decades, with periodic refreshes along the way, though teams may and often do wind down substrategies or clusters of grants.

A program will occasionally end a strategy if it has succeeded, failed, irreversibly lost traction, or confronted some other development — e.g., a major economic downturn — that forces the issue. The foundation wound down the Conflict Resolution Program after concluding that it had achieved its goal of establishing a vibrant, self-sustaining field, and we ended the Nonprofit Marketplace Initiative (NMI) after concluding that it was falling far short of its goals and was unlikely to do better.

Such determinations are rarely clear or easy. There is, after all, always more one can do. We deemed the field of conflict resolution to be self-sustaining after two decades of Hewlett Foundation support, but certainly we could have continued to build capacity or push for more innovation. Likewise, we could have continued trying new approaches to make NMI work; indeed, some critics of the decision to exit said we were acting prematurely and urged us to give it more time.

Ultimately, the decision to exit is a matter of informed professional judgment. We look carefully at the information we have gathered — data, evaluations, consultations, and evidence of progress — and make the best decision we can about whether to continue investing resources. The guiding questions in this cluster are designed to help shape and structure that conversation and analysis.

A program will occasionally end a strategy if it has succeeded, failed, irreversibly lost traction, or confronted some other development that forces the issue.

Planning

As a practical matter, reasons to consider exiting a strategy (or substrategy) will typically arise during the hard look taken at the refresh stage. Initial planning for how to handle the wind-down should begin at that time as well. Initiatives are different. As these are time-limited from the outset, staff can and should give their partners and the field as much notice as possible at the very outset of the work.

Whatever the context, staff should begin to develop a clear and comprehensive exit plan as soon as they have a good sense about when the work will likely wrap up. This plan should, at the very least, include: (1) criteria for final grants, including potential "tie-off" support and/or other resources needed to help grantees continue their work; (2) ideas for engaging the board, Board Advisory Committee, and staff; (3) plans for a third-party summative evaluation; (4) a communications strategy for grantees, current and potential funders, and others in the field; and (5) thoughts about how to communicate lessons learned so a final report or evaluation does not just sit on a shelf. These elements are fleshed out below.

Careful planning is helpful for the many departments whose work will be affected, such as Legal, Communications, Finance, and Grants Management. Externally, planning ahead enables us to mitigate adverse effects on the field and to fully engage affected stakeholders. It also helps make maximum use of our resources.

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Understanding and Summarizing Results

- What were the strategy's goal, outcomes,and key implementation markers? To what extent did the strategy achieve them?
- What were your major accomplishments? Shortfalls?
- What were the most significant factors in enabling or inhibiting success?
- What lessons did you learn? What would you have done differently?
- What are your recommendations for your colleagues, other foundations, and the field?

The need for continuous learning is a central theme of OFP, and this is no less true when it comes to winding work down. We should not end a strategy or initiative without making an effort to understand, summarize, and share the results of our work. This can be time-consuming, but the benefits for us and for the field are more than worth the effort.

First, we want to understand what happened and to know whether our efforts made a meaningful difference. Moreover, even if a particular effort is shut down, we often will continue working in the field, making lessons learned useful for future grantmaking. Nor are these lessons necessarily limited to the particular field. The problems we work on may vary dramatically, but we generally approach them with the same basic tools: research, policy advocacy, capacity building, and the like. Understanding why a particular tool or approach worked (or did not work) on one issue will often inform its use on other issues. Finally, we want and hope that learning about our experience will be useful for grantees, funding partners, and others in the field.

If we have done our work properly in earlier stages, we should have plenty of information and insight to draw upon in assessing what happened. There will be strategy papers prepared at

If we have done our work properly in earlier stages, we should have plenty of information and insight to draw upon in assessing what happened.

the outset and during refreshes, board memos, targeted evaluations, reports on or about individual grants, and a variety of additional data collected through monitoring ongoing progress. A third-party evaluator, working closely with program staff, can help make sense of all this information, while also gathering new information and providing an independent perspective. In addition to reviewing the materials listed above, an evaluator can conduct confidential and candid interviews with Hewlett Foundation staff, grantees, funding partners, and others in the field, as well as collecting new information through other appropriate quantitative or qualitative methods. The resulting final evaluation can assess the extent to which we met our outcomes and tell us why and how we fell short and what lessons our experience holds for the foundation and for the field.

Done well, third-party evaluations can be incredibly valuable, but they are not costless. On top of their financial price tag, these evaluations demand a great deal of time and effort from staff. As with evaluations during the refresh stage, it can take several months to develop an RFP and select an evaluator, followed by another six to nine months to complete the evaluation and still more time to disseminate the results. (For more on this, see the discussion below about "using and sharing what we have learned.")

EPG can provide guidance and recommendations for choosing and using third-party evaluators.

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Managing the Exit with External and Internal Stakeholders

- How and when will you communicate with grantees to help them plan for the change?
- How will you create the softest landing possible for grantees — e.g., with tie-off grants or introductions to other funders?
- If you are providing tie-off grants, what are the criteria you will use in determining the size and duration of support?
- How and when will you communicate, consult, and coordinate with others in the field, including funding partners, leaders of important organizations, and relevant public officials?
- What are other potential implications of leaving the field? What can you do, if anything, to mitigate negative, unintended effects?
- How can you sustain the positive impact of the work?
- How and when will you engage the president, your Board Advisory Committee, and the full board?

Grantees

Exiting a strategy can have consequences that must be managed with sensitivity and care. This is particularly true for grantee organizations, which suffer a loss of resources and are at risk of reputational harm as well. We have a responsibility to act thoughtfully, to communicate openly, and to do our utmost to minimize unwarranted and undeserved harm.

Clear communication is critically important. We should inform grantees of our plans to exit as soon as possible, so they can begin preparing for the change. It is best to convey this message personally — in face-to-face conversations, if possible — always followed by written confirmation. Better too much communication than too little.

For time-bound initiatives, the length of our commitment should be communicated clearly when a grant is first made. To further limit the possibility of any misunderstanding, it is important periodically to remind grantees of an initiative's end date. Both they and the foundation may have staff transitions, and we cannot assume that this information will automatically be passed on.

Our experience exiting the Nuclear Security Initiative underscores how crucial it is to have a strong communications plan and clear, thoughtful messaging in place early to minimize disruptions to grantees and our partners. An evaluation found that, while other things were done well, the foundation failed to communicate clearly to the field that the initiative had a limited time horizon. As a result, many grantees and other external partners — unaware the work was time-limited — expressed surprise and disappointment, some quite bitterly, when the exit was announced. Even though program staff communicated with peer funders about the possibility of our leaving the field, some partners indicated they had been surprised by the abruptness of our exit. And although staff later communicated the board's decision to exit to grantees individually, many wished they had known sooner so they could help shape the exit.

Consistent with the foundation's commitment to sharing our lessons learned, program staff worked with the communications department to close out our work on nuclear security by sharing these and other findings from the evaluation with partners and the larger field through online and in-person presentations and via our website.

In addition to communicating clearly, the foundation should do its best to create a soft landing for grantees — using tie-off grants or longer than usual awards to give grantees time to transition.

There are no rules to determine how much, how long, or to which organizations transition support should be offered, but in general we should be generous. When the Philanthropy Program ended the Nonprofit Marketplace Initiative (NMI), it gave every grantee in the portfolio a tie-off grant equal to its last grant. These grants ranged in size from $100,000 to $800,000, with total transition support in the millions of dollars — a significant investment in a group of organizations the foundation was not planning to work with any longer. It was, nevertheless, the right thing to do: Tie-off grants help organizations transition responsibly and build good will in case we want to work with them again later. Often, they are critical to sustain the impact of our efforts.

We can, moreover, provide other forms of support to enable smooth exits. In winding down the Nuclear Security Initiative, for instance, the program officer spent a great deal of time helping grantees find other funders. With NMI, we went out of our way to state publicly that the decision to end the work resulted from our own miscalculations in designing the initiative, not because of any weakness or shortfall in the performance of our grantees. On the contrary, we wrote, the grantees were strong partners that had done precisely what they were asked to do. Actions like these can do much to help sustain organizations in making a transition to new funders or new work.

In reality, programs exit substrategies and grant clusters far more often than they exit whole strategies.

The foundation should do its best to create a soft landing for grantees — using tie-off grants or longer than usual awards to give grantees time to transition.

Other funders and stakeholders

It is equally important for staff to consult and coordinate with external partners in addition to grantees, including funding partners, other funders in the field, leaders of important organizations, relevant public officials, and the like. Thoughtful early conversations may surface issues we have not considered and, even if not, help us understand how best to handle the transition. We can use these conversations to help grantees find new funding and also to blunt unnecessary reputational harm we may incur if we act or seem to act high-handedly.

This approach proved quite successful in our exit from NMI. The Philanthropy team conferred with dozens of other funders and organizations — asking for advice and sharing accomplishments, challenges, and lessons. We received a range of suggestions, many quite constructive. This engagement built new relationships and strengthened existing ones, while also generating ideas for new ways to strengthen the philanthropy sector. What later became the Fund for Shared Insight grew directly out of these conversations.

Inside the foundation

The president must be involved in any decision to exit a strategy or initiative, and the earlier the better. Engaging early with EPG and other relevant departments can also be helpful. Communications can ensure we are effective, clear, and transparent in communicating to affected organizations and the larger field. Grants Management can help close grants in a timely and responsible manner. Human Resources may be needed if winding down a strategy or initiative changes staff responsibilities or could lead some staff to work themselves out of a job. Delay in spotting possible legal issues or consequences can make handling them significantly more difficult.

The board has final decision-making authority about exiting a strategy, and it is important to think through when and how to engage the board in the decision. Staff should begin with the relevant Board Advisory Committee, bringing its members into the process as early as possible. The advisory committee can, among other things, help determine the right timing and best way to engage the board as a whole.

In reality, programs exit substrategies and grant clusters far more often than they exit whole strategies. Staff should consult the president about these decisions. Board approval is not required for changes at these levels, but program staff should keep their Board Advisory Committee informed.

Using and Sharing What We Have Learned

- Are you working with Communications to develop and implement a communications plan?
- Are you consulting and coordinating with grantees and funding partners, or at least keeping them apprised throughout the exit process?
- Are you pursuing opportunities for sharing during In-Town Weeks and other foundation events?

The foundation is deeply committed to being transparent about our interests, work, and outcomes, whether good or bad. There will be occasions when we may not be able to publicly share our reasons for ending something — for example, if doing so might cause undue harm to organizations or their staff. In general, however, we want to share our successes, our failures, and the lessons these teach both inside and outside the foundation.

Open, accurate, and effective external communications are critical. Program teams should work closely with the Communications department to develop a communications plan as part of the overall exit, both to minimize risk and to provide a final push that advances the work. We draw attention to an issue when we enter a field. When we exit, we want to remind key stakeholders of the importance of the work, share lessons with existing and potential funders, and highlight grantees' achievements.

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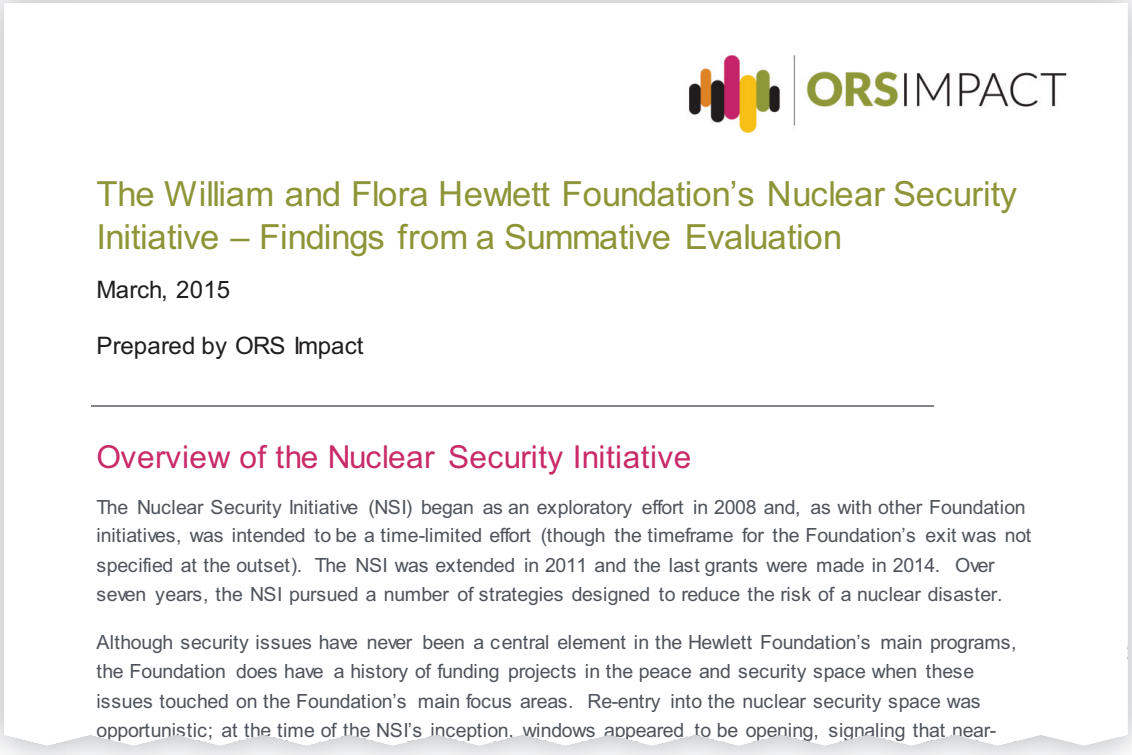
We make final evaluations available online for others in the field to read, but we should do more. Staff often summarize evaluation findings and supplement them with their own reflections, whether in blog posts, op-eds, or presentations at conferences and meetings with other funders and grantees. Some teams invite co-funders, grantees, and others to write and talk about the work as well. Others develop videos to tell the story and explain the exit.

The QEDC team adopted a number of these practices. It brought grantees together to reflect on the work, then widely disseminated a paper synthesizing key lessons learned. The team even gave a grant to an organization to translate lessons from the initiative into practical tools and resources for practitioners, policymakers, and donors still in the field.

Communications plans are geared toward external audiences, but communication inside the foundation is also important. In-Town Weeks and Shop Talks are just two examples of opportunities to discuss lines of work that are winding down and to share lessons learned across the foundation. Programs can host "post-mortems" with other colleagues to assess what happened, why, and how the work could have been improved. They also can produce case studies that remain relevant for organizational learning well beyond the exit. For example, the Conflict Resolution Program, which for nearly 20 years helped develop and support the conflict resolution field, produced a report in 2005 that chronicled its work and impact. The report continues to be a valued source of information and guidance for staff across the foundation.

FINAL EVALUATION REPORT, NUCLEAR SECURITY INITIATIVE



ORSIMPACT

The William and Flora Hewlett Foundation's Nuclear Security Initiative – Findings from a Summative Evaluation

March, 2015

Prepared by ORS Impact

Overview of the Nuclear Security Initiative

The Nuclear Security Initiative (NSI) began as an exploratory effort in 2008 and, as with other Foundation initiatives, was intended to be a time-limited effort (though the timeframe for the Foundation's exit was not specified at the outset). The NSI was extended in 2011 and the last grants were made in 2014. Over seven years, the NSI pursued a number of strategies designed to reduce the risk of a nuclear disaster.

Although security issues have never been a central element in the Hewlett Foundation's main programs, the Foundation does have a history of funding projects in the peace and security space when these issues touched on the Foundation's main focus areas. Re-entry into the nuclear security space was opportunistic; at the time of the NSI's inception, windows appeared to be opening, signaling that near-

STRATEGY PROFILE:

Nonprofit Marketplace Initiative

Seeking to encourage more evidence-based philanthropic giving by making high-quality information available about nonprofit performance

By Lindsay Louie, Program Officer, Philanthropy

In 2006, the Philanthropy Grantmaking Program launched a strategy called the Nonprofit Marketplace Initiative (NMI), which aimed to influence individual donors to be more strategic in their giving. Individual donors contribute 70 percent of the philanthropic dollars given annually, so the thinking was that if we could influence even a portion of those individuals to donate to more effective nonprofits over less effective ones, it could make a significant difference. The foundation did not know how long it might take to begin to see this impact, and did not set up NMI as a time-limited initiative.

The foundation commissioned research during implementation (Money for Good, 2010), followed by an independent evaluation of the strategy in 2012. None of the data indicated we were on track to achieve our goal; instead it suggested that our underlying assumptions were wrong. We learned that individual donors give to nonprofits for many reasons — to alma maters out of loyalty and affection, to religious institutions based on faith, to friends' organizations because of their relationships, and so forth. It is, as a result, very difficult to persuade them to shift their donations to other organizations, even in the same field. Larry Kramer, Fay Twersky, and I put our heads together and determined that it made sense to exit the strategy, and we shared this recommendation with our board.

There were two elements to how we went about exiting the work that were particularly important at the time and are reflected in the OFP framework: (1) the way we communicated the decision and (2) the way we supported grantees through the announcement and transition.

The first people to whom we communicated the decision were our grantees. We made general support, tie-off grants to all active grantees, both to give them time to find other funding and to signal that we meant it when we said the exit was not a reflection of their performance. That was

especially important because we were publicly open about the decision to exit the strategy and shared what we learned. That included publishing a blog post and a video featuring key actors in the strategy.

The Chronicle of Philanthropy interviewed Fay and Larry and published an article about the announcement. Unfortunately, the article misunderstood our thinking and, as a result, mischaracterized the decision as a sign that the foundation was stepping away from "the effective philanthropy movement." Larry immediately wrote to clarify that ending this strategy did not at all mean we were abandoning our efforts to make giving more effective. On the contrary, it underscored our commitment to that goal. We were practicing what we preached by evaluating our progress and exiting when we learned that our efforts were ineffective. We would, therefore, use the funds to explore other ways to improve the effectiveness of philanthropy. Larry also emphasized that our decision was not about poor grantee performance. There were several more interviews, articles, and op-ed pieces that came out and we responded to and engaged in dialogue about each of them.

We learned some important lessons. First, we were naïve about how much time it would take to communicate with grantees, the press, and other stakeholders. Second, despite the care we invested in being clear with our message, there was misinterpretation and misunderstanding in the field. Third, we were surprised by the significant and enduring interest in our exit of this strategy among nonprofits and other funders alike, especially given that our investment — $12 million over eight years — was relatively small. We hope our willingness to openly discuss failure was one driver of that interest. These lessons are incorporated in the OFP guidance so that staff across the institution can continue to benefit from our experience.

Ending this strategy did not mean we were abandoning our efforts to make giving more effective.

STRATEGY PROFILE:
Community Leadership Project

Partnering to serve low-income and diverse communities in California's Bay Area, Central Coast, and San Joaquin Valley

By John McGuirk, Program Director, Performing Arts

The Community Leadership Project (CLP), which ran from 2009 to 2015, was a joint, time-limited initiative among the Hewlett, Irvine, and Packard foundations. Its purpose was to strengthen small and mid-size organizations led by and serving low-income people and communities of color in the San Francisco Bay Area, Central Coast, and San Joaquin Valley. Through collaborations with regional regranting intermediaries and a budget of $18 million over six years, CLP provided a combination of multi-year general operating support, leadership development, and technical assistance to hundreds of organizations.

Phase 1 of the initiative broadly sought to strengthen community-based organizations and their leaders using a multitude of approaches. Over three years, 27 intermediaries provided substantial financial support and direct assistance to 100 organizations and offered trainings, workshops, and other resources to 300 additional groups and leaders.

Phase 2, which ran from 2012 to 2015, was much more targeted based on our evaluation results and grantee feedback. We funded five regranting intermediaries and five technical assistance providers to support a subset of 56 high-performing, small-budget organizations. The focus was on increasing the organizations' sustainability by helping them develop strong and resilient leadership, become more adaptive, and grow more financially stable. Based on an ongoing, comprehensive evaluation, the foundations and regional intermediaries were able to measure impacts and incorporate learnings immediately into the initiative and to understand the evolving needs of community organizations and leaders.

To avoid significant confusion and disappointment it was important that we had early exit planning with a well-defined expectation that CLP would sunset, and consistent and clear communications about our planned exit between and among the foundations, regional intermediaries, and community grantees. Our phase 2 focus on community grantees' sustainability, including technical assistance to help them move toward it, reflected our efforts to think ahead to a responsible conclusion of the initiative.

We also sought to provide other types of support to help them make the transition. For example, the project periodically brought community grantees together to learn and share with each other, and the final gathering in October 2015 focused on sustainability after CLP — including how they could continue to serve as powerful resources for each other. We also provided $2 million in grants in 2015 to provide a gradual exit for selected organizations. Those grants will conclude at the end of 2016.

An evaluation of CLP is underway at this writing. It is expected to shed further light on lessons learned — both what went well and what might have been improved — in how the initiative handled the exit process. The foundation remains committed to supporting community organizations and leaders in California, and we are planning an initiative to build on CLP's important successes and lessons.

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CHAPTER 6

Roles and Responsibilities

Photo Credit: Tim Peterson

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Overview

Strategy is a team sport, and everyone in the institution plays a part. To succeed, we must work with common purpose.

The need for clarity about roles came up frequently during the review process. Who drives ideas for new strategies? Who decides whether an existing strategy needs to change? How much latitude do program officers have? Does the board's role differ at different stages of the strategy lifecycle? What are the respective roles of administrative departments — Legal, Human Resources, Communications, Grants Management, Finance and Accounting, Investments, IT, and Facilities — when it comes to shaping or carrying out a strategy?

Such questions are not amenable to simple answers. Needs and situations vary, and the same flexibility and judgment required of OFP grantmaking is necessary when it comes to the parts to be played by various actors. There are, however, some basic rules and expectations to guide us. This section briefly describes the normal roles expected of the foundation's board, staff, and partners.

Hewlett Foundation Board of Directors, November 2015

Board of Directors and Board Advisory Committees

The Board of Directors is ultimately responsible for the foundation's strategic direction and decisions. Formal board approval is thus required for new grantmaking strategies. This includes approving the basic plan of action or theory of change, authorizing the associated funding, and, for time-limited initiatives, establishing the duration. Typically, when a new strategy is being considered, we will follow a two-meeting rule. At the first meeting, staff will present the basic concept and idea for board consideration and feedback. If the board supports the general direction, staff will incorporate its feedback, develop a fully fleshed-out strategy and budget, and seek final board approval at a second meeting. While this is the normal expectation, small or simple strategies may sometimes be brought forth for discussion and approval at a single meeting.

The board monitors implementation of our strategies in two ways: through the budget review and approval process, and in annual strategy updates. The board provides feedback and guidance as part of a strategy refresh, though approval to continue in the form of a vote is not required. Formal board approval is required to exit a strategy, unless (as in the case of time-limited initiatives) an end date was included as part of the initial approval; where that is the case, staff will share what we learned in a board presentation.

Each program and major initiative has a Board Advisory Committee. Advisory committees serve as important sounding boards for program teams at every stage of the strategy lifecycle. They meet at least once and often more than once each year to discuss program strategies and progress. This deeper engagement is especially important when programs are making significant decisions, such as whether to inaugurate, modify, extend, or exit a strategy. Program directors may use advisory committee meetings to float "trial balloons" and test new ideas or directions. Staff are encouraged to share with committee members information about such things as strategic directions not pursued and trade-offs considered in the process of developing a new strategy or refreshing an existing one.

Committee members help anticipate questions and concerns that may be raised by the full board and can serve as ambassadors for the foundation's programs and strategies.

President

The president, Larry Kramer, is in charge of helping set the foundation's overall vision, tone, and strategic direction, as well as ensuring that its grantmaking is effective and achieves the goals set by the board and staff. To that end, the president is the chief sponsor of OFP. He is responsible for ensuring that this framework and approach meet the expectations of the board and serve as constructive guides for staff.

The president is involved in every stage of grantmaking. He engages with program staff in developing and inaugurating new strategies; in deciding whether, when, and how to make significant course corrections in existing strategies; and in determining when and how to exit a strategy. He is the gatekeeper for board presentations, with formal thumbs-up-or-down decision-making authority for what goes to the board. The president participates ex officio in all Board Advisory Committee meetings.

Program directors have discretion about how much to involve the president in a strategy's day-to-day implementation, but they are expected to keep him updated on an ongoing basis, with a deeper look at least annually as part of the budgeting cycle. The president is expected to do the same in return, sharing relevant feedback from the board.

Program Directors

Program directors were co-architects of OFP and are expected to participate actively in its implementation and continuous improvement.

Creating and implementing high-quality strategies begins with and depends on the program directors. They oversee the development of concepts, analyses, and strategy papers and determine when these are ready for the president's consideration. Likewise, they have primary responsibility for subsequent stages in a strategy's lifecycle — supervising implementation, and deciding (in consultation with the president and the rest of their team) when it is time for a refresh and whether it is time to exit. They allocate resources — both financial and human — within their respective teams.

While the program directors oversee strategy development and implementation, good strategy is, as noted above, a team sport. Program directors do not work alone. They lead the team, but much of their leadership consists of supporting program officers, particularly in the implementation and refresh processes. Program directors are expected to stay up-to-date on strategy implementation and to provide guidance to program officers as issues arise.

Program Officers

Supervised by their respective directors, program officers play a central role across the strategy lifecycle. Sometimes they play leading roles in developing new strategies. Often, they lead the development of substrategies and particular grant clusters. For grant clusters, program officers typically undertake the same kind of analysis required to develop an overall strategy, albeit in a less elaborate and exhaustive manner and without a requirement of formal board approval.

Program officers drive strategies day-to-day through both grantmaking and beyond the grant dollar activities. They play the leading operational role in implementation, translating ideas into practice and ensuring that our objectives find expression in the real world. This includes communicating our goals and approaches with a wide range of stakeholders; identifying and supporting appropriate grantees, including helping them communicate and collaborate with each other; building strong relationships with government and philanthropic funders, decision makers, and other partners; structuring grants to align with our strategies; tracking progress; staying current with the field; and designing, commissioning, and overseeing evaluations of key components of a strategy.

Program directors may delegate more or less authority to program officers, though typically they work in close partnership. Program officers normally play a more supporting role when it comes to originating and exiting strategies, and a more leading role when it comes to implementing and refreshing them. Because the foundation originates completely new strategies infrequently, and fully exits ongoing strategies equally rarely, implementation and strategy refreshes represent the lion's share of our work.

Program officers drive strategies day-to-day through both grantmaking and beyond the grant dollar activities.

Program Associates

Program associates work closely with program officers and are vital contributors to OFP, particularly during implementation. They provide guidance to organizations preparing grant proposals or seeking renewal, help streamline processes and systems, shepherd proposals through the foundation's approval process, monitor programs' budgets, and collaborate with other departments to develop materials for the board. They also play an important role in activities beyond grantmaking — for example, by organizing grantee convenings.

When it comes to creating, refreshing, or exiting strategies, program associates help plan and facilitate the process, contribute ideas, and raise and research questions that arise.

Fellows

Given the deliberately flexible nature of their position, program fellows have no set role in OFP. With approval from their supervisors, they can work on anything and everything from conducting research and field scans to consulting with grantees, overseeing grants, communicating with other funders, helping develop evaluation plans, and more. They bring a unique and fresh perspective to how we do strategy.

Effective Philanthropy Group

The Effective Philanthropy Group (EPG) is available to provide guidance and support to program teams in all aspects of OFP. Having led the process of reviewing and refreshing the foundation's approach to strategy, EPG is a repository of the foundation's collective experience — a role it will maintain on an ongoing basis as it assists the programs in their work.

EPG's strategy officer provides technical assistance to guide teams through the different stages of OFP, including thinking through strategic choices, reviewing and sharpening theories of change, highlighting examples of similar strategies, facilitating planning conversations, and pointing teams to relevant resources. She helps ensure that OFP's guidance is clearly communicated, both internally and externally. The evaluation officer provides technical assistance to programs on evaluation-related issues, including design, methodology, evaluator recruitment and selection, and how to use findings (with the goal of sharing results as broadly as possible). The organizational learning officer supports internal reflection and learning activities and is available to help teams define expected outcomes and implementation markers and design systems for monitoring grant and portfolio progress.

EPG's director is, in effect, the program director for OFP. Her job includes ensuring that OFP continues to provide an efficient, effective, and useful framework for the foundation. She is available to advise and consult with program teams across the full range of strategy, evaluation, and learning needs. Working with her team and with the foundation's senior staff, the EPG director will seek to continuously improve the OFP guidance.

Other Departments

Different administrative teams play vital roles throughout the strategy lifecycle. At minimum, it is essential that they remain informed and up-to-date so they can weigh in as appropriate. For example, Legal staff necessarily participate more deeply with teams whose work focuses on policy advocacy; and hands-on collaboration is often required of Grants Management, Human Resources, and IT when programs create and implement strategies. Program teams will share their thinking and plans with administrative directors (including drafts of written materials for the board or website) to get advice along with input about potential concerns or issues and to ensure that the administrative departments are fully informed about plans and programmatic directions.

Communications, Grants Management, and Legal work particularly closely with programs across the lifecycle and can add value beyond helping ensure compliance and effective operations. Among other things, a program's communications officer can help programs define and reach target audiences, understand the media landscape, and work with grantees to build their communications capacity and expertise. Grants Management staff can aggregate, synthesize, and analyze grants data to help programs identify trends across their portfolios and help design efficient processes for managing grants. Legal colleagues can advise teams on different ways to structure collaboration with other funders. All provide tailored support and cross-program trainings and resources that supplement the OFP materials. These departments and their roles are profiled in more detail throughout the guidebook.

Consultants

External consultants can bring special expertise and a fresh perspective to our work. Most often, programs engage consultants to conduct independent evaluations or help develop an evaluation plan at the outset of a strategy or initiative. Here, outside support is particularly appropriate because we want consultants' independence as much as their expertise. Sometimes teams use consultants to help them develop, implement, or refresh a strategy. In these instances, staff should be careful not to outsource their thinking and judgment. They should engage strategy consultants only when they have a strong justification for doing so, such as the need for assistance in gathering, synthesizing, and analyzing data about a problem or field.

Communications, Grants Management, and Legal work particularly closely with programs across the lifecycle and can add value beyond helping ensure compliance and effective operations.

External Partners

The problems we tackle are far too big and complex for the Hewlett Foundation alone, making collaboration with outside partners a necessity. We value engagement with these partners at every stage of the strategy lifecycle, and we look for input and guidance from grantees or potential grantees, the intended beneficiaries of our work, peer funders, and other key stakeholders. Here is a brief word about each:

Grantees and potential grantees

We consult with grantees and potential grantees — our most essential partners — when considering a new strategy to benefit from their experience. They provide crucial knowledge and ideas for shaping how the foundation might best contribute to a given field. While we want to take care not to create premature expectations of funding, we also want to be mindful of the power imbalance between grantmaker and grant recipient that is always present in the background. The foundation is deeply committed to treating its grantees as partners. We want to work with them in facilitative, not controlling, ways. This means letting grantees lead and recognizing that it is they, not we, who do the work. It means listening and responding to what they tell us, encouraging them to be candid, and meeting with them as much as possible. It means sharing information openly and not engaging in protracted negotiations or asking for information we do not need or use. And it means giving them flexibility to use their best judgment about how to achieve our mutual goals.

However much research and analysis we do, we still are working far from the front lines. The organizations we support — not to mention the beneficiaries they support — have experience and knowledge we lack. Our grantees live with the issues up close on a daily basis, making them better situated to make judgments about tactics and to adjust swiftly to changes on the ground. The celebrated "HP Way," which we aspire to apply in our philanthropy, holds that one gets the best results by finding the right people and giving them the flexibility and freedom to find the best path to achieve objectives. Both we and our grantees are stronger the more we enable, rather than control, what they do.

Once work is underway, we share our strategies openly so grantees and potential grantees can understand our goals and see how their work might fit. We listen to their views at all stages and adapt and refine our grantmaking as seems appropriate. During a strategy refresh, we ask grantees to share data and experience and to contribute ideas for appropriate course corrections. We also consult with grantees when considering an exit. And if we do exit, we try to anticipate the potential impact on grantees by providing transition grants or other support to soften the blow of losing our funding. (See chapter 5 on Exit for more explanation.)

Beneficiaries

The Hewlett Foundation pursues strategies that seek to benefit a wide range of audiences. We want to help artists and community members whose lives are enriched by the diversity of performing arts, students seeking a high-quality education, women in East and West Africa who need access to contraceptives and safe abortion services, and many more. But paternalism and misunderstanding are ever-present risks. To counter this, we aspire to listen to the voices of those we seek to help, to do so throughout the strategy lifecycle, and to factor their perceptions, preferences, opinions, and experiences into our own and those of our grantees.

Peer funders

Among our collaborators, peer funders are like our brothers and sisters, and avoiding sibling rivalry is an absolute must. More seriously, we look for ways to capture synergies and work productively with government, private-sector, and philanthropic funders in the same fields. We benefit greatly from peer funder relationships characterized by openness, reciprocity, information sharing, and partnership. We are not carbon copies and do not all need to fund the same things. But when tackling big social problems, complementary and, when possible, collaborative funding is the only way to make progress.

Other stakeholders

Establishing and maintaining productive relationships with other players in the field is essential. For example, government officials and business leaders often play a critical role in many of the foundation's strategies, whether as decision makers, opinion leaders, or funders. We seek to understand their views and experience, consult and collaborate with them as appropriate, and introduce them to grantees when helpful.

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CHAPTER 7

OFP Worksheets

Photo Credit: Joe Mikos/Expeditionary Learning

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Outcome-Focused Philanthropy Worksheets

ORIGINATE	IMPLEMENT	REFRESH	EXIT
• Defining the problem or opportunity • Identifying promising approaches • Exploring opportunities for leverage and partnership • Setting the goal and outcomes, tracking progress, and evaluating the work • Developing the strategic approach and implementation plan	• Selecting, supporting, and engaging grantees • Engaging other funders and stakeholders in the field • Tracking progress and evaluating the work • Monitoring the external and internal landscape	• Assessing progress to date • Scanning for developments in the field and at the foundation • Refining the strategy • Contemplating exit	• Planning for an exit • Understanding and summarizing results • Managing the exit with external and internal stakeholders • Using and sharing what we have learned

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ORIGINATE: OFP GUIDING QUESTIONS

These questions are fundamental to developing an effective road map for a strategy or initiative. Some may be more relevant to you than others. What is key is that you at least consider all of them in your due diligence.

DEFINING THE PROBLEM OR OPPORTUNITY

- What is the problem or opportunity you are seeking to address? Why does it matter?
- What is causing or caused the problem or opportunity? What led us to want to act?
- Who does this problem or opportunity primarily affect? Are there particular opportunities to help those who are disadvantaged?
- What gives you confidence that now is the time to take this on — that change is possible? E.g., a political shift, new champions inside or outside the foundation?

IDENTIFYING PROMISING APPROACHES

- What proven or promising approaches could address the problem? What has worked, what has not, and why?
- What is the evidence base? Is it strong enough to make the case for change? Does the field need support testing and developing possible solutions?
- What are others advising us — including experts, potential grantee partners, and, as feasible, our intended beneficiaries?

EXPLORING OPPORTUNITIES FOR LEVERAGE AND PARTNERSHIP

- What is philanthropy's role, if any? What is the Hewlett Foundation's added value — both through and beyond grantmaking?
- Who else — government, the private sector, other foundations — is funding in this field and what is their focus?
- If there are other funders, how might you leverage their investments — e.g., pooling funds or using our dollars in other areas?

SETTING THE GOAL AND OUTCOMES, TRACKING PROGRESS, AND EVALUATING THE WORK

- What is your aspirational goal — the overarching guide star for your efforts?
- What are your intended specific, or at least directional, outcomes? If directional, why is greater specificity impractical at this time?
- What implementation markers will you use to track progress, learn, and consider course corrections?
- What are your most important evaluation questions?
- What is your ideal sequencing for answering those evaluation questions in the strategy lifecycle?

DEVELOPING THE STRATEGIC APPROACH AND IMPLEMENTATION PLAN

- How will you get from problem or opportunity to your desired outcomes? What activities will the foundation support?
- How much alignment exists with organizations in the field?
- Do potential grantees have enough capacity to partner with us on this work? If not, would we have to build it? What are the implications in terms of resources, timing, and results?
- Who are potential allies, including unlikely bedfellows? Who are opponents or skeptics and what is their perspective? How might you and your grantees contend with them?
- What assumptions are driving the strategy — i.e., about whether, how, and why particular activities will advance or impede progress?
- What are the risks — strategic, operational, reputational, legal — and potential mitigation tactics?
- What is the timeline for the work?
- How will you allocate staffing and budget resources? If you do not have enough internal capacity, how will you adjust?
- Have you consulted with other departments, particularly those that work closely with programs in creating new strategies — the Effective Philanthropy Group, Communications, Grants Management, Human Resources, and Legal?

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PROCESS

- Gather information through a field scan, literature review, and interviews reflecting a range of perspectives, including those of the intended beneficiaries to the degree possible. Consider whether an external consultant would be helpful, but only in a way that does not outsource your thinking
- Consult with other departments — particularly the Effective Philanthropy Group, Communications, Grants Management, Human Resources, and Legal — as needed; at minimum, share an early draft strategy document with these teams
- Pressure test ideas and drafts internally and externally
- Seek the president's review and approval of a written strategy document
- Seek your Board Advisory Committee's counsel
- Seek the board's approval; the two-meeting standard consists of (1) a concept paper to inform an initial discussion and (2) a final paper to inform a decision
- Work with Communications to develop a communications strategy

INFORMATION AND PRODUCTS

Most of what results from the guiding questions and process will be synthesized in a strategy document for the board. But it also should be captured in other forms — e.g., internal team documents, grants management tools, and external materials. The overall theory of change will draw on this information.

- Clear statement and analysis about the problem or opportunity
- Field scan and literature review, including proven solutions or promising practices on what has worked, what has not, and why
- Aspirational goal — the overarching guide star for the strategy
- Specific or directional outcomes
- Approach for achieving the outcomes: activities, potential grantees, other partners, and internal capacity
- Implementation markers for tracking progress, learning, and informing course corrections
- Assumptions underlying key components of the proposed strategy
- Evaluation questions to address and the sequence of evaluation(s)
- Risks and potential mitigation tactics
- Timeline
- Budget and staffing

SOURCES OF SUPPORT

There are many sources of support to tap inside the foundation. Among them:

- Effective Philanthropy Group. Staff specializing in strategy, evaluation, monitoring, grantee capacity building, organizational learning, and philanthropic partnerships act as in-house consultants for programs across the strategy lifecycle.
- Communications. Staff help programs develop, implement, and measure the success of communications strategies, identify and mitigate risks, and monitor the media and field for important developments.
- Grants Management. Grants officers spot potential grantmaking challenges and opportunities, facilitate problem-solving, ensure compliance, and analyze grants data and trends to inform strategies.
- Legal. Staff help programs vet grants, activities, and contracts; identify and mitigate risks, including helping programs understand what policy advocacy and election work the foundation can and cannot do; structure funding collaboratives; and monitor important legal developments.
- Board Advisory Committees review strategies and initiatives at every stage of the lifecycle, pressure testing approaches and ideas and providing support and problem-solving as needed.

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IMPLEMENT: OFP GUIDING QUESTIONS

In implementation, there is no single moment or fixed event to trigger consideration of the guiding questions. Staff can and should reconsider them whenever problems arise, but they should be sure to review this guidance at least once a year.

SELECTING, SUPPORTING, AND ENGAGING GRANTEES

- What criteria are guiding your grantmaking choices? Are they clear and well understood?
- Is the strategy serving as a useful filter for soliciting and choosing from among grantee proposals? If not, what adjustments might you make?
- Do your grantees need capacity-building support to do their work effectively? How are you planning to address those needs?
- In what ways are you planning to support grantees "beyond the grant dollar" — e.g., convening them, introducing them to other funders, bringing attention to their research? How do you know which type of support is most helpful to them?
- How and to what extent do your efforts to select, support, and engage grantees reflect the foundation's commitment to promote diversity, equity, and inclusion?
- How will you collect and use honest feedback on the strategy and your performance from grantees and partners?

ENGAGING OTHER FUNDERS AND STAKEHOLDERS IN THE FIELD

- In what ways are you communicating with other funders? How are you staying abreast of their work and interests? Have you considered opportunities to collaborate?
- How are you engaging others in the field as appropriate — e.g., relevant non-grantee organizations, the media, the business sector, decision makers?

TRACKING PROGRESS AND EVALUATING THE WORK

Questions marked with an asterisk* are identical to questions programs need to address in their annual strategy and budget update memos.

- What were your anticipated outcomes and key implementation markers for the past year?*
- How did you do against them, and why?*
- Are you and your grantees able to collect useful data to track progress and to learn? Are you collaborating with grantees as needed to develop efficient, reliable, and useful data collection tools and systems? If not, why?
- Are you making progress in answering the evaluation questions identified in the original or refreshed strategy? Are there new or different questions you want to ask or assumptions you want to test?
- What are you learning from targeted evaluations in this stage? How are you adapting in response?
- How are you sharing what you have learned with grantees and the field?
- What refinements or course corrections, if any, are you considering making to your outcomes and implementation markers as a result of everything you have learned to date?
- Have you further specified your outcomes or implementation markers since the strategy was launched or refreshed? If not, why — and when do you anticipate doing so?
- What are your anticipated outcomes and key implementation markers for next year?*

MONITORING THE EXTERNAL AND INTERNAL LANDSCAPE

- What important developments have occurred outside or inside the foundation that could affect your strategy? Are course corrections needed?
- Are your implementation markers helping you track progress and monitor developments? Are adjustments needed to make them more effective?
- Are you tapping other departments — the Effective Philanthropy Group, Communications, Grants Management, and Legal in particular — for consultation and support?

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PROCESS

- Revisit the guiding questions whenever helpful, but at least once a year
- Plan for, commission, and/or manage third-party evaluations of targeted parts of the strategy as appropriate
- Annually update and seek counsel from your Board Advisory Committee
- Develop annual strategy and budget update memos, including progress indicators
- Present to staff at least once every two years
- Work with Communications and grantees as appropriate to implement an external communications strategy
- Work with Legal staff and grantees as appropriate to ensure strategies comply with private foundation legal requirements and mitigate legal and reputational risk

INFORMATION AND PRODUCTS

Answers to guiding questions will be written in board papers, evaluation(s), internal team documents, grant management tools, and external materials.

Over time, you should have:

- Useful criteria for soliciting and choosing from among grantee proposals
- A portfolio of work and grantees that, over time, aligns as much as possible with the strategy's outcomes and approach
- Capacity-building support for grantees as needed
- Ways to engage grantees, other funders, and other stakeholders beyond the grant dollar
- Increasingly specific outcomes and implementation markers, developed and implemented in collaboration with grantees as appropriate and practical
- An efficient system for identifying, collecting, and analyzing useful data to track progress and learn, developed and implemented in collaboration with grantees as appropriate and practical
- Targeted evaluations underway of specific parts of the strategy to test key assumptions and inform your ongoing work and refresh
- Ways of sharing what you learn

SOURCES OF SUPPORT

There are many sources of support to tap inside the foundation. Among them:

- Effective Philanthropy Group. Staff specializing in strategy, evaluation, monitoring, grantee capacity building, organizational learning, and philanthropic partnerships act as in-house consultants for programs across the strategy lifecycle.
- Communications. Staff help programs develop, implement, and measure the success of communications strategies, identify and mitigate risks, and monitor the media and field for important developments.
- Grants Management. Grants officers spot potential grantmaking challenges and opportunities, facilitate problem-solving, ensure compliance, and analyze grants data and trends to inform strategies.
- Legal. Staff help programs vet grants, activities, and contracts; identify and mitigate risks, including helping programs understand what policy advocacy and election work the foundation can and cannot do; structure funding collaboratives; and monitor important legal developments.
- Board Advisory Committees review strategies and initiatives at every stage of the lifecycle, pressure testing approaches and ideas and providing support and problem-solving as needed.

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REFRESH: OFP GUIDING QUESTIONS

We encourage staff to review the materials on origination — the first worksheet and chapter 2 of the guidebook — before launching a refresh. Much of the work during refresh consists of revisiting and updating work done while creating an original strategy.

As in origination, some questions may be more relevant to you than others. What is key is that you at least consider all of them in your due diligence.

ASSESSING PROGRESS TO DATE

- What are your intended outcomes and implementation markers, and what progress have you made toward them? What have been your key successes and misses?
- What factors have enabled or inhibited progress?
- Which activities (e.g., research, policy advocacy, citizen engagement) have been most and least effective, and why?
- If progress has been made, what can you say about whether and to what degree grantees had a role in driving it? Which grantees have been most effective and why? Least?
- Which "beyond the grant dollar" activities have been most and least effective, and why? Consider activities such as convening grantees, introducing them to other funders, and bringing attention to their research.
- What were the strategy's original assumptions? Given what you know now, were they valid? Are they still? Why or why not?
- What targeted evaluations did you conduct during implementation? What were the major takeaways? How will these inform a full strategy evaluation during refresh?
- Did the anticipated risks play out? If so, how did you mitigate them?
- Did the strategy have unintended consequences, whether positive or negative? Did you make unexpected changes? What key lessons should you take away?

SCANNING FOR DEVELOPMENTS IN THE FIELD AND AT THE FOUNDATION

- Has the external landscape, including the nature of the problem or opportunity, changed significantly and, if so, how? What, if any:
  - important new research, data, or knowledge about the problem has emerged?
  - significant opportunities have emerged — e.g., new science, funders, readiness for action by decision makers?
  - major challenges have emerged or worsened?
  - noteworthy organizations have entered or exited the field?
- Have internal conditions changed significantly? If so, how — e.g., a program officer departure or other major staff transition, board interest, funding levels? How might that affect the work?
- Have you consulted with other departments, particularly those that work closely with programs in refreshing strategies — the Effective Philanthropy Group, Communications, Grants Management, Human Resources, and Legal?

REFINING THE STRATEGY

- Based on everything you have learned, what, if any, changes should you make to the following?
  - problem or opportunity statement
  - outcomes and implementation markers
  - key investments to support the theory of change
  - "beyond the grant dollar" efforts
  - substrategies, grant clusters, or individual grants
  - assumptions underlying key components of the proposed strategy
  - support for building grantees' capacity
  - timeline
  - budget and staffing
  - expectations of risks and mitigation plan
  - evaluation questions and evaluation plan
  - communications strategy

CONTEMPLATING EXIT

See the worksheet on Exit for full guidance.

- Under what circumstances will you exit the work? (E.g., it is a time-limited initiative, or the strategy has succeeded, failed, or irreversibly lost traction.)
- If you foresee an exit, what is the anticipated timeline?
- How will you know whether these circumstances exist?

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PROCESS

- Consider conducting a third-party evaluation
- Revisit information generated during origination and implementation, including the strategy paper, memos to program directors, and key team documents
- Update information as needed through field scans, literature reviews, and interviews with grantees, other important stakeholders, and intended beneficiaries to the degree possible
- Pressure test ideas and drafts
- Seek consultation and advice from other departments
- Review exit guidance if you have reason to contemplate exiting the work in the foreseeable future
- Seek the president's review and approval of a written strategy refresh document
- Seek your Board Advisory Committee's counsel
- Seek the board's review and endorsement; the one-meeting standard consists of presenting a strategy refresh document
- Work with Communications to share information externally

INFORMATION AND PRODUCTS

Most of this information will be synthesized in a strategy refresh document for the board. It also should be captured in other forms — e.g., team documents, grants management tools, and external materials. A revised theory of change will draw on this information.

- Third-party evaluation
- Analysis by staff and evaluators of the following:
  - progress toward outcomes and enabling or inhibiting factors
  - effectiveness of the approach, including key activities and grantees
  - significant external or internal changes
  - validity and accuracy of key assumptions
- Updates to the following with a rationale for making changes or maintaining the status quo:
  - problem or opportunity statement
  - measurable outcomes and implementation markers
  - approach: activities, portfolio of grantees, and other partners
  - assumptions
  - evaluation plan
  - risks and potential mitigation tactics
  - communications strategy
  - timeline
  - budget and staffing

SOURCES OF SUPPORT

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- Legal. Staff help programs vet grants, activities, and contracts; identify and mitigate risks, including helping programs understand what policy advocacy and election work the foundation can and cannot do; structure funding collaboratives; and monitor important legal developments.
- Board Advisory Committees review strategies and initiatives at every stage of the lifecycle, pressure testing approaches and ideas and providing support and problem-solving as needed.

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EXIT: OFP GUIDING QUESTIONS

Occasionally, we have to exit a strategy either because we have succeeded or because the strategy has not met expectations. Either way, we take care to exit a line of work with respect, careful advanced planning and with clear communication with all relevant parties. These questions are meant to help in that process.

PLANNING FOR AN EXIT

- What is the rationale for ending this strategy? This is usually not applicable for initiatives, which are time-bound from the outset
- What is the anticipated end date for the work?
- Which departments — e.g., the Effective Philanthropy Group, Communications, Finance, Grants Management, Human Resources — will need to be involved in the exit? How and when will you work with them?
- Have you commissioned a third-party evaluator?
- Should aspects of the work continue? If so, why, and in what form? What are the implications for the foundation and the field?

UNDERSTANDING AND SUMMARIZING RESULTS

- What were the strategy's goal, outcomes, and key implementation markers? To what extent did the strategy achieve them?
- What were your major accomplishments? Shortfalls?
- What were the most significant factors in enabling or inhibiting success?
- What lessons did you learn? What would you have done differently?
- What are your recommendations for your colleagues, other foundations, and the field?

MANAGING THE EXIT WITH EXTERNAL AND INTERNAL STAKEHOLDERS

- How and when will you communicate with grantees to help them plan for the change?
- How will you create the softest landing possible for grantees — e.g., with tie-off grants or introductions to other funders?
- If you are providing tie-off grants, what are the criteria you will use in determining the size and duration of support?
- How and when will you communicate, consult, and coordinate with others in the field, including funding partners, leaders of important organizations, and relevant public officials?
- What are other potential implications of leaving the field? What can you do, if anything, to mitigate negative, unintended effects?
- How can you sustain the positive impact of the work?
- How and when will you engage the president, your Board Advisory Committee, and the full board?

USING AND SHARING WHAT WE HAVE LEARNED

- Are you working with Communications to develop and implement a communications plan?
- Are you consulting and coordinating with grantees and funding partners, or at least keeping them apprised throughout the exit process?
- Are you pursuing opportunities for sharing during In-Town Weeks and other foundation events?

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PROCESS

- Provide notice as early as possible to grantees, funding partners, and key stakeholders
- Develop a plan for providing tie-off grants or other support to grantees
- Commission a third-party, final evaluation
- Seek the president's review and approval of a final report
- Seek your Board Advisory Committee's counsel
- Seek the board's review and endorsement; the one-meeting standard consists of presenting a final report
- Work with Communications to develop and implement a communications plan
- Share information with foundation staff about why the work ended, what it accomplished (or did not), and what lessons were learned

INFORMATION AND PRODUCTS

Answers to guiding questions will be written in board papers, evaluations, internal team documents, grant management tools, and external materials.

- Clear rationale for the decision to leave the field
- Analysis of the potential implications of leaving the field, and a plan to address them
- Plan for communicating the exit internally and externally, including working with other funding partners
- Final budget and timeline
- Final report and supplemental materials as needed for the board, Board Advisory Committee, other internal audiences, and external audiences; includes:
  - answers to the guiding questions under "Understanding and Summarizing Results" in guidebook
  - an explanation of how you sought to manage the exit and how it went
  - the third-party evaluation

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- Communications. Staff help programs develop, implement, and measure the success of communications strategies, identify and mitigate risks, and monitor the media and field for important developments.
- Grants Management. Grants officers spot potential grantmaking challenges and opportunities, facilitate problem-solving, ensure compliance, and analyze grants data and trends to inform strategies.
- Legal. Staff help programs vet grants, activities, and contracts; identify and mitigate risks, including helping programs understand what policy advocacy and election work the foundation can and cannot do; structure funding collaboratives; and monitor important legal developments.
- Board Advisory Committees review strategies and initiatives at every stage of the lifecycle, pressure testing approaches and ideas and providing support and problem-solving as needed.

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CHAPTER 8

Frequently Asked Questions

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Frequently Asked Questions — OFP Worksheets

By Lori Grange, Strategy and Organizational Effectiveness Officer, Effective Philanthropy Group

Here are answers to common questions about how to use the OFP worksheets. They are organized by the four components of the worksheets: (1) guiding questions, (2) process, (3) information and products, and (4) sources of support.

Guiding Questions

Do we have to answer every guiding question?

Yes and no. The questions have been carefully crafted to promote due diligence and so maximize the likelihood that strategies will succeed. Program staff should, therefore, give at least some consideration to all of them. But how much diligence is "due," or what performing due diligence means, depends to some extent on the strategy, program, and other considerations. The relevance and helpfulness of particular questions may vary.

Program directors can and should exercise their best judgment in determining both how elaborately to address each guiding question and in what form (e.g., a memo to the president or paper to the board, notes to the file, team discussion and deliberation). EPG can help provide guidance as desired. What matters is to make best efforts to address the questions fearlessly and forthrightly — making sure not to give any of them short shrift because they are difficult or may lead in an undesired direction.

EPG staff will respond to and share additional FAQs as they surface over time.

What if the answer to a question is, "We don't know"?

The worksheets ask program teams to consider a broad range of questions at each stage in the strategy lifecycle. We know and expect that sometimes staff will not be able to answer them all. If we are new to a field, for example, or if the field itself is relatively new, with few mature organizations, we may need to walk before we run — experimenting, creating pilots, building up organizations, and taking other similar steps to produce a degree of understanding and certainty. This is frequently the case with emergent strategies, like the Madison Initiative or the Philanthropy Program's Fund for Shared Insight.

Uncertainty is not, however, a license for laxness. If staff cannot answer a question, they must explain why not and when and how they expect to reach greater clarity. For instance, a program making grants to pilot innovative approaches or to collect data might indicate that it will get more specific about pathways and outcomes at the end of the pilots, which should have some time limit.

This is where flexibility and discipline meet. Informed by grantees and experts in the field, programs have room to define what success looks like and when and how they will know they have achieved it. But they must be disciplined and set reasonable timelines for answering those questions. Our expectations in asking for ways to measure success should be reasonable, but we should not continue investing in something if we literally do not and cannot know whether we are making progress toward a goal.

Do we have to follow the exact order of the questions in the worksheets?

No. The guiding questions are organized in a way that walks through a typical strategic thinking process. The origination stage begins by asking, "What is the problem or opportunity?" while the first three questions in implementation focus on grantee selection, support, and engagement. Refresh starts with questions that look back, followed by questions that look forward. But staff are not required to tackle the guiding questions in order and should use their best judgment about sequencing in whatever way yields the greatest understanding for a particular strategy at a particular stage. In reality, we expect that staff will usually bounce around among questions.

It seems like every stage involves tracking progress and evaluating the work in some form or fashion. What is expected and why?

Tracking progress and evaluating key aspects of the work are indeed expected throughout a strategy's lifecycle, for they are absolutely essential if we expect to learn and adapt. The amount of time and resources put into the effort will and should vary with timing and circumstances, however, and sensible judgment is needed to "right size" measurement activities.

Process

Does this section of the worksheet reflect all procedural steps involved in each stage?

No. Like the other three sections of the worksheets, this one tries to identify the most important steps staff need to take, but it is not meant to be comprehensive.

Do we have to complete every step in the process for each stage? And do we have to follow the exact order?

No. This section of the worksheet is not meant to be a checklist or script. Similar to how the guiding questions are organized, these procedural steps walk staff through a typical process. But staff are not required to tackle the steps in this particular order.

What is the relationship between OFP and other foundation processes, such as the annual budget memos for the president and the board?

OFP is designed to prevent confusion or duplication of effort by working in concert with other foundation procedures and practices. For instance, the guiding questions in implementtion include the same questions programs must address in their annual budget memos. Similarly, the OFP guidance follows and complements existing guidance on monitoring and evaluation, and general grants management practices.

Who is involved in the process in each stage of the lifecycle? What are their roles and responsibilities?

Chapter 6 discusses the roles and responsibilities of all the relevant actors, including the board, program and administrative staff, grantees and beneficiaries, and other stakeholders.

Our expectations in asking for ways to measure success should be reasonable, but we should not continue investing in something if we literally do not and cannot know whether we are making progress toward a goal.

Information and Products

The worksheets indicate that answers to the guiding questions should be in writing at every stage in the strategy lifecycle. Why is this important? And how do we know what form a particular answer should take?

Nothing clarifies thinking as much as having to put one's thoughts down on paper. In a team context, written communication can be essential to foster a shared understanding of the work. In addition, documentation of field scans, analysis, assumptions, and other information will often be critical in helping new program officers or directors understand their predecessors' decisions. This is especially important given the foundation's eight-year term limits for grantmaking staff. Written materials also make it easier for staff to solicit input from grantees, other external advisors, and foundation peers.

This section of the worksheets offers guidance on specific topics we believe should be addressed in written form at each stage in the strategy lifecycle. Most of these are familiar, such as literature reviews, field scans, theories of change, and evaluation questions. Staff can and should tailor any writing to its purpose and audience, including form and length. For instance, when refreshing a strategy, a team may want to document their findings in detail for internal purposes while synthesizing key takeaways more succinctly in a memo to the board.

Program directors are responsible for making these determinations; they should consult the president when it comes to preparing materials for the board.

Will written products — scans, strategy papers, etc. — be standardized?

We have standards for certain products already, such as board and budget memos. We have no immediate plans to develop further templates, though that could change with experience. We will standardize only when there are good reasons to do so, such as reducing confusion, adding efficiency by no longer reinventing the wheel, taking advantage of existing models or, most important, improving our work. Staff input will be critical in making these decisions.

Examples of all these products would be really helpful. Do we have any?

Yes. EPG has compiled a number of examples, templates, and papers reflecting best practices and also can refer staff to other program colleagues who may have additional examples to offer. Other departments, such as Grants Management, have developed tailored materials to help guide staff through the foundation's grantmaking processes.

The Communications department has more examples of strategy papers, web content and other products for external audiences.

Sources of Support

The worksheets list multiple sources of support within the foundation. Are we required to use them all?

No. But we strongly encourage teams to take advantage of all relevant internal resources. Consulting staff in other departments and keeping them informed as appropriate makes them more effective partners — better equipped to help programs identify obstacles and opportunities that would otherwise be overlooked, manage potential risks, and minimize administrative burdens for staff and grantees, among other things.

Is this a complete list of all the sources of support in the foundation?

No. This section of the worksheet explicitly mentions EPG, Grants Management, Communications, and Legal because they work most closely with programs across the strategy lifecycle. In fact, Grants Management, Communications, and Legal have officers embedded in every program. But Human Resources, IT, Finance and Accounting, Investments, and Facilities also play important roles in the foundation's efforts.

Is external consulting support required for any stage of the lifecycle? Who decides what is needed and when?

Program directors and officers are in the best position to decide whether and when they need external consultants. Consultants can be useful, particularly if they bring special expertise and fresh perspectives to bear. In addition to hiring professional services firms, some teams have used advisory groups of outside experts to vet ideas, while others have used foundation colleagues from different teams for this purpose. The options are not mutually exclusive. In deciding whether, when, and how to bring in outside assistance, remember that we do not want to outsource our thinking. Additional analyses and perspectives can be useful, but at the end of the day, it must be we ourselves — not our consultants — who understand, embrace, and pursue our strategies.

One area in which external support is particularly appropriate is evaluation. Here, we want a consultant's independence as much as its expertise. With evaluation planning increasingly incorporated into strategy development and implementation, some teams have found it useful to engage external evaluators at the outset to identify evaluation questions and develop an evaluation plan.

The assistance that other departments can provide to programs across the lifecycle is described throughout the guidebook.

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2121 Sand Hill Road, Menlo Park, CA 94025
650-234-4500 || www.hewlett.org