Investing in Change: Funding Collective Impact Efforts

A conversation with:
- Kathleen Enright, President and CEO, Grantmakers for Effective Organizations (GEO)
- Fay Hanleybrown, Managing Director, FSG
- Emily Tow Jackson, Executive Director, The Tow Foundation
- Ken Thompson, Program Officer, The Bill & Melinda Gates Foundation

September 25, 2012
FSG and GEO Share a Passion for Increasing the Effectiveness of Philanthropy in Accelerating Social Change

About FSG

- **Nonprofit consulting and research firm** founded in 2000
- Offices in Boston, San Francisco, Seattle, Washington DC, Geneva, and a presence in Mumbai
- Success in **strategic planning and evaluation** with over 200 foundations, corporations, and nonprofits
  - *Collective Impact*
  - *Breakthroughs in Shared Measurement and Social Impact*
  - *Channeling Change: Making Collective Impact Work*

About GEO

- **Powerful coalition** of more than 3,000 individuals representing 400 grantmaking organizations **committed to building strong and effective nonprofit organizations**
- Promotes **strategies and practices** that contribute to **grantee success**
- Provides access to **tools, resources and peer learning opportunities**
- Helps grantmakers improve practices in areas that have been identified as critical to nonprofit success:
  - *Learning for Improvement*
  - *Collaborative Problem Solving*
  - *Funding Outcomes*
  - *Stakeholder Engagement*
  - *Scaling What Works*
Today’s Panelists

Kathleen Enright
GEO

Emily Tow Jackson
The Tow Foundation

Fay Hanleybrown
FSG

Ken Thompson
The Gates Foundation
Today’s Agenda

Introduction
  Kathleen Enright, President & CEO, Grantmakers for Effective Organizations

Overview of Collective Impact and Funder Roles, Benefits and Challenges
  Fay Hanleybrown, Managing Director, FSG

A Funder’s Role in Tackling Juvenile Justice Reform
  Emily Tow Jackson, Executive Director, The Tow Foundation

A Funder’s Role in Establishing a Cradle to Career Education Effort
  Ken Thompson, Program Officer, The Bill & Melinda Gates Foundation

Audience Questions & Answers

Wrap-up
Achieving Large-Scale Change through Collective Impact Involves Five Key Elements

1. **Common Agenda**
   - Common understanding of the problem
   - Shared vision for change

2. **Shared Measurement**
   - Collecting data and measuring results
   - Focus on performance management
   - Shared accountability

3. **Mutually Reinforcing Activities**
   - Differentiated approaches
   - Coordination through joint plan of action

4. **Continuous Communication**
   - Consistent and open communication
   - Focus on building trust

5. **Backbone Support**
   - Separate organization(s) with staff
   - Resources and skills to convene and coordinate participating organizations

Source: Channeling Change: Making Collective Impact Work, 2012; FSG Interviews and Analysis

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Collective Impact Is Being Used to Solve Complex Social Problems in a Wide Range of Sectors

**Education**
- Read by 21
- CCER: Community Center for Education Results
- Strive Together

**Healthcare**
- Global Alliance for Improved Nutrition
- Roll Back Malaria Partnership
- Shape Up Somerville: Eat Smart, Play Hard
- LiveWell Colorado

**Homelessness**
- Calgary Homeless Foundation
- Home Again: Only a Home Ends Homelessness

**Youth Development**
- The Staten Island Foundation
- Communities that Care

**Economic Development**
- MARS
- Memphis Fast Forward

**Community Development**
- Elizabeth River Project
- Magnolia Place

Source: FSG Interviews and Analysis
**Taking a Collective Impact Approach Offers Funders the Opportunity to Amplify Impact, Leverage Funding, and Drive Alignment**

<table>
<thead>
<tr>
<th>Amplify Impact</th>
<th>Increase Efficiency of Resources</th>
<th>Drive Alignment</th>
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<tbody>
<tr>
<td>✓ Involves multiple partners working towards long term, systemic change</td>
<td>✓ Allows more efficient use of funding, especially in times of scarce resources</td>
<td>✓ Reduces duplication of services</td>
</tr>
<tr>
<td>✓ Offers a holistic approach by channeling the energy of various stakeholders towards solving a problem</td>
<td>✓ Enables leveraging of public and private sources of funding</td>
<td>✓ Increases coordination</td>
</tr>
<tr>
<td>✓ Provides opportunities to influence the system from within and outside by coupling advocacy with action</td>
<td>✓ Opens channels for organizations to access additional funding against an issue</td>
<td>✓ Embeds the drive for sustained social change within the community, facilitating “order for free”</td>
</tr>
</tbody>
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Source: FSG Interviews and Analysis
Shifting from Isolated Impact to Collective Impact Requires a Different Approach on the Part of Funders

The current approach of many funders is less conducive to solving complex problems:

• Funders develop **internal foundation** strategy
• Funders pick and fund individual grantees, who **work separately** and **compete** to produce results
• Funders **pre-determine approaches** to get to the desired outcome
• Funders build capacity of **individual organizations**
• Funders **evaluate individual grants** and determine attribution
• Funders are held **accountable to internal stakeholders** (e.g., Board)
• Funders **work independently and don’t always coordinate** their actions with other funders

In a collective impact context, funders shift their mindset to an “adaptive” approach more aligned with complex issues:

• Funders **co-create strategy** with other key stakeholders
• Funders fund a long-term process of change around a specific problem in active collaboration with **many organizations within a larger system**
• Funders **must be flexible and adaptive** to get to the intended outcome with stakeholders
• Funders **build the capacity of multiple organizations** to work together
• Funders **evaluate progress towards a social goal** and degree of contribution to its solution
• Funders are held **jointly accountable for achievement of goals** developed as part of effort
• Funders **actively coordinate** their action and share lessons learned

Source: FSG Interviews and Analysis
## Funders Can Engage in Collective Impact Efforts in a Number of Ways

<table>
<thead>
<tr>
<th>Sample Funder Role</th>
<th>Description</th>
<th>Examples</th>
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<tbody>
<tr>
<td><strong>Catalyst</strong></td>
<td>• Funder initiates collective impact strategy as champion, financier, and convener, potentially playing a key role in attracting resources throughout the effort</td>
<td><img src="image1" alt="The Tow Foundation" /> <img src="image2" alt="Bill &amp; Melinda Gates Foundation" /></td>
</tr>
<tr>
<td><strong>Backbone Organization</strong></td>
<td>• Funder organizes and coordinates the actions of cross-sector stakeholders to advance collective impact effort</td>
<td><img src="image3" alt="Calgary Homeless Foundation" /> <img src="image4" alt="Mars" /></td>
</tr>
<tr>
<td><strong>Participant</strong></td>
<td>• Funder actively participates in collective impact effort, and aligns funding and measurement to the effort</td>
<td><img src="image5" alt="The Carol Ann and Ralph V. Haile, Jr. Foundation" /> <img src="image6" alt="CollegeSpark" /></td>
</tr>
</tbody>
</table>

*Funders can play a wide range of roles in Collect Impact efforts, even within these categories*

Source: FSG Interviews and Analysis
Funder Activities Can Take a Number of Diverse Forms Over the Course of a Collective Impact Effort

**Illustrative Funder Activities**

<table>
<thead>
<tr>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
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<tr>
<td>Initiate Action</td>
<td>Organize for Impact</td>
<td>Sustain Action and Impact</td>
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- **Phase I (Initiate Action)**
  - Fund data collection / research required to make the case for collective impact
  - Encourage grantees and stakeholders to collaborate
  - Encourage other funders to join the effort / align with other funders
  - Use convening power to draw key stakeholders to the table
  - Broker relationships to create open lines of communication between stakeholders
  - Participate on Steering Committee

- **Phase II (Organize for Impact)**
  - Fund backbone infrastructure
  - Fund shared measurement systems
  - Fund trainings to increase stakeholder expertise in key collective impact skill sets e.g., leadership, group planning
  - Fund research on evidence-based practices
  - Encourage grantees and other stakeholders to align evaluation to shared measures
  - Convene community stakeholders
  - Participate on working groups or Steering Committee

- **Phase III (Sustain Action and Impact)**
  - Align funding with the common goals and measures of the effort
  - Continue to fund backbone infrastructure and shared measurement systems
  - Fund discrete initiatives identified through the collective impact effort
  - Provide content expertise on evidence-based practices
  - Continue to encourage grantees and other stakeholders to align evaluation to shared measures
  - Align strategy with other funders and actively coordinate
  - Participate on working groups or Steering Committee

Source: FSG Interviews and Analysis
Key Success Factors for Effective Funder Engagement Include Institutional Adaptability, Culture Shifts, and Long-Term Orientation

**Institutional Adaptability**

- **Flexibility** to work outside of traditional grant cycles and established internal processes
- **Ability to be nimble** in pursuing opportunities as they arise, without being prescriptive about the outcome
- **Willingness to learn new skill sets** required – including partnering, facilitation, communication, community engagement, and convening

**Culture Shift**

- **Comfort with uncertainty and adaptability** required to engage with community and stakeholders
- Awareness of **shift in power dynamic** among funders, grantees, and other stakeholders
- **Openness to funding infrastructure**, which is often seen as less attractive than funding direct services or interventions

**Long-term Orientation**

- Commitment to **achieving progress on a specific issue**, regardless of attribution vs. contribution
- **Understanding of timespan required for systemic change**, making a long-term commitment
- **Comfort with** measuring progress using **interim milestones and process measures**

Source: FSG Interviews and Analysis
## Overview of Case Examples

### The Tow Foundation and the Bill and Melinda Gates Foundation Each Played Critical Roles in their Respective Collective Impact Efforts

<table>
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<tr>
<th>Overview of Effort</th>
<th>Foundation’s Role in Effort</th>
<th>Impact to Date</th>
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| • New York State juvenile justice system was largely ineffective, inefficient, and unsafe  
• Numerous efforts had been tried, but systemic barriers to reform existed  
• Initial common agenda setting and strategy selection effort spanned ~ 1 / year | • In 2010, 24% of students in South Seattle and South King County attained a college credential, yet by 2018, 67% of jobs in the area would require a college credential  
• The Road Map Project was created with the goal of doubling the number of students attaining a college credential and closing the achievement gap by 2020 | • Tow’s involvement built on past experience in juvenile justice reform in Connecticut  
• Convened diverse system actors to develop a collective vision, set of goals, and strategies to transform the juvenile justice system  
• Worked with funders (public and private) to catalyze co-funding for strategic planning and backbone support  
• Staff served on Steering Committee and Working Groups for effort | • The Gates Foundation has played critical roles in the Road Map Project including:  
– Funding the backbone organization, Community Center for Education Results  
– Convening key stakeholders and co-convening a local funders group to support the Road Map  
– Participating in work groups to develop a common agenda and shared measures  
– Exploring data management and measurement options for the region | • Backbone organization coordinates the actions of cross-sectoral stakeholders  
• Effort resulted in recommendations that will be incorporated into NYS law (realignment)  
• For the first time ever, heads of state agencies and across systems meeting regularly to discuss issues  
• Significant progress toward building an accurate, up to date database of programs and services for justice-involved youth by county  
• Development of shared data system that will hold the system accountable for both public safety and youth success, as well as inform reform | • Published baseline report; increase in state College Bound scholarship signups and FAFSA completion  
• Funders meeting, for first time, to assess their joint impact on education funding in the area, from cradle to college  
• Superintendents and College Presidents from 7 Districts and 5 Colleges meeting for first time ever to plan together |

Source: FSG Interviews and Analysis © 2012 FSG
Audience Questions

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Ken Thompson
The Gates Foundation
Thank You For Joining in the Collective Impact Conversation Today!

- *Today’s webinar was presented in partnership with Grantmakers for Effective Organizations*

- Please respond to the brief electronic survey that you’ll receive after today’s event to share your feedback with us

- For more information on Collective Impact, please visit [www.fsg.org/OurApproach/CollectiveImpact.aspx](http://www.fsg.org/OurApproach/CollectiveImpact.aspx) or contact us at [info@fsg.org](mailto:info@fsg.org)

- To see this presentation or watch a recording of today’s webinar, please visit [www.fsg.org/investinginchange](http://www.fsg.org/investinginchange)

- Please visit [www.geofunders.org](http://www.geofunders.org) for more resources and peer learning opportunities for grantmakers

- Save the date for GEO’s The Learning Conference 2013 – scheduled for June 3 – 4, 2013 in Miami