



How a Small Foundation Can Bring Impact to the Nonprofit Sector – The Collaborative Discovery Solution

In the world of philanthropy, there is a broad range of “players.” Some philanthropists quietly write checks for the general operating expenses of their favorite charities. Some are volunteers first, fully engaged in an organization’s activities, and following up with financial contributions to demonstrate their commitment to the important work being done. Then there are those who conduct their own research and fund policy development in the social, civic and cultural arenas. Finally, there is a continuum of philanthropic strategies that fall anywhere in between these scenarios. Yet, they are all important and each makes its own impact. But many small foundations, once fully engaged after their initial formation, become overwhelmed by the work of larger foundations with their enormous program grants and full staff services. Many small foundations have learned to be effective both in bringing critical financial support and serving as a forum leading a paradigm change in the nonprofit field. This article explores one method of how a small foundation can bring impact to the nonprofit organizations it funds and its own grantmaking strategy.

Typical Scenario

Imagine the excitement a family experiences upon setting up a new private foundation. The legal matters have been taken care of, discussion that has been ongoing for years about what they could do for the community or world has brought focus, a name for the foundation has been carefully chosen to reflect the passion of the family’s philanthropic goals, and now, the funds have *finally* become available. The due diligence process and administrative procedures have been researched, partners have been selected to process the work, perhaps an RFP has been issued, and the “digging-in” begins. Proposals from qualified nonprofits come flowing in for consideration.

Desired Result

Simultaneously, the new, formally organized philanthropic family begins networking with other philanthropists and their staff members in their local foundation community. It’s almost hard to believe how much money is pouring into the community’s problems and the world at large! So much good work is being done! It becomes clear that a myriad of strategies exist among the different foundations. As time goes on, the family foundation makes grants and builds relationships with its grantees. The foundation board members learn more about the needs. They discover leaders who could take their charitable work results and either quantitatively or qualitatively make the leap from 10,000 to 30,000 feet. The foundation begins asking itself if any systemic improvement has been made in the targeted area because of its grants. Rather than simply sustaining a good program, was the program improved? Was it taken to scale, perhaps? When a foundation’s leadership is asking these questions, they are ready to move beyond basic charitable giving into the realm of making an impact in the nonprofit sector.

A Collaborative Discovery Solution

It can be said that people everywhere have a lot of knowledge. Yet each person's experiences and values bring a different perspective to what they know to be true. One way to get to the crux of a problem is to bring people together and engage in a collaborative discovery day with a facilitator leading the discussion, finding common threads, and hopefully leading to solutions. While not an uncommon practice, we tend to invite people to the table we are already comfortable with, that is, those who probably share at least some of our own deeply held values and beliefs. The thinking is that the group will quickly find continuity and therefore a strong focus in the discussion. What often happens, however, is that the dialog affirms our ideas, but leads to few solutions that would be appealing to a wide audience. The collaborative discovery process becomes much more effective with a diverse group of people coming with different perspectives, not for the purpose of persuading, but for synergetic discovery.

Invitation by an Anonymous Foundation

This particular foundation had been identifying and funding excellent job training programs in its local community for five years. Despite its anonymity, working relationships were developed between the donor and the grantees. The Legacy Group, a philanthropic advisory firm headquartered in Brookfield, Wisconsin, was hired to advance the foundation's grantmaking impact. One effort included a special collaborative discovery day focusing on job training programs. Attendees included all board members of the foundation, executives and staff from two of the best local nonprofit job training organizations, a representative from the state's workforce development department, and representatives of other foundations. Although most participants were living and working in the same city, not all were well acquainted. The diversity of the group intentionally brought differing philosophies and strategies. As a "non-partisan" facilitator, Legacy led the morning discussion, asking tough questions of the participants to address the current and near future job training market, identify issues that result in lower than desired success of program constituents, and reveal obstacles the organizations face in helping their constituents overcome those issues. At lunch, all participants enjoyed individual and group networking opportunities, forever changing their relationships. Legacy then facilitated the conclusion of the daylong event with a discussion resulting in the collaborative identification of four key elements of successful job training programs. Lastly, Legacy wrote an executive summary that was distributed to all participants and to those donors who had been unable to attend.

Actual impact

The immediate impact of this collaborative discovery day was multi-fold as it:

- Deepened relationships between donors and grantees
- Updated the foundation board of directors' awareness of current trends in job training programs
- Expanded the network of organizations involved in this field of work
- Crystallized the foundation's targeted funding toward job training programs that possess four key components

In addition, donors and grantees alike were encouraged, with open dialog, to address the “elephant in the room.” Legacy drew out of each participant one element of strategy that should be considered by the other group. For example, from grantees to foundations: “fund ancillary services”, and from foundations to job trainers: “develop programs that include real work experience, pay for training, and build community.”

The impact of philanthropy can be both tangible and intangible. Address both, and you will bring purpose to your passion and impact to your giving. Consider not only financial contributions, but also collaborative discussion, combining knowledge from a diverse community into solution-based, practical strategies for both donors and nonprofit organizations.