

The Professional's Guide to Strategic Philanthropy

Dr. BYRON HARRELL

Super-Charged Giving

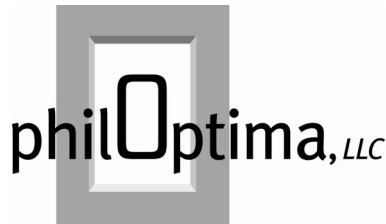


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Supercharged Giving

The Professional's Guide To Strategic Philanthropy

Dr. Byron Harrell



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**Dedicated to those who give
of themselves and their treasure
for the benefit of others,
asking nothing in return.**

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Supercharged Giving: The Professional's Guide to Strategic Philanthropy

Preface

Amidst an economic melt-down of epic proportions, philanthropists are dialing down their giving and looking for more value and impact from their grantmaking. With deeply reduced endowments, they can no longer afford a scattergun approach to their donations. Now, more than ever, donors are designing thoughtful strategic approaches to their work that achieve more impact for each grant dollar. For grantmakers looking for the path to a more strategic, cost-effective style of philanthropy *Supercharged Giving* offers a balanced approach between art and science. It also proposes a new way to link each grant to the reasoning and logic of the funder known as “Concept Mapping©”.

This is a practical “how to” book from an experienced philanthropist. It is designed to give funders a way to balance their analytical tendencies with their heart-felt passion to help others. Some believe that philanthropy is in danger of losing respect for simple acts of charity in favor of complex theories of change and grantmaking logic models. Others believe that philanthropy is peppered with dilantants that are inattentive to measurable outcomes. *Supercharged Giving* proposes a novel way to think about philanthropy strategically without letting the passionate overwhelm the analytical; the heart overwhelm the mind.

The analytical “mind” side of philanthropy is being shaped by leading strategists such as Michael Porter, Phil Buchanan, Joel Fleishman, Mark Kramer, Peter Frumkin, Paul Brest, and Hal Harvey. They have each written powerfully about the frequently observed failure of philanthropy to achieve durable, lasting results. Theirs is a well developed body of knowledge offering different but equally intriguing approaches to the challenges of effectively using private wealth for the public good.

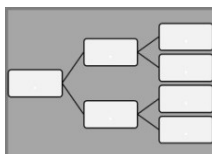
The passionate “heart” side of philanthropy is promoted by other leaders such as Pablo Eisenberg, Martin Leffeldt, and William Schambra who suggest that philanthropists hang onto the beliefs that motivate them and keep things simple and focused. They note that philanthropy is littered with fads and flashy trends that all too frequently have not improved grantmaking outcomes.

Supercharged Giving blends these two approaches to grantmaking. Using a powerful new tool known as “Concept Mapping©” philanthropists are able to clearly document their grantmaking rationale and their impact can be kicked up a notch without smothering their underlying motivations. Concept Mapping© is a very robust tool that helps grantmakers make sense of why they give and the result they want. It also graphically demonstrates their reasoning and provides a great communication tool that helps them stay the course when working with grantees, partners, the public and regulators. Creating a Concept Map© forces philanthropists to prioritize their limited resources, establish a working knowledge in their targeted field, and craft a game plan to guide their work. A Concept Map© helps remind funders and grantees alike why they support a given intervention and how success will be measured across time.

Finally, Concept Mapping© captures, in a single graphic, a whole portfolio of diverse projects that might otherwise appear disconnected, but which make sense viewed collectively as a single theory of change.

To the extent that business-like strategies and Concept Mapping© contribute to more understandable and effective grantmaking, this author will be gratified. My hope is that "mapping" will encourage donors to be more precise about why they are making grants, what they expect to accomplish, and more understandable to their grantees and communities.

With diligence, donors can find the perfect balance between their minds and their hearts; the analytical and the charitable. *Supercharged Giving* presents a wide range of grantmaking styles and approaches, at least a few of which should work for you and your organization. Achieving a bigger, lasting impact is all about connecting the ideas...and the boxes.



Introduction

Most Americans are “philanthropists” to one degree or another. They drop a coin in the kettle during the holidays, they give time to help clear an elderly neighbor’s driveway, or they give thousands or even millions to nonprofits to help the less fortunate. Their collective charitable impulse has amazed observers from the earliest years of the nation and they continue to share their wealth and energies today.

Although they may not always think of themselves as philanthropists, they possess the three essential elements of philanthropy including (1) time, energy, or wealth to share with others, (2) motivation to give, and (3) belief that their gifts will have an impact.

Supercharged Giving is devoted to maximizing the third element: “impact”. Donors must believe that their gifts will have an impact or they wouldn’t make them. In Part One of *Supercharged Giving*, donors are guided to answer three questions that are fundamentally important to high-impact philanthropy.

- (1) “What do you want to accomplish with your gift(s)?”,
- (2) “Why do you want to achieve a particular result?”, and
- (3) “How will you achieve the result you seek?”.

Because the answers to these three questions are essential to the creation of a meaningful concept map, *Supercharged Giving* devotes a separate chapter to each question and each chapter includes a “family” of related decisions that collectively guide the donor’s strategies.

In Part Two, *Supercharged Giving* proposes that funders adopt a strategic planning cycle that requires them to revisit these three questions as part of their annual business process.

In Part Three, funders are introduced to a range of grant products and grantmaking styles and an important new communication tool known as “Concept Mapping©”. “Mapping” helps them keep their day-to-day decisions consistent with their long range goals and helps them avoid “mission drift” which is a common philanthropic malady. The ability to plan for the long haul while maximizing impact in the short term is critically important to funders with scarce resources. *Supercharged Giving* is an invaluable reference to keep funders on course throughout the year and each time a funder wants to tackle a new community challenge. A business plan built on the principals enumerated in this book will help ensure that day-to-day decisions are tightly integrated into the big picture and it will help avoid retracing wasteful, nonproductive work.

Concept Mapping© is useful to donors with large or small endowments. It can be applied to simple projects or to complex, multi-year initiatives. Concept Mapping© documents what, why, and how a particular grant (or portfolio of several grants) has been implemented from among several differing alternatives. As a communication tool, it provides a pictorial mechanism for readers to quickly grasp the theoretical connections between the mission of the foundation or

the intent of the donor and a specific gift or grant.

From the completely opposite viewpoint of nonprofit organizations which receive gifts, Concept Mapping© can be helpful in designing programs and interventions that are attractive to donors. In such a “reverse engineering” approach, nonprofits can start with the outcomes and impacts of their programs and map backwards to demonstrate the linkages between their work and the goals of funders. Thus, by using Concept Mapping©, nonprofits can approximate the reasoning of funders.

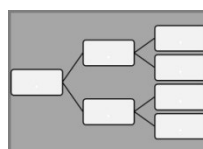
For consultants, planners, experts, and advisors to foundations, *Supercharged Giving* is a valuable guide to help their clients answer the “what”, “why”, and “how” questions of strategic philanthropy. Professionals using annual strategic planning cycles and Concept Mapping© will find these to be useful tools to assist their foundation clients adopt more sophisticated, effective grant making approaches.

Supercharged Giving describes several different grantmaking styles and different types of grants that can be matched to donors to enhance their impact. Most grantmakers use just one style of giving even if they offer several different types of grants (i.e. core-support grants or capital grants). However, a foundation can intentionally use a different grantmaking style for each type of grant they issue.

By adopting different styles, grantmakers can vary their reasoning, measurement, and evaluation approaches to a grant. As an example, “discretionary donations” (small charitable grants with very simple application forms and few or no reports required from the recipient) can be issued to grantees under a “venturist” style and should be measured very differently than the same type of grant delivered under an “altruist” style. The expectations are different for each style.

Supercharged Giving contains practical techniques to assess the environment, establish goals, strategies, objectives, adopt grant products and styles, and build clear, flexible grantmaking approaches. It includes clear explanations and illustrations covering aspects of defining, developing, and implementing a strategic philanthropic business plan. It even explores different grant implementation options and includes two different examples that apply the concepts presented in this book.

Supercharged Giving is the professional’s essential guide to strategic philanthropy and Concept Mapping©.



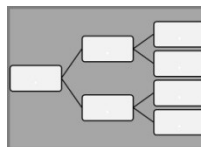
PART ONE

1. Strategic Imperative

2. “What” To Do

3. “Why” Do It

4. “How” To Do It



CHAPTER ONE

Strategic Imperative

Faust made a pact with the devil and was granted energy, life, knowledge, and youth to his utmost happiness. In exchange, all Faust was required to do was avoid wishing that things would never change. After he unwittingly tripped over this simple prohibition, his world and his life were thrown to the devil (Mephistopheles) whereupon he ruined the lives of those whom he loved. His life ended in shame. Faust constantly sought perfection but never found it (1). Similarly, philanthropists seek but never find perfection having made two Faustian bargains of their own (2).

In the first “bargain”, philanthropists receive tax deductions in exchange for committing their private wealth to the service of the public good. The donor also retained control over how the donated assets were used (often across multiple generations). Measured in purely financial terms, the first “bargain” has been a wildly successful public policy. It has produced an ocean of tax-free assets approaching \$600 billion held in more than 70,000 private foundations. However, the first “bargain” has not been without a few trade-offs for society such as reduced government income and deferred impact. In addition, the public has little influence over the investment, spending, or grantmaking choices of foundations because their endowments remain privately owned but publicly dedicated.

In the second “bargain” foundations received freedom from almost any oversight. In return for their tax-deductible gifts, donors were permitted to direct grants to almost any nonprofit cause with a prohibition against lobbying and another against self-dealing. With so few external controls, foundation grant making can often appear messy and idiosyncratic. As a consequence, vast sums have been spent to improve society with seemingly very little effort to plan for, strategize over, or evaluate results (3). Thus, foundation spending can run the gamut from the arts to zoology and everything in between without any evidence required of social impact, good, bad, or otherwise.

Even with so much at risk, Faust tragically slipped into the grasp of the devil. So go foundations that fail to pay their excise taxes or that trip over lobbying or self-dealing restrictions. But bureaucratic death sentences have been rare. Unlike Faust, private foundations can still get away with wishing that things would never change and some things don't as evidenced by their spending, which can remain stuck in outmoded and overly simplistic practices (4).

Donors have also become accustomed to working without any accepted yardstick to measure how or even if they are succeeding. Without this feedback system, foundation spending can be stuck in patterns that worked in the 1950's but are ineffective in tackling today's problems. Many foundations have been forced to improvise and to develop their own home-grown evaluation techniques and tools to measure their performance. But, the use of sophisticated tools has been limited, and, to date, there have been few mechanisms through which to share grant making results.

No other large-scale corporate activity in the United States functions with as little regulatory oversight, as few indicators of success, and as much insulation from criticism as philanthropy (5). Indeed, philanthropists have created some of the best and worst institutions in American society (6). To their credit, philanthropists have shown bursts of ingenuity and responsiveness accompanied by lasting and positive impact on society (4; 8). Two modern examples among many are the scholars program for authoritative field research supported by the Russell Sage Foundation and the VERA Institute's program targeting the criminal justice system supported by the Ford Foundation (9; 10). Others include the national youth anti-smoking campaign funded by the Robert Wood Johnson Foundation or the Sustainable Environment Program funded by the Pew Charitable Trusts both of which have been credited with changing public attitudes toward recognition of large-scale hazards (8).

While grant effectiveness has largely been viewed through the eye of the beholder, from an outsider's perspective, there are also ample examples that donors don't always make "good" grants and waste vast sums of money with little or no effect (7). As examples of dubious funding, Wooster points to the support by the Ford and Carnegie Foundations for public television and to the "war on cancer" funded by the Albert and Mary Lasker Foundation which greatly expanded federal spending (7). A more modern example could be the uninspiring results noted by Fleishman of the Living Cities (formerly NCDI) housing program funded by an unprecedented collaboration of private and governmental entities but whose shifting approaches, unclear results, and vague theories over time serve as reminders of the importance of consistent strategic focus (8).

Unfortunately, undisciplined spending has been easily justified in an equally undisciplined field. As a result, many observers of philanthropy have come to believe that foundation spending produces fewer lasting positive effects than should be expected (3). On one hand, some suggest that the whole concept of strategic philanthropy or even of professionalism in the field is without merit (11); while, on the other hand, some suggest that the root of philanthropic ineffectiveness may rest in the failure of the field to adopt more structured and systematic approaches (8; 12).

As an example, of the thirteen most common reasons for foundation failure noted by Dr. Joel Fleishman in his book "The Foundation", half are rooted in weak systems (2007). Specifically, he notes that failure rests in (1) a lack of a guiding strategy, (2) a mismatch between the problem and the strategy, (3) a lack of a credible logic model, (4) a failure to specify precise desired outcomes, (5) inadequate market research, and (6) a lack of appreciation for unanticipated consequences (8). In response, donors have turned to strategic philanthropy to boost their effectiveness.

While there is little doubt that charitable acts in general are good for both the donor and society, a widely held viewpoint has evolved in the field that "charity" is a lesser form of a more sophisticated philanthropy (13). Strategic philanthropy is the term often used to describe a business-like model of giving that is part venture capitalist and part demanding investor that aligns the goals and objectives of the donor with the activities of the grantee (14).

Yet, it can also be argued that a purely business-like approach to giving can leave the donor and the grantee financially or spiritually impoverished (13). Another debate rages between others who believe that the passion of the donor is at the heart of great philanthropy and those who believe that those same passions are too narrow, unsupported, and unmeasured to make lasting and important differences to society (8; 13; 15).

Supercharged Giving proposes a middle ground between “red hot” passion and “ice cold” strategy. By using a traditional business model for strategic planning that is wedded to a simple graphic language called “concept mapping”, it is possible to achieve more effective results without losing sight of the original impulse of the donor or the needs of the targeted community.

Philanthropy will undoubtedly remain a field dominated by these two camps--those who believe in a structured process and those who believe in the individualistic passions of giving. Both viewpoints have a legitimate place in philanthropy. *Supercharged Giving* proposes that these two viewpoints are different but operate on the same linear scale of grant making styles of giving, from more sophisticated to less sophisticated. The practitioners of either viewpoint will discover that a systematic measurable approach will not necessarily extinguish important passions. Instead, grantmakers of all stripes are likely to find that they can purchase greater impact for the same or fewer dollars by applying a strategic approach to grantmaking and they can still maintain balance between passion and analysis.

Getting Things Done vs. Doing The Right Thing

Because foundations enjoy unfettered freedom to act and very little external accountability, it can be difficult for them to identify the work that is most important, and, it is even more difficult for them to stay focused on their goals over time. In order to cope with this issue, they often develop complex systems and procedures that belie the fact that they may be guilty of wandering, whimsical decision-making.

Rather than wrestle with the "mission-drift" dilemma, some philanthropists begin to place an inordinate emphasis on the processes they employ; they fail to understand that the choice of a specific gift shouldn't be merely a mechanical by-product of the process (16). They have created intricately detailed applications and guidelines, procedures to rank the relative worth of proposals, and tightly written performance contracts. These procedures can be multi-layered involving staff, consultants, committee members, the board of directors and even non-voting advisory members of the public. Completing all of the procedures becomes the mission, rather than the procedures serving as merely a useful technique to achieve the real mission.

The larger the foundation, the more internal structures and processes seem to take control and dominate foundation operations. The diminished focus on important outcomes has caused many large foundations to become low-performing organizations (18). The simple proposition that grant spending should have a logically anticipated outcome established by the founder or board somehow gets lost in the process (4).

Bureaucracy being what it is, over time the emphasis has subtly shifted from the process driving the grantmaking decision to the process itself becoming paramount. Rather than the foundation using the process to find the right answer for the community, it simply finds an answer that has all of the boxes checked and the forms completed (17). The “proceduralists” have built increasingly complex systems to prove their added value, but which act as ramparts that have the unintended consequence of keeping small or unsophisticated applicants from seeking funding. The mechanics of processing applications, filing reports, sending checks, conducting site visits, and pouring over audits and evaluation data supports a feeling of “getting things done” rather than “doing the right things”.

Strategic Philanthropy Defined

In business, a strategy maps out the organization’s future, setting out which products and services a company will take to market (19). A similar strategy for grantmaking foundations has been described as the reasoning behind how a particular goal should be achieved and is often used interchangeably with the term “theory of change” (20; 21). Philanthropists who set out clear goals and objectives are relatively rare and even fewer are those who attempt to explain why they believe that a particular activity will produce a particular result (22; 23). Foundations that develop a theory of change to undergird their grantmaking approach do not simply hand out money. Rather, they attach their own set of assumptions and expected outcomes to their grants (24).

Image 1: Most Foundations Are Simply Lost



Why Can't We Just Google It?

Among foundations that use a strategic approach to produce social improvement, strategies are most often based on a combination of objective evidence drawn from the literature and subjective assumptions of causality (23). Some argue that a strategic approach to grantmaking offers little improvement over an expressed ideology because there is a lack of empirical evidence of causal relationships. While causality is often unproven, strategic philanthropy makes a mean-

ingful attempt to understand how and why change occurs. Foundations that adopt a strategic approach are likely to improve the effectiveness of their grantmaking (8).

For purposes of *Supercharged Giving*, strategic philanthropy has been defined as follows (25; 26).

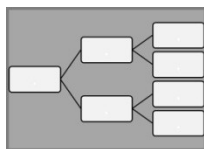
Definition 1: Strategic Philanthropy

Strategic philanthropy is a dynamic process which blends the art and science of grantmaking to produce a written plan that governs how the foundation uses its monetary and human capital to achieve its mission.

In the next three chapters, *Supercharged Giving* answers the timeless grantmaking questions of “what”, “why” and “how” followed by chapters covering the description of a strategic planning cycle and Concept Mapping©.

Key Points To Remember:

- Private foundations enjoy no inherent right to exist. They are creatures of the tax code and as such operate at the mercy of the Congress and the IRS.
- There are more than 70,000 private foundations today and the assets of private foundations total nearly \$600 billion.
- As a group, foundations operate without any accepted standards of performance and thus have a difficult time gauging success.
- Many grantmakers have turned to increasingly complex bureaucratic processes in lieu of measuring their impact.
- The passion of the founder or the board for a particular subject is often not enough to produce meaningful results. There is an appropriate balance between passion and bureaucracy.
- Large foundations are more likely to be ineffective.
- Strategic philanthropy is a dynamic process which blends the art and science of grantmaking to produce a written plan that governs how the foundation uses its monetary and human capital to achieve its mission.



CHAPTER TWO

Deciding “What” To Do

Most foundations have a mission that describes what they do. Settling on “What” to do is the result of a series of conclusions known in *Supercharged Giving* as the “What To Do” family of decisions. The mission of the foundation, its goals, and its objectives are all in the “What” family. Funders also work through two other series of conclusions known as the “Why Do It” and the “How To Do It” families. The “Why” family defines success for the organization and becomes the basis of its vision. The “How” family includes strategies, theories of change, tactics, logic models, action steps, and budgets. Together, answers to these three questions, “What”, “Why”, and “How”, form the strategic plan for the organization. Of the three questions, “What To Do” is the most important. The board of directors is essential to finding the answer to this critically important question.

Graphic 1: A Question Of Leadership



The Mission, Where It All Starts

Do not rush through this chapter because you already have a mission! The single most important step in strategic philanthropy, and the one with the greatest long-term effect, is the decision of “What To Do”. The answer to the “What” question is the mission.

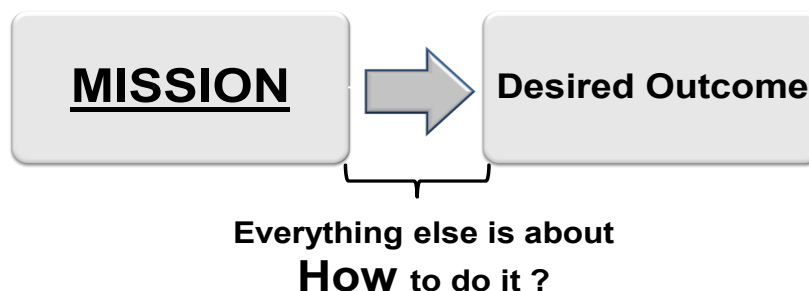
Few established foundations ever re-examine their overarching purpose. After all, the answer to the “what” question was laid out by the founder. Newly formed foundations pay a little more attention to the “what to do” question but with the passage of time they also rarely question the appropriateness of their first answer.

Definition 2: What Is A Mission Statement?

The mission of a foundation is a broad description of its reason for existence with sufficiently measurable terms or sub-sets (goals) that the long term success of the organization can be assessed.

Graphic 2: The Most Important Questions In Philanthropy

What To Do & Why ?



There are three steps to developing a good philanthropic mission.

1. Identifying the problem to be confronted,
2. Fitting the mission to the organization, and,
3. Writing the mission statement.

Before taking the first step to develop a philanthropic mission, there are a few broad issues to consider. In spite of its importance, the mission is often written in vague, poetic, sweeping language because generations of executives have been *wrongly* taught by business schools that the mission of an organization is a quasi-permanent, essentially immutable declaration of purpose. As a result, this vital guiding statement is given scant attention during the strategic planning process in most established organizations in favor of jumping straight into the details.

It is true that the mission changes less frequently than very detailed quarterly action steps. However, it is untrue that it should be static and it is unwise in a dynamic environment to think that it should be. Consequently, many grants issued by foundations are less effective than they could be because of this unwarranted inflexibility combined with vague, beguiling terms.

Sometimes called “donor intent”, the mission of a private foundation should not be fixed in perpetuity simply because the organization itself is perpetual or because of a long-departed donor. It seems obvious that the problems being confronted by a perpetual organization should not be confined to outdated assumptions from its distant past. Founders may operate with a superficial understanding of the issues that influence the problem they have chosen to solve or how to measure its causes, scope, and complexity. This is where founders get derailed and many of them never regain their forward momentum. Consequently, even after years of grantmaking, many funders are unable to determine if they have made any lasting progress.

Supercharged Giving suggests that this aversion to amending the mission or re-defining donor intent is harmful to foundations and the communities they serve. Problems do not stand still over time and neither should solutions! Instead, this book proposes a structured re-examination of each level of the “What To Do” family of decisions. The following terms are discussed in detail in later chapters, but for now, imagine that every level of “What” decision-making is strictly confined. By definition, once all action plans are achieved, the objective associated with those action plans is also finished. By definition, once all objectives are achieved, the goal associated with those objectives is also completed. By definition, once all goals are completed, the mission is accomplished. As a result, every level of decision-making in the “What” family is systematically subjected to re-examination, including the mission. Action plans may be revised quarterly, objectives may be revised annually, goals may be revised every few years, and the mission may be fundamentally revisited every 5-8 years. Ultimately, this approach helps the funder to remain relevant in changing times.

Most private foundations, unlike their founders, will be around forever. What happens to the foundation if it achieves all of the goals established by its founder? Founders rarely thought about the role of the foundation once it achieved the purpose for which it was created. Thus, they often chose impossible-to-measure, overly broad missions. *Supercharged Giving* proposes that a more appropriate mission designed for a perpetual-life organization favors the adoption of a mission that is relatively “temporary” and more responsive to external conditions.

Start At The Beginning

Foundations should take the time and make the effort to carefully define their mission in measurable, clear terms. Armed with a precise mission or statement of purpose, grantmakers can focus their efforts. A clear mission also provides a defensive barrier to protect against “mission drift”. Alfred P. Sloan (science & technology) and Robert Wood Johnson (health) serve as striking examples of donors who forcefully imbedded a clear focus in their missions and thus prevented future generations of leaders from watering down their work and from a lack of accountability for results (8; 13).

Tom Peters called this clarity of purpose “sticking to their knitting” in his famously successful business tome “In Search of Excellence” (27). He noted that few, if any, of the best companies in the world deliver consistently good products or services under vague or inconsistent goals. The same principle holds true for foundations and other donors.

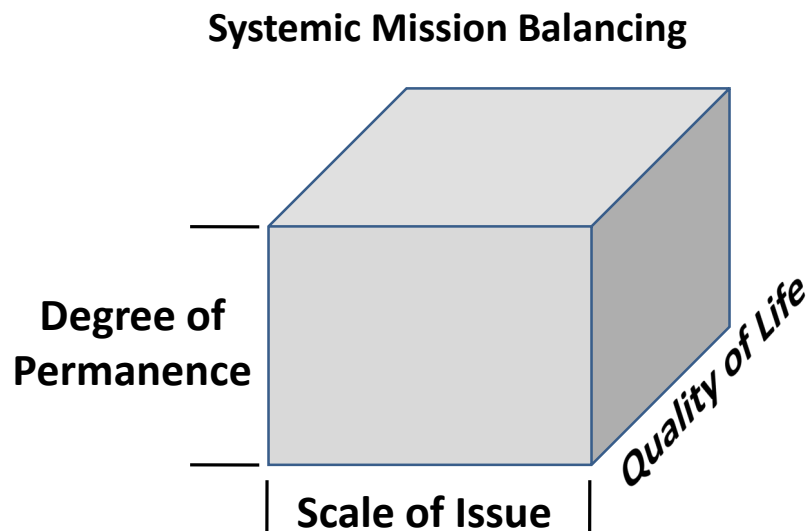
Although there are striking differences between business enterprises and nonprofit organizations, they must both add value for their constituents (28). Thus, creating a strong, clear mission builds a walled fortress for the organization that accomplishes at least two very important purposes: (1) it helps applicants, grantees, and communities understand the focal point of the foundation, and, (2) it protects the foundation from itself by confining it inside the mission walls to remain attentive to a few important activities until something is accomplished.

Step One: Identifying The Problem

Brest and Harvey propose three interacting scales to guide the selection of a philanthropic mission (29). They suggest a three-dimensional balancing act that considers (1) the scale or the size of the problem that the funder is attempting to solve, (2) the degree of permanence of the harm caused by the problem, and (3) the impact of the problem on the quality of life.

This approach is constructive in that it produces information about the scope of effort that may be required by a philanthropist to attack a particular problem. With some modification to fit philanthropy as envisioned in *Supercharged Giving*, the following three scales may be a useful way to explore the “What To Do” question.

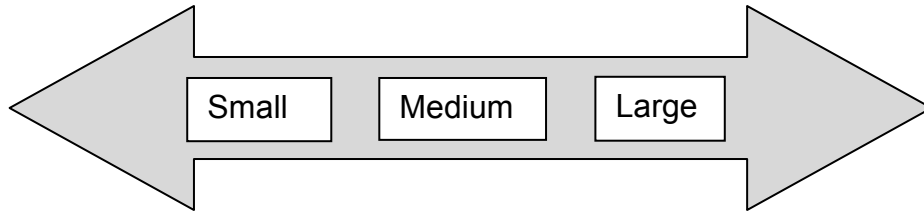
Graphic 3: Problem Identification Model



1. What Is The Scale of The Issue?

This scale helps frame the size or breadth of the problem that the funder wants to solve. It ranges from a small-impact problem to a large-impact problem (Brest uses the term “vast”). Other units of measure in this scale are possible such as money, acres of land, people, or even ratios such as income per capita but the central idea is to understand the magnitude.

Graphic 4: How Big Is The Problem Being Confronted?

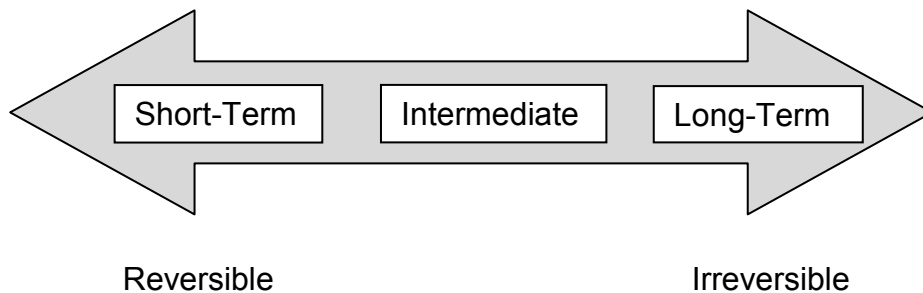


The scale of the issue helps bring a touch of reality to the expansiveness of the philanthropist's choice of mission and to the descriptive language that will be used to describe the challenge.

2. What Is The Degree Of Permanent Harm?

This scale measures the temporary or permanent nature of the harm being created by the issue under consideration by the grantmaker. When dealing with the consequences of postponing action, grantmakers can consider just how reversible are the consequences produced by the issue of interest, some of which can last years or even decades. Some problems left unresolved can produce irreversible harm. Thus, a scale of "degree of permanence" runs from short-term to long-term; reversible to irreversible.

Graphic 5: How Reversible Are The Affects Of The Problem?

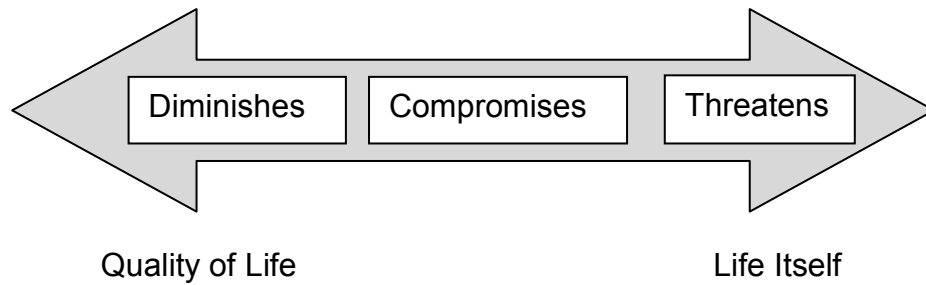


If the consequence of postponing action is negligible, the short-term (reversible) side of the scale is applicable. If the problem is left unattended and the consequences are irreversible such as cutting down the last stand of centuries-old red wood trees, the long-term or irreversible measure on the right side of the scale is more appropriate.

3. What Is The Level Of Threat From The Problem?

If the problem being considered as one basis for the mission reduces the quality of life, this third scale captures the effect. In the middle of the scale, the problem negatively affects the necessities of life and on the far right end of the scale are those problems that threaten life itself.

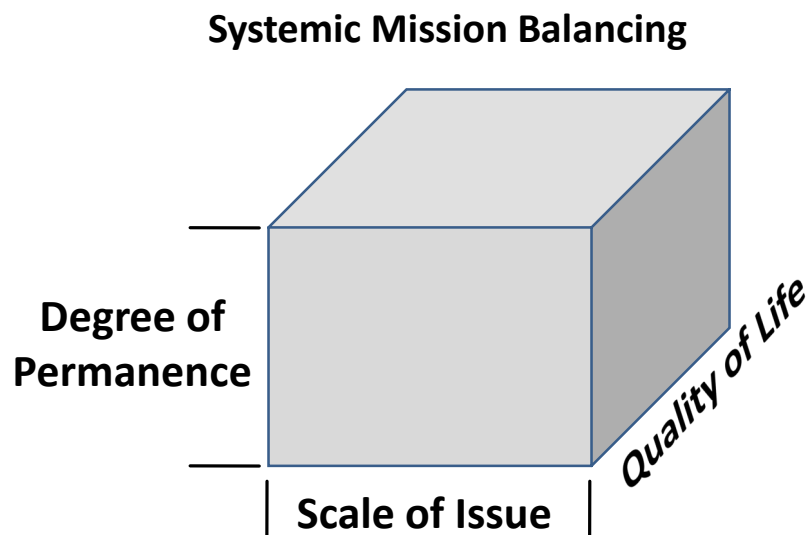
Graphic 6: Impact On Quality Of Life



These three scales describe a framework for the consideration of large-scale issues that a philanthropist considers when establishing or when re-appraising the mission of the foundation. The larger the problem being addressed, the more the mission should be written in global terms to describe very large-scale challenges that may last for several generations.

A good example of a super-sized mission is “the elimination of HIV” or of “poverty”. A precautionary note, working at the outer ends of these three scales generally requires more money and a great deal of patience and persistence. This “big-box” work can also be difficult to measure and a myriad of complex issues can be expected to interrupt progress. Additionally, success is more difficult to measure and to attribute to a specific intervention.

Graphic 7: Working With A “BIG BOX” Mission



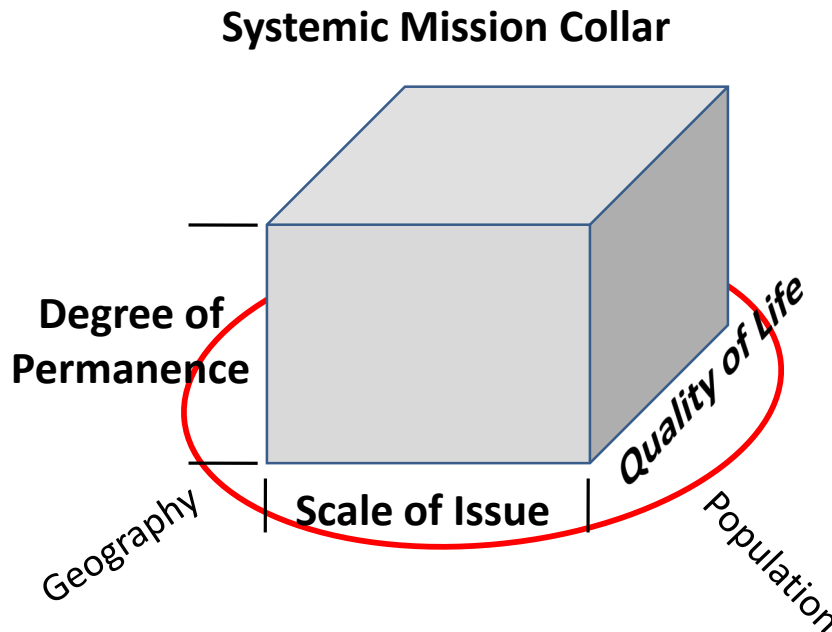
Step Two: Fitting The Mission To The Organization

“Big Box” missions are frequently reserved for larger foundations. To fit or adjust the mission to a smaller foundation, the scope of work can be reduced without losing any power. One way to reduce the mission without abandoning the first-priority problem is to put a “collar” around the box

to restrict activities. Collars can be geographic, conceptual, demographic or temporal but they all have the effect of narrowing the universe of possible activities.

A collar could be an important concept such as “democracy”, a new approach such as “charter schools”, a problem, disease, population of interest, or even a specific geography such as a city, region, or nation.

Graphic 8: Creating A Collar Around The Mission



For instance, a grantmaker may choose to work on large-scale issues but only within the state of North Carolina. The range of possible challenges can be reduced to a more manageable assortment at the state border. This is an artificial collar to the extent that most problems do not respect contrived lines of separation such as the city limits or the political boundaries, but these divisions are convenient delimiters for a properly-scaled response.

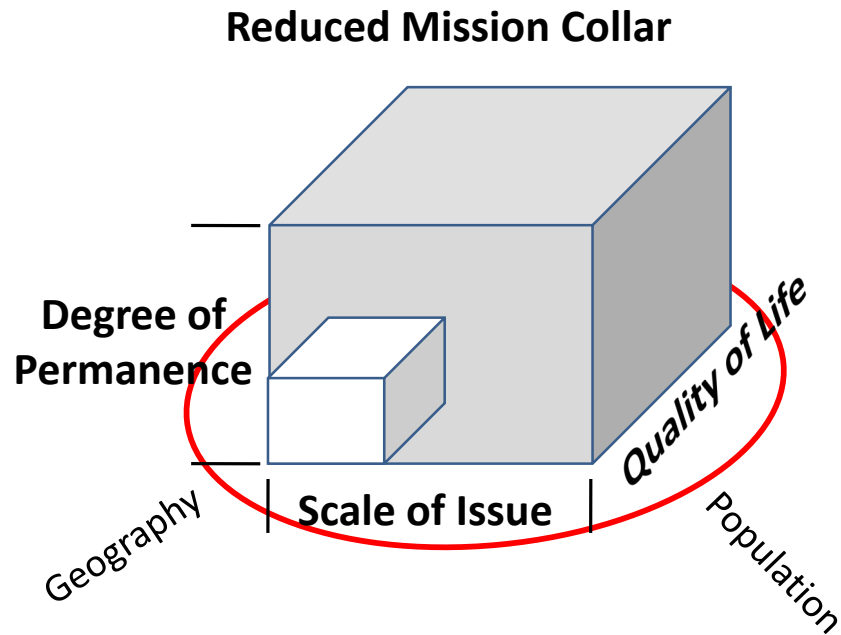
Another example of a common mission collar is selecting a certain population (i.e. all males) or a certain human condition (i.e. obesity). There are dozens of potential collars from among which to choose in order to achieve a tighter fit between the aspirations and assets of the funder.

A grantmaker may choose an even smaller box within which to work by using multiple collars at once. For instance, a grantmaker interested in a short-term, non-life-threatening challenge affecting a small number of people would clearly be working in a much smaller box and could write an appropriately scaled mission.

As an example of multiple collars, the elimination of unemployment is a very "big-box" challenge that can be reduced with a collar limiting the scope of work to a single city such as Charlotte. This could be followed with a second collar limiting the population of interest to first or second generation Vietnamese immigrants. With multiple collars, an overly expansive mission can be

reduced to fit the size of the foundation. As a related benefit, a limited mission may also be more easily measured and achievable.

Graphic 9: Fitting The Mission To The Foundation



Another good example of the "small-box" mission would be to "save a World War II Sherman tank from deterioration so that it can be installed in a local history museum". The problem, left unattended, will result in irreversible damage to a very rare military artifact so the degree of permanent damage is high without quick intervention. But, the scale of the issue is small and the population effected by the effort is also small.

The benefits of a small-box mission include:

- The theory of change and the logic model are more easily understood.
- Progress can be more easily monitored and change happens quickly.
- Errors by the grantee or by the funder are not likely to be earth-shaking.
- The link between a grant and the end result is more obvious.
- A small-box mission is a proportionate fit for a foundation with a small endowment.

Whether a foundation chooses to work on a global scale, to tackle life-threatening challenges, with multi-generational implications, is also a function of the size of the funder's assets or of the collective assets of its partners. On one hand, it would be regrettable for a foundation with billions in its endowment to focus on small-box issues that could be confronted by several smaller organizations. Yet, it is far more common for smaller foundations to adopt grandiose missions that are difficult to measure.

Step Three: Writing the Mission

Many mission statements are written more like poetry than prose. Since many foundations commit a serious error in failing to define “What” they are trying to accomplish, it comes as no surprise that a poetic mission statement offers little navigational guidance after a little ornate language is added.

A funder with an overly poetic mission statement can take satisfaction in knowing that it is not likely to change for many years. They may also be satisfied that it is impossible to measure and may never be achieved. But, these statements lead to a lack of accountability because they offer almost no navigational help to the regulator, grantee, or general public. They have the benefit of being easily memorized for team-building or communication purposes and almost every grant can be considered a success.

Conversely, narrow mission statements that are very detailed and much easier to measure are also very limiting and may act to constrain the organization from taking advantage of dynamic events. Narrow missions can afford to be more technically oriented and can offer excellent navigational guidance to interested stakeholders, but these statements must be revised frequently. Too many adjustments to the mission may be viewed skeptically by both stakeholders and grantees; and, generate organizational fatigue as they enact parallel changes in just as quickly to stay in tune with the funder.

Mission Examples: Finding The Middle Ground

If an overly broad mission is difficult to measure, and an overly narrow mission is unnecessarily limiting, what remains? Finding the middle ground of a clear, flexible mission that is tightly associated with the desired outcome but broad enough to allow room to take advantage of changing conditions is the key. Finding the middle ground is more of an art than a science. The desired outcome of the founders or board of directors is usually the best place to start.

As another example, which is discussed in detail in Chapter Eleven, the desired outcome adopted by the fictitious “XYZ-Foundation” states:

“Ten years from now, all children in families living below the federal definition of poverty in Orleans Parish will: (1) have access to affordable health care and a medical home, (2) live in families with at least one adult with a stable source of employment, (3) live in a safe environment, free from threat and abuse, and (4) be regularly engaged in an age-appropriate social network with adult supervision.”

This is “What” the foundation imagines the result to be in ten years. Knowing the ten-year desired outcome, the board wrote a mission statement that framed its approach to grantmaking. The resulting mission statement is shown here to demonstrate how multiple collars can help define and limit the work of what would otherwise be an overly expansive view of the problem.

“The XYZ-Foundation will improve the physical, material, emotional, and social well-being of children in families living in poverty in New Orleans, Louisiana.”

This mission is still very broad but less so. Each major element in the body of the mission such as “physical” or “material” can serve as a launch-point for progressively more narrow definitions. The process of narrowing the mission down to very specific goals, objectives and action steps is covered in detail in Chapter Eleven. For now, it is sufficient to note that the mission should be revisited every few years or shortly following a major success or failure. A funder with a “big box” mission to confront a very complex and vexing problem is not likely to change the mission frequently even if it is revisited annually. A funder with a “small box” mission with precise definitions and measures will amend the mission more frequently.

The “What” family of decisions is inextricably linked to both the “Why” and “How” decisions, but, the “What” decision (i.e. the mission decision) is by far the most important. Without knowing *what* to do, a vision of success is impossible and any activity will succeed as well as any other. Like a ship without a rudder, navigation becomes impossible and, even worse, without a map navigation makes little difference in the outcome since any port will do. The “Why” question, explored next in Chapter Three, is essential to the development of a vision for the organization because it helps define and measure success. The “How” question is more about methodology and is discussed in detail in Chapter Four.

Key Points To Remember:

- The most important step in strategic philanthropy, and the one with the greatest effect, is the decision of “What To Do”.
- Donors and foundations often jump off track because they do not adequately answer the question of "What" should be done, “Why” it should be done, and to create a vision of success.
- Creating a strong, clearly written mission question puts a wall around the foundation that: (1) helps applicants, grantees, and communities understand the focal point of the foundation, and (2) protects the foundation from mission-drift.
- Broad missions are like poetry; they sound nice but offer very little navigational help to the funder, community, grantee, or even the foundation itself.
- Contrary to prevailing wisdom, the mission is not permanent. Seriously revisit the mission statement every few years with a critical eye for clarity, adaptability, and appropriateness given changing circumstances.
- Small foundations frequently adopt overly broad missions with vast ambitions that are out-sized compared to their endowment and capabilities.

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