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Front Matter

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THE FoundationReview

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THE FoundationReview

VOL. 5 ISSUE 3

Editor in Chief

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The Foundation Review is the first peer-reviewed journal of philanthropy, written by and for foundation staff and boards and those who work with them implementing programs. Each quarterly issue of *The Foundation Review* provides peer-reviewed reports about the field of philanthropy, including reports by foundations on their own work.

Our mission: To share evaluation results, tools, and knowledge about the philanthropic sector in order to improve the practice of grantmaking, yielding greater impact and innovation.

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We believe that the forthright sharing of information among foundations and nonprofits builds a knowledge base that strengthens their ability to effectively address critical social issues. We encourage foundation donors, boards, and staff to honor this transparency in their own practices and to support others who do so.

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DEAR READERS

This issue includes four articles that provide in-depth thinking on some emerging innovations in foundations. We also review four new resources.

As foundations and communities continue to look for ways to assess progress, there has been increasing attention to community level indicators. **Borders, Edwards, and Miller** share the lessons from their experiences with helping grantmakers increase the effectiveness of data-intensive, large-scale community-indicator work. Rather than tracking many individual indicators, the authors argue that statistically derived composite indicators can be viewed at smaller geographic levels, leading to increased accuracy and understanding. While many in the field have argued for choosing a few simple indicators to focus on, this approach provides a much more comprehensive look at community data, preserving both complexity and simplicity.

Tran and Shah explore the California HealthCare Foundation's internal efforts to institutionalize organizational learning. Over the past ten years, many foundations have begun talking about being learning organizations, the innovation at CHF is to use design thinking to develop their approach to learning.

Stahl offers a Talent Philanthropy Framework as a means to address the human resource challenges of nonprofits. While there has been much discussion in the philanthropic sector about the human resources issues facing nonprofits as the boomer generation retires, there has been little in the way of practical advice on how to address it. The author proposes 10 guiding principles that foundations can use to encourage and empower nonprofits to strengthen their talent.

Picking up on the learning theme, **Patrizi, Thompson, Coffman, and Beer** offer an insightful and original analysis of the importance of foundations incorporating learning as part of their overall strategy. While learning is important for strategic success in most circumstances, it becomes essential when foundations engage in many large and extraordinarily difficult and complex concerns. This article identifies three common “traps” that hinder foundation capacity to learn and adapt. One of these traps is “indicator blindness” — excessive reliance on poorly chosen indicators and targets. Perhaps more robust indicators, as described by Borders et al, are one way of overcoming this blindness by re-introducing complexity.

Terry Horton reviews *The Generosity Network: New Transformational Tools for Successful Fund-Raising* by Jennifer McCrea and Jeffrey C. Walker, with Karl Weber. She recommends this fun and easy read for nonprofits new to relationship-based fund development.

Practical Project Management for Agile Nonprofits: Approaches and Templates to Help you Manage with Limited Resources by Karen R. J. White is reviewed by Megan Murphy.

Murphy likes the practical planning advice and project-planning templates that nonprofits can adapt to their own needs. Project management is a key capacity, often overlooked, that nonprofits need to develop.

Ashley Rosener reviews *Leveraging the Power of Foundations: An Analysis of Program-Related Investing* by the Lilly Family School of Philanthropy, Indiana University. This report includes both quantitative and qualitative data on the use of these new tools for change.

Focus on Sustainability: A Nonprofit's Journey by Dennis G. McMillian is reviewed by Matthew Downey. He notes that this book's contribution is a focus on sustainability and tying it to an organization's ability to demonstrate competence in four areas: strategy, human resources, revenue generation, and collaboration.

I hope you'll agree that the articles in this issue address some cutting-edge issues in philanthropy. We encourage our subscribers to use the commenting feature on our new platform to start a conversation. You can activate your online subscription at <http://scholarworks.gvsu.edu/tfr>.

Teresa R. Behrens, Ph.D. EDITOR IN CHIEF

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TOOLS

- 14** Lessons From *Patchwork Nation: A New Framework for Building Community Indicators*
 Stephen Borders, Ph.D., James Edwards, Ph.D., and Ashley Miller, Grand Valley State University

Big data is likely to get bigger, making it increasingly more challenging to make sense of an excess of information. In an effort to measure progress, presenting numerous and often disconnected community indicators makes it difficult to draw meaningful conclusions. The authors believe that the lessons learned through their experiences with a community health needs assessment can help grantmakers increase the effectiveness of data-intensive, large-scale community-indicator work. Analysis and visualization of the project was based on the book *Our Patchwork Nation: The Surprising Truth About the Real America* and the website PatchworkNation.org. Using principle components analysis, the authors reduced a set of 25 separate indicators into a five-component solution to facilitate greater understanding of health needs and disparities across a county. This resulted in a more informative approach to assessing community needs.

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- 28** Designing for Learning: One Foundation's Efforts to Institutionalize Organizational Learning
 Rosanna Tran, M.P.H., and Sanjay Shah, M.B.A., California HealthCare Foundation

While the California HealthCare Foundation had documented many lessons captured from its grantmaking, it was not always clear how it could change its practices based on what was learned. This article explores the foundation's internal efforts, inspired in part by the process of design thinking, to institutionalize organizational learning. One outcome of this process was the creation of a grantmaking toolbox to document new, effective, and innovative tactics to increase the foundation's impact. While creating the toolbox, staff realized that the process of learning held as much — if not more — value as the products. They also gained three insights: effective learning is a collaborative process; a willingness to experiment is an important aspect of a learning culture; and both experienced and new staff has significant roles in learning efforts. The authors hope to encourage other foundations to experiment with new approaches to learning and

innovative methods to identify the learning needs of staff – and perhaps grantees.

DOI: 10.9707/1944-5660.1168

35 Talent Philanthropy: Investing in Nonprofit People to Advance Nonprofit Performance

Rusty Morgen Stahl, M.A., Talent Philanthropy Project and New York University

The workforce challenge facing the social sector is not one of a lack of bodies to fill jobs; rather it is the lack of funder investment in grantee and nonprofit talent. This has yielded chronically weak recruitment, retention, and retirement in the sector, and trends are ratcheting up the urgency of the situation. The author offers a Talent Philanthropy Framework as a means to address this challenge and proposes 10 guiding principles that can be used to encourage and empower nonprofits to strengthen their talent and increase performance and impact. Foundations with a stake in the organizations they support are most appropriate to take the lead given that government and individual donors are generally more interested in programs.

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REFLECTIVE PRACTICE

50 Eyes Wide Open: Learning as Strategy Under Conditions of Complexity and Uncertainty

Patricia Patrizi, M.A., Elizabeth Heid Thompson, B.A., Julia Coffman, M.S., and Tanya Beer, M.A., Evaluation Roundtable

Foundations have important but unrealized potential to contribute value to strategy by building, supporting, and engaging in learning. While learning is important for strategic success in most circumstances, it becomes essential when foundations engage in many large and extraordinarily difficult and complex concerns: improving food security in Africa; addressing global warming, poverty, or issues of equity in difficult urban settings. This article identifies three common “traps” that hinder foundation capacity to learn and adapt: 1) linearity and certainty bias; 2) the autopilot effect; and 3) indicator blindness. The authors propose a framework to avoid these traps. Through learning from action, a truly powerful strategy – one with the potential to foster change and better outcomes – can emerge and take hold.

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RESOURCE REVIEWS

66 The Generosity Network: New Transformational Tools for Successful Fund-Raising

*by Jennifer McCrea and Jeffrey C. Walker, with Karl Weber
Reviewed by Terry Horton, J.D., Grand Valley State University*

For any volunteer or staffer being asked to help with fund development, Horton recommends this fun and easy read by Jennifer McCrea and Jeffrey Walker with Karl Weber. The book puts the emphasis exactly where it should be: you can do this, it's a process, it will be a team effort, and it's going to be transformational for both you and the donor. If you are a foundation working to inspire grantees to pursue sustainable fundraising, this book is a useful tool in preparing a nonprofit new to relationship-based

fund development. Even a seasoned shop will get a shot of energy from a reinforcement of best practice. Board members will also enjoy this fun and accessible approach.

DOI: 10.9707/1944-5660.1171

68 Practical Project Management for Agile Nonprofits: Approaches and Templates to Help You Manage With Limited Resources

by Karen R. J. White

Reviewed by Megan Murphy, M.P.A., Grand Valley State University

Project management is essential in today's working environment. Nonprofits with limited resources and no training in project management face great challenges. Author Karen R. J. White aims to support these organizations by providing practical planning advice and project-planning templates that nonprofits can adapt to their own needs. This book is also a useful resource for foundations to share with grantees that need to improve their project-management skills but lack the resources or need for a staff position devoted to the work.

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70 Leveraging the Power of Foundations: An Analysis of Program-Related Investing

by the Lilly Family School of Philanthropy, Indiana University

Reviewed by Ashley Rosener, M.S., Grand Valley State University

Most foundations invest in and support charitable activities through grants. In today's economy, foundations are investigating how to stretch their assets and program-related investments (PRIs) are attracting interest. This report by the Indiana University Lilly Family School of Philanthropy project team gives readers a greater understanding of PRIs and a new awareness of their strategic use. Particularly helpful is its discussion of how foundations can overcome the challenges of PRIs and reap their various benefits through peer learning and foundation networks that target PRI-trained employees, intermediaries, consultants, and legal counsel.

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72 Focus on Sustainability: A Nonprofit's Journey

by Dennis G. McMillian

Reviewed by Matthew Downey, M.P.A., Grand Valley State University

Managers, funders and capacity builders are constantly searching for practical resources that help to make sense of the complicated nature of organizations that are driven by mission rather than profit. Downey notes that Dennis McMillian's book helps to fill this need by focusing on the topic of sustainability and tying it to an organization's ability to demonstrate competence in four areas: strategy, human resources, revenue generation, and collaboration. For foundation program officers seeking to better understand which organizational elements support impact and sustainability, this book offers a helpful lens to review prospective grantees.

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