

## Executive Summary

This Year-End Learning Report (YELR) covers successes, challenges and other project trends for 94 capacity building projects completed by Packard Foundation Organizational Effectiveness (OE) grantees in 2013.

**Successes:** All but three grantees met or exceeded grant expectations with one reporting significant organizational transformation. All Conservation and Science grantees met or exceeded all grant objectives. Local grantees were more likely than grantees in the other program areas to exceed grant objective expectations. Planning grants were more than twice as likely to exceed expectations (possibly because of their scope and scale). Strategic Communications grants met objectives, but were least likely to exceed expectations. There was no relationship between grant size and success of the grant.

**Challenges:** All but three grantees met or exceeded grant expectations, a strong indicator that challenges were well addressed by grantees. *Time/competing priorities* was the most frequently cited challenge (22%), followed by *leadership transitions* (14%), *organizational readiness* (12%), and *consultant issues* (11%). Only one grantee referenced not having enough *funds* as a challenge for the project (a significant improvement from the past). Finding and retaining consultants was much less of an issue than in the past. *Resources for follow-up* was not a frequently cited challenge at the time of grant completion, when grantees often cite what they need next.

**Advice:** The most common advice grantees offered was to *engage a broad array of stakeholders*. Many emphasized how the work takes a lot of time and organizations should *build patient, flexible timelines*. Advice about setting clear goals and objectives was offered more often by those who exceeded grant expectations and advice about time-management was offered more often by those who met objectives.

**Learning:** Themes from grantee learning mirrored those from grantee advice and challenges, with *stakeholder engagement* being a primary theme. One notable difference with grantee learning was that nearly one third of the organizations mentioned a *field or organization specific learning*, suggesting some value added from the OE project to the grantee's program area and or the program field.

**Changes in the Environment/Field:** While economic instability was obliquely referenced in 18 final reports, only a couple reports directly mentioned the economic downturn and/or "Great Recession." They referred to diversifying funding, enhancing funding sources, and expanding unrestricted funding; in other words, financial issues may be returning back to baseline. Grantees infrequently referenced other trends OE anticipated would have an impact including technology/interconnectedness, younger/diverse leadership and cross-sector boundaries.

**Recommendations:** Strategy recommendations for OE include: continue successful OE grants for individual organizations while implementing the new "partnership" strategy for cohorts and groups and work closely with Programs where time constraints are an anticipated issue for adequate project resourcing. Practice recommendations address grantee readiness for capacity building and managing consultants. Learning recommendations address deeper exploration of communication grants, positive deviances with the sample, stakeholder engagement and environmental /field trends.

## Summary of 2013 OE Grants Closed

This Year-End Learning Report (YELR)<sup>1</sup> covers successes, challenges and other project trends for 94 capacity building projects completed by Packard Foundation Organizational Effectiveness (OE) grantees in 2013. All but three grantees met (71) or exceeded (19) grant expectations with one reporting significant organizational transformation.<sup>2</sup> Most completed projects focused on building capacity for strategic planning, fund development or strategic communications (similar as in past years). Two grants built capacity for a group or cohort of grantees.

The following three graphics provide summary data of:

1. OE Grants Closed in 2013: Award amounts by program and by objective achievement.
2. OE Grants Closed in 2013 by Project Focus: Which capacities grantees built.
3. Number of OE Grants Closed in 2013 by Subprogram: Breadth of OE support across Programs.<sup>3</sup>

### OE Grants Closed in 2013

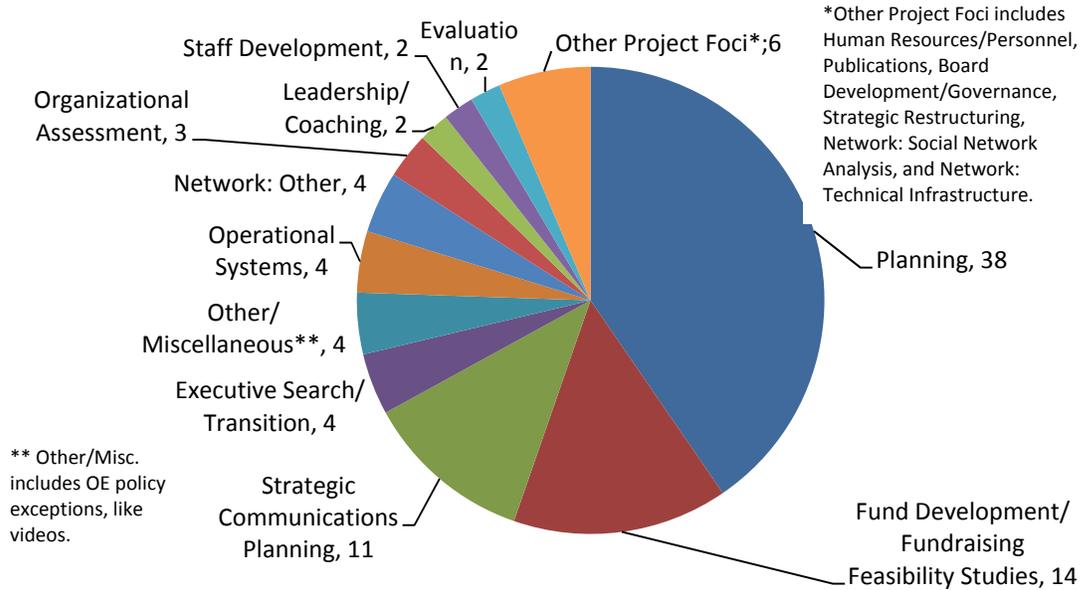
	CFC	C&S	Local	PRH	Other	Total
<b>Total OE \$ Closed 2013</b>	\$613,336	\$1,058,973	\$519,001	\$723,454	300,000	\$3,214,764
<b>Average grant size</b>	\$34,074	\$39,221	\$23,591	\$34,450	\$50,000	\$34,200
<b>Total OE # Closed 2013</b>	18	27	22	21	6	94
<b>Significant Transformation</b>	1	0	0	0	0	1
<b>Exceeded Objectives</b>	2	6	7	4	0	19
<b>Met All Objectives</b>	14	21	14	16	6	71
<b>Met Some Objectives</b>	1	0	1	0	0	2
<b>Met No Objectives</b>	0	0	0	1	0	1

<sup>1</sup> The Organizational Effectiveness Year-End Learning Report (2013) was prepared by Jeff Jackson and Maurice Monette for the Packard Foundation OE Program.

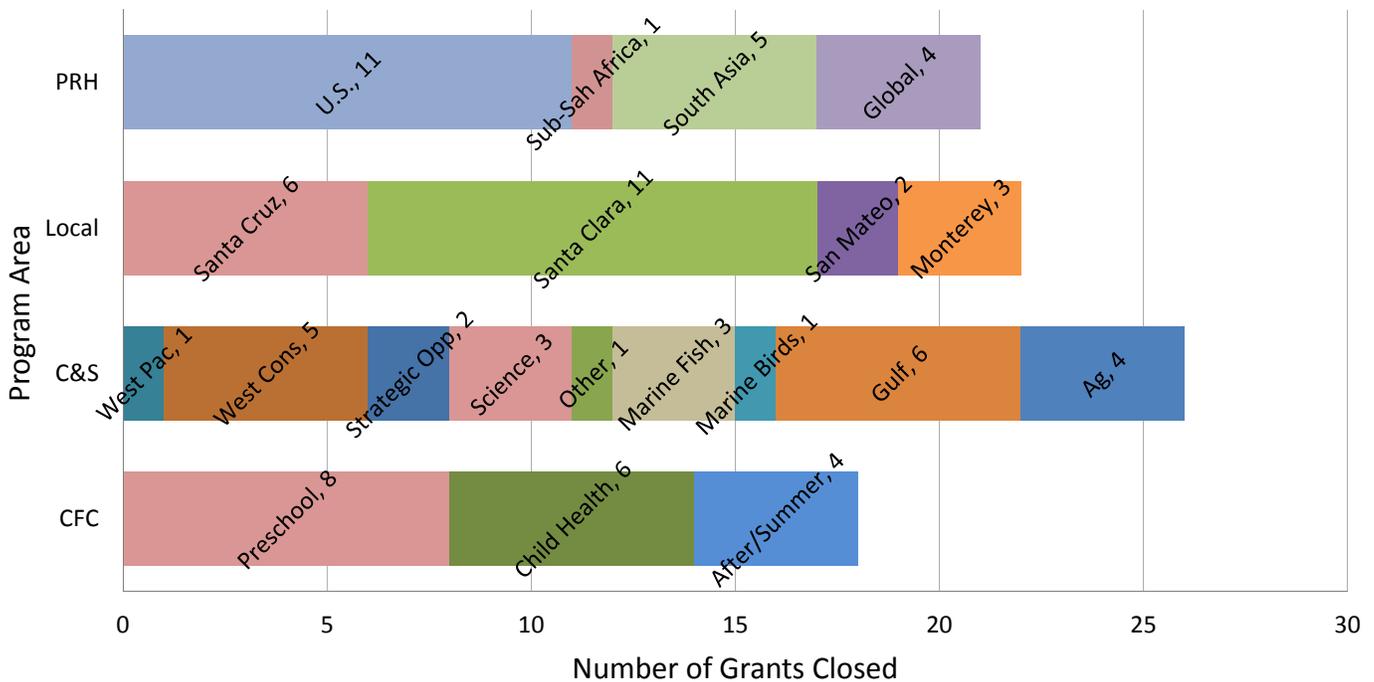
<sup>2</sup> In the 2012 OE Evaluation, the TCC Group concluded that OE's large sample size and evaluation processes minimize over/under-reporting bias of self-reported grantee data and that final report data is comparatively robust.

<sup>3</sup> The YELR includes data that is relevant across Programs. OE will share more detailed subprogram and project specific data in reports provided over the summer.

## OE Grants Closed in 2013 by Project Focus



## Number of OE Grants Closed in 2013 by Subprogram



## Successes

The key metric for grant success at the time of grant completion is the extent to which the grantee met the grant objectives agreed to with the OE Program Officer. OE does not expect significant organizational transformation at the time of grant completion; therefore most objectives reflect measurable consultant deliverables that ultimately aim for organizational transformation a year or two after project completion.

Success highlights include:

1. All but three grantees met (71) or exceeded (19) grant expectations with one reporting significant organizational transformation.
2. By Program, all Conservation and Science grantees met all grant objectives, and six grantees exceeded them. Local grantees were more likely than grantees in the other program areas to exceed grant objective expectations. One grantee in CFC reported a significant transformation
3. Only three grantees did not meet all of their objectives, one each in Local, PRH, and CFC (see *Challenges* below).
4. By primary project focus, planning grants were more than twice as likely to exceed objectives with some transformation (32 percent of the grants) than the rest of the sample, excluding the small sample of Network Development grants (2 out of 4 reported exceeding objectives).
5. Strategic Communication Planning grants<sup>4</sup> were least likely to exceed objectives,
6. By grant award amount, there was no relationship between grant size and the likelihood for the grant to exceed objectives, though small grants may be slightly more likely to not meet all objectives. Interestingly, one of the smallest grants was ranked highest.

**Success Stories:** The following is a sample of grants that exceeded expectations with some level of organizational transformation during the grant period.

**Young Invincibles (CFC, Planning):** With a modest OE grant of \$15,000, Young Invincibles (YI) hired a consultant who clarified stakeholder interests, organizational strengths and weaknesses, organizational values, “big goals,” and a framework for planning. With the framework and the strategic components in place, YI staff produced a strategic plan in less than three months.



*This story reflects the positive deviance of smaller OE grants, grant size not being a factor of success, the likelihood of more transformation for strategic planning grants, successful stakeholder engagement, OE's impact on Program work and the successful diversification of leadership. Note: A Local grantee created a strategic plan with a \$7,000 OE grant.*

---

<sup>4</sup> This comment reflects 11 strategic communications grants to individual grantees and not the strategic communications grant to Spitfire Communications since processes for measuring grantee objective achievement for group/cohort grants were not in place at the time of evaluation.

**COMPASS (C&S, Assessment, Communications, Evaluation, Planning):** Starting in 2007, COMPASS partnered with the OE program on a series of four projects to develop the organization’s operational fundamentals and strategic direction. Since COMPASS began their organizational transformation, the nonprofit has grown by about 50%, operates as its own entity (under a fiscal sponsor), has new fund development tools, and developed an expanded programmatic scope.

*This story reflects the likelihood of transformation for strategic planning grants, successful stakeholder engagement, the leveraging impact of multiple OE grants and OE’s impact on Program work.*

**Friending the Finish Line, Prototype Partnership Project (CFC, Strategic Communications):** A dozen statewide children’s advocacy organizations from across the US worked together with Spitfire Communications, social media guru Beth Kanter and national nonprofits First Focus and MomsRising to learn how to strategically use the internet and social media (such as Facebook and Twitter) to educate the public, influence public policy debates and insure more children.



*While objectives for cohort participants have not been evaluated yet, this story reflects early promise for grantees that choose to develop capacity in groups or cohorts.*

## Challenges

Challenges are obstacles that make the project’s completion difficult. They do not necessarily denote a problem leading to failed projects or a problem to be solved by anyone other than the grantees themselves. However, almost all grantees offer approaches for how they confronted challenges, often times leading to learning that can benefit future capacity building.

Challenge highlights include:

1. Eighty-seven of the 94 grantees (93%) that completed projects in 2013 cited challenges in completing their grant and there were a total of 123 challenges cited.
2. All but three grantees met or exceeded grant expectations, a strong indicator that challenges were well addressed by grantees.
3. *Time/competing priorities* was by far the most frequently cited challenge (22% of grantees), followed by *leadership transitions* (14%), *organizational readiness* (12%), and *consultant issues* (11%).
4. Finding a consultant is much less of a challenge than previously assumed and consultant challenges during the project are much less than in the past.
5. Only one grantee referenced not having sufficient funds for the project (a significant improvement from recent reports).
6. Six of the top eleven challenges cited correspond to top issues highlighted in the sample of 169 previous post-grant sustainability surveys<sup>5</sup>, and almost half of all challenges cited do not correlate to challenges cited historically.

---

<sup>5</sup> Project implementation challenges referenced in grantee final reports at the time of grant were compared with

7. Notably, while *organizational readiness* was listed as a key success factor in the prior post-grant surveys (by 68% of grantees), only 12% noted it as a key implementation challenge.<sup>6</sup>
8. *Resources for follow-up* (the sustainability of capacity building) is not a frequently cited challenge at the time of grant completion, when grantees often cite what they need next; *this was a key challenge* referenced in the post-grant surveys.
9. By program, *organizational readiness* and *resources for follow-up* were particularly challenging for PRH grantees. *Leadership transition* was notably less of a challenge for CFC grantees.
10. By project focus, *leadership transition* seemed to disproportionately affect organizations undergoing planning activities.
11. By objective achievement, *leadership transitions* and *consultant challenges* seemed to be more significant hurdles for organizations that met all of their objectives as compared to those which exceeded their objectives.

**Challenge Stories:** The following are examples of projects that faced major challenges.

**Grantee #1 (PRH, Strategic Restructuring):** Even though OE and PRH worked together to assess grantee readiness, the project was mid-way through when the organization was dissolved by its parent entity. Funds used to initiate restructuring were ultimately wasted and unused funds were returned.

*This story illustrates lessons for how OE might work better with the primary program PO to assess grantee readiness and/or to determine whether a preliminary (likely smaller) grant is needed to assess feasibility.*

**Grantee #2 (Local, Strategic Planning):** The capacity building process revealed much larger issues than organizational readiness to develop a business plan. The organization was not prepared for leadership transition and had very limited accounting and financial management capacity, not being able to report on a \$15,000 grant that should have funded one consultant.

*This story also illustrates lessons for how OE might work better with the primary program PO to assess grantee readiness (especially regarding leadership commitment) and/or to determine whether a preliminary (likely smaller, though administratively costly) grant is needed to assess feasibility.*

**Grantee #3 (CFC, Strategic Planning):** The organization received an OE grant to create a strategic plan with a clear organizational structure and implementation plan. The grantee reported that they “developed a timeline to finish the structure and staffing workplan” but did not reference the completion of a strategic plan in their report.

---

project sustainability challenges previously reported by 169 grantees in post-grant surveys. While project implementation challenges are not the same as sustainability challenges, implementation challenges may influence the ultimate outcomes and longer-term sustainability of new capacities.

<sup>6</sup> This may be due to the nature of the survey; the post-grant survey was developed to investigate sustainability a year or two after grant completion while final report data analyzed for this report is collected at the time of grant completion. Perhaps *organizational readiness* is more important for long-term capacity sustainability and should be discussed more explicitly with grantees before they start an OE project.

*This story illustrates how grantees may still find value in partial completion of objectives, but sometimes provide very limited or no information on objectives that were not met. It's interesting to note that OE made two other similar size planning grants to CFC grantees housed within large institutions and both reported substantially more robust results.*

## Lessons Learned

**Advice for Others:** Eighty-five of the 94 grantees had advice for future organizations undertaking similar projects. Most of the advice appeared to reflect positive project experience (rather than a challenge).

Advice highlights include:

1. The most common advice (39% of grantees) was to *engage a broad array of stakeholders*.
2. 21% of grantees advised this work takes a lot of time and organizations should be prepared to *build patient, flexible timelines*.
3. Both *consultant fit* (22%) and developing ambitious, measurable, and *clear goal and objectives* (17%) were also mentioned frequently by grantees.
4. Two of the top 10 areas of advice were similar to key success factors mentioned in 169 post-grant surveys: *Openness* (to new ideas, plans and/or circumstances) and *Consultant fit*.
5. *Stakeholder engagement*, by far the most notably mentioned advice, was not a top issue in previous post-grant surveys; this may reflect a difference in engaging stakeholders for capacity building vs. capacity sustainability.
6. *Setting clear goals and objectives* was more important for those who exceeded objectives than for those who met objectives, while advice about time-management was more notable for those who met objectives as compared to those who exceeded objectives.
7. Few (9%) referenced *organizational assessments* in their advice for other grantees, perhaps reflecting how valuable assessments can be, but not for all projects.

**Learning:** Themes from grantee learning mirrored those mentioned for advice and challenges, with *stakeholder engagement* being a primary theme. Two more grantees added a comment about *organizational assessments* to the few who referenced assessments as advice for others. One notable difference with grantee learning is that nearly one third of the organizations mentioned a *field or organization specific learning* suggesting some added value to the program area and or the program field. A few examples include:

- A Local grantee that provides services to the homeless will invest only in programs or services that are proven to reduce homelessness. This can be a dramatic shift for an organization that might be too experimental or one that might be too rigidly holding on to low-performing programs.
- A cohort of Children, Families and Communities grantees not only learned social media strategy and skills, they strengthened their state networks with a stronger national network.
- A Population and Reproductive Health grantee no longer creates a strategic plan for statewide affiliates; they strategically assess and plan as a network of teams.
- A Conservation and Science grantee expanded its programmatic scope beyond marine to broader environmental issues – land, air and water.

## Changes in the Environment/Field

Previous analyses included in the 2012 OE Strategy Refresh suggest the following four changes in the environment or field may influence OE projects:

- Advancements in technology leading to increased interconnectedness
- Recent economic instability
- Younger and more diverse leadership
- Blurring and blending of sector boundaries between social sector and others

Based on how infrequently grantees mentioned these environmental or field changes in final reports as a part of grant objectives, challenges, learning, or advice for others one could suggest a) grantees are adequately adapting to these changes, b) the broad changes/influences are less relevant to the grantee's project c) grantees are less aware of the impact of these changes, and/or d) the final report questions do not elicit this kind of field or environmental data.

While economic instability was obliquely referenced in 18 grants, only a couple of them directly mentioned the economic downturn and/or "Great Recession" which is dramatically different from the past few years. They tended to refer to looking towards greater diversification of funding, recruiting or enhancing funding sources including earned income, and expanding unrestricted funding – topics that are always high priorities for nonprofits. In other words, it seems at least for this subset of grantees, financial issues may be returning back to baseline.

It's interesting to note that "leadership transition" was referenced frequently as a challenge, yet there was little specific reference to *younger more diverse leadership* (only 4 grantees). Young Invincibles was a notable exception in that they clearly referenced new, young diverse leadership as part of grant results and as part of future planning. A January 13, 2014 article in the Chronicle of Philanthropy posits a redirection of philanthropy in 2014 (at least in the US) with a new mix of philanthropy CEOs who are gay, black and female (New Breed of CEOs is Poised to Reshape Philanthropy in 2014, Patricia Harris), more and more reflective of the diverse communities served by nonprofits.

## Recommendations

The following are key recommendations to inform OE strategy, practice and learning:

### Strategy:

1. Since “responsive” grant making is working well and continues to be in demand by grantees, continue the course of successful OE grant making to individual organizations while implementing and evaluating the new “partnership” strategy for groups and cohorts.
2. To address some grantee time/priority constraints, partner with Programs to determine whether (in particular circumstances) capacity building work may require the organization to pause some program work, temporarily reorganize, and/or outsource/hire staff support.

### Practice:

3. To address grantee readiness, develop more robust OE PO “readiness assessment” questions based on common success factors and challenges that help grantees better assess up-front issues such as staff time, stakeholder engagement, leadership transitions, openness to change, program priorities, succeeding with consultants and resources to sustain change.
4. Since grantees have a bigger issue managing consultants than finding quality consultants, share existing resources with grantees like *Succeeding with Consultants*<sup>7</sup> when inviting a proposal. Continue to refer grantees to other grantees for consultant identification/referral.

### Learning:

5. To better understand organizational transformation potential for strategic communications grants, compare longer-term post-grant results for individual strategic communications grants vs. group/cohort grants.
6. To build on what may be working best, more deeply explore positive deviances referenced in this report, especially related to results for smaller award amounts, strategic planning grants, leadership transition, diverse stakeholder engagement, multiple OE grants and/or up-front planning to sustain new capacities.
7. To favorably impact post-grant capacity building and organizational transformation, explore the role of diverse stakeholder engagement during and after the grant period.
8. To better understand environmental and field impacts on OE projects, either add a specific question with examples to grantee final report forms or add examples of environmental/field changes to existing final report questions.

---

<sup>7</sup> Kibbe, Barbara and Fred Setterberg, The Foundation Center, 1992