

## Meeting Proceedings

### Community Foundation & Donor Leadership: Creating Synergies

June 3, 2016  
Houston, TX

### Meeting Goals and Background

Sixty senior leaders from 30 mid to large size community foundations met in Houston on June 3, 2016 to address the following question<sup>1</sup>:

*How can we find productive and exciting synergies between our foundation-driven and donor-driven priorities?*

The meeting was designed to help participants explore the opportunities and challenges identified in the TPI research report, [\*Foundation and Donor Priorities: A Search for Synergy in Community Foundations, 2015 \(Search for Synergy\)\*](#) to learn from their peers about their successes and lessons learned, and to stimulate a broad discussion about what the field needs to make progress on these issues. The meeting was convened by a host committee, comprised of Renee Barrios of the Greater Houston Community Foundation, Kate Guedj of The Boston Foundation, Audrey Jacobs of the Community Foundation for Greater Atlanta, and Ruben Orduña of The San Francisco Foundation, and facilitated by Ellen Remmer and Amy Ellsworth of The Philanthropic Initiative (TPI). Brad Ward of the Council on Foundations and Tony Macklin, of the National Center for Family Philanthropy, facilitated small group discussions.

Participants affirmed the timeliness of the topic and expressed their aspiration to “get more involvement, more dollars, and more creativity into solving more problems in their communities.” Several spoke about synergy as the key to differentiating community foundations, keeping the foundations relevant, and growing donor giving and engagement.

### Framework

In order to help community foundations make intentional choices about the amount of investment they make in seeking synergy and the types of strategies they pursue, TPI developed a preliminary continuum that identifies the range of ways that donors and foundations can work together (below).



<sup>1</sup> All U.S. Community Foundations with assets >\$200 million were invited to the convening

The following are proposed definitions for each of these categories:

**Foundation Leadership:** A community foundation identifies and takes on leadership of a critical social issue and does not ask for donor input or funding support.

**Co-Investment:** A community foundation takes on leadership of an issue, puts resources into the effort, and invites others to co-invest.

**Collaboration & Co-creation:** A community foundation and selected donors work together on identifying an issue and designing an initiative or approach for addressing the issue. All donors invest resources.

**Influenced and Aligned:** A community foundation influences donors to align their funding with the foundation's priorities.

**Donor Leadership:** A community foundation donor identifies an issue or initiative of importance in the community and provides leadership and funding.

While attendees found this framework a useful tool for categorizing their current activities, they offered a number of constructive suggestions for improvement. Their comments included suggestions to: (1) re-align the arrows to show that maximum impact often comes from working in the middle of the spectrum, (2) restructure as a tool to determine how much effort and how many resources a foundation wants to put into each category, and (3) recognize that synergy can come from joint and individual contributions of money, knowledge, connections, time, and initiative.

Based on this feedback, TPI has drafted two tools for (1) conducting an inventory of current efforts to achieve synergy and (2) identifying a foundation's goals for synergy, looking at the range of contributions that either a donor or foundation may make. These are included as Attachments A and B.

## Key Issues

As identified in the *Search for Synergy* report, although the majority of foundations reported that they see value in providing both donor support and foundation leadership, there can often be a disconnect between interest and follow through. From the research done for the report, combined with a pre-conference survey to Houston attendees, six issues emerged as the most critical barriers or challenges to achieving synergy. They were:

- 1) Internal culture and staffing
- 2) Engaging donors around foundation priorities
- 3) Developing resources to support the work of synergy
- 4) Attracting donors to work collaboratively with the foundation
- 5) Defining and measuring impact of efforts to achieve synergy
- 6) Finding the right balance between donor and foundation leadership

The top four issues were addressed in breakout sessions. All convening participants had the chance to attend two sessions to dive deeply into issues that resonate most for their foundation. Facilitators guided the discussion using the following process: refinement of the problem statement, identifying a vision of success, defining key challenges, exploring examples of what's worked and lessons learned, and proposing new ideas to resolve these issues in the future. Below are the key takeaways from each breakout session.

## 1. Internal culture and staffing

About half of those who took the pre-convening survey identified this as a challenging issue.

Problem statement: **Our current culture and/or staffing model make it hard to build collaboration and synergy between the foundation and donors.**

### **Vision of success:**

- Greater alignment among staff so that people have mutual respect and understanding – all staff are on the same level and speak the same language
- Staff is efficient and manages time well, utilizing the appropriate technological resources
- Strong internal communications where there is constant reevaluation
- Board and staff collaborate and are on the same page
- Staff can engage with, understand, and respect donors

### **Challenges:**

- Staff members working in silos leads to difficulty understanding each other; differences in departmental values
- Roles and responsibilities are constantly growing, which leads to a lack of focus on tasks and prevents opportunities to work on co-investment/collaboration
- Lack of trust that “other” department staff will work well with donors, protective
- Managing board expectations and giving them context
- Retention of great staff and dealing with associated knowledge gaps in the turnover
- Process orientation can interfere with creative opportunities for co-investment

### **Examples of what has worked:**

- Using the right technology; e.g. CRM
- Creating integrated staff positions to allow cross-communication or cross-functional special initiatives
- Creating a strategic plan statement for the board and staff to help keep focus
- Tracking staff time by client/donor
- Inviting staff to board and committee events and meetings to keep them in the loop
- Hiring people with the right skills and do a thorough assessment of their skills first – also, do not be afraid to exit people who aren’t open to change
- Experimenting, allow risk-taking

### **Lessons learned:**

- It is important to balance learning with educating, and deciding who will take the lead
- Success found in refocusing staff on what donors want: staff has influence but doesn't choose where the money goes
- Working with cohorts of nonprofit endowments at the foundation allows connection between staff and donors (as board members)
- Allow everyone's voice to be heard— one example is surveying staff and asking what makes them most proud
- Celebrate when collaboration goes well
- Cross-functional collaboration works: review of scholarships and grants, volunteering, events with donors, etc.

### **New ideas:**

- Cross functional teams (all staff on at least two teams)
- Open door program to allow for some discretionary spending to engage all staff
- Denison Model for culture building
- Process mapping showing where money comes from and goes to

## ***2. Attracting donors to work collaboratively with the foundation***

Problem statement: **We don't have (or don't know if we have) enough donors who are interested in working collaboratively with the foundation. How do we attract new donors that would be interested? What's the best, most effective/impactful way to work collaboratively with those donors? Where do we find them?**

### **Vision of success:**

- Donors take the initiative, lead, and bring the resources, which will help grow the endowment for the future
- The foundation is seen as a community leader and community player – donors look to the CF for collaboration and there is alignment between foundation and donor priorities
- Better grant making – engaged donors will lead to more strategic grant making and greater impact
- Sustained engagements

### **Challenges:**

- Figuring out if a donor is interested, and then, how and when to open this conversation
- Internally, how to organize the information on a donor and his/her interests, and make sure the internal staff structure is equipped to appropriately steward the donor

- Including the donor in the cultural shift of the foundation, especially long-term donors who may be set in their ways
- Learning how to say “no” to donors
- Maintaining donor attention

**Examples of what has worked:**

- Having core organizational goals and clear messages around goals and alignment between foundations and donors
- Conveying the message that the donor working with the foundation is a way to make the region a better place for all people
- Meeting donors where they are
- Conducting focus groups/learning circles to identify alignment opportunities and create peer networks for donors
- Starting by focusing on a specific issue that you can measure, not with an entire systems change
- Geographically based giving circles that include fund-holders and non-fund-holders

**Lessons learned:**

- Don’t be prescriptive
- Be transparent
- The foundation doesn’t have to know everything about an issue, but can be the convener around the issue
- Rely on the power of your donors to engage other donors

**New ideas:**

- Experiment with technology to track donor interest (Salesforce, DonorFirst, etc.)
- Engage staff across departmental lines with donors and learn about their interests in depth
- Create a working group of staff and donors around an issue
- Build out communications strategy; e.g. digital story telling

**3. *Engaging donors around foundation priorities***

Problem statement: **We believe that we understand what the community could benefit from, but we have difficulty engaging donors around these priorities.**

**Vision of success:**

- Donors are deeply engaged around robust programs and feel acknowledged and included – feel that their giving is leveraged

- Substantial alignment between donor and foundation priorities that leads to achieving impact on issues of critical importance to the community
- Donors are happy if they engage with the foundation and equally as happy if they do not participate, but are still satisfied with the foundation's work
- Increased revenue for unrestricted grant making and for operational costs

### **Challenges:**

- Being appropriately assertive without over-solicitation
- Donors may not agree with the identified issue areas and there is the potential for alienation
- Collecting the data to know what donors are most passionate about
- Donor engagement takes a lot of staff time; and hard to inspire donors who have their individual grant making agenda.
- In terms of mass communication: whose voice? The donor or the foundation?

### **Examples of what has worked:**

- Bringing in nonprofits to talk about their organizations, and donors were invited to learn more, which exposed the CF to what they're interested in – created affinity groups
- Collecting data on donor interest and grant making to inform decisions
- Impact investing
- Creating a splash to attract attention

### **Lessons learned:**

- Give donors room to lead
- Set the stage early before asking donors to engage
- Donors aren't monolithic: don't assume what their beliefs are
- Acknowledge that a shift in priorities will happen
- Leverage nonprofit relationships

### **New ideas:**

- Start with asking donors for input and leadership instead of asking for money
- Create a model or framework for co-investment that everyone at the foundation knows and understands
- Create a sense of urgency to engage donors

## **4. *Developing resources to support the work of synergy***

Problem statement: **We don't have the funding or staffing we need to support the complex works of partnering and collaborating with donors.**

**Vision of success:**

- Have flexible resources to support innovation
- Have the staff to support the work of synergy, and do everything the donor needs
- Have an endowment for community leadership
- Bring new resources to the community
- Have the board understand the value of this work – donor work is as important as the CF strategic plan

**Challenges:**

- Staff issues when there is no cross-departmental collaboration or understanding of what colleagues are doing
- Fundraising for the foundation, even a Community Leadership Fund, may cause discomfort - the “overhead myth”
- Knowing when to fund someone else to do this work, instead of doing it ourselves
- Getting the board invested
- Taking on controversial issues that may alienate donors, or issues that may be less compelling
- Keeping the donor happy while doing this work

**Examples of what has worked:**

- Using a “behavioral competency model” to hire the right people
- Creating a board task force to get more board engagement and ownership
- Civic Leadership Fund for operating support
- Creating a general giving circle where participants can lift up their own interests – got started on the work of synergy
- Angel investors funding operations or specific initiatives; e.g. “founding families” for a family philanthropy initiative
- Charging 10% fee to support giving circles (including 1% to endowment)
- Creating detailed staffing plans and monitoring cost

**Lessons learned:**

- Fees on pooled initiatives can be variable over time
- Hiring consultants can lead donors to form closer relationships with them than with the foundation staff

**New ideas:**

- Commission an outside evaluator to conduct a more formal self-review
- Engage donors with challenge grants

- Consider options beyond the Donor Advised Fund: get the community behind the organization at some level and change the image that a CF has endless money.

## Case Studies

Every community foundation has its own unique context and is aspiring to its own unique goals, so there is no one-size-fits-all approach to achieving synergy. Three case studies illustrating this diversity were written and shared with participants prior to the convening (attached). The three case studies were: 1) Boston (moving from foundation leadership to more synergy); 2) Houston (moving from donor leadership to more synergy); and 3) Atlanta (finding the balance on parallel tracks). After the breakout sessions on key issues facing community foundations, participants chose one case study group discussion to join. Highlights from each case study discussion are summarized below.

### ***1. Boston – moving from foundation leadership to more synergy***

The Boston Foundation (TBF) gave a brief overview of its history: TBF is 100 years old, gives out \$15-16 million annually in discretionary grants, operates a Civic Leadership Fund, and created a 2020 strategic plan last year. Current TBF efforts include focusing on deepening donor partnerships, working towards more donor-led strategies, seeking to elevate donor involvement, and developing donor/foundation collaborations in early childhood and the arts. San Francisco enriched the discussion by comparing their current context and strategy and the lessons learned from the Boston experience.

#### **Key challenges include:**

- It can still be uncomfortable at times to ask for money for the Civic Leadership Fund – there is the fear of alienating donors with too many asks
- Alignment issues between donor services and program staff – sometimes donor services gets in the way, and sometimes program staff feel that they “get” to decide where money should go
- Outsize expectations persist on the part of program staff and the Board – education is important in helping them understand what can be done with the money raised from donors
- Need for adequate resources devoted to increasing donor investment

#### **Lessons learned:**

- Partner with nonprofits when appropriate as they can provide the groundwork
- Push the board to do more and to be more engaged

## **2. Houston – moving from donor leadership to more synergy**

The Greater Houston Community Foundation (GHCF) is 20 years old, and key strategies have been in two areas: strategic giving/engagement to leverage donor giving, and Next Gen and the Center for Family Philanthropy. The Center includes a leadership program for the next generation (covers 50-75% of its operating costs), and was an initiative driven by their largest donors that allows GHCF to show the diverse ways they can work with donors. A new peer network for family foundations has emerged from this work.

### **Key challenges include:**

- GHCF has a history of being donor-focused, which can be challenging to move away from – there is currently some sensitivity around staff-led work
- Having adequate resources to support the work

### **Lessons learned:**

- Success in moving from purely transaction-orientation to playing more of a convening role, and private foundations have stepped up to support the staff increase

## **3. Atlanta – finding the balance on parallel tracks**

The Community Foundation for Greater Atlanta has a long and well appreciated history of community leadership. It has typically been more opportunistic and responsive with donors, rather than proactive, but over time has worked more on balance. As part of the 2016 strategic plan, the Foundation became more deliberate in its plan to engage current donors to build their corpus. Culture and staffing underlies everything, so the Foundation has set up matrixed teams where staff members are on at least two different teams and in areas where their strengths are maximized. Other strategies include being very intentional about creating donor stewardship plans and coming up with more general impact areas that can encompass a broad array of interests and capacity.

### **Key challenges include:**

- Getting the data to inform appropriate donor asks includes data from both donor services and program nonprofit meetings
- Making sure the matrixed teams work; it can mean a lot of meetings

### **Lessons learned:**

- Looking at your own staff from a perspective of equity, advantage, and privilege has been really interesting and informative
- Acknowledge that the donor is always at the center; make sure all staff talk to donors
- It's important to recognize that unity can't just be around strategy, it has to be around the processes as well

## Measuring Impact

Most participants in both the convening and also in the original research study are at early stages in measuring the impact of their efforts to achieve synergy, but all acknowledge the importance of developing a measurement process tied to clearly agreed-upon goals. Individual foundation goals for achieving synergy may relate to any or all of the following:

- Impact on community; e.g. growth in philanthropy; progress on a key issue
- Impact on the foundation; e.g. \$ co-invested by donors in foundation priorities; growth in donor advised funds by engaged donors
- Impact on the donors; e.g. smarter, more strategic philanthropy; more philanthropy

A few foundations highlighted their intention to conduct more formal surveys to assess donor engagement and satisfaction. One participant suggested using the I2L2 framework that assesses impact, influence, leverage, and learning. Many requested continued sharing of measurement practices.

## Takeaways and Next Steps

At the end of the day, participants were asked to provide one takeaway for their foundation and one takeaway for the field. Participants were also asked this question in a follow up survey after the convening. At the foundation level, key takeaways included:

- Need for reinvestment into the staff and the need to be more intentional about creating synergy between program and donor services
- Key to set goals for the larger foundation, not just for your donor engagement
- Look at what the foundation is already doing – you may be doing more than you think
- Each foundation has its own unique context, but many of the issues are shared
- Finding synergy is incredibly important and takes deliberate work and planning
- There are alternate revenue options to support community leadership work
- Developing better ways to track donor interests is essential

In terms of takeaways for the field, participants expressed the most interest in the following:

- Establishing a peer learning cohort
- Developing a regional training program for smaller foundations
- Holding an annual meeting

Other field takeaways include:

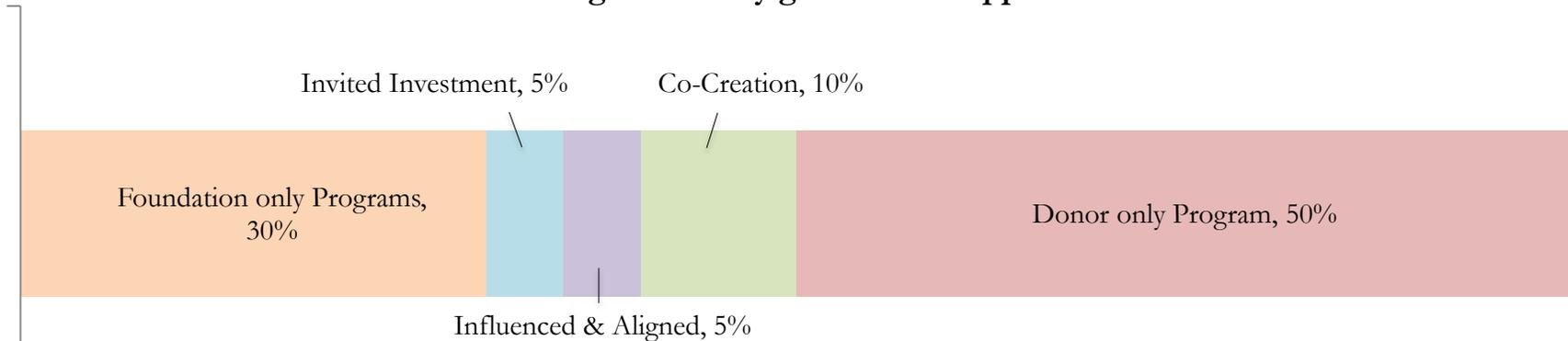
- Finding a framework to help foundations achieve cultural and organizational change
- Sharing more about evaluation methods
- Continuing to develop the synergy framework

## Appendix A: Inventory your Foundation's Approaches to Synergy

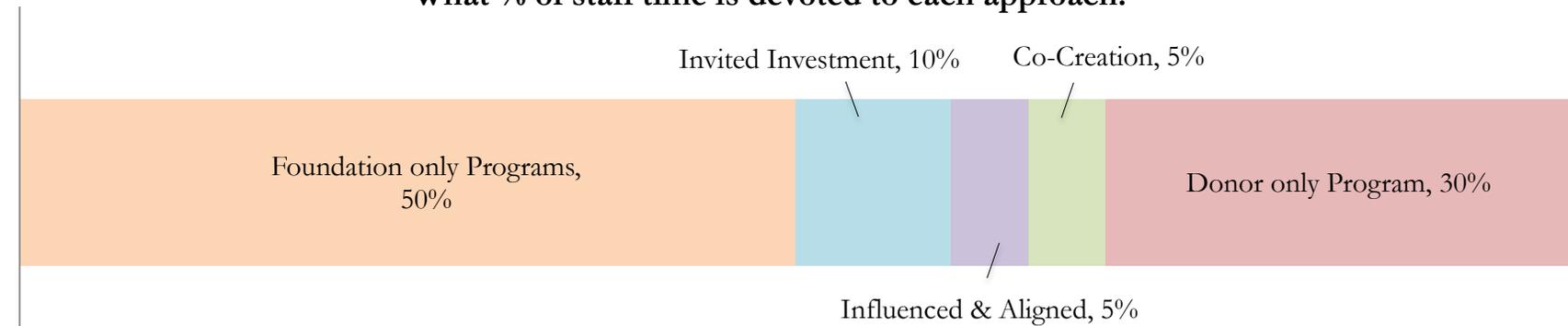
What is your foundation currently doing in these areas?

Foundation only Programs	Invited Investment	Influenced & Aligned	Co-Creation	Donor only Programs
1.	1.	1.	1.	1.
2.	2.	2.	2.	2.
3.	3.	3.	3.	3.
4.	4.	4.	4.	4.
5.	5.	5.	5.	5.

What % of grant money goes to each approach?



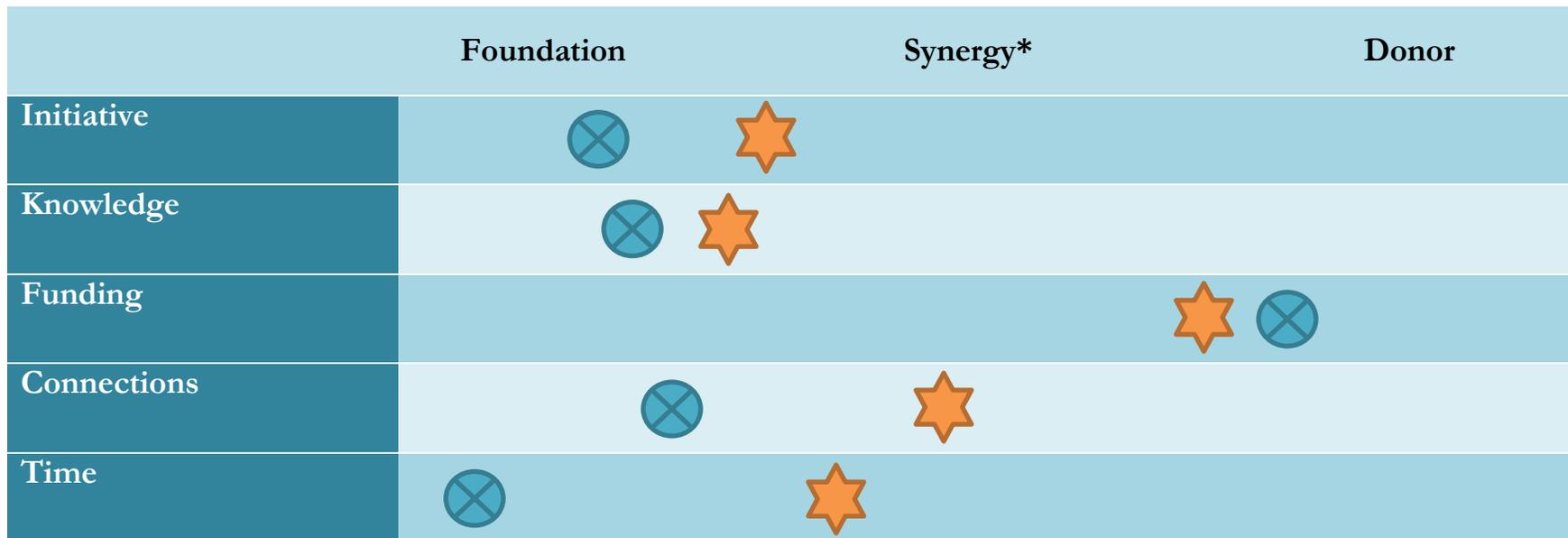
What % of staff time is devoted to each approach?



## Appendix B: Synergy Mapping

Map your foundation's current approach and aspirational goals around synergy.

1. As a whole foundation, where are you on the spectrum in terms of different ways that the foundation and donors contribute to the foundation's work? Where would you like to be?
2. Looking at an individual opportunity, where do you want to find synergy?



Current approach



Aspirational goals

\*Could include influenced & aligned, invited investment, and co-creation