



Using an Abundance Mentality to Streamline Foundation Processes

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Almost every foundation staff member or grantee would agree that funders need to streamline their grantmaking application and reporting processes. Many do a good job of looking at these processes through a grantee's eyes, eliminating the number of hoops to jump through and simplifying the steps from initial ask to final report. That's a laudable step, but it only scratches the surface in terms of streamlining foundation operations. In fact, many of the opportunities for streamlining have little to do with the grantees' role and everything to do with the foundation's own internal processes for creating, disseminating, supporting, reviewing, awarding and servicing grants.

It would make sense, then, that foundations would be well served by making significant investments in their own capacity and infrastructure that would allow for more simplification of process and more meaningful interactions with grantees. However, most foundations approach their own internal needs from a poverty mentality — the belief that internal investment is only warranted when the need is urgent, and that current capacity defines an organization's ability to seize opportunity.

But just for a moment, imagine what could happen if a foundation staff and board stepped beyond all perceived limitations in funding and thought clearly about what would work most efficiently for everyone involved? Then, having this new and enlightened perspective in hand, the foundation sought to make the necessary investments to apply its newfound understanding? That's what I define as an "abundance mentality" — a belief that internal investment is important and the more you put into your operation, the more you get out of it, and the more impact you will have. Creating an abundance mentality means realizing that the only thing keeping foundation inefficiencies in place is the foundation itself, and that better alternatives are absolutely within reach.

The Picture of a Poverty Mentality

There are many examples of how foundation poverty mentality prevents the creation of a more efficient process. Here are just a few:

- A foundation, believing that it should keep its staff size small to avoid excess overhead, resists hiring any support staff for its program officers. The program officers become administrative functionaries, too overburdened with their own internal paperwork, scheduling, checklists and staff meetings to leave the office. As a result, the foundation misses the opportunity to build strong networks with other funders, learn from outside experts about trends and promising practices in its field and — most importantly — build strong relationships with its grantees.
- A foundation, fearing that its computers will be stolen and its networks hacked, forbids program staff to travel with foundation laptops and simultaneously blocks any outside computer access to its servers. As a result, staff are powerless to respond to internal or external needs while traveling. The requests pile up and bottleneck, causing impatience, delays and frustration with regard to program goals, both for staff and for grantees and partners.
- A foundation, in the name of thorough due diligence, monopolizes its entire program, investment and communications staff for weeks to prepare an immense board docket in advance of every board meeting. As a result, staff are unable to tend to their everyday tasks, which pile up, causing considerable inefficiencies and frustrations. In



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addition, the board members are presented with reams of paper they are unlikely to read and demands on time they could more effectively spend on other tasks related to the foundation's efficiency and effectiveness, such as visioning or strategy development or serving as network builders or spokespersons.

- A foundation, with the intent of transparency and stewardship, employs a "three bid" policy for all vendors, consultants and contractors, regardless of the size or scope of the project or the depth of existing relationships with service providers who have proven to add to the overall efficiency of operations. As a result, foundation staff spend hours creating RFPs and evaluating proposals that are ultimately unnecessary and add nothing to the foundation's transparency (simply being clear about who they hired and why would suffice).

Why do foundations fall prey to the poverty mentality? Some believe they are doing the right thing because they see so many examples of poverty mentality around them. Some are too busy dealing with the effects of a poverty mentality that they don't have time to think through to a better solution. But many make the mistake of equating stewardship with thrift — and do so at the expense of effectiveness. They believe that a Spartan operation equates to value for grantees and community, when instead the opposite is true.

Foundations that adopt an abundance mentality recognize that the ultimate goal of stewardship is effectiveness, not thrift, and understand that investment is required in order to achieve that effectiveness.

All About Abundance

On the most basic financial level, foundations have greater wherewithal to adopt an abundance mentality than just about any other field. They do not answer to shareholders, they are not held accountable by grantees and they have immense free rein in terms of government oversight.

To be clear, having an abundance mentality does not mean creating luxury office suites, employing full-time massage therapists for staff or flying foundation board members or staff to exotic resorts for meetings. What it does mean is investing in the people, technology and expertise that help staff deliver value to the foundation's mission — and therefore to the grantees and communities it serves.

For example, a foundation that operates with an abundance mentality will ask questions such as:

- Who are the top experts in the country (or world) who can advise us?
- How much more impact could we have if we paid for some additional staff for our grantmaking initiative? Who are the best people we can get, and what is the most strategic use of their time?
- If our program was to become a national model, what would that look like? What can we put in place now to accomplish that?
- What tools, resources or technology will help our staff and grantees become more effective?

Even foundations with limited means can operate with an abundance mentality mindset. Asking questions like the ones above isn't dependent on money. Pursuing the wisdom of top experts, for instance, doesn't necessarily mean hiring them for expensive consulting engagements. Rather, it could mean researching their works and writings, or



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contracting with them for a one-hour phone consultation (which they might even do for free). The idea is that a foundation believes enough in itself and its capacity for change that it is willing to invest staff time and resources in engaging with the experts — and providing its key staff with the administrative support and resources to make that happen — rather than miring itself in the belief that good stewardship means avoiding the expenses associated with this kind of institutional learning.

What does abundance look like? Examples aren't as common as you might think, but there are some I have uncovered in our work. Consider this:

- When taking on a statewide visioning and recommendation process for public education in Arkansas, the Winthrop Rockefeller Foundation and the Walton Family Foundation agreed to invest a significant amount in logistics and guidance for the process itself, which included shepherding discussions among a very diverse set of viewpoints. While in theory the research, meetings, summaries and other aspects could have been handled by staff, bringing in outside support not only saved staff hours of burdensome tasks and stress but also provided an extra layer of transparency and neutrality that helped insure ultimate buy-in.
- In an effort to become more efficient, Blue Shield of California Foundation invested a great deal of time and money to track all of their internal processes. As a result, they found fairly substantial inefficiencies and redundancies, made a plan to address them and are now more efficient and effective — with both time and dollars — than they were before. Having made an extra effort to explore their own inner workings, they now can accomplish their internal work with less effort and spend more time thinking, networking and immersing themselves in the fields they serve.
- When the Robert Wood Johnson Foundation began their Forward Promise initiative using only internal staff, they quickly became overwhelmed with the unanticipated number of applicant responses (their largest number ever). They quickly invested in outside support to address a backlog of applicant voicemails and emails, as well as to develop a manageable process for vetting proposals, conducting site visits and making their award decisions. As a result, what could have been an administrative nightmare for staff evolved into a positive experience for all participants. (While there is nothing like a crisis to shift thinking from a poverty mentality to one of abundance, it's always better to embrace abundance from the start of an initiative.)
- In many cases, foundations are investing in capturing today's knowledge and experiences for streamlining in the future. They do this by documenting lessons learned from current work that can inform future generations of board and staff, thus helping them learn from historical knowledge and avoid repeating mistakes or inefficiencies.

Adopting an abundance mentality not only enhances a foundation's ability to be more efficient, innovative and effective — it also can improve a foundation's relationships with grantees, partner organizations and peer philanthropies. For example, the MyCom initiative in greater Cleveland, led by The Cleveland Foundation with an aim of improving youth outcomes, builds on the existing agencies and programs in the county that are doing good work around youth development. Instead of investing time and money in new things, MyCom invests first in connecting and enhancing what is already there, then fills in gaps. Rather than supporting new programs, it invests in quality improvements, capacity and other services that better knit providers and programs together. In doing so, it streamlines the county's entire youth-serving system.



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Becoming Abundant

What does it take to shift from a poverty mentality to an abundance mentality? First and foremost, it's a shift in mindset. For many funders, shifting to an abundance mentality starts with letting go of the guilt they feel for spending any resources — financial, time or otherwise — on “themselves.” And abundance mentality means you believe enough in your operation to put the best people, the best ideas and the right amount of resources behind it, because you know those investments will result in the best outcomes.

Adopting an abundance mentality means cutting through the clutter that bogs down your staff on a daily basis. For example, consider the time program staff spend on administrative tasks like scheduling, logistics, preparing materials, sending thank-you letters and handling travel reimbursements. What might your staff be able to do in terms of developing and implementing big ideas? Wouldn't that merit the support of an extra administrative person?

Ask yourself and your staff:

- How much time are we spending on tasks that are taking us away from the bigger picture? What investments could we make that would keep us moving more directly toward our mission?
- What are the internal tasks or processes we dread most and why? What investments could we make that would simplify them?
- When do we do our best and most productive work? Is it when we're at our desks, or when we're out in the community and meeting with peers and partners? What investments can we make that will put us in our most productive modes more often?

Why Abundance Is Imperative for Philanthropy

As the world of philanthropy rapidly becomes more complex, many foundation leaders take comfort in the familiarity of a poverty mentality and its Depression-era notions of thrift and stewardship. However, the faster pace of philanthropy in the 21st century demands that successful foundations will be more adept at adaptation, efficiency and relationship-building. All of these things require a mentality of abundance rather than poverty.

We can already see the effects in foundations that have kept their activities firmly within the bounds of traditional responsive grantmaking and have resisted investments in technology, program-related investments, social media and other forces that are now essential to driving change. While their counterparts are moving into the worlds of systems change, those who keep the mindset of poverty continue to hammer away at the same old problems, in the same way, and with no ability to make any real change for the communities they serve.

There is the corporate adage, “You have to spend money to make money.” Philanthropy could adopt its own version: You have to invest in effectiveness in order to make change. The question is, are foundations willing to embrace a mindset of abundance to make that happen?

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