PATHWAYS TO GROW IMPACT

PHILANTHROPY'S ROLE IN THE JOURNEY

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GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

Grantmakers for Effective Organizations is a community of more than 400 grantmakers challenging the status quo in their field to help grantees achieve more. Understanding that grantmakers are successful only to the extent that their grantees achieve meaningful results, GEO promotes strategies and practices that contribute to grantee success.

Launched in 2010, *Scaling What Works* is a multiyear learning initiative of GEO to expand the number of grantmakers and public sector funders that are working together to broaden the impact of high-performing nonprofits. Through *Scaling What Works*, GEO offers trainings, networking opportunities and a host of tools and resources to better equip grantmakers to help the nonprofit organizations they support to plan, adapt and grow their impact in creating sustainable benefits for people, their communities and our planet.

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FOREWORD

Hope fuels us when the path isn't completely clear or the hill we are climbing seems inordinately high. It enables us to envision and work toward a better, more equitable world even when times are tough. Though recent reports on the nonprofit sector paint a gloomy picture of decimated resources and expanding need, I see extraordinary reasons for hope in the form of:

▷ nonprofit leaders who achieve phenomenal things by consistently putting the work ahead of their own egos or organizations,

▷ funders who are dramatically changing their approaches to work more effectively in collaboration with others, and

▷ community groups that are coming together to tackle major challenges even though progress is slow and the constraints obvious.

It is not a bleak landscape that I see, but one peppered with bright spots and reasons for hope. Many of these bright spots are featured in this report. I'm convinced that with a commitment to do some things differently, we can help high-performing nonprofits make more progress on the issues and causes we care about. The key is to focus on *growing impact.*

When Grantmakers for Effective Organizations launched the *Scaling What Works* initiative in 2010, we understood that many in our community were skeptical about the concept of scale as applied to nonprofit organizations. A series of stakeholder interviews and focus groups revealed that for some the disconnect begins with the use of language borrowed from the business sector that they feel is misapplied in the nonprofit context. For others, scale implies a need for resources far beyond what they could reasonably generate. Still others find that the predominant narrative — which emphasizes spreading programs to more places — applies to only a few, if any, of the organizations they support.

As a community that includes more than 400 grantmakers committed to building nonprofit capacity, providing flexible funds, and encouraging learning and improvement, GEO members are clearly dedicated to nonprofit effectiveness as a means of increasing their impact, yet the idea of scale did not seem to resonate broadly.

At the same time, some of the forerunners in supporting program replication and organizational growth have long been part of the GEO community. Leadership from the Edna McConnell Clark Foundation, REDF, Venture Philanthropy Partners, New Profit Inc., Social Venture Partners, and others has heightened the attention paid to the importance of making decisions on the basis of evidence and the need to build the systems and culture necessary to support such an approach.

Funders who support organizational growth and program replication typically are committed capacity builders who hold themselves accountable for the goals and performance targets their grantees set forth. They provide crucial, flexible support and have pioneered approaches to combining their financial resources with those of others to generate enough money to help grantee organizations achieve big results. And even though not all funders can muster the resources these innovators have been able to bring to bear, every grantmaker can learn from their efforts.

Alongside this good work, others in the GEO community are learning what they can do to better support people and organizations that are making a profound difference without necessarily replicating programs or substantially growing institutions. Approaches such as catalyzing networks and supporting advocacy hold a great deal of promise because they offer ways to respond that are as sophisticated, complex and far-reaching as the issues they seek to address.

This report explores the intersections and differences in various pathways to grow impact in order to spark a conversation that engages more funders and nonprofits. All grantmakers are interested in seeing their grantees achieve as much as they possibly can. Whether you are interested in helping your grantees expand their impact or improve as institutions, we hope that the stories, data and illustrations included here will aid you in your important work. We encourage you to join the GEO community in the discussion by visiting www.geofunders.org.

Kathleen P. Enright
President and CEO
Grantmakers for Effective Organizations

INTRODUCTION

From the outset of the *Scaling What Works* initiative, GEO has supported a conversation about scale that includes a variety of ways nonprofits and their funders are creating more value for communities and making fast and substantial progress on the issues and causes we all care about.

Pathways to Grow Impact is for those who want their grant dollars to have a greater effect. This publication isn't a roadmap outlining one route to follow; instead, it identifies the various kinds of support nonprofits need to increase mission impact and explores strategies and practices that grantmakers are using to meet those needs. You will hear directly from a number of successful nonprofit leaders about the ways funders have helped them on the journey to deliver more effectively on their missions.

We offer examples to illustrate several pathways to grow impact, some that involve organizational growth and others that do not. We then match the pathways with specific grantmaker actions to support each approach. For those who want to dig deeper on a particular idea, we've included a list of some of the best resources available (and more are available at www.scalingwhatworks.org) in the Select Resources section at the end of this publication (see page 32).

How can grantmakers best support high-performing nonprofits in their efforts to grow their impact?

How This Publication Was Created

Recognizing that little information exists on the role funders are best positioned to play in growing impact, GEO initiated a collaborative project with Ashoka, Social Impact Exchange (a partnership between Growth Philanthropy Network and Duke University), Taproot Foundation and TCC Group. GEO and our four partners explored this question: *How can grantmakers best support high-performing nonprofits in their efforts to grow their impact?*

We attempted to understand which grantmaker practices are universally beneficial and which are uniquely effective in supporting specific efforts to grow impact. We also hoped to understand the grantmaking practices that impede progress.

Each partner approached the project from a different vantage point. Ashoka tapped its network of Fellows from around the globe, asking them about the kind of support they need most. Many Ashoka Fellows are constrained by extreme resource deficits but possess an abundance of creativity and drive. You'll hear from Fellows who have had a profound impact without abundant resources.

Taproot took advantage of its firsthand experience providing service grants to high-performing nonprofits, many of which are attempting to grow their impact quite ambitiously. Through a series of interviews and focus groups with both funders and nonprofits, Taproot attempted to understand the grantmaker practices that support or hinder these efforts.

TCC Group brought deep expertise in capacity building and a data set of organizational assessments from nearly 3,000 nonprofits that have participated in the group's Core Capacity Assessment Tool. TCC conducted a quantitative analysis of the CCAT data set to find common characteristics among nonprofits that have consistently grown financially at a rate equal to or greater than inflation. The group then probed the practices of funders who supported these organizations.

Social Impact Exchange produced an annotated literature review that analyzes what is known about growing impact (select resources from which are included in this publication). With this content, the exchange built and is maintaining a multimedia database of resources related to scaling organizations and other approaches to growing impact. The database is available at www.socialimpactexchange.org.

As part of *Scaling What Works*, GEO has published a series of briefing papers and guides on topics related to growing impact. We conducted dozens of stakeholder interviews and included relevant questions in our 2011 national survey of all staffed foundations in the United States. In this report you will find some of what GEO has learned in the course of that work and through feedback from our primary stakeholders — our members.

Methodology

Ashoka conducted an in-depth analysis of Ashoka Fellows who are currently part of the Globalizer cohort, many of whom have already reached significant levels of global scale. The Globalizer program includes a subset of Ashoka Fellows with the greatest potential to catalyze global systems change. Through a survey and interviews, Ashoka explored various topics related to the challenges of growing impact, including optimal strategies; organizational structure and management; and legal, financial and other resource requirements.

Ashoka also conducts an annual Global Survey of Fellows that focuses primarily on their impact and on systemic change. This year's global survey — to which 217 Fellows in 42 countries responded — included a set of questions about growing social impact.

Through a field wide scan of content, Social Impact Exchange analyzed the available literature to identify the best set of resources related to grantmaking strategies that support growing impact. This literature review contains links and abstracts, as well as recommendations for future work.

The exchange's report summarizes existing research on the stages of nonprofit growth cycles and readiness to grow for both replication and nonreplication models. The review also includes articles on good business planning, the evaluation and capacity-building needs of organizations at various stages of development, and financing tools and strategies to support growing nonprofit impact.

Taproot conducted more than 25 in-depth interviews with leaders representing both funders and nonprofits, and conducted two focus groups with leaders from eight nonprofits. The interviews with funders included large traditional foundations, small community foundations and corporate funders as well as funders who support growing impact and those that do not.

Taproot explored how the funding community can make practices to grow impact more accessible for nonprofits. In particular, Taproot asked interview subjects to identify grantmaking practices that either supported or hindered a nonprofit's effort to grow its impact, with special attention to whether specific types of grantmaker support are helpful at certain points in the nonprofit life cycle.

TCC analyzed its Core Capacity Assessment Tool data set to identify the factors that make some nonprofits more likely to grow in budget size. Using an organization's ability to meet or beat inflation as the definition for growth, TCC found 124 nonprofit organizations in its 2,710-organization data set that were three times as likely to grow consistently over a two-year period. From that subset, the group identified three capacities that appear to predict whether an organization grows at a rate that beats inflation.

The group investigated these capacities through interviews with nonprofits from the CCAT data set. Nonprofit leaders whose organizations grew steadily were asked to identify the grantmaker practices and specific funding partners that had helped them build these capacities. TCC then conducted a round of interviews with funders who exemplify these practices, in an effort to better understand the strategies they use.

WHAT WE MEAN BY SCALE

Like many buzzwords, "scale" conjures up different meanings for different people. In fact, several grantmakers we interviewed acknowledged that multiple concepts and definitions exist even among their own staff and trustees. The majority think of scale in terms of bigger organizations and programs replicated in more sites. However, scale can also refer to ways to expand impact beyond the walls or the oversight of one organization.

For the purposes of *Scaling What Works* and this project, we define scale as growth in impact. Our partners explored the full spectrum of possibilities, but in this report we describe the type of growth in impact that we're talking about rather than using the label "scale" to refer to any type of growth.

Those who write about and research scale increasingly support an expanded view that includes many pathways to grow impact. After all, the most important thing to scale is not the size of an organization, but the results it achieves. Bridgespan Partner Jeff Bradach takes this point even further when he observes, "The question now is 'How can we get 100x the impact with only a 2x change in the size of the organization?'"[1]

Only 15 percent of the case studies and publications cited in the literature review conducted for this project relate to efforts to grow impact that go beyond program replication and organizational growth. Clearly, a need exists for a greater understanding of nonreplication approaches.

To illustrate the multiple pathways to grow impact, GEO has adapted a synopsis that originally appeared in *The Evaluation Exchange*, a publication of the Harvard Family Research Project. By categorizing different approaches to scale and providing definitions of what scale means in each of these contexts, this framework helps outline strategies for growing impact. To add clarity, we've included an example that illustrates each of the strategies as well as indicators that suggest readiness to follow a particular pathway. On page 30 we map supportive grantmaker practices for each pathway.

> The most important thing to scale is not the size of an organization, but the results it achieves.

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1. Jeffrey Bradach, "Scaling Impact," *Stanford Social Innovation Review* 8, no. 3 (Summer 2010): 27.

TABLE 1. FOUR APPROACHES TO GROWING IMPACT[2]

What Is Scaled	Definition of Scale	Recognizing Readiness
Program A system of projects or services that meets a need for individuals or communities.	Increasing the reach of a program that research has shown to be effective in the same location or copying the program with the expectation that it can or will produce the same results in different places. Scaled programs often allow for flexibility in implementation to adapt to local context.	Program has demonstrated reliable results for a specific population over a period of time. Well-documented quality assurance measures are in place.
Idea or innovation A new way of thinking about or doing something; a new solution to a problem.	Spreading an idea among individuals or organizations within a certain area or system (geographic, organizational, professional); ideas can be adapted to fit different purposes or contexts.	Idea is shown to have currency in a limited setting. Idea has been recognized by key leaders in the community. Innovation is relevant to a challenge many experience. Capacity exists to disseminate idea broadly (e.g., effective spokespeople, marketing support).
Technology or skill A product, tool, technique or practice.	Increasing the number of people or places that use or apply a technology, practice or approach.	Technology or skill has had demonstrable impact on solving a social problem or strengthening organizations. Technology or technique is open to the public and customizable. Measures are in place to maintain and improve technology. Others have the capacity to adopt the technology or skill.
Policy A plan of action adopted or pursued by a government body, corporation or other institution.	Ensuring that ideas expressed as policy are transformed into behavior throughout a place or jurisdiction (e.g., city, county, state, region, country).	Organizers have successfully influenced legislation or administrative policy in a particular jurisdiction. Approach can be adapted by other groups in a network.

2. Adapted from Julia Coffman, "Broadening the Perspective on Scale," *The Evaluation Exchange* (Harvard Family Research Project) 15, no. 1 (Spring 2010): 3.

A NETWORK APPROACH

JURGEN GRIESBECK, STREETFOOTBALLWORLD, BUILDER OF NETWORKS

Streetfootballworld has built a network of community-based organizations that all use football (soccer) as a tool to support positive social change. The network has grown to nearly 100 organizations in over 60 countries since 2002. Through the network connections, organizations integrate the best practices of others, collaborate on shared projects, tap into investors they could not access individually and learn to speak with a collective voice. Originally, streetfootballworld functioned as the central hub, directing all major activity among members of the network. However, growing the organization seemed unrelated to the goals it wanted to achieve, so Griesbeck removed streetfootballworld from the hub and empowered network members to transact and collaborate directly among themselves. This empowerment involved introducing a variety of collaboration tools, such as an internal file-sharing system and a website, along with regular use of WebEx and Skype to enable virtual face-to-face connections. Griesbeck has since shifted his focus to building an ecosystem in which all relevant players understand the roles they play in pursuing their common goal of social justice. He is adamant that "this network approach is part of the impact."[12]

BOOST COLLABORATION

An underlying trend in several pathways to grow impact is an emphasis on collaborative relationships. Mike O'Brien, iMentor CEO, said, "One of the best funding practices is when funders serve as conveners, bringing people together to build relationships and help codify what organizations have learned that can be shared with other organizations. The camaraderie and learning … [among] Blue Ridge's portfolio organizations made Blue Ridge such a high-impact and transformative funder."[13]

Many grantmakers are encouraging their grantees to collaborate with one another as a cohort around a common piece of work, as a coalition or as an informal network. When this is done well, what starts as a group organized by the grantmaker can evolve into a self-directed group in which organizations take charge of the agenda and lead the work without the grantmaker's involvement. According to Anne Kirwan, managing director of Upwardly Global, "Some foundations help by bringing together cohorts of grantees to build expertise and strong networks … [and] to encourage collaboration amongst their grantees so that groups that mightn't normally work closely together build stronger relationships and can provide end-to-end services for their clients." However, when support for collaboration is handled poorly it can waste precious time and resources, and if it is perceived as prescriptive it can hurt relationships.

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12. John McPhedran Waitzer and Roshan Paul, "Scaling Impact: When Everybody Contributes, Everybody Wins," *Innovations 6* (Spring 2011): 143 – 155.

13. For more information on Blue Ridge Foundation, visit www.brfny.org.

A few funders are going beyond collaboration to explicitly support collective impact — defined by FSG as "the commitment of a group of important actors from different sectors to a common agenda for solving a specific social problem."[14] FSG acknowledges the importance of supporting a backbone organization to facilitate and sustain collective impact efforts. One nonprofit executive director who participated in a confidential focus group said, "Funders can and should play a bigger role in breaking down silos and turf wars among nonprofits. There is still some space for funders to build an ecosystem and foster collective impact."

UNDERWRITE ADVOCACY

Ashoka Fellows are not focused on growing their organizations or replicating their programs. In fact, only seven percent of the Fellows surveyed (all of whom have been Fellows for more than five years) used a franchising model, and about a third (39 percent) have expanded the size of their organization through branches or subsidiaries as a mechanism for scaling impact.

Most are relying on partnerships, advocacy, public issues campaigns, grassroots movement building, networks and public policy change. The number one mechanism that Ashoka Fellows use to create change is advocacy. Sixty-one percent report working with the government to change policy, and another 27 percent plan to engage in this approach to systems change in the near future. However, finding funds for advocacy is a continuing challenge.

The Gill Foundation has made support for policy change a core strategy. Through the Civil Marriage Collaborative (a grantmaking initiative of the Proteus Fund) the Gill Foundation is supporting a state-by-state movement for the freedom of same-gender couples to marry in the United States.[15] The Civil Marriage Collaborative awards approximately $2 million annually to support public education, research and organizing efforts in states where marriage equality is a near-term possibility. The group makes rapid-response capacity-building grants in states where an opportunity to advance marriage equality arises quickly.

Though it is possible to evaluate support for networks, collaboration and advocacy, the process and product may be less clear and indicators of progress less concrete and attributable. Accordingly, funders must manage their expectations about what they can learn by evaluating these approaches.

> The number one mechanism that Ashoka Fellows use to create change is advocacy.

14. John Kania and Mark Kramer, "Collective Impact," *Stanford Social Innovation Review 9* (Winter 2011): 36 – 38. Available at www.ssireview.org/articles/entry/collective_impact.

15. For more information on the Civil Marriage Collaborative, visit www.proteusfund.org/cmc.

BUILDING A MOVEMENT

JEROO BILLIMORIA,
SOCIAL ENTREPRENEUR AND NETWORKER EXTRAORDINAIRE

Jeroo Billimoria recognized that for children to truly be able to turn the financial education they are receiving into a ticket to economic security, they would need access to an array of financial services. Guaranteeing that access for all children would mean generating a shift in the worldwide financial system.

Billimoria knew that she would have to involve many types of organizations to achieve the systemic change she was seeking, so she established a consortium of organizations under the umbrella Child and Youth Finance International.

This group includes more than 150 international financial institutions and regulators, universities, nonprofit organizations and media channels working together to design and promote the necessary financial tools and the mechanisms to put them into practice to ensure children's full economic participation. Banks worldwide have begun to offer youth savings accounts, finance regulation committees in various countries are working to ensure minimum standards for child-friendly financial products and global media channels have been engaged to promote the overall concept and pave the way for additional buy-in. Through the participation of a broad coalition of actors, Child and Youth Finance International is well on its way to the ambitious goal of providing financial access and education to 100 million children and youth in 100 countries by 2015.

Supportive Funder Practices

- Connect grantees to your networks.

- Provide funding, introductions and meeting spaces to help grantees launch and sustain networks.

- Provide the glue money necessary for networks and collaborations to thrive.

- Use your communications heft to support issues advocacy.

- Remove barriers to advocacy from grant agreements and replace them with language that encourages nonprofits to engage in shaping policy.

TABLE 3. GRANTMAKER ACTIONS THAT SUPPORT VARIOUS PATHWAYS TO GROW IMPACT

Pathway to Grow Impact	Grantmaker Actions
All Pathways	▷ Provide general operating support. ▷ Provide capacity-building appropriate to the context. ▷ Provide multiyear support. ▷ Provide large grants. ▷ Do not place arbitrary limits on administrative spending or overhead without a clear understanding of the organization's business model or phase of organizational life. ▷ Support data collection and performance management capabilities. ▷ Support the development of collaborative leadership. ▷ Support movements by investing in networks and collaboration.
Program Replication	▷ Fund a business and operating plan. ▷ Support program evaluation to clarify what works for whom in which context. ▷ Provide support for replication in your region. ▷ Introduce grantees to other funders for co-investment opportunities. ▷ Proactively raise money on behalf of grantees. ▷ Lead a co-funding effort. ▷ Leverage in-house capacity to provide expertise. ▷ Provide matching funds to help grantees secure other grants. ▷ Fund a dedicated development staff person. ▷ Fund evaluation and, when circumstances dictate, community impact studies or randomized control trials.
Idea or Innovation	▷ Provide funding to create a blueprint of the program that can be made freely available to others. ▷ Open up your networks to your grantees. ▷ Work with the nonprofit to identify channels to disseminate its idea or innovation. ▷ Use your communication channels and institutional credibility to help spread the idea or approach.
Technology or Skill	▷ Fund the upfront costs associated with building a nonprofit's technology. ▷ For more sophisticated organizations with technology already in place, provide resources to hire a technology officer to maintain and improve the system. ▷ Add language to grant agreements to ensure that appropriate learning is made public. ▷ Support training programs that establish a core set of people prepared to help in the spread of a skill or technology. ▷ Support volunteer management capacity if the organization relies on volunteers to spread the skill or technology.
Policy	▷ Remove barriers to advocacy in grant agreements and replace with language that encourages nonprofits to engage in public debate and advocacy. ▷ Fund training or external support to better equip leaders to write opinion pieces for the local paper, conduct community outreach or meet with politicians and other community leaders. ▷ Discuss with grantees whether it would be helpful to hire a chief operating officer to free up the executive director to engage in advocacy or a policy director to support this work. ▷ Use your communications heft to engage in issues advocacy. ▷ Look for opportunities to engage the Ad Council to support a group of grantees.

CONCLUSION

Program growth and replication are not the only ways to make progress. Spreading ideas, skills and technology; building partnerships; engaging in policy change; and other approaches hold great potential to help us achieve more with the same resources. As funders and nonprofits look for effective and efficient ways to grow their impact, they can find guidance and inspiration in the stories and data from those who have gone before. As we learn more about these pathways, we will need to work together to shift our approaches in order to grow impact.

Many nonprofits are using strategies that extend beyond their organizations to advance their missions. Like their nonprofit partners, funders must systematically reach out and engage with other funders.

> As nonprofits struggle to manage the messy and nonlinear process of growing impact, funders must learn to be more adaptive and to respond flexibly to the needs of these organizations.

As nonprofits struggle to manage the messy and nonlinear process of growing impact, funders must learn to be more adaptive and to respond flexibly to the needs of these organizations. This may mean, for example, making out-of-cycle grants or being willing to accept the reporting protocol of a colleague foundation.

Funders might explore ways to provide incentives to nonprofit organizations to relentlessly put the needs of the mission ahead of their individual organizations. We must embrace an approach to evaluation that emphasizes learning and performance management as a tool for mid-course corrections, not just for post-grant evaluation. We in philanthropy must identify the roles we are best positioned to play — roles that might be subordinate to those of our nonprofit colleagues — in collaborative efforts to transform the systems in which social problems persist.

By embracing these shifts, we will enhance our ability to address pressing social challenges and bring the best solutions to more of the people who need them most.

SELECT RESOURCES

The following are some of the resources included in the literature review conducted by the Social Impact Exchange. These resources will enable readers to go a bit deeper on the issues addressed in this publication. For a complete list of resources on growing impact, go to www.socialimpactexchange.org.

Strategies to Grow Nonprofit Impact

Scaling Impact
By Jeffrey Bradach
Stanford Social Innovation Review, Summer 2010

This article poses the question, "How can we get 100x the impact with only a 2x change in the size of the organization?" It identifies some tools and strategies that expand the impact of organizations well beyond what their size would seem capable of (e.g., using Web and social media to expand networks, using intermediaries, developing talent).

Laying a Solid Foundation: Strategies for Effective Program Replication
By Geri Summerville with Becca Raley
Public Private Ventures, July 2009

This publication is a guide for policymakers, practitioners and philanthropists interested in a systematic approach to program replication. It lays out key structures that should be in place before wide scale replication is considered, the steps to ensure success, and details on when to replicate, where the replication should take place and necessary staff resources.

Collective Impact
By John Kania and Mark Kramer
Stanford Social Innovation Review, Winter 2011

The authors discuss the fact that large-scale social change requires broad cross-sector coordination, yet the social sector remains focused on the isolated intervention of individual organizations.

Scaling What Works: Implications for Philanthropists, Policymakers, and Nonprofit Leaders
By Nancy Roob and Jeffrey L. Bradach
The Bridgespan Group, 2009

As guidance for government investment and for partnerships with philanthropy this article discusses four critical aspects of scaling nonprofit programs: the need for rigorous impact analysis to distinguish promising programs from proven ones, new funding patterns, capacity-building support and ongoing research and evaluation.

Cultivate Your Ecosystem

By Paul N. Bloom and Gregory Dees
Stanford Social Innovation Review, Winter 2008

Social entrepreneurs must not only understand the broad environment in which they work, they also must shape that environment to support their goals, when feasible. Borrowing insights from the field of ecology, the authors offer an ecosystem framework to help social entrepreneurs create long-lasting and significant social change.

The Networked Nonprofit

By Jane Wei-Skillern and Sonia Marciano
Stanford Social Innovation Review, Spring 2008

Do nonprofits have to be large to do the most good? Some of the world's most successful organizations stay small, sharing their load with like-minded, long-term partners. The success of these networked nonprofits suggests that organizations should focus less on growing themselves and more on cultivating their networks.

Scaling Social Impact: When Everybody Contributes, Everybody Wins

By Jon McPhedran Waitzer and Roshan Paul
Innovations, Spring 2011

The social sector is shifting away from a business-derived growth model to scale impact in favor of a greater emphasis on furthering purpose and mission rather than an organization or its founder. Through the experiences of Ashoka's Globalizer initiative, this article explores new pathways to scale social impact through open sourcing and networking.

Open Innovation: A Muse for Scaling

By Alexa Clay and Roshan Paul
Stanford Social Innovation Review, Fall 2012

Open innovation — also known as open sourcing — is a pathway to grow impact that subverts traditional concepts of scale that rely on organizational growth. This article shares five tips for executing a successful open innovation strategy.

Five Steps to Growing Your Social Impact: Lessons from the World Wildlife Fund

By Roshan Paul
Forbes, August 2012

Using the experience of the Dutch branch of the World Wildlife Fund to conserve land in the densely populated Netherlands, this article shares five steps to scale a compelling idea or project through strategic stakeholder engagement that fosters innovative and collective problem solving.

Grantmaking Essentials to Support Nonprofit Impact

What Do We Mean by Scale?

Grantmakers for Effective Organizations, 2011

Grantmakers are broadening their understanding of scale as a means to grow social impact without necessarily increasing the size of the organization or the programs they support. Acknowledging a variety of approaches to scale, this paper explores what can be scaled and grantmaking practices that support nonprofits in growing their impact.

Tools to Support Public Policy Grantmaking

By Martha Campbell and Julia Coffman
The Foundation Review, Spring 2010

This article provides guidance on how foundations can frame, focus and advance efforts to achieve public policy reforms. Five steps for developing public policy strategy are described and two tools are identified that have been developed specifically to support foundations during the strategy development process.

Why Supporting Advocacy Makes Sense for Foundations

The Atlantic Philanthropies, May 2008

This report explores the experiences of funders who are committed to supporting advocacy efforts. The report provides information about the wide spectrum of advocacy activities funders can support, including research and dissemination, raising awareness, community organizing, grassroots mobilization, building capacity, policy development, lobbying and litigation.

Deeper Capacity Building for Greater Impact

By Paul Connolly
TCC Group, April 2007

This paper explains how to design a long-term capacity-building initiative. It is written for all sizes and types of funders, including private foundations, corporate community involvement departments and public agencies that want to pursue an initiative.

Catalyzing Networks for Social Change: A Funder's Guide

By Diana Scearce
Grantmakers for Effective Organizations and Monitor Institute, 2011

This publication explores what it takes to cultivate a network mindset and offers recommendations for how funders can effectively build the capacity of networks and share what they're learning with the broader field. This guide is for grantmakers who are just beginning to explore networks and for those further along who want to reflect on their practice.

Financing Impact

Patient Capital: The Next Step Forward?

George M. Overholser
Nonprofit Finance Fund, August 2002

In this speech, Overholser discussed why nonprofit capital funding often backfires and how we can adapt traditional capital campaigns to fix the problem.

A New Kind of Grant

By George M. Overholser
Community Wealth Vanguard, June 2008

The toughest thing about building or expanding a nonprofit enterprise is getting the funding. This article presents a different way to find the money without ending up on the fundraising treadmill. It is the sustainable enhancement grant — a new funding tool for building organizations.

How Does Financial Sustainability Relate to Growth and What Can Grantmakers Do to Support It?

Grantmakers for Effective Organizations, 2011

Financial health is critical to scaling social impact. This paper explores the role grantmakers can play in assessing and nurturing an organization's internal health and putting it on track to financial sustainability. When they achieve financial stability, nonprofits are able to adapt over time, meet unanticipated needs and plan for the future.

The Equity Capital Gap

By Clara Miller
Stanford Social Innovation Review, Summer 2008

For-profits can raise money to fund growth by tapping equity capital (money invested in return for ownership and profits). Nonprofits have no corollary, making it difficult and time-consuming to raise money. The author explores ways nonprofits and funders can create a version of equity capital and develop an equity approach to doing business.

An Experiment in Coordinated Investment
Edna McConnell Clark Foundation, October 2008

This report documents the Edna McConnell Clark Foundation's experience with its Growth Capital Aggregation Pilot, including the factors that led to the development of the pilot, key aspects of this joint approach to supporting three effective youth organizations and what the foundation and its co-investors hope to accomplish moving forward.

Don't Compromise "Good Overhead" (Even in Tough Times)
By Don Howard and Ann Goggins Gregory
The Bridgespan Group, October 2008

Donors should never assume that low overhead is a sign of efficiency. Often it means the organization is stretched too thin, which ultimately can hurt the nonprofit, donors and beneficiaries. Both funders and nonprofits have a stake in guarding "good overhead" — the infrastructure investments that provide the backbone for creating and growing impact.

Assessing and Building Capacity to Grow Impact

What Makes An Effective Advocacy Organization? A Framework for Determining Advocacy Capacity
By Jared Raynor, Peter York and Shao-Chee Sim
TCC Group, January 2009

Drawing on interviews with national experts, past research on organizational effectiveness and evaluations of advocacy projects, this report outlines a model for evaluating the organizational capacity of advocacy organizations and describes the critical characteristics for high performance and how they interrelate.

Fire, Aim, Ready: Why Most Foundation-Funded Capacity-Building Efforts Miss the Mark
By Mary Genis
Philanthropy News Digest, Foundation Center, February 2008

In this article, the author reviews how nonprofit organizations can enhance their capacity-building efforts and proposes a framework to use in the delivery of these efforts. The author notes that leadership development and management training are crucial and organizations must focus their efforts on creating these opportunities for staff.

Social Impact Exchange Due Diligence Framework for Scaling Initiatives
Growth Philanthropy Network and Alliance for Effective Social Investing, 2011

Members of the Social Impact Exchange's Market Development Working Group and the Alliance for Effective Social Investing collaborated to create this framework, which provides funders with guidelines on basic topics to cover in doing due diligence on a scaling initiative. It has five sections, including sections on evidence level and organizational readiness to scale.

ASHOKA

Ashoka is the world's largest organization of social entrepreneurs and changemakers. Founded in 1980 with the belief that the most powerful force in the world is a big idea in the right hands, Ashoka has supported nearly 3,000 social entrepreneurs in 70 countries, providing these extraordinary individuals with funding, collaboration and pro bono assistance to create a network of peers and partners. Ashoka aims to develop an entrepreneurial global society — one that allows social innovators to thrive as they tackle emerging and persistent problems. Visit www.ashoka.org.

SOCIAL IMPACT EXCHANGE

The Social Impact Exchange, a partnership of Duke University and the Growth Philanthropy Network, is a membership association of funders, advisors, wealth managers, intermediaries, nonprofits and researchers committed to sharing knowledge and increasing investment in scaling effective social programs and solutions. The exchange functions as both an online and in-person gathering place for those who are interested in learning about, implementing and funding large-scale expansions of high-impact nonprofit initiatives.

The exchange facilitates increased funding for nonprofit scaling initiatives through funder networks and growth capital markets in specific issues and specific locations, develops and shares knowledge that leads to more effective scaling efforts and builds the necessary infrastructure to support a capital marketplace that includes standards, funding platforms and distribution channels to effectively connect funders with growth initiatives. Visit www.socialimpactexchange.org.

TAPROOT FOUNDATION

The Taproot Foundation is a nonprofit organization that makes business talent available to organizations that are trying to improve society by connecting the pro bono services of business professionals to provide critical support, training and resources to nonprofits. Taproot also works directly with companies to develop their pro bono programs.

By providing marketing, design, technology, management or strategic planning resources to organizations tackling social problems, Taproot equips these organizations for success as they take on urgent social challenges. Visit www.taprootfoundation.org.

TCC GROUP

TCC Group is a consulting firm whose mission is to develop strategies and programs that enhance the efficiency and effectiveness of nonprofit organizations, philanthropies and corporate citizenship programs to achieve social impact. With more than 30 professionals on staff, TCC has offices in San Francisco, Philadelphia and New York, and has experience operating in local, national and international settings. Visit www.tccgrp.com.

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