



Designing, Piloting and Evaluating Major Shifts in Grantmaking Strategy

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Julie McCarthy, *Open Society Foundations*

Boston, June 10, 2015

Framing Questions

01

How can a foundation design, pilot and evaluate major shifts in its grantmaking culture and processes?

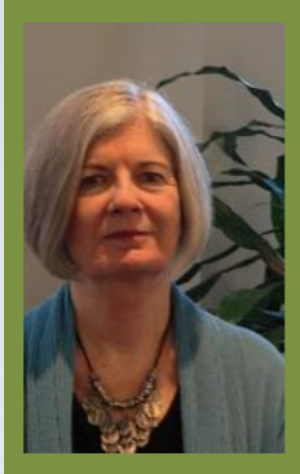
02

What does a foundation learn from such an experience about itself, its staff and the relationship with its grantees?

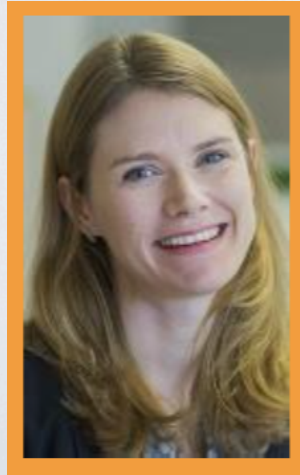
03

What long-lasting impact does such a learning experience have on the foundation and its constituencies?

Today's Speakers



Sandra Dunsmore,
Director, Grant Making Support Group
Open Society Foundations



Julie McCarthy,
Director, Fiscal Governance Program
Open Society Foundations

Why a Case Study?



"Confucius Sculpture, Nanjing" by Kevinsmithnyc

*"By three methods we may learn wisdom:
First, by **reflection**, which is noblest;
Second, by **imitation**, which is easiest; and
Third, by **experience**, which is the bitterest."*

Confucius



Harvard Business School

“HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.”

Footnote appearing at the bottom of every HBS Case Study

Session Outline

01

Background

02

The Grant-Making Design Team:
Formation, Work, Recommendations

03

Evaluating the Pilot

04

Pilot Results and Lessons Learned

Q&A and Closing



On Your Tables ...

GEO Learning Conference 2015
Designing, Piloting and Evaluating Major Shifts in Grantmaking Strategy
R. Cremonini, S. Dussan, J. McCarthy

1. Session Framing Questions

1. How can a foundation design, pilot and evaluate major shifts in its grant-making culture and processes?
2. What does a foundation learn from such an experience about itself, its staff and the relationship with its grantees?
3. What long-lasting impact does such a learning experience have on the foundation and its constituencies?

2. Session Outline

- **Introduction:** Setting the case for learning.
- **Case Study – Part I:** Background.
- **Case Study – Part II:** The Grant-Making Design Team (GMDT) - Formation, Work, and Recommendations. Introducing the Pilot.
- **Case Study – Part III:** Evaluating the Pilot.
- **Case Study – Part IV:** Pilot Results and Lessons Learned.
- **Q&A**
- **Closing**

3. Case Study – Part I: Background

The Mandate:

To examine how OSF can streamline grant-making processes in ways that benefit both grantee organizations and its own operations and contributes to the creation of an effective yet distinctive grant-making culture that:

- i. Emphasizes the importance of critical thinking and professional judgment, and
- ii. Recognizes the role of healthy and effective organizations in strengthening the fields and places to which OSF is committed.

The Four Questions:

1. Can we decentralize grant approval to qualified organizations so program directors and other staff can authorize more grants themselves and do so more quickly?
2. Can we create criteria and streamlined processes for qualifying organizations to receive OSF grants, separate from considerations of specific projects?
3. Can we balance decentralized grant-making authority with greater accountability to advisory boards, senior management, and the Global Board?
4. Can we substantially increase our use of general support grants while maintaining focus to our grant making?

Question for Discussion:

Imagine you'd been asked to coordinate this effort. How would you have tackled your mandate?

Boston, June 10, 2015

Reference Handout

Timeline

- **July 2012** – Chris Stone becomes President of Open Society Foundations
- **February 2013** – Chris Stone creates the Grant Making Design Team (GMDT)
- **September 2013** – Creation of the Grant Making Support Group
- **November 2013** – The GMDT finalizes its recommendations
The GMDT Pilot Monitoring Team is formed
- **January 2014** – GMDT Pilot kickoff meeting
- **February – September 2014** – Pilot Phase
- **October 2014** – In-person Pilot closing meetings
- **January 2015** – Pilot Process Final Report delivered to OSF's President

Boston, June 10, 2015

Timeline

Please Stand If ...

You have been involved in a significant change effort in your organization

Please Stand If ...

You are about to be
involved in a significant
change effort in your
organization

Keep Standing If ...

Your change effort
included/will include
evaluation and learning as a
critical component

Keep Standing If ...

Your change effort was/will
be about grantmaking

To focus your learning ...

Take an index card and write down
the title of your own Change Effort.

Keep your own case in mind
throughout the session.

01 Background



From ...

- Time Bound
- Focused on Short-Time Change
- Activist Foundation
- Sense of Unlimited \$
- Presidential Approval of almost all Grants above \$25K



To ...

- Enduring Philanthropy
- Fixed Budget
- New President Hired to Lead Change



The Mandate

To examine how OSF could **streamline grant-making processes** in ways that benefit both grantee organizations and its own operations while contributing to an effective yet distinctive **grant-making culture** that

1. Emphasizes the importance of **critical thinking** and **professional judgment**, and
2. Recognizes the role of **healthy and effective organizations** in **strengthening the fields and places** to which OSF is committed.



How can Open Society Foundations ...

01

Decentralize
grant
approval
authority?

02

Create criteria and
streamlined
processes for
qualifying
organizations to
receive OSF grants,
separate from
considerations of
specific projects?

03

Balance
decentralization
with **greater**
accountability to
advisory boards,
senior
management and
the Global Board?

04

Increase use
of **general**
support while
maintaining
focus to grant
making?

Video

*Imagine you had been asked
to coordinate this effort.
How would you have tackled
your mandate?*

02

The Grant-Making Design Team

GMDT Who and How



Who

8 OSF staff from a range of thematic, geographic, and operational units

5 Grantees from organizations of different sizes, focuses and regions



How

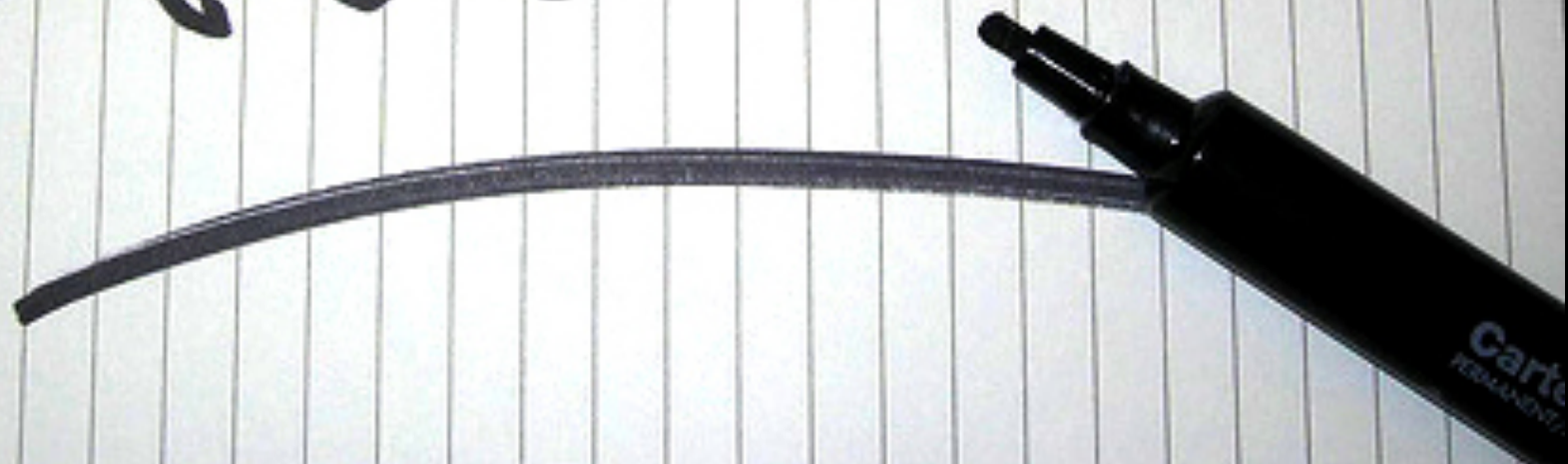
- Developed **Task Teams** by topic
- Held regular **Video/Conference Calls** of each team
- Had **Monthly Check-in** calls with the coordinator
- Met **3** times **Face to Face**



GMDT Recommendations

1. **Decentralize** authority to approve grants under \$1M to Program Directors.
2. Introduce **Organizational Assessments**.
3. Adopt **Portfolio Reviews**.
4. Increase use of **Unrestricted Funding**.

Questions?



03

Evaluating the Pilot

*How would you have
approached
the Pilot Evaluation?*



Evaluating the Pilot: Goals

G1

***Track** Outcomes of the Pilot by Program*

G2

***Adjust** Pilot Experiments and Monitoring Process based on real-time experience*

G3

***Aggregate** and make sense of results to inform final recommendations to OSF's President*

Evaluating the Pilot: Learning Questions

LQ1

Are the changes tested in the pilot producing the **intended changes** in grant making?

LQ2

Are the GMDT recommendations the **right “levers”** to achieve the intended change?

LQ3

Do the **benefits** outweigh the **costs**?

LQ4

Is staff receiving the necessary **training, guidance** and **tools** to make the recommendations work?

LQ5

What **unintended consequences** have resulted from the implementation of the recommendations?



Evaluating the Pilot: Process



- Monthly prep calls between Points of Contact and advisor
- Monthly calls between Points of Contact and Monitoring Team
- Quarterly calls with extended Pilot Teams

04

Pilot Results & Lessons Learned

Reflections

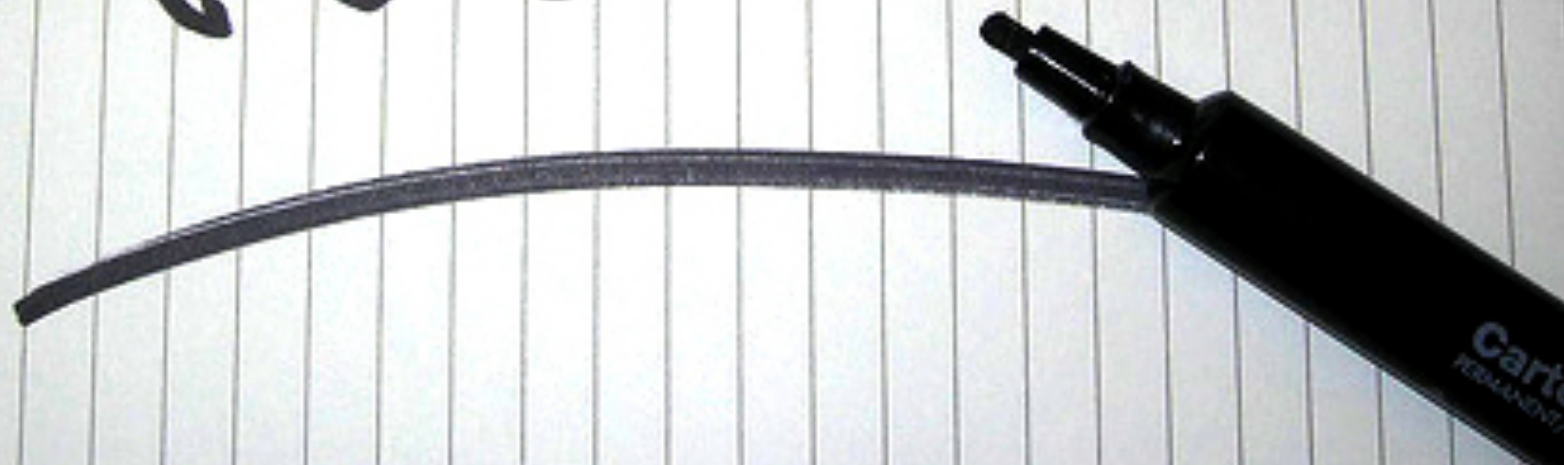
01

*What were the key **defining moments** in the Pilot and Pilot Evaluation?*

02

*What were the **key outcomes** of the Pilot and Pilot Evaluation?*

Questions?



What are the most important things you learned through this experience and would like the audience to take away from the session?

Thank You
