



COLLECTIVE
IMPACT FORUM



Advancing Funders' Openness Practices:

Lessons for the Field from the
Collective Impact Funder Action Learning Lab

IN COLLABORATION WITH

Fund for
SharedInsight



The Collective Impact Forum, an initiative of FSG and the Aspen Institute Forum for Community Solutions, is a resource for people and organizations using the collective impact approach to address large-scale social and environmental problems. We aim to increase the effectiveness and adoption of collective impact by providing practitioners with access to the tools, training opportunities, and peer networks they need to be successful in their work. The Collective Impact Forum includes communities of practice, in-person convenings, and an online community and resource center launched in early 2014.

Learn more at www.collectiveimpactforum.org



FSG is a mission-driven consulting firm supporting leaders in creating large-scale, lasting social change. Through strategy, evaluation, and research we help many types of actors —individually and collectively— make progress against the world’s toughest problems.

Our teams work across all sectors by partnering with leading foundations, businesses, nonprofits, and governments in every region of the globe. We seek to reimagine social change by identifying ways to maximize the impact of existing resources, amplifying the work of others to help advance knowledge and practice, and inspiring change agents around the world to achieve greater impact.

As part of our nonprofit mission, FSG also directly supports learning communities, such as the Collective Impact Forum, the Shared Value Initiative, and the Impact Hiring Initiative to provide the tools and relationships that change agents need to be successful.

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The Aspen Institute Forum for Community Solution’s mission is to support community collaboration, including collective impact, that enables communities to effectively address their most pressing challenges.

The Aspen Forum seeks to serve as a platform for sharing best practices across community collaborations, by documenting community success stories, mobilizing stakeholders, advocating for effective policies, and catalyzing investments.

Learn more at: www.aspencommunitysolutions.org

Introduction

The Collective Impact Forum, a field-building partnership between FSG and the Aspen Institute Forum for Community Solutions, has worked with dozens of funders over the past few years who are engaging with grantees and people they seek to help in new ways through collective impact. Foundations may serve on advisory steering committees and working groups for cross-sector collaboratives, in which they work with grantees and members of the community to co-create a vision, goals, and plan of action for addressing specific issues. Funders who authentically engage in this process in turn bring the learning from this engagement back into the organization to inform the foundation's work. As the process of collective impact work unfolds, funders often review data and analyze it together with grantees and community members—and when done right, are open to bringing the grantee and community perspectives back into the foundation as feedback on the work and grants that the foundation has supported. In short, the process of authentically engaging in collective impact is a process that promotes and embodies openness.

With support from the **Fund for Shared Insight**, the Collective Impact Forum has worked closely with eight grantmaking organizations (see full list of funders in Appendix A) as an “Action Learning Lab” for improving foundation openness. These eight funders belong to a larger Collective Impact Funder Community of Practice (COP) facilitated by the Collective Impact Forum (see full list of COP members in Appendix B). From late 2016 through early 2018, Action Learning Lab participants attended five peer-assist calls and four in-person meetings to hold each other accountable and to hear from subject matter experts on community engagement, equity, reflective practice, and other topics related to foundation openness. Each participating funder identified an “action learning project” as an area of their work where they focused on advancing their openness practices, and they used this as an action learning area that they specifically traced through the learning experience. Over the course of the Action Learning Lab, the group shared their learning and sought advice from peers and the faculty team (including Collective Impact Forum's senior advisor Paul Schmitz and other Collective Impact Forum staff, Shawnie Dockery of Social Action Partners, and Mark Sedway of Philanthropy Northwest's The Giving Practice) as they worked through challenges and strengthened their openness practices.

This summary report draws on lessons learned from the Action Learning Lab participants and from feedback from the broader network of funders involved in the COP.

What do we mean when we say “Funder Openness”?

Action Learning Lab participants started with a definition of “funder openness” from the Fund for Shared Insight, and the group then made further refinements during their first meeting in September 2016.

Funder openness is the process by which funders...

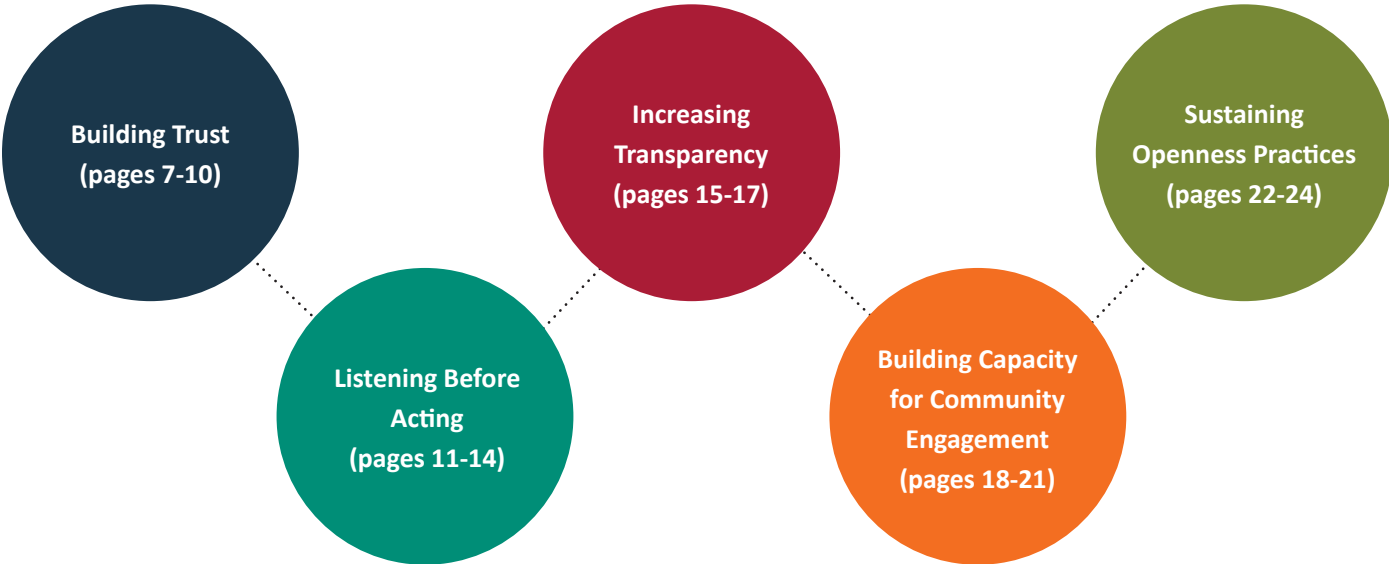
- Share their goals and strategies
- Share how they make decisions and measure progress
- Listen and engage in dialogue with others
- Make space for co-creation that builds more community buy-in
- Act on feedback they hear from current and potential grantees and the community
- Share what they themselves have learned
- Promote sharing between funders and grantees (funder-to-funder, grantee-to-grantee, funder-to-grantee)

Funder openness is focused both externally and internally: sharing externally what funders are learning from engaging in dialogue with others, and changing actions and culture internally through continuous learning

Action Learning Lab Objectives

IMPROVING OPENNESS KNOWLEDGE:	ADVANCING OPENNESS PRACTICE:	DEEPENING PEER RELATIONSHIPS:	SHARING <i>INSIGHTS WITH THE FIELD MORE BROADLY:</i>
<p>Improve understanding of community engagement, continuous learning, and other topics related to funder openness that the Collective Impact Funder Community of Practice (COP) has been discussing.</p>	<p>Identify a practical action learning project to work on throughout the Action Learning Lab, bringing unique value to a funder’s organization, grantees, and other collective impact partners.</p>	<p>Build relationships with other funders who are investing in collective impact and are seeking to advance their openness practices.</p>	<p>Sharing lessons learned from the Action Learning Lab with the Collective Impact Funder COP, attendees of the annual field-wide Collective Impact Convening, and other funders in the Collective Impact Forum’s and FSG’s network.</p>

Based on the Action Learning Lab projects and discussions with COP members, several key themes emerged, which are the focus of this report:



This report highlights the key findings and feedback from the Action Learning Lab and the broader Collective Impact Funder COP. In particular, the report goes more deeply into the five themes noted above with a focus on

- 1) **challenges** that funders face in pursuing these openness practices,
- 2) **what has worked well** in embracing each dimension of openness, and
- 3) **other tools and resources in the field** that funders have found helpful (*Note: these resources represent a sampling of many other tools and resources, and are not intended to be an exhaustive list*).

We have organized the findings in this report around the five themes, but it's important to note that these themes are closely interconnected and cannot be viewed in isolation. Throughout this report we also include **case studies** on each of the eight participating funders' action learning projects. Each case study underscores multiple intersecting themes about openness.

We are particularly grateful to Melinda Tuan, Lindsay Louie, and other partners at the Fund for Shared Insight for their support and guidance throughout this project. We also appreciate the Action Learning Lab participants' unwavering commitment to continuous learning and improvement throughout this experience, and the helpful feedback from the broader Collective Impact Funder COP learning community.

— *Jennifer Juster, Sheri Brady, Robert Albright, and Sharon Jeong*
Collective Impact Forum | March 2018

Building Trust

Effective communication requires building (or strengthening) relationships and trust among funders, grantees, and community members.

Openness is not a practice that funders can embrace or improve upon overnight. It's an ongoing process of building and strengthening relationships among funders, current grantees, potential grantees, and community members. As these relationships are built over time, funders must proactively communicate and partner efficiently with the community on an ongoing basis. A relationship built on a history of trust facilitates shared knowledge and feedback loops, which equip the funder with practical expertise to effectively serve the community. To strengthen trust in relationships and reap the benefits of partnership, funders should honestly acknowledge the status of existing relationships and invest in the relationships in ways that strengthen them and build the capacity and power of the community.

Challenges with Building Trust:

- **Overcoming power dynamics and existing barriers of inequity:** At times, existing power dynamics and a variety of inequalities (e.g., unequal outcomes or treatment related to one's race, gender, sexuality, ability, religion, or class) can create an environment where trust isn't likely to develop. These barriers often go unacknowledged because it may be uncomfortable for funders to address them explicitly.
- **Preconceived notions about roles of funders, grantees, and community:** Relationships do not exist in a vacuum. Each relationship is heavily affected by long-standing perceptions between individuals, organizations, and whole communities.
- **Time commitment of trust-building:** The process of establishing trust is a long-term investment. Funders might unreasonably expect immediate results with initial efforts in building relationships. Because of the long-standing nature of trust-building, it will not always be clear whether a funder is making progress, particularly when multiple funder colleagues are usually involved in the relationship with external partners.
- **Preference for status quo:** Trust-building requires risk, which can result in hesitation to depart from the status quo, even if the results may be beneficial to all parties.

What Is Working Well with Building Trust:

- **Ask for feedback and model active listening:** Be willing to ask for and implement honest feedback. In order to demonstrate that feedback is valuable, consider all aspects of active listening from body language to responding appropriately.
- **Strengthen buy-in by honoring words with actions:** Once grantees and community members are bought-in and funders are on a path to genuinely building relationships with key partners, an important way of strengthening buy-in is to do what was according to plan whenever possible. When it is not, funders can still develop trust by acknowledging a failure to follow-up, rather than letting their words fall flat.
- **Let communities lead:** Why should grantees and those with lived experience trust funders if these funders are not willing to trust them? Funders can lead by example by encouraging grantees and community members to co-own and develop strategies benefiting them the most.
- **Acknowledge the long-term nature of building trust:** Trust-building will not happen overnight, nor can it be achieved by crossing off a simple check-list of actions. Funders can build trust by continuously taking small steps.

Tools and Resources for Building Trust:

- **Trust Is Essential to Changemaking; Funders Must Take the First Step:** This Exponent Philanthropy blog shares examples of what creates trust, how funders can open up authentic conversations with grantees, and steps for inviting open-ended conversations with grantees.
- **Trust-Based Philanthropy:** Consider what it looks like to embed trust in a funding approach. This report from The Whitman Institute offers a helpful framework for trust-based philanthropy.
- **Building Trust with Your Community:** There are both passive and active ways to build trust as a foundation. Fund the operations, overhead, and professional development needs of grantees. Use multiple avenues for building trust, as described in this *Stanford Social Innovation Review* article from nonprofit advisor Amy Sample Ward.
- **Turf, Trust, Co-Creation & Collective Impact:** This paper from Liz Weaver of the Tamarack Institute explores the intricacies of trust, how to build trust, and what to do when trust is broken.

ROBERT R. McCORMICK FOUNDATION

About the Action Learning Project:

The Robert R. McCormick Foundation has a long history of grantmaking in Chicago. Recently, the Foundation began to focus more intensively on place-based work in several local neighborhoods. When the Foundation's Communities Program surveyed many of its grantees at the beginning of its Funder Openness Action Learning Project in fall 2016, several common suggestions emerged including the need for more: 1) engagement from Foundation staff in diverse communities; 2) transparent grantmaking strategies; 3) opportunities for co-creation with grantees and communities; and 4) frequent communication to grantees on grant decisions and learning.

In response to the survey, the McCormick Foundation looked to build trust in several targeted Chicago neighborhoods. For example, program staff are now investing more time in neighborhoods, attending regular planning meetings and taking an active listening perspective. With support from the Foundation, leaders from two Chicago neighborhoods, Englewood and Little Village, came together to create *Quality of Life* plans to identify community assets and challenges, as well as strategies to address them.

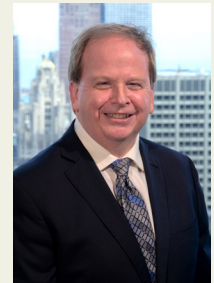
In Englewood, the McCormick Foundation supported the development of a local fundraising and grantmaking advisory committee that is now partnering with them to establish grant application criteria, discuss fundraising tactics, and eventually make direct grant recommendations to the Foundation for grants from the funds raised. The Foundation's grant strategy is being informed by this committee of local residents and stakeholders who are leaders of the *Quality of Life* plan subcommittees. The Foundation's Board approved the Impact Englewood Fund for these efforts, and Foundation staff supported the community in planning and implementing a Giving Tuesday fundraiser in late November 2017, with donations matched by the Foundation at 50 cents on the dollar.

The committee is currently developing a 2018 fundraising plan, expanding the scope of donors to include not only Englewood

residents, but also others who are interested in supporting the community. The Foundation is helping build the capacity of the Fund Advisors to approach new donors by providing fundraising technical assistance. The Foundation plans on making the first round of grants later this year with guidance and input by the advisory committee.

Lessons Learned:

Bill Koll, Program Director of the McCormick Foundation's Communities Program, reports "We learned that you have to balance speed and relationships in community philanthropy. There's an urgency to get resources out to the community, but we need to allow the time and space to do this right. We have to continue to engage. We also need to learn to be more responsive to all the communities we want to serve. We realize that we're invited partners of the communities we serve. Authentic engagement and transparency with community stakeholders lead to stronger partnerships—resulting in better outcomes for all of us." As the Foundation adopts new processes and co-creates plans with its place-based partners, they are continuing to see the importance of transparency and trust. The Foundation found that a great deal of relationship building had to take place before communities were ready to form a close partnership with a funder. Sharing the Foundation's intent to be open and transparent with neighborhood leaders was relatively easy, but the process of ongoing engagement became more important as stakeholders began sharing the responsibilities of partnership. The lengthy, process-oriented conversations are helping build trust and joint accountability as the Foundation continues to deepen its cultural competency and advance racial equity in serving these communities. As Koll emphasized, "We have to slow down enough to really listen and be responsive, instead of telling people what to do."



Bill Koll



About the Action Learning Project:

The United Way of the Greater Lehigh Valley (UWGLV) focused its action learning project by first gathering feedback from grantees and partners. Through a survey asking how UWGLV could best improve their openness practices, staff learned that their partners wanted to see a more intentional focus on diversity, equity, and inclusion (DEI) and community engagement. In response to this survey feedback, UWGLV started by launching an ad hoc Equity Committee, which sought to look at the organization's own policies first, with the intention of expanding the work to the greater nonprofit community. Early activities included adding a non-discrimination clause for partner organizations, facilitating leadership circles for professionals of color, and investing in training for nonprofit leaders both on staff and boards to address diversity and equity awareness. Community engagement also became a priority as UWGLV designed Phase II of their 2014–2022 investment plan. They worked very closely with existing grantees to hear their feedback on process improvement necessary for the new phase. UWGLV also engaged in town halls with the greater community, held 1:1 meetings with new partners, and participated in follow-up office visits with area legislators and other leaders who attended their outreach sessions.

Lessons Learned:

With many existing relationships and partnerships in the greater Lehigh Valley, UWGLV was able to pursue openness by continuing to build on the foundation of trust between the organization and its partners. Beginning to act on a commitment to DEI proved to strengthen some relationships in the nonprofit community, but for others, significant barriers for DEI still remain. Community engagement efforts identified key focus issues and gave the community an opportunity to advise the United Way on the advocacy and policy strategies necessary to achieve common goals. In reflecting on the importance of community feedback in shaping UWGLV's funding priorities, UWGLV's Executive Vice President Marci Ronald-Lesko said, "We used to just release our funding plan, but now we're inviting leaders in the community to participate and provide feedback on our funding priorities." That type of shift toward greater openness as a funder is "doable but hard," according to Ronald. She encourages other funders to embrace openness by building trust, engaging the community, and embedding DEI priorities into grantmaking strategies.



Marci Ronald-Lesko

Listening Before Acting

Before changing openness practices, funders must first listen to what grantees and community members need most.

The Center for Effective Philanthropy (CEP) found in their previous work with the Fund for Shared Insight that “foundations that best understand their organizations’ intended beneficiaries’ needs actively engage with their organizations” and “are humble, open, and collaborative in their approach.” Their report, “**Hearing from Those We Seek to Help**” highlights the importance of listening and acting on the valuable feedback their grantees and beneficiaries can offer. This principle of active listening is important not only in the early stages of a funder’s journey of embracing openness, but also when a funder is further along and seeking to change or advance their openness practices.

Challenges with Listening Before Acting:

- **Accessing under-heard voices:** Factors such as language barriers and introverted personalities may lead to some voices going under-heard. Designing feedback opportunities for those who are not readily represented, such as school-aged children or young adults, can require even more time and creativity.
- **Creating the right environment for input:** While grantees and community members likely have a strong opinion, many will be hesitant to voice those concerns if the purpose of gathering feedback is unclear, if the setting is not in a trusted environment, or if they think they should say something that the funder wants to hear. Whoever is facilitating the conversation (including how formally or informally the facilitator is dressed, and whether they are from a trusted organization) can also influence the environment for honest feedback.
- **Giving up some agenda-setting power to the public:** After hearing from the community, it can still be difficult for funders to be willing to listen and implement the community’s suggestions. It can be especially difficult to give up agenda-setting control when the community’s conclusions don’t match up with the initial thoughts of the funder.
- **Required time and organization:** From creating an environment for listening, to analyzing the results of feedback, authentically hearing from the community requires significant time and attention.

What Is Working Well with Listening Before Acting:

- **Pursue a variety of feedback formats:** Funders can consider supporting a variety of formats (e.g., lighter-touch surveys and in-depth focus groups) to gather both qualitative and quantitative feedback.
- **Demonstrate that community needs will actually inform funder priorities:** Complete the practice of listening before acting, by acting in a manner consistent with the voices heard. Be sure to demonstrate that insight provided by the community will actually be implemented by following through on what is suggested.
- **Rely on existing grantee relationships:** Current and potential grantees have trusted relationships with community members. Funders should recognize grantees' strengths in community engagement and humbly seek their help in reaching those with lived experience.
- **Incentivize feedback:** If a funder genuinely values the insight of the community, they can make it known by incentivizing feedback. Considering the cost of community members' time by covering the cost of transportation or offering food or childcare can reduce the cost of community members to provide feedback.

Tools and Resources for Listening Before Acting:

- **Hearing from Those We Seek to Help:** As noted in the introduction of this section, CEP's report underscores the need to recognize that the nonprofit organizations funders serve have access to a wealth of beneficiary feedback.
- **Perceptual Feedback: What's It All About?:** Consider not only behavioral feedback like attendance at programs, but also perceptual feedback such as the feelings and experiences of beneficiaries who have interacted with existing grantees. This report from the Fund for Shared Insight and Threlfall Consulting defines perceptual feedback, how this type of feedback can be solicited, and how this feedback can support organizational learning.
- **What are listening tours, and are there examples of foundations that have conducted them?:** This resource from Grantmakers in Health provides listening tour examples, and offers tips for visiting service areas to hear community stakeholders' concerns and suggestions.



About the Action Learning Project:

The United Way of the Greater Triangle (UWGT) focused its Action Learning Lab project on diversity, equity, and inclusion (DEI). When UWGT surveyed its grantees and partners in fall 2016, one notable takeaway was the survey respondents' demographic profile. Three-fourths of respondents were white, 25% of respondents were leaders of color, and only 5% of all respondents were African American. While survey respondents rated UWGT's approach to DEI as highly effective, UWGT wanted to better understand what was behind this data because their respondent pool was not very diverse by race and ethnicity. In order to better understand the specific community they were seeking to listen to, UWGT decided to take a closer look at diversity, by race and gender, of individuals in nonprofit leadership positions in one of the counties in their impact area.

By referencing IRS data, UWGT was able to create profiles for 103 nonprofit organizations in service sectors connected to UWGT's organizational goals. This data revealed disparities along racial lines, where white-led organizations reported higher-than-average assets and revenue compared to black-led organizations. In fact, the analysis showed white-led organizations in this county

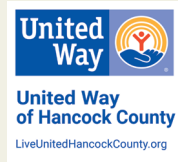
had 10 times the assets and revenues of black-led organizations, on average. Through this exercise, UWGT has shed some light on the nature of the community they are seeking to listen to and serve. They plan to disseminate this information to partners in this particular county, in hopes of fostering deeper dialogue on the root causes of those disparities and what UWGT can do to help address those disparities through its grantmaking.

Lessons Learned:

Based on the insights that this leadership diversity analysis provided, UWGT is now exploring ways of doing similar analysis about nonprofit diversity in other counties they serve. Nick Allen, UWGT's Community Impact Director, said UWGT wants to build their table of listening and serving beyond their traditional network, and will "continue to use these data sets to help refine grantmaking practices to ensure inclusion, reduce barriers, and improve access for under-represented communities."



Nick Allen



About the Action Learning Project:

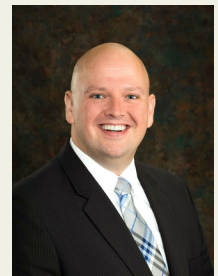
The Findlay-Hancock Community Foundation and the United Way of Hancock County (Ohio) jointly conducted their action learning project and produced an **in-depth report**. Beyond asking for grantee feedback via a survey at the beginning of their action learning project, staff at the community foundation and the United Way also facilitated community conversations to hear feedback on what the community's aspirations for Hancock County were. Staff initiated 70 conversations with 602 people in the community, and they supplemented these conversations with a broader community survey (separate from the grantee survey) with 456 responses. Through the surveys and facilitated conversations, the community foundation and United Way prioritized gathering feedback from under-heard voices based on race/ethnicity, marital status, age, and income levels.

In hearing from a diverse group of leaders in the community, the local funders came to a consensus among themes of concern for the community. The listening exercise also revealed that the funders could do more in two areas: supporting diversity and providing affordable community activities. The funders have incorporated this feedback by offering special grant opportunities in 2018 to these issue areas that are not currently addressed through the collective impact process in Hancock County. Two additional community-identified needs will be considered for special grant opportunities in 2019.

Lessons Learned:

When the funders provided a platform for the community to speak on the priorities of Hancock County, the funders assumed that people would be eager to talk. However, the funders found that they had to actively initiate most of the meetings and clearly relay their intentions to listen and guide the conversation in order to create an environment for hearing genuine feedback. Brian Treece, Program Director at the community foundation, said their approach to listening required careful effort to show participants that he and his fellow funder colleagues were not there to direct people's answers or turn the conversation into a formal meeting.

The funders felt they were entrusted with a tremendous responsibility to move forward with the thoughts and opinions shared by the community. The listening exercise provided key insights for grantmaking priorities, and the funders now more deeply understand that the community's perception of openness will be most affected by how the funders' listening informs their actions.



Brian Treece

Increasing Transparency

Increasing transparency requires time and effort, comfort with risk-taking, and a genuine sense of responsibility by funders.

Transparency is about increasing what grantees and other community partners can see about a funder's priorities, decision-making processes, and lessons learned. CEP's report on transparency, **Sharing What Matters**, found that one of the most important priorities with funder transparency is openness about a funder's grantmaking criteria, goals, and strategies. To provide more visibility, funders should be proactive in clearly communicating successes, challenges, and plans going forward to best meet the community's needs.

Challenges with Increasing Transparency:

- **Discerning how much is too much transparency:** Some funders may be concerned about how much transparency is sufficient. Funders often describe a balancing act in managing internal expectations (among staff colleagues and board of directors) and external expectations (among potential/current grantees and other funders) about how much and how often to share information with the public.
 - **Pushback from more traditional foundation leadership:** A funder's board and senior staff may not agree with the merit of increasing visibility into foundation functions.
 - **Ensuring equal access to internal processes and strategies to all potential grantees:** Access to information is often uneven among nonprofits that are seeking support.
- Existing grantees may have more visibility into a funder's grantmaking processes, but new organizations seeking support may not have the same access to information about a funder's priorities.
- **Opening up to potential criticism:** Putting out more information about funder priorities and processes means being held more accountable as well. Funders should not be surprised to receive more constructive feedback if they are more transparent.

What Is Working Well with Listening Before Acting:

- **Admit when the answer isn't known:** An important component of transparency is honesty. It is important for funders to admit when they don't know the answer. When doing that, it can be helpful to lean into the expertise and wisdom of grantees and of those with lived experience.
- **Close feedback loops with regularity through newsletters and other communications:** Funders may want to take advantage of the communications that already exist and use these platforms to inform grantees and beneficiaries on the key updates they care about.
- **Increase visibility in community through partnerships:** Partnerships allow funders to be seen not only by grantees and community members, but also by other funder peers. This allows for both strengthened trust and accountability between funders, their grantees, and other partners.
- **Develop a clear purpose for sharing information:** Be thoughtful about what increased transparency will achieve. Sharing information that tells a clear story or offers specific value to grantees and/or the broader community can help funders improve their transparency.

Tools and Resources for Increasing Transparency:

- **Foundation Transparency: Game Over?:** In this blog, Foundation Center CEO Brad Smith describes what 990 forms mean for funders, and encourages funders to consider how to strategically communicate through them. Remember that a funder's information may be open data for the public to search and analyze.
- **Sharing What Matters:** CEP's report on transparency gives advice on sharing grantmaking processes, goals, and strategies.
- **Glasspockets' Transparency Tools:** This collection of resources, including Transparency Trends and IssueLab, are popular transparency resources for funders. Keep up with the conversation on funder transparency on Glasspockets' **Transparency Talk** blog.



About the Action Learning Project:

The Institute of Mental Hygiene (IMH) focused its action learning project on both the *external* dimensions of openness (by gathering feedback from its grantees) and on the *internal* dimensions of openness (by engaging their Board of Directors in their openness process). In conducting their openness feedback survey, IMH found that grantees wanted more clarity on IMH's funding priorities and rationale. Foundation staff decided to address this desire for more information by increasing both internal and external openness through its board, foundation staff, and grantee conversations.

Grantees were invited in to IMH's board meetings to both inform the board of their work and to provide feedback on how the Foundation could improve moving forward. The exercise created a place both for the board to regularly gain insight about on-the-ground experiences, and also for grantees to learn more about specific IMH funding priorities.

Lessons Learned:

By having access to the IMH's board and staff, grantees directly involved in this effort perceived IMH as more open and transparent, according to IMH's Kanitra Charles. It was clear that grantees and potential grantees wanted more information about IMH's funding priorities, and also sought more platforms for transparency including continued board presentations and 1:1 meetings. IMH staff and board leadership have discussed these requests and are responding to both individual suggestions and survey results. In addition to inviting grantees to IMH's board meetings, grantees are now able to present and participate in Q&A with members of the board during these meetings. Executive Director Ron McClain has also engaged with grantees and potential grantees by conducting one-on-one meetings, discussing IMH processes, and communicating with agencies about their ability to apply for funding through IMH's grant cycles.



Ron McClain

Building Capacity for Community Engagement

Funders recognize the need for authentic community engagement, but different approaches require intentional capacity building for funders, grantees, and community members.

As the Collective Impact Forum’s Senior Advisor Paul Schmitz noted in his **Community Engagement Toolkit**, “Community engagement is about ensuring that those most impacted by social challenges have a say in designing and implementing solutions.” While those with lived experience are crucial to planning and executing the most effective solutions for the social challenges close to home, they are not always equipped to begin working with a funder to accomplish that. Given that the resources and power tend to begin in a funder’s hands, funders who are intentional in building the capacity of grantees and residents are able to engage with the community more effectively. Funders might also consider investing in capacity-building for foundation staff to hone their own skills in community engagement.

Challenges with Building Capacity for Community Engagement:

- **Giving up control as a funder and letting the community set the table:** Decision-making power can be difficult for funders to give up, despite knowledge that authentically engaging the community will ultimately serve beneficiaries most effectively.
- **Ensuring a representative sample of community voices:** While some community members will be easier to team up with, others may be more challenging to convince to partner with the foundation as a result of unfamiliarity, mistrust, and competing time commitments.
- **Over-tapping community members:** Those community members identified to already have the capacity and resources to work effectively with grantmakers may be significantly over-tapped.
- **Getting rid of jargon in conversations:** Any field will find themselves using jargon and acronyms that can create uncomfortable environments for a diverse group of stakeholders to collaborate.

What Is Working Well with Building Capacity for Community Engagement:

- **Think of community members as producers of results, not “advisors” to consult occasionally:** Community members cannot simply come into the process at occasional check points. A truly collaborative strategy requires co-designing and creating solutions with the community (not for the community).
- **Let form follow function by agreeing on the purpose of engaging the community before deciding on actions:** Specific capacity-building efforts will prove most effective once a funder identifies needs through authentic community engagement. This requires focusing first on asking, “Why do we want to engage the community?” before asking, “How do we engage the community?”
- **Track progress of building public will, and learn and adapt over time:** As with any process of improvement, track the progress of building capacity for grantees and community members and continue to iterate with insights over time.

Tools and Resources for Building Capacity for Community Engagement:

- **Asset-Based Community Development Institute Toolkit:** This toolkit includes an overview of asset-based community development as well as concrete tools for asset mapping and facilitation.
- **Community Engagement Toolkit:** Paul Schmitz's toolkit includes guidance for planning community engagement to be more purposeful, equitable, transparent, and strategic so that community members are true partners for achieving impact.
- **Putting Grantees at the Center of Philanthropy:** This blog series by Grantmakers for Effective Organizations (GEO) focuses on how to overcome barriers that prevent funders from building authentic grantee relationships, including power dynamics, internal processes, and foundation culture.
- **Community Heart & Soul:** This values-based strategy-setting approach is specifically targeted for rural communities and small towns.
- **Photovoice:** This approach for engaging youth and other under-represented voices has gained traction among some funders and their grantees.



About the Action Learning Project:

The Ontario Trillium Foundation focused its initial action learning survey on gathering feedback from its lead grantee organizations. After the initial survey, OTF decided to broaden its outreach by asking grantees to gather additional survey feedback from partners' organizations and community members. OTF learned helpful insights about their grantees and partners' capacity building from these surveys, and OTF then made sure to share the results with the community with their specific commitments to action. Key topics requested for capacity-building included community engagement, communication strategy, and shared measurement. Survey results also showed that organizations were interested in learning from one another. Based on these survey findings, OTF designed opportunities for co-learning through communities of practice specific to addressing their grantees' learning needs.

Lessons Learned:

Early on in their action learning project, OTF's Jennifer Roynon realized she needed to set clear expectations for what OTF could (and could not) deliver regarding capacity building support. OTF grants \$100M+ annually to organizations across a wide geographic area in Ontario, which is the size of Texas and Montana combined. Because of this large geographic area, Roynon said it would not be possible for OTF to be present at all of the community tables in an authentic way. Therefore, OTF learned that building capacity for topics like community engagement involved encouraging grantees and partners to share their experience and lessons learned with one another. OTF also partnered with a technical assistance provider, the Tamarack Institute, which has worked directly with OTF's grantees and partners on the priority capacity building topics. To pursue authentic openness, the foundation realized the need to be honest and clear in communicating their own constraints, while also allowing each community to have ownership over identifying their capacity needs.



Jennifer Roynon

Sustaining Openness Practices

Funders should embed their openness practices into what they do on an ongoing basis to avoid “snapping back” to old habits.

Even after establishing openness practices, the busyness of a funder’s daily routine will likely not slow down. To prevent reverting back to the status quo, funders should embed key openness practices into their foundation’s ongoing processes. This can be accomplished by committing to new forms of communication or by developing sources of accountability to maintain honesty and intentionality.

Challenges with Sustaining Openness Practices:

- **Old habits die hard:** In a fast-paced working environment, funders might revert back to more established approaches that run counter to openness practices. Sustaining openness requires intentionality at an individual and organizational level, and that can be particularly difficult when there are demands on funders’ time.
- **Leadership turnover and loss of institutional knowledge:** Leadership is an important engine for any internal change management process, and this is no different with funder openness. When leaders who are champions of openness leave a foundation, that type of turnover can make it challenging to retain institutional knowledge and sustain openness practices within the organization.
- **Seeking solutions for complex environments:** Funders won’t always know which openness practices will work best in times of complexity. Therefore, there is a level of uncertainty and risk when investing in openness practices.

What Is Working Well with Sustaining Openness Practices:

- **Be intentional and vulnerable:** Building a culture of intentionality and vulnerability will facilitate the best environment for the foundation as a whole to continue pursuing openness. This can include demonstrating intention by codifying practices into foundation policies and procedures.
- **Co-create MOU regarding expectations for foundation and partners:** The best relationships are built on clear expectations. While an MOU is not sufficient to sustain openness practices, a written understanding of roles and responsibilities can help strengthen shared ownership when partners refer to the document regularly and using it consistently.
- **Build interpersonal relationships through 1:1 dialogue:** Strengthening relationships between funders and grantees requires ongoing conversations where trust can build over time. While these conversations can take place over the phone, ideally there are face-to-face opportunities to build stronger connections.
- **Set realistic expectations and over-deliver:** When undertaking a difficult effort such as pursuing funder openness, it's important to be realistic about goals. Funders can set themselves up for success by setting realistic expectations and then meeting (or exceeding) those expectations.

Tools and Resources for Sustaining Openness Practices:

- **Grantee and Applicant Perception Reports:** CEP's Grantee Perception Report provides funders with candid feedback and insights based on responses to an online grantee survey. In addition, CEP's Applicant Perception Report provides a separate, shorter survey that gathers feedback from a funder's declined applicants. CEP notes that many foundations use these two assessments together to identify what's working—and what could be improved—in areas ranging from operational processes to communications.
- **Existing Peer Learning Opportunities:** Establish peer learning among local funders (e.g., monthly or quarterly meetings) to discuss how your funder peers are advancing their openness practices with grantees and the community. In addition, consider engaging with existing learning networks through philanthropy membership organizations like **Grantmakers for Effective Organizations** and **Council on Foundations**; issue-specific national networks like **Grantmakers for Education** and **Grantmakers in Health**; and many other regional and national philanthropy-serving organizations (see United Philanthropy Forum's **member list of national organizations and regional associations**).
- **Snapping Forward, Snapping Back:** This article from Liz Weaver of the Tamarack Institute describes the forces that can cause “snapping back” from new approaches and the mindset shifts needed to not revert back to old habits.



About the Action Learning Project:

In their Action Learning Lab project, The Rider-Pool Foundation implemented openness learnings into their foundation's programs, namely a rapid prototyping model of funding that helped advance transparency and continuous learning. They began supporting the development of cross-sector partnerships through small, flexible readiness grants with agreed-upon milestones that allow partners to develop stronger approaches before making large, multi-year implementation grants. Although this model allows the foundation to contribute to the success of many different organizations and cross-sector partnerships, it also exposes them to greater risk of failure if these prototypes are not successful. The foundation sees the benefit of "failing fast" so that the foundation and their partners can learn quickly from their mistakes.

Being open about failures requires ownership of the lessons learned from both the funder and grantee perspective. Rider-Pool is focusing on analyzing the factors that contribute to grants succeeding or not succeeding, and staff is committed to continue finding new ways to make grants more effective for partners and the communities they serve.

Lessons Learned:

This rapid prototyping model of funding, and the commitment to openness in sharing learning behind it, is a very different way to address complex social issues for many of Rider-Pool Foundation's partners. When it comes to pursuing openness, one risk to mitigate is "snapping back to status quo," according to Ron Dendas, Program Officer at Rider-Pool. When embedding openness into your daily work, funders should consider how to sustain these practices, including making public statements of commitment to transparency; investing in capacity building, including training for leadership; and using data to drive discovery and developing communities of accountability with fellow funders to continue the learning. By embedding openness knowledge directly into this rapid prototyping model of funding, as well as pursuing a culture of transparency across their work, the Rider-Pool Foundation has more effectively sustained progress toward greater openness.



Ron Dendas

Appendix A:

Participating Organizations in the Funder Openness Action Learning Lab Openness Practices

- Institute of Mental Hygiene
- Robert R. McCormick Foundation
- Ontario Trillium Foundation
- The Findlay-Hancock County Community Foundation
- The Rider-Pool Foundation
- United Way of Hancock County
- United Way of the Greater Triangle
- United Way of the Greater Lehigh Valley

Appendix B:

Collective Impact Funder Community of Practice (COP) Participant List (As of March 2018)

- Aloha United Way
- Annie E. Casey Foundation
- Bill & Melinda Gates Foundation
- Campbell Soup Company
- Colorado Department of Human Services
- Community Memorial Foundation
- Essex County Community Foundation
- First 5 LA
- First 5 Monterey County
- GlaxoSmithKline
- Greater Cincinnati Foundation
- Health Foundation of Central Massachusetts
- Institute of Mental Hygiene
- Iowa College Aid
- Lake Area United Way
- Lumina Foundation
- Michigan College Access Network
- Northside Funders Group
- Robert R. McCormick Foundation
- Ontario Trillium Foundation
- Santa Fe Community Foundation
- Stuart Foundation
- The Findlay-Hancock County Community Foundation
- The HCA Foundation
- The Lake County Community Foundation
- The Rider-Pool Foundation
- The Seattle Foundation
- The Staten Island Foundation
- The William & Flora Hewlett Foundation
- United Way of Hancock County
- United Way of New York City
- United Way of Northwest Vermont
- United Way of the Greater Triangle
- United Way of the Greater Lehigh Valley
- Venture Philanthropy Partners

For more information about this report and the
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The Collective Impact Forum exists to meet the demands of those who are practicing collective impact in the field. While the rewards of collective impact can be great, the work is often demanding. Those who practice it must keep themselves and their teams motivated and moving forward.

The Collective Impact Forum is the place they can find the tools and training that can help them to be successful. It's an expanding network of like-minded individuals coming together from across sectors to share useful experience and knowledge and thereby accelerating the effectiveness, and further adoption, of the collective impact approach as a whole.

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