

ASSOCIATION OF SMALL FOUNDATIONS

# Primer Series

*Brief papers on key small foundation topics*

## Getting to Impact Through Planning

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Edited by Kimberly Adkinson*

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# I. Introduction

All foundation leaders have at least one thing in common: the desire to make a difference. In fact, more and more foundation donors are giving significantly during their lifetimes so they can see the effects of their gifts. But desire alone is not enough to achieve impact. Getting to impact through the work of a foundation requires good planning, intentional work toward a goal, and a drive to keep learning and improving.

As one of three primers written to help small foundations get to impact, this one introduces planning as a fundamental step. The others introduce simple evaluation as a powerful tool.

Wherever your foundation is on the road toward impact—whether just starting to question the effects of your giving or ready to refine your strategies for even greater results—taking time to plan can help you clarify what you want to achieve, use your resources wisely, measure progress, learn together with your trustees and staff, and move closer to your goals.

Although everyone has made plans that achieved little, this primer will help you undertake a thoughtful planning process that answers two important questions: What do we want to accomplish with our limited resources, and what is the best way to do so?

Specifically, this primer will help you:

- Set the stage for planning at your foundation
- Clarify your foundation's purpose as a first step in planning
- Create a road map for your giving with your purpose as the driving force
- Align all of your work to follow the road map and enhance your impact

The primer begins at a basic level and, for those who are ready to make specific plans, moves quickly to more strategic matters.

Ultimately, we hope it will equip you with the information and inspiration to achieve even more with your giving.

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## II. Set the Stage

Before beginning a planning process to increase your foundation’s impact, it is important to set the stage for board members, staff, and others who will be involved.

### A. Understand Key Definitions

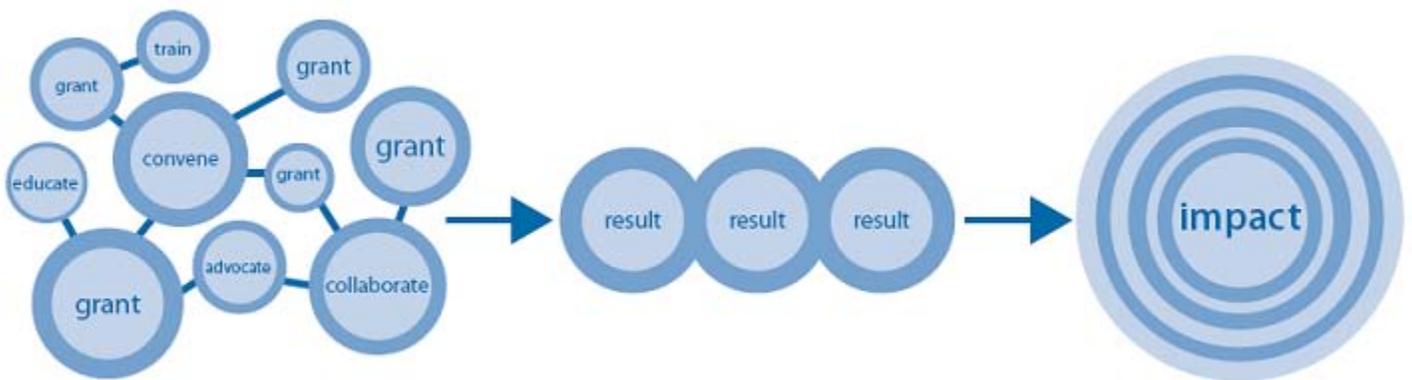
Start by clarifying the terms *impact* and *planning*, as well as the relationship between the two.

**Impact—a significant positive effect; to strongly influence a cause, field, or community**

We all know that impact is rarely achieved accidentally or immediately, especially in a field that tackles some of life’s most complex challenges. Although most foundations can point to grants that achieved results, the people and causes around the world are especially in need of foundations that pursue a particular impact with everything they’ve got.

Janis Reischmann of Hau’oli Mau Loa Foundation describes the distinction well: “Although single grants can make a difference, foundations also have the opportunity to engage in a process that aligns the foundation’s efforts toward a significant positive effect. It is the difference between a foundation that happens to make a grant with impact and a foundation known for impact due to the strategic and intentional pursuit of it.”

Foundations known for impact typically outline a clear plan to achieve particular goals and intentionally apply their many assets (e.g., dollars, influence, reputation, time) according to the plan. Whether you make small grants or big ones, moving the needle typically requires multiple grants and multiple non-grant activities for an extended period. Graphically, these activities and results might look something like this:



## **Planning—the process of establishing goals, policies, and procedures for a social or economic enterprise**

To achieve success, foundations, like many other institutions, must establish clear goals, devise a road map to reach the goals, and organize themselves to follow the road map effectively. Because foundations tend to work through others to achieve the impact they desire, they must also incorporate the work of their grantees and partners. This primer is designed to help foundations work through the previous steps so that a thoughtful plan takes shape and puts the foundation on a road toward greater impact.

### **B. Establish Buy-In**

Boards often express an interest in planning in response to an influx of assets, new leadership, an increase in board size, or conflict among board members. Other foundations show an interest in planning after struggling to answer the question, What difference are we making? Some foundations are reluctant to plan, citing a lack of time or capacity.

All in all, a planning process will be significantly easier and more effective with buy-in in place. If you sense that any of your key players are uncommitted to planning, we encourage you to tackle the challenge head on in the following ways:

- Ask hard questions to encourage the naysayers to think about the foundation’s impact. For example, What impact are we having, and how do we know?
- Introduce your board members and staff to others who are committed to achieving impact and knowledgeable about the role of planning. You’ll find many champions profiled in this primer.
- Encourage your board members and staff to attend ASF’s impact-related educational programs with you.
- Make efforts to set goals, develop strategies, and show results wherever possible—and use your efforts to make the case for a foundation-wide planning process.

In addition, share the following reasons why any foundation needs to incorporate planning into its work:

- **Planning helps turn a vision into reality.** Some foundations know what they want to accomplish, but knowing is just a first step. To reduce homelessness, help youngsters to read at grade level, or clean up the Chesapeake Bay, for example, you also need a plan for action—especially because money alone is not enough to guarantee impact. Even Peter and Jennifer Buffet of the NoVo Foundation, who saw the foundation’s endowment grow quickly to \$1 billion, created time and space to clarify what they wanted to achieve and how they might get there.

- **Planning saves money.** Because most grantmakers' assets pale in comparison to the enormity of social problems, it is critical that you explore how to make the most of your giving. "As grantmakers, we don't want to shovel money out the window," says Jean Buckley of Tracy Family Foundation. "Planning is one of the most important ways to guarantee that we experience the success we seek."
- **Planning saves time.** Taking time to plan the foundation's direction will save significant time and effort down the road. Although more urgent matters may try to interfere, do your best to keep your planning efforts on course.
- **Planning can be done well at a low cost.** Although some foundations hire consultants to help with planning, this primer aims to give small foundation leaders the tools and confidence to engage in a meaningful and manageable planning process on their own. If you are willing to dedicate the time, you can make great strides with minimal dollars.
- **Planning tells you where to start and how to adjust along the way.** Rather than producing a static plan that is outdated before it is completed, this primer helps you incorporate planning into your daily work, allowing you to adjust the plan over time as you learn more about your field, expand your skills or interests, or engage future generations. It also helps you make thoughtful decisions along the way—some so fundamental that they may last as long as the foundation itself.
- **Planning helps you learn.** Throughout a planning process, foundations tend to identify what they know, what they thought they knew, and what they still need to know about themselves, their areas of interest, and their opportunities to make a difference.

In addition to buy-in, every planning project needs a manager, or someone to keep things moving forward when the going gets tough. When addressing complicated issues as most grantmakers do, the path can be long and winding. Without someone to keep the foundation on track, the important work of planning is often dismissed or set aside for more urgent matters. Your foundation will benefit by selecting one individual (e.g., board chair, executive director) or a team of individuals to manage its planning process.

Some foundations even hire a consultant to fill this role. "Given our foundation's limited staff," says Anne Lawrence of The Robert Bowne Foundation, "a consultant was essential to coordinate, facilitate, and keep us on track. Most important, hiring a consultant allowed staff to fully participate in the process."

### C. Approach the Journey With Openness and Patience

Although some foundations engage in planning immediately upon incorporation, most operate for some time before pausing to reflect on their experiences and decide how best to move forward. For the latter group, we make the following suggestion: A planning process will go more smoothly if participants balance respect for past decisions with openness to change. If participants use the past as a guide, not a limiting factor, their decisions will more often reflect what is best for the foundation, not defensive or reactionary motivations.

It is also important to be patient with the planning process. Although some foundations will create a plan in the matter of just a few months, most require more time. For example, some foundations may work through the first steps of establishing the foundation's purpose, then decide to live with those decisions before moving on. Regardless of your pace, your commitment to planning is most important.

Also remember to take joy from your accomplishments along the way. Planning is rarely linear and never truly complete, despite being presented here as a step-by-step process for simplicity's sake. There is value in continually revisiting earlier decisions and adjusting your plan over time for better results.

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In the next section, we help you to clarify your purpose—the driving force in any foundation's plan to achieve impact.

### III. Establish the Foundation's Purpose

This section will help your foundation answer the question: What do we *really* want to achieve?

Some foundations will have answered this question already and will find the following section to simply validate the good work they've done to establish a purpose. For others, the section will help to narrow interests so that, whatever they choose to do, they do well. For yet others, the section will help to define a particular niche and direct their many resources toward that purpose.

Let's get started.

#### A. Make Impact a Priority

Donors establish foundations for any number of reasons: to make a difference, leave a legacy, give back out of guilt or gratitude, benefit from tax incentives, unify a family, or promote charitable giving among future generations. Unlike for-profit corporations that are accountable to shareholders or public charities that must attract funders, a foundation can exist without clear, cohesive priorities.

To make the most of your foundation's giving, be sure to establish impact as a priority. Some may even encourage you to make it *the* priority, with other motivations playing lesser roles or being fulfilled outside the foundation altogether. In the absence of clear priorities, board members' personal interests can easily take precedence—and some of those interests may compete with the foundation's fundamental purpose to advance the common good.

“We like to think of ourselves as stewards of the money entrusted to us,” says Lindsay Matush of Brown Sisters Foundation. “With this in mind, we seek to do the very best we can with what we've been given. It seems that a focus on impact is the clearest path to that end.”

Some boards can prioritize impact without much discussion; others will find it more difficult. Depending on your foundation's particulars, you might consider a heart-to-heart conversation about the foundation's priorities, a facilitated dialogue, an anonymous survey to uncover trustees' motivations, or some combination. Whatever the format, be sure to document the discussion and any decisions for future reference.

### What About Family Unity?

Family unity is one motivation that often competes with a foundation's goal of impact. The good news: It doesn't have to.

You can actually achieve family unity—in fact, a deeper and more satisfying unity—if you retain impact as the foundation's primary motivation, with family unity as a secondary goal. Yes, it may require some families to dig deeper, past personal interests or political persuasions, but the cohesiveness that results is absolutely worth the effort.

You'll find amazing examples of family foundation boards that are unified because they put impact first. To name just one, the Hill-Snowdon Foundation funded grantees based on trustees' personal interests for more than 40 years. Only after the fourth generation joined the board did trustees agree to put impact first, focusing their energy and assets in a particular area. At their first-ever retreat, board members, with the help of a consultant and a series of exercises to identify values, uncovered commonality in serving under-resourced youth. The foundation's grantmaking in this area shifted over the next few years, from direct services to youth development to youth organizing, but having an impact on the lives of impoverished youth remained the goal from the outset.

## B. Dig Deep to Find a Focus

After establishing impact as one of the foundation's primary purposes, a logical next step is to dig deeper. That is, of the many causes you could impact, what will be your foundation's focus? Your foundation can exist without a focus, of course. But, if you want to increase your impact, choosing a focus is key.

Many foundations focus by field of interest (e.g., education, health, environment); population (e.g., children, adult learners); and/or geography (e.g., city, state, region). Others focus by strategy (e.g., building technology capacity, developing nonprofit leaders) and bolster a range of grantees by applying those strategies.

Consider the following two ways to find a focus that engages your trustees and staff:

### 1. Have an open discussion about choosing a focus.

Settling on a focus is not necessarily an easy step—especially if your foundation has functioned in an unfocused manner for some time. Before you can do the actual work of focusing, it's critical that your stakeholders see it as a meaningful step toward impact. Start a discussion by asking the following questions: Can we have impact without a focus? What are the benefits of a focus? What may be difficult about choosing a focus?

Keep in mind the following sound reasons for choosing a focus:

- **Successful businesses focus; foundations that focus see results too.** Businesses choose a market niche based on the biggest bang for the buck, and foundations can benefit from

applying the same logic to their grantmaking. After all, many foundations are led by those with savvy business minds.

- **A focus directs your time wisely.** Board members and staff have limited time; use it wisely by focusing their efforts. A focus allows your key players to know issues and grantees more intimately and bring to bear their knowledge, reputations, and influence—all of which are equally, if not more, powerful than the foundation’s dollars.
- **A focus allows foundation trustees and staff to communicate more effectively.** A focus will help you to communicate what you do and why to current and potential grantees, fellow funders, elected officials, and others interested in your work. Nonprofits, in particular, benefit when foundations are clear about their priorities, because they spend less time applying for grants from foundations that have no interest in their work.
- **A focus provides a framework for decision making.** With a focus in hand, many other decisions about governance, grantmaking, administration, and investments fall into place.
- **A focus leads to fulfillment.** When seasoned foundation leaders give advice to newcomers, they repeatedly share the following tip: *Focus your giving*. Not only is foundation work less overwhelming with clear boundaries in play, but foundation trustees and staff are more fulfilled when they know where to look for the effects of their work.

Board members may nevertheless struggle with the notion of focus—and understandably so.

“Board members often engage in foundation work because it makes them feel good,” says Elizabeth Snowdon of the Hill-Snowdon Foundation, “but changing the status quo to focus doesn’t necessarily feel good. For starters, it’s difficult to say *no* to some wonderful organizations.”

To move the conversation forward, be sure to clarify the following:

- **You can agree on a focus.** Board members may have strong and opposing opinions, but consensus is not impossible. Foundation boards can often find commonality by shifting the discussion away from personal interests or particular grantees to instead focus on values. You’ll be surprised by the degree to which integrity, opportunity, compassion, and other values can create common ground—and at a core level that makes consensus possible.
- **You can accommodate board members with other interests.** Focusing the foundation does not preclude your board from setting aside a small portion of its annual giving for discretionary grants. In fact, many foundations allow board members and key staff to direct a portion of annual giving to organizations of their choice. In addition, try other ways to engage board members: putting their talents and technical skills to use, engaging them in site visits or proposal review, or encouraging them to play significant roles in other parts of the planning process.

- **A focus does not prevent the foundation from being responsive.** If your foundation has historically given to just about anyone who asked, focusing will indeed be a significant change—and one that feels less responsive to certain causes. But keep in mind: Your foundation can be highly responsive to community needs by learning about the most critical ones and focusing your efforts to address them. You can also set aside a small portion of money to respond to emergencies, if that is important to your foundation.
- **A foundation isn't limited to a single focus.** In fact, many foundations have more than one focus. Just be sure that your assets, time, and energy are sufficient to achieve impact in more than one area.
- **A foundation can experiment with focus.** Tentative foundations may initially apply only a small portion of the foundation's assets in a focused manner. Of course, the benefits of a focus will only be seen if the board and staff direct their time and energy accordingly.
- **A foundation can shift from unfocused to focused over time.** Even if you decide to focus your giving, you can make the shift over a period of several years to give grantees time to find new funding sources. Using a small portion of your endowment for discretionary grants can also make the shift more palatable to trustees and key staff.

When your board is ready to choose the foundation's focus, proceed.

## 2. Take steps to find a focus.

Foundations settle on a focus in many different ways. There is no one right way, and many foundations use a combination of the methods on the following pages to inform their final decisions. For example, a foundation may choose a focus that respects the donor's intent and also incorporates the current board's values and passions. Be sure to allow enough time for careful decision making about your focus—at a meeting or two or during a retreat.

*Note:* Board members often must do the hard work of clarifying their *own* values and passions before they can articulate them for the entire board. In other words, don't be surprised if it takes more than one meeting to arrive at consensus on a focus.

Once you consider the approaches that follow, it is also important to recognize when you may need additional help. Some boards are able to facilitate productive discussions themselves, but others have greater success by engaging outside facilitators. Because agreement on a focus is of paramount importance, money for a consultant, if needed, is money well spent.

For more on what consultants can do for you and step-by-step advice on how to find, hire, and manage them, see the ASF primer "Working With Consultants," available at [www.smallfoundations.org](http://www.smallfoundations.org) or 888-212-9922.

## **a. Your passions**

Some boards develop a focus built on common passions. Because passions are often based on emotional connections, the following questions can help to uncover them:

- About whom or what do you care deeply?
- What excites you or brings you the greatest joy?
- What angers you or breaks your heart in our community, our society, or our world?
- What do you believe drives change?
- What kind of future do you aspire to help create?
- Has an event significantly shaped who you are or what you believe?

The Arbor Brothers, a New York-based public charity that offers grants and other support to entrepreneurs and their emerging social change organizations, began its search for a meaningful focus by asking a single question: How does the change we want to see in the world come about? With time and several iterations, the result was a fundamental credo: Social change is a slow and often painful process, requiring deep investment in people and communities over time. Therefore, the Arbor Brothers chose to focus on organizations investing in human capital by addressing the root causes of poverty, especially in the areas of education, youth development, and employment.

## **b. Common values**

Even individuals with outwardly polarized views can hold similar values, and, once found, they can lead to a unifying focus.

Uncover shared values by asking questions such as:

- What is critical for an individual to become a productive member of society?
- What was key to your becoming the successful and productive person you are today?
- What values guide your life choices?

In addition, 21/64, a nonprofit consulting group specializing in next generation and multigenerational strategic philanthropy, offers a handy deck of Motivational Values cards, each with a value (e.g., justice, family) written on it. Individuals can prioritize the cards according to what motivates their philanthropy, then discuss their rankings with others in their group.

Says Rebecca Richards of the Maxine and Jack Zarrow Family Foundation's experience with values cards, "We were surprised that all our board members selected three values in common: integrity, family, and responsibility."

Once you identify the core values of your group, through key questions, group exercises, or other means, the board can begin to articulate a focus based on those values. For example, having identified *family* as a common value, the Thomson Family Foundation's focus evolved into the following: families working to improve their lives and the lives of their children. The foundation

helps families to increase their economic success and security by supporting community-based initiatives that improve access to education and asset-building resources and services.

### **c. Critical community needs**

Some foundations want to focus on a particular community but find that board interests are still too widespread. In these cases, it can be helpful to consider the community's critical needs. Although board members may have their own—often well-informed—visions for a community, it can also be helpful to hear from the community about its needs. See Section IV for ways to scan the landscape of your community or field of interest to uncover critical needs—and powerful assets too. With the community's voice in hand, board members can craft a focus that also incorporates board members' interests, strengths, and skills.

For example, board members of the Tracy Family Foundation shared common interests in education, family, and youth. After completing a community needs assessment that pointed to many critical needs, it became clear that education should become the foundation's primary focus. Its interests in family and youth would be addressed as secondary focuses.

If board members' interests seem at odds with community needs, consider choosing a focus that is new for all board members. For example, The Tow Foundation found great power in group ownership of an unfamiliar focus: juvenile justice.

### **d. Donor legacy**

A foundation's focus often reflects its donor's interests. If your donor expressed interest in a particular focus, consider how you might respect the donor's wishes, whether the donor is living or deceased. In the best scenarios, boards create a focus that also resonates with current board members. Even if the donor's interests are narrow, board members can still find fulfillment by looking deeper for values in common with the donor.

The Hau'oli Mau Loa Foundation's donor had no desire to constrict foundation decisions, but, to help future directors, she did share her motivations for establishing the foundation. In a letter, she explained her two areas of interest: bringing hope to those less fortunate, especially children, and environmental conservation. Following her death, the directors used those interest areas and values the donor exemplified—respect, joy, and working in partnership with others—to settle on the foundation's focus areas and the way staff would do their work.

### **e. Meaningful grants**

Foundations often uncover a focus by reviewing past grants. Look for grants that addressed a particularly meaningful cause, stood out because of impressive results, or made board members especially proud.

Says Nan Pugh of Pugh Family Foundation, "For 7 years, we simply made grants to nonprofits we liked. But, when we looked back at those programs, we realized that most dealt with poverty

and education in southern Louisiana. Now our mission is to support organizations that address education and anti-poverty efforts within the Acadiana community.”

#### **f. A single strategy**

Some foundations find focus through a single but powerful strategy. This approach allows the foundation to gain expertise that can be leveraged across issue areas. For example, The Fledgling Fund believes strongly that social challenges can be addressed by using media to build momentum among large numbers of people. Stated concisely, The Fledgling Fund seeks to improve the lives of vulnerable individuals, families, and communities by supporting innovative media projects that target entrenched social problems.

#### **g. Populations of interest**

Think about the populations that interest you. For example, your foundation may want to focus on the elderly or children.

#### **h. Your mission statement**

Some foundations start the discussion of focus by reviewing their current mission statements. Although a mission statement may be specific—for example, specifying an interest in education, arts, and the environment—it may still lack focus. Each foundation must answer this question: Can we be smart, thoughtful, and effective in funding several areas, or are we wise to narrow our interests to something more manageable?

### **C. Build a Powerful Mission**

Once you’ve defined the foundation’s focus, it is useful to write a *mission statement*, or a concise statement of purpose for the foundation. If your foundation already has a mission statement in place, be sure to review and revise it as needed to accurately reflect the foundation’s current focus.

A mission statement will keep the foundation on track and make your purpose clear to grantseekers, partners, and others interested in your work. It is the groundwork for all foundation activities, from the strategies you choose to the financial investments you make to the individuals you invite to be board members. A meaningful mission guides your foundation as a central force now and possibly for generations to come, helping you to:

- Deflect funding requests outside your focus
- Ease decision making, because some projects further your mission more than others
- Clearly communicate your interests with grantseekers—and help them to grasp your interests quickly

It’s best to keep your mission statement succinct—just a sentence or two at the most. A mission statement’s power is in its simplicity, or its ability to be communicated easily.

Here are a few foundation mission statements:

- The Sunflower Foundation serves as a catalyst for improving the health of Kansans. —Sunflower Foundation, Topeka, KS
- The foundation focuses on enrichment and empowerment of children and youth under age 19 to prevent exploitation, poverty, and injustice. —The Susan A. and Donald P. Babson Charitable Foundation, Boston, MA
- The Ann Campana Judge Foundation exists to promote, undertake, support, and fund philanthropic projects in and relating to developing countries that focus on water, health, sanitation, and student involvement. —Ann Campana Judge Foundation, Albuquerque, NM
- The Charles Pankow Foundation exists to advance innovations in building design and construction to provide the public with buildings of improved quality, efficiency, and value. —Charles Pankow Foundation, Claremont, CA

At this stage in the planning process, your mission may simply state your focus. In time, you can refine it by adding target audiences, geography, particular strategies that interest the foundation, or other clarifying components that result from the types of planning activities described in Section IV.

Jim and Joan Smith sold a successful manufacturing business in Akron, OH, and, with a portion of the proceeds, set up the J. R. Smith Foundation, a \$10 million private foundation. They invited their three children and two longtime business associates to serve as board members. Although Jim and Joan both had charitable interests, they believed it would be important for the board to build consensus around a focus, and therefore kept the initial mission statement vague and general.

During the course of three meetings, the board worked to refine the foundation's mission. At the first meeting, it was clear that board members' interests varied widely. Some were interested in homelessness; others, the environment. Some causes were liberal; others, conservative. To find common ground, Jim probed on values, asking, What was key to you becoming the successful, productive person you are today? Each board member answered the same: education. And, for Jim, as the first family member to attend college, higher education made the greatest difference.

Soon after, the J. R. Smith Foundation wrote the following mission statement—a simple one that was nevertheless meaningful for the foundation and its grantseekers: The J. R. Smith Foundation seeks to create opportunities for Akron's children to pursue higher education.

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With a mission as your clear guiding force, the next section helps you create a road map to achieve impact with your giving.

## IV. Create Your Road Map

With your mission in hand, here's how your foundation can craft a road map to guide its giving.

### A. Take Stock

Business plans are created with an understanding of the business's strengths, weaknesses, opportunities, and threats. Foundations, similarly, need to understand their strengths and limitations, as well as the opportunities and challenges within their fields of interest. This section will highlight some specifics to consider when deciding how your foundation will give to a particular field or community, as well as the importance of ongoing learning. Knowledge will be among your greatest assets, if you take the time to gain it.

#### 1. Know your foundation.

You can know your foundation on many levels, and we encourage you to continually grow in your understanding of the board, its desires, areas for growth, and so on. For starters, gather some baseline knowledge that will be helpful as you choose your path and create your plan.

Consider each of the following:

- Annual grant expenditures—Before crafting a plan for your giving, it is helpful to have a good sense of what you'll expend each year to advance your mission in grants and non-grant strategies (e.g., convening, technical assistance). Many foundations simply start with the required 5% payout and deduct for operating and administrative costs; others refer to their spending policies.
- Board and staff resources—Board members and staff can bring to bear valuable knowledge, experience, connections, and reputations. For example, board members or staff may have facilitation skills, expertise in nonprofit management or social media, in-depth knowledge of a field, or the leadership skills to build a collaboration. Which assets can help your foundation accomplish its mission?

“We have more tools at our disposal than we often think,” says Matush of Brown Sisters Foundation. “Sometimes our relationships, credibility, and volunteer time are as valuable to grantees as the funding we provide.”

- Time—Some board members can give the tremendous resource of time; others cannot. It is helpful to have some sense of the time your board members can commit to foundation work.
- Geographic and programmatic limitations—Be clear on any restrictions outlined in your organizing documents. Or, if no restrictions exist, consider whether putting some in place may help the foundation to be more effective.

- Risk tolerance—Some foundation board members find great satisfaction in funding the sure bet. Others, knowing that foundations are among the few organizations that can easily fund innovative or untested solutions, are willing to consider all sorts of new ideas and strategies. Although there is no right answer, it is important for the board to decide its mix of sure bets versus big risks.
- Values—Some foundations will build upon their values to define a focus, whereas others will use their values to define *how* they do their work. Values can be a powerful force in either case. For example, the value of regarding nonprofits as partners rather than simply grantees can greatly influence a board’s decisions about how it interacts with those it funds.
- Assumptions about the field—Whether you’re new to grantmaking or not, you’re sure to have some assumptions about your work or focus area. It’s best to identify and note them up front (e.g., lack of strong nonprofit leaders in a particular field).

It is also helpful to determine the level at which your foundation wants to make a difference. For example, *Four Traditions of Philanthropy* by Elizabeth Lynn and Susan Wisely outlines the four pathways to change that follow. Which ones resonate with your board?

- Philanthropy as relief—Meets specific, immediate needs and typically alleviates pain and suffering (e.g., grants to food banks, grants for disaster relief); does not address root causes
- Philanthropy as improvement—Creates opportunities for motivated individuals to live up to their potential (e.g., job training, GED programs); does not address systemic barriers
- Philanthropy as systems change—Strives to create equal opportunity (e.g., research to inform public policy, grants to organizations that advocate for early childhood education); the payoff can be significant but the work, risky and the process, long
- Philanthropy as civic engagement—Encourages communities to connect, ask important questions, and solve problems together (e.g., educating voters, funding town meetings on social issues); risks extensive talk with little action

A similar framework, taken from “Improving Public Education: A Guide for Donors to Make a Difference” by Grantmakers for Education, ASF, and Social Venture Partners, describes the levels at which a foundation may want to pursue change. Which will lead to the impact your foundation seeks?

- Individuals—Supporting individual achievement through mentoring programs or college scholarships, for example, or cultivating influential individuals through professional development or new tools
- Organizations—Strengthening organizations through strategic planning, organizational development, or other means

- Networks—Connecting individuals and organizations to share ideas, craft strategies, and pursue joint action
- Policy—Influencing public policy through advocacy, for example
- Ideas—Bringing new ideas into play through research or support of thought leaders, for example

Document your discussions and decisions and refer to them often as you create a road map for your foundation. Of course, they should also be revisited regularly to accommodate changes that are bound to occur.

## **2. Know your focus area.**

The road to understanding your focus area can be a somewhat long and winding one, involving many organizations, several data sources, interesting personalities, complex problems, and more. For this reason, some funders opt out entirely. But *scanning the landscape*, or gathering information about a field, is a process in which every funder should engage if they want to be effective.

The Tracy Family Foundation sees scanning the landscape as a necessary practice for good philanthropy. Says Buckley, “Whereas it is vital to understand the board’s perspective on issues and solutions, it is critical to first understand the facts. What does the data tell us? What does the community at large feel are the critical problems? First, what you know, then what you think. The two work together to launch an effective plan.”

To make scanning more practical and less overwhelming for small foundations, subsequent sections of the primer make specific recommendations of information to be gathered at each stage of creating your road map for giving. In the following bullets, we introduce ways to learn about your focus area. For example, you can:

- Talk with people in diverse walks of life to find out what they’re worried about and uncover opportunities to strengthen a field of interest or community. For example, talk with nonprofit board members and staff, social workers, university researchers, business leaders, government officials, journalists, teachers, parents, students, volunteers, or recipients of social services.
- Connect with ASF members and others with similar funding interests to learn the strategies they use and why, and what they’ve learned along the way. Also connect with your regional association of grantmakers to find funders in your geographic area. Many foundations publish valuable information about their goals, strategies, and grantees on their websites or in annual reports.
- Invite program staff from your local community foundation or United Way to present their perspectives on community needs and priorities to your board.

- Convene nonprofit and government leaders to discuss needs or brainstorm solutions.
- Commission a study of your community or field to identify current challenges, gaps in services, barriers, opportunities, effective strategies, or potential funding partners and grantees.
- Rely on data that is readily available. Online sources abound including census data, FBI crime statistics, American Community Survey data, and state or national data on education or health. Foundation reports are also good sources of data.

The challenge when scanning is to gather enough information to inform your giving but not so much that it becomes paralyzing. The operative word is to *scan* for key information. In addition, we recommend that you intersperse information gathering with decision making. That is, at each stage of information gathering, take time to review the information and decide where to go next.

Use the following structure to guide you; it's one that we repeat throughout this primer:

- **Scan**—Start by gathering information specific to your needs.
- **Decide**—Consider the information gathered and choose the path that is best for your field, community, and foundation.
- **Define**—Once a decision is made, craft a clear and concise statement to articulate it. Doing so will help you to put a stake in the ground as you begin your work and test your assumptions.

“What we learn along the way helps us ask more pointed questions and informs the next set of discussions,” says Carrie Schindele of the Peter and Carmen Lucia Buck Foundation.

“Ultimately, our scanning helps us choose strategies that will have more impact.”

The J. R. Smith Foundation thought about various paths to change and decided that it was most interested in philanthropy as improvement—that is, creating opportunities for motivated students to access higher education and live up to their potential. They met with the local community foundation and discovered that low-income students who graduate from high school rarely go on to receive a college degree. The board decided to start its grantmaking by focusing on individual students who come from low-income families and, even more specifically, those who would be first-generation college students. Over time, the foundation might also want to engage in networking by developing a funder collaborative, linking students to form a support cohort, or developing a mentoring program to help ensure that the students complete their educations.

## B. Define Your Intended Impact

With your mission and sensibilities about your foundation and focus in hand, it's time to construct your road map.

*Note:* Foundations with missions that include more than one focus area may want to construct a road map for one area at a time. For example, although the Tracy Family Foundation is interested in education, family, and youth, it spent most of its early years on education. "It was better for us to take small steps and make good progress in one area than move all focus areas forward at the same slow speed," says Buckley.

To construct your road map, start by identifying your end goal or *intended impact*. Follow these steps:

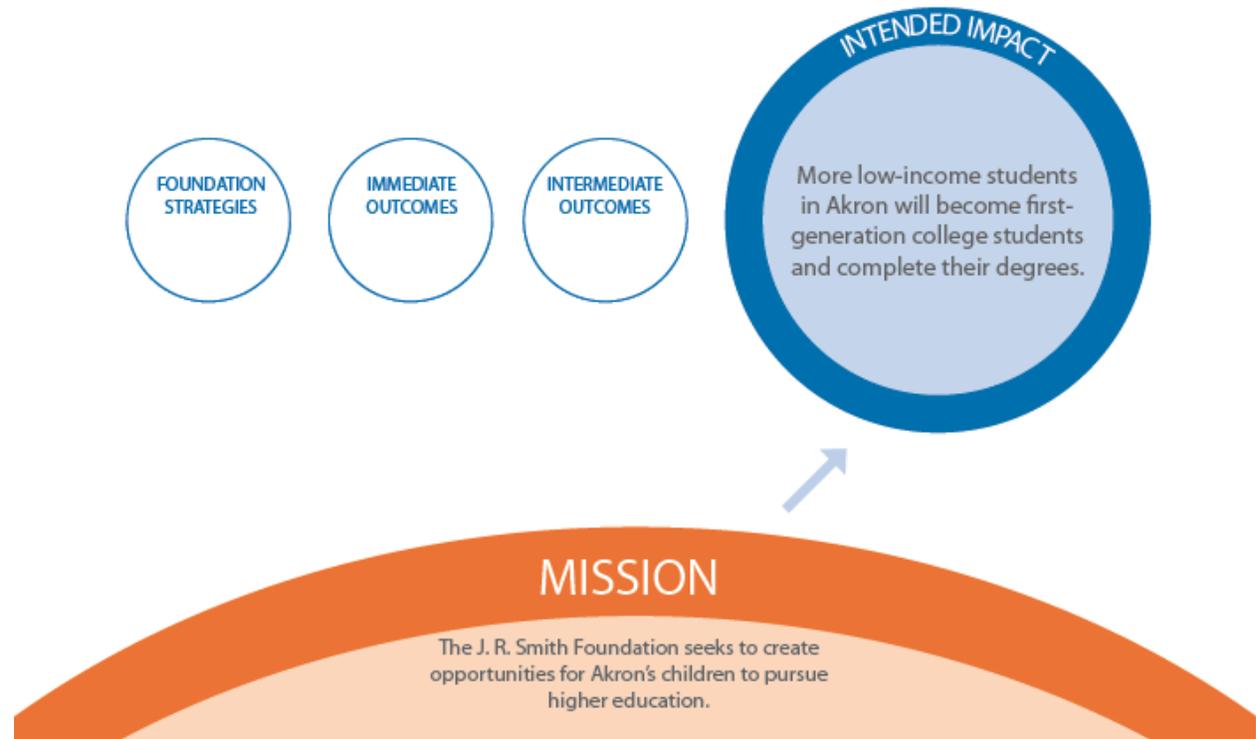
- **Scan** to identify the challenges and opportunities that exist in your foundation's focus area. For example, if your foundation cares about children's health, you might turn to local nonprofits, national research studies, and field experts to uncover the main challenges in this field. Your scan might reveal two challenges—unhealthy eating and too little exercise—as well as a local funders' collaborative spearheading a community-wide program to address these issues in conjunction with national efforts.
- **Decide** which challenge(s) your foundation will address by considering its resources and interests, as well as timely opportunities. Your decision points may be hard to schedule but are well worth the effort. Getting board and staff buy-in is critical to engaging them in the future work.
- **Define** your intended impact by answering this question: What will success look like if your foundation addresses the challenge(s) effectively? Be sure to aim high and choose a goal that inspires you, even if it is well beyond the reach of your individual foundation.

Be sure to document your research, decisions, and ultimate conclusions. See the "Getting to Impact Through Planning Workbook" for a place to document the process of scanning, decision making, and defining; see Appendix A for a place to document your final conclusions.

With a mission in hand to help Akron's children pursue higher education, the J. R. Smith Foundation learned of four major challenges:

- As many as 40% of low-income students drop out of high school or fail to receive a degree on time.
- College prep programs tend to be ineffective among first-generation college students.
- First-generation college students often underestimate the importance of college and lack confidence that they could succeed in college.
- First-generation college students often leave college due to financial difficulties.

Thus, the board defined its intended impact in this way: More low-income students in Akron will become first-generation college students and complete their degrees.



## C. Define Intermediate Outcomes

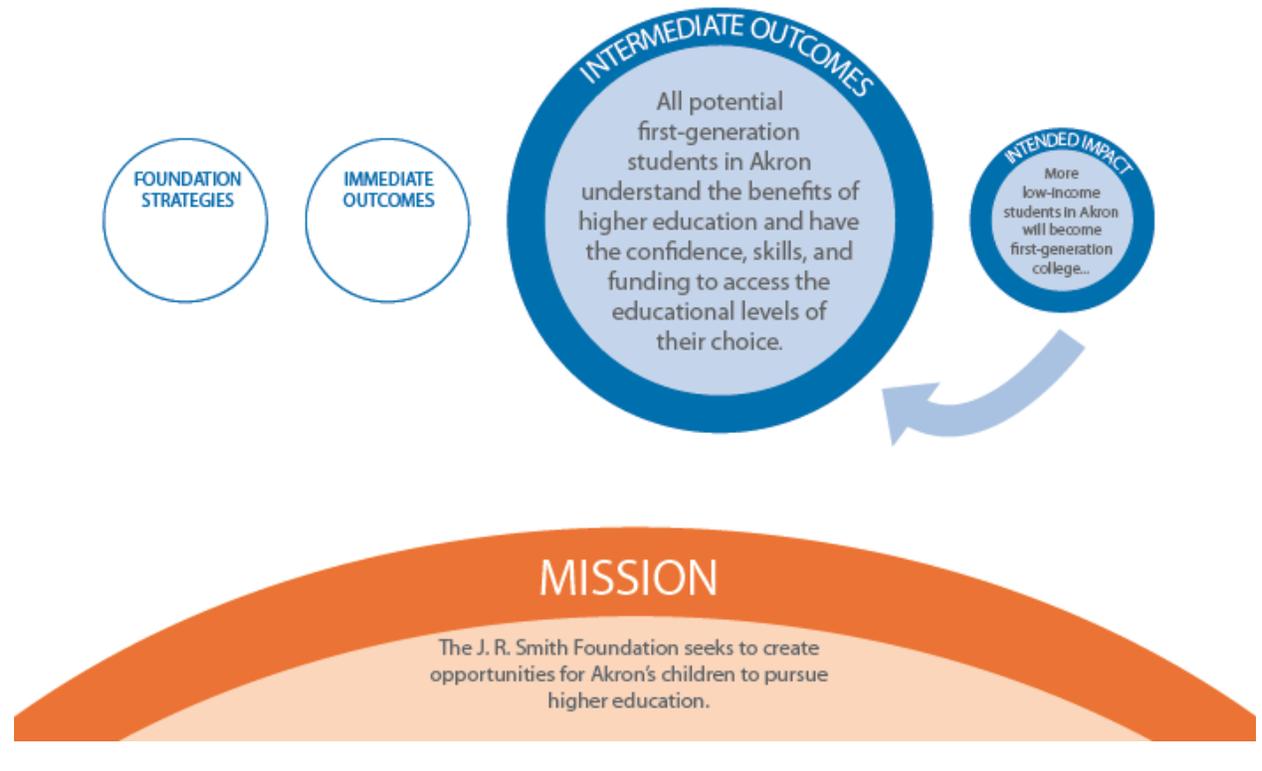
With your intended impact in place, work backward to identify *intermediate outcomes*, or the changes that must take place for your intended impact to occur. Follow these steps:

- **Scan** to identify the barriers to achieving your foundation's intended impact, as well as possible solutions. Local and national data sources are likely to be useful at this stage. In addition, funder collaboratives and affinity groups that fund in a specific field (e.g., Grantmakers for Education, Grantmakers in the Arts) can provide excellent information on best practices and new solutions.
- **Decide** which barrier(s) your foundation will address and/or which solution(s) it will pursue. Are particular solutions more effective, a better fit for your risk tolerance, directed at the level of change that interests you, or more suitable for your skills or time? For example, does your foundation have the desire, capacity, and long view to tackle policy change? Consider also how you can have the biggest bang for your buck. Many foundations experiment with several paths before settling on one or two.
- **Define** your intermediate outcomes by answering this question: What changes must occur within individuals and/or communities before your foundation's intended impact can be realized? Your answers are likely to focus on the people or communities your future grantees will serve and should identify specific changes in attitudes, skills, or behaviors. For example, you might state the following: Children understand the benefits of healthful eating and exercise, and they have access to both. As with intended impact, your intermediate outcomes are unlikely to be completely within your realm of influence.

After much listening and learning, the J. R. Smith Foundation identified the following as critical steps to achieve its intended impact:

- Potential first-generation college students must understand the importance of a college degree.
- College prep programs must engage potential first-generation college students and help them to complete the college application process.
- First-generation college students must receive financial support to reduce the burden on the students and their families.

To reflect these findings, the board identified the following intermediate outcomes: All potential first-generation college students in Akron must understand the benefits of higher education and have the necessary confidence, skills, and funding to complete the educational levels of their choice.



## D. Define Immediate Outcomes

Again, work backward to identify *immediate outcomes*, or what grantees must do for your desired intermediate outcomes to occur. Follow these steps:

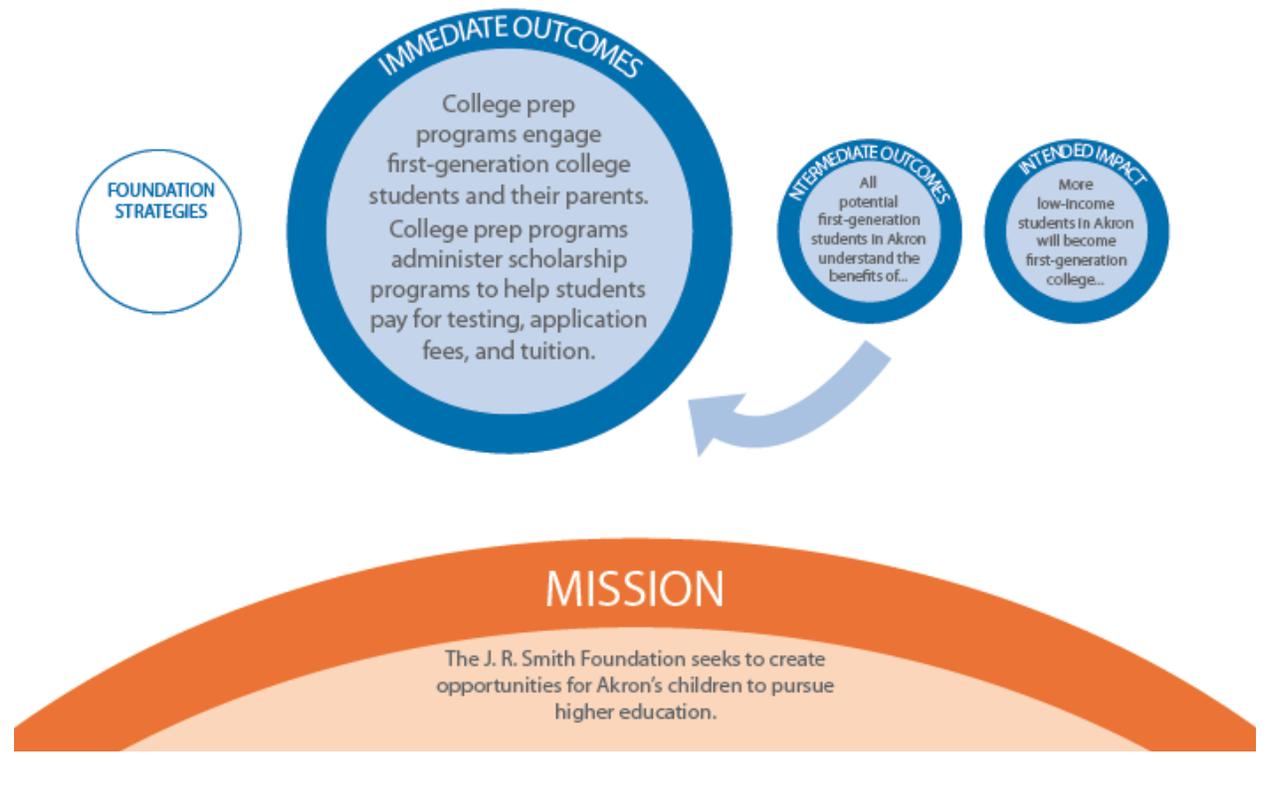
- **Scan** to identify relevant and effective grantee strategies and any gaps that exist. It is important to understand the range of strategies locally as well as those that are particularly effective in other parts of the country or world.

“As we began to identify the areas in which we might like to focus,” says Matush of Brown Sisters Foundation, “we set up meetings with other funders in the St. Louis area. They were able to offer wonderful insights into past and current projects for our target demographics and suggest areas for possible collaboration.”

- **Decide** which strategies and types of grantees your foundation will support. To do so, prioritize the strategies most aligned with your foundation’s particulars and begin to identify the types of organizations that are implementing those strategies effectively. Although your foundation may further refine its grantee types when crafting grantmaking guidelines, now is a logical time to collect this information. For example, to address the lack of data in a particular field, you might decide that community-wide research efforts, when operated through umbrella groups such as the United Way, are particularly promising.
- **Define** your immediate outcomes by answering this question: What must organizations/grantees be able to do to bring about the change your foundation seeks? Although you are stating the activities in which you think organizations must engage, it is important to understand that to the goal is not to *tell* grantees what they should and should not do. Instead, this is an opportunity for you to state what you believe, based on good information and clear decision making, so that future grants can work to achieve those outcomes.

The J. R. Smith Foundation visited schools and nonprofits working to boost college enrollment, and they discovered several effective strategies that could be modified to meet the needs of first-generation college students.

As a result, the foundation decided that its grantees must accomplish the following immediate outcomes: High schools or outside agencies must offer programs to first-generation college students that will build awareness of the importance of college and give them the confidence and tools to enter college. In addition, the organizations must administer scholarship programs to help students pay for testing, applications, tuition, and books.



## E. Define Your Strategies

Next, move backward to determine how your foundation will bring about the desired immediate outcomes. That is, if your foundation believes it is important for grantees to accomplish  $x$ , how can your foundation ensure  $x$  happens? The answers will define your foundation's *strategies*.

Follow these steps:

**Scan** to identify effective grant and non-grant strategy options, in and beyond the field your foundation funds. Affinity groups have a multitude of resources to help your foundation choose the strategies most effective in particular funding areas.

The following are some of the most common funding strategies used by foundations.

- General operating support—Allows a grantee to decide how funds are used, although most foundations and grantees have conversations about expectations and intended outcomes
- Capacity building grant—Funds core organizational skills and capabilities such as leadership, fundraising, communications, and management
- Project support grant—Funds a particular program or project with expected outcomes
- Scholarship—Typically funds individuals for a particular purpose, usually for travel or study, and requires advance IRS approval unless a third party selects recipients
- Seed grant—Provides start-up funds for a new organization or pilot program
- Challenge grant—Provides funds with the expectation (or on the condition) that additional funds are raised from other sources
- Program related investment—A low-interest loan, loan guarantee, or other investment in a nonprofit
- Capital grant—Funds the purchase or construction of a building, land, or major equipment
- Endowment fund—Builds an organization's endowment fund and helps the organization achieve financial stability
- Innovation grant—Funds projects that experiment with new solutions to social problems, a key role for foundations
- Research grant—Funds the collection of data and knowledge to educate a field

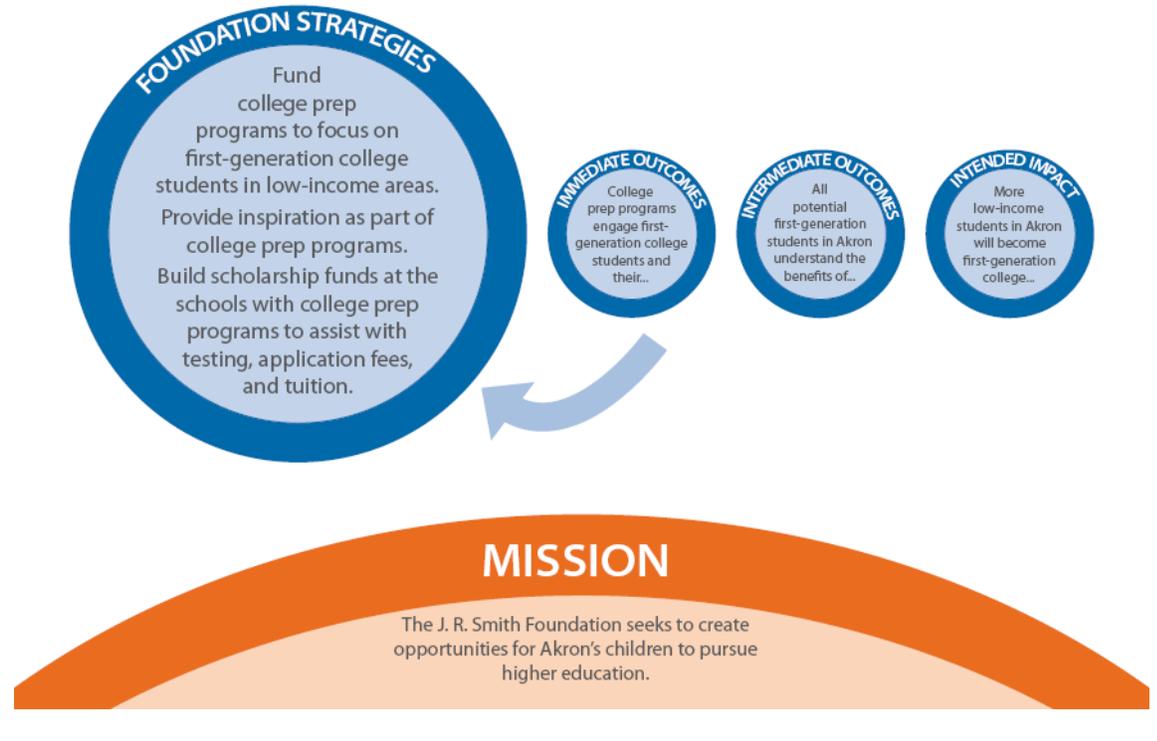
In addition, the following non-grant strategies may be helpful:

- Leverage your grants by giving in a way that can help attract other funders, public or private.
- Strengthen your grantees by providing training, technical assistance, and strategic guidance.
- Convene the players in your focus area to promote dialogue, brainstorm solutions for effective service delivery, or create a unified strategy for change.
- Collaborate with other funders and key players to learn, strategize, and fund work together.
- Advocate for change by speaking publicly on a topic and engaging with legislators.
- Educate by disseminating research and best practices to the field.
- Communicate the good work of your grantees and/or importance of the cause to the community and other funders.
- Innovate by becoming intimately knowledgeable about a field, sparking new ideas, and bringing best practices to the community.
- Inspire other funders and the field by developing a thoughtful strategy, implementing and evaluating, and sharing the progress and lessons learned.

**Decide** which grant and non-grant strategies best meet the needs of the field/community your foundation funds. There are many excellent strategies for funders, but it is important to choose those that will be most effective at making change or filling gaps in your area of interest. For example, in times of economic downturn, many foundations added program related investments to their lists of strategies to keep good nonprofits afloat.

**Define** your strategies by answering this question: Which grant and non-grant strategies will your foundation implement to achieve the greatest impact? Common activities include providing capacity building grants to strengthen nonprofits; educating the community on relevant issues; or building a collaboration of funders, nonprofits, and government. Different strategies may result in different immediate and intermediate outcomes, while still working toward the same intended impact. In these instances, your foundation might want to map out a separate path for each strategy.

After much discussion, the J. R. Smith Foundation settled on the following strategies: The J. R. Smith Foundation will fund established college prep programs to focus on first-generation college students in Akron's low-income areas. If appropriate, the trustees will play an inspirational role by speaking at the college prep programs about their life experiences. The foundation also will set up scholarship funds at the same schools to help with testing, applications, tuition, and books.

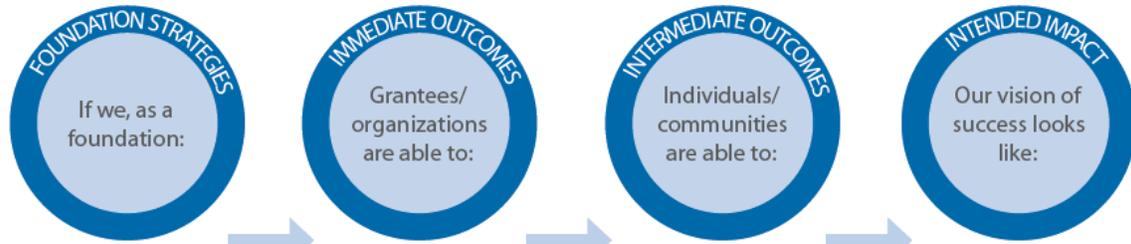


## F. Put It All Together

In the end, by moving backward from your mission to your strategies, you've essentially created an if/then statement about the way your foundation will work to achieve its intended impact. That is, *if* your foundation undertakes the strategies it identifies, *then* it will put into motion a sequence of events that results in your intended impact. This if/then statement is called a *theory of change*.

Although your road map or theory of change is well grounded and a critical step in working more intentionally, it is still just a plan. In almost all cases, you'll need to make some adjustments as you implement the strategies and learn more about your field or community. If interested in immediate feedback, you might consider sharing your plan with relevant nonprofits.

The J. R. Smith Foundation's theory of change looks something like this:



Fund college prep programs to focus on first-generation college students in low-income areas.

Provide inspiration as part of college prep programs.

Build scholarship funds at the schools with college prep programs to assist with testing, application fees, and tuition.

College prep programs engage first-generation college students and their parents.

College prep programs administer scholarship programs to help students pay for testing, application fees, and tuition.

All potential first-generation students in Akron understand the benefits of higher education and have the confidence, skills, and funding to access the educational levels of their choice.

More low-income students in Akron will become first-generation college students and complete their degrees.

## MISSION

The J. R. Smith Foundation seeks to create opportunities for Akron's children to pursue higher education.

\*\*\*\*\*

In the next section, we help you to align all aspects of your work according to your road map.

## V. Align the Foundation's Work to Achieve Maximum Impact

Now that you've decided what you want to accomplish and how you're going to get there, it's time to align the entire foundation toward your intended impact.

### A. Organize the Entire Foundation for Impact

Start by ensuring that your governance, administration, tax and legal matters, and investments are in sync with your chosen path. For example, consider the following questions:

#### 1. Governance

- Does the board need new board or advisory committee members with special skills or expertise?
- Does the board have sufficient knowledge, or should it incorporate education into board meetings?
- As new strategies are implemented, should the board structure meetings differently to allow more time for learning and making adjustments?
- Is there a need for new or revised policies?
- What are the foundation's next steps (e.g., evaluation)?

#### 2. Administration

- Is the foundation properly staffed to implement new strategies?
- Can technology assist in implementing new strategies?
- Are budget changes necessary to fully fund new strategies?
- Can the foundation continue to function in its current work space?
- How will we communicate our interests to current and prospective grantees?
- Must recordkeeping systems be updated?

#### 3. Tax and legal

- Must bylaws or other organizing documents be changed?
- Is IRS approval required for new strategies (e.g., scholarship programs)?
- Must the board learn more about laws that pertain to new strategies (e.g., awarding program related investments, practicing expenditure responsibility)?

#### 4. Investments

- Must we create or change a spending policy based on new strategies?
- Do we want to shift investments to generate social returns aligned with our intended impact?
- Does our investment strategy maximize returns for our cause?
- Must we shift our allocations due to different cash flow needs?

The J. R. Smith Foundation's organizational changes included the following:			
<b>Strategy #1: Fund college prep programs.</b>			
	<i>What</i>	<i>Who</i>	<i>When</i>
Governance	Invite additional trustee with expertise	Jim	May 1
	Have two trustees attend training relevant to intended impact	Jim and Joan	Dec 30
	Hold retreat annually to assess results and make changes	Jim and Joan	Dec 30
Administration	Create new organizational budget	Charles	May 1
	Invest in software to track grants	Samantha	June 30
Tax and legal	Review bylaws to ensure relevance	Jim	May 1
Investments	Shift investments as needed for sufficient cash flow	Charles	June 30
	Research mission related investments	Jim	Dec 30
<b>Strategy #2: Create a scholarship fund.</b>			
	<i>What</i>	<i>Who</i>	<i>When</i>
Tax and legal	Research IRS rules on scholarship funds	Jim	June 30
Investments	Shift investment policy as needed to create the fund	Charles	Sept 30

## 5. Grantmaking

Now that you've aligned the rest of the foundation for impact, it's time to align the many tasks related to your grantmaking. Although every foundation's tasks will vary, the key tasks that follow are most common when undertaking a new strategy. For more on each of the tasks, see *The Foundation Guidebook* listed on page 36.

- Define the details of your grant program and create an application process and form.
- Develop a proposal review process.
- Create and communicate grant guidelines to potential grantees.
- Strengthen relationships with key players in the field.
- Develop a plan to keep learning for increased impact. To get started, see page 36 for ASF's primers on simple evaluation.

The J. R. Smith Foundation's grantmaking work plan includes the following:			
<b>Strategy #1: Fund college prep programs.</b>			
	<i>What</i>	<i>Who</i>	<i>When</i>
Define details of grant program	Discuss grant program details with staff and board	Full board	May 1
	Design application process and forms	Joan	May 30
	Develop and write grant guidelines	Joan	July 15
Develop proposal review process and criteria	Gather sample processes	Joan	May 30
	Create proposal review process and forms	Joan	July 15
	Develop timeline for process	Joan	July 30
Create and communicate grant guidelines to potential grantees	Design simple website	Samantha	Aug 30
	Send guidelines to potential grantees	Joan	Sept 15
<b>Strategy #2: Create scholarship fund.</b>			
	<i>What</i>	<i>Who</i>	<i>When</i>
Develop fund to be managed by college prep programs	Research best practices	Jim	May 30
	Draft written agreement	Jim	June 30
	Create criteria for recipients	Full board	June 30

## B. Stay on a Path to Impact

### 1. Keep the plan relevant.

As you follow your road map and learn more about your field or community, you will undoubtedly see ways in which your plan can evolve. Some lessons may necessitate immediate changes; other adjustments can be made before your next grantmaking cycle, as part of a meeting or retreat dedicated to planning.

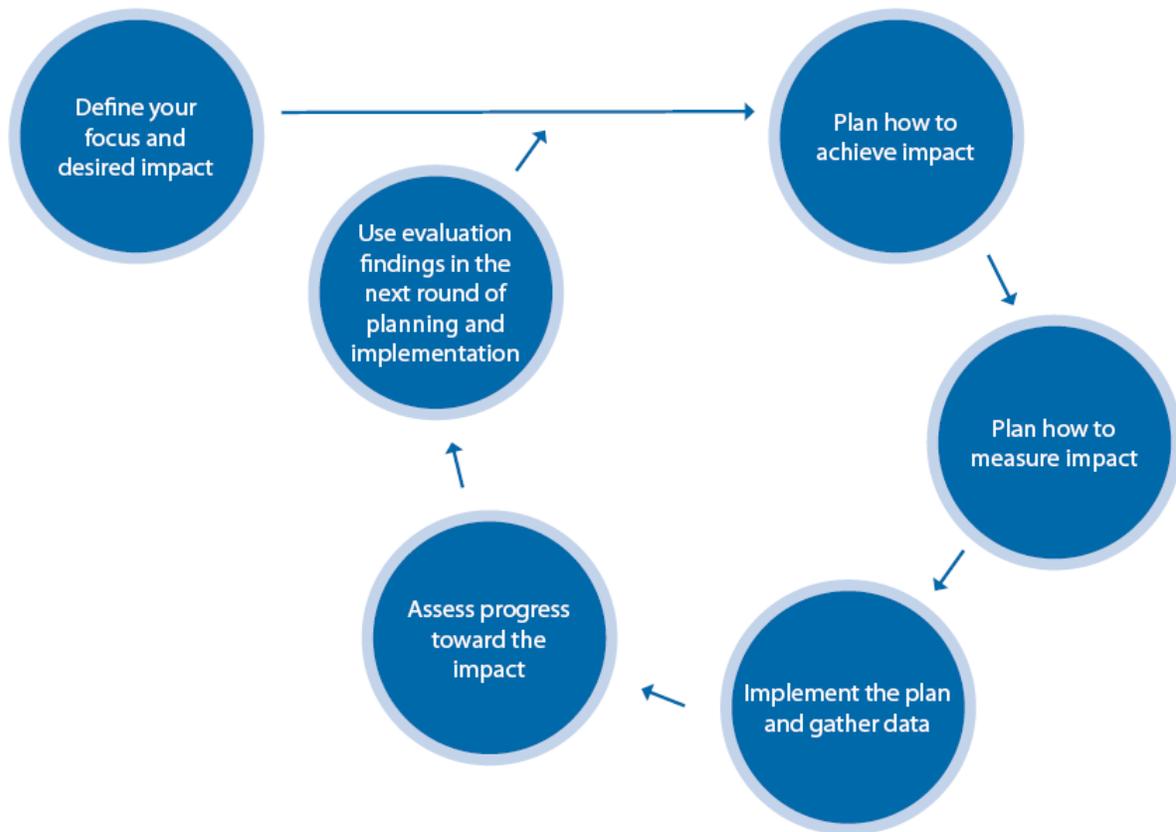
Along the way, keep in mind the following questions in an effort to keep your plan relevant:

- What have been the benefits or drawbacks of choosing a particular focus?
- Does our plan seem to be accurate, and, if not, how should it change?
- Do we have data to know whether our plan is effective?
- Have we learned about new strategies that may be more effective for our foundation?
- Could organizational changes (e.g., board, staff, budget) lead to better results?
- Do we want to allocate more of our resources to a particular focus?

If you continually incorporate learning into your planning and implementation, you are sure to become more effective in achieving your intended impact.

## 2. Seek results.

As we all know, it takes more than a plan to get to impact. Foundations find they can maximize their impact by evaluating their work and using those evaluation results in the next round of planning and implementation. It looks something like this:



Whereas this primer helped with the early steps—defining your focus and desired impact, planning how to achieve impact—the other steps, including much more on evaluation as a tool to achieve impact, are discussed in the primers listed on page 36.

## VI. Conclusion

By now, you are well on your way to making great contributions with the help of a good plan. You are able to:

- Set the stage for planning at your foundation
- Define your foundation's purpose as a first step in planning
- Create a road map for your giving with your purpose as the driving force
- Align all of your work for maximum impact

Planning takes time and effort, of course, but the results are well worth it.

Matush of Brown Sisters Foundation says it best:

By leveraging the beauty of benevolence with the power of clear strategic planning, we achieve the great fulfillment that comes from knowing we are doing the very best we can with the resources we have. And why settle for less than the best? It begs the question: If every foundation engaged in a clear strategy to achieve impact, how might the landscape of philanthropy change forever?

Don't you want know?

It all starts with planning.

## VII. Resources

### Resources From ASF

[www.smallfoundations.org](http://www.smallfoundations.org)

#### Discussion List

Ask questions of fellow ASF members and share tips and good practices.

#### Getting to Impact Through Evaluation

This primer introduces you to simple, straightforward evaluation from start to finish.

#### Getting to Impact: Why Evaluation Is Key

Use this primer to make the case for evaluation at your foundation.

#### Getting to Impact Through Planning Workbook

Use this practical tool to document your road map to impact.

#### Member Directory

Connect with ASF members who volunteered to be resources on impact.

#### Professional Directory of Foundation Advisors

Find a consultant to help you create a plan or take other steps to maximize your impact.

#### The Foundation Guidebook

Get the baseline knowledge to operate your foundation effectively.

### Other Resources

Charting Impact. [http://www.independentsector.org/charting\\_impact](http://www.independentsector.org/charting_impact)

Gary, Tracy and Nancy Adess. *Inspired Philanthropy: Your Step-by-Step Guide to Creating a Giving Plan and Leaving a Legacy*. Jossey-Bass, 2007. <http://www.inspiredlegacies.org>

*Giving Together: A Primer for Family Philanthropy*. The Philanthropic Initiative, 2008. <http://www.tpi.org>

Price, Susan Crites. "Vision to Values to Action: The Hill-Snowdon Foundation Journey." Hill-Snowdon Foundation, 2009. <http://www.hillsnowdon.org>

SmartLink. <http://www.smartlink.org>

"Strategy Self-Assessment." Center for Effective Philanthropy. <http://www.effectivephilanthropy.org>

# Appendices

- A. Road Map to Giving
- B. Case Study
- C. Getting to Impact Through Planning Workbook



# Appendix B

## Case Study

Three years ago, the Thomson family established a vision for their new foundation. The family included Cliff and Bonnie; their son, Jay; and his wife, Shannon. Using the formal foundation structure, the Thomsons hoped to come together around issues that were meaningful in their lives and in the communities where they lived.

The Thomsons didn't intend to establish a large foundation to last in perpetuity but rather a small one that would have impact during their lifetimes. They also wanted a narrow mission they could learn about as a family and that would be relevant to the two cities family members call home: Dallas and San Francisco.

They started with a conversation about shared values. Family members identified values that were personally important and then shared them with one another. Some common words appeared: family, compassion, responsibility, opportunity, integrity.

Family members then individually identified a range of community issues that were of particular interest. There again found commonalities: children, poverty, employment.

Together with their foundation director, the family learned more about the issues affecting families in their communities. Informed by academic research, conversations with community leaders in the public and nonprofit sectors, and exchanges with more established foundations, the Thomsons came to believe that a family's economic security could translate into benefits throughout the community, particularly for children raised in homes with greater financial stability.

Their scan led to the following foundation mission statement: The Thomson Family Foundation supports families working to improve their lives and the lives of their children. Our goal is to foster opportunities for families to increase their economic success and security by supporting community-based initiatives that improve access to education and asset-building resources and services.

During the past three years, the Thomsons have funded job training initiatives, small businesses incubation, a citywide initiative that supports access to free tax services for low-income families, and matched savings opportunities for families. The foundation also supports a citywide initiative for children's savings accounts and the corresponding financial education.

They haven't taken on this work alone. The foundation is part of funder collaboratives exploring best practices and opportunities for systemic change, and the family continues to learn from its grantees and experienced partners.

# Appendix C

## Getting to Impact Through Planning Workbook

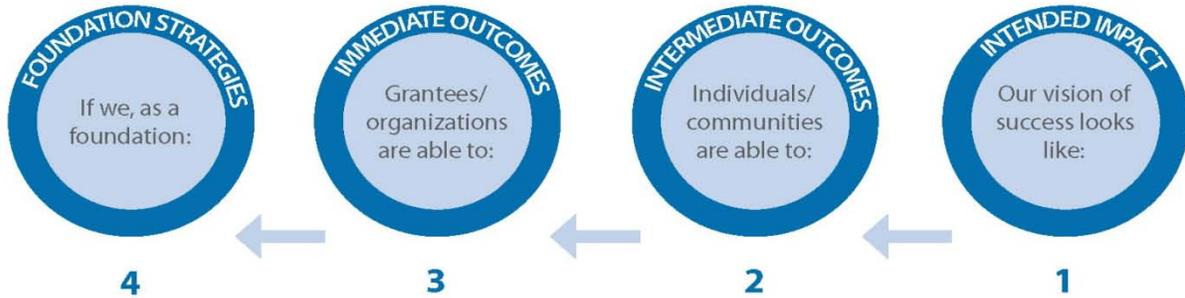
Achieving impact is no small task. An important first step is to identify the impact you want to achieve and how you plan to get there. The exercises in this workbook will guide your foundation through a process of information gathering and decision making that will help you develop a thoughtful plan and improve the plan over time. By the end, you will be able to answer questions such as:

- What are we really trying to achieve?
- What interim changes need to be occurring for our ultimate goals to be realized?
- Are we using strategies that are effective for today's challenges?

### Instructions

- Read the previous "Getting to Impact Through Planning" primer as well as the entire workbook to get a sense of the full process before you begin the work. The Johnson Scholarship Foundation Road Map on the next page is a sample of how one foundation worked through the process for a particular focus area.
- Assess your foundation's readiness to engage in a planning process and to work toward impact. If some of the key players on your board and staff are not convinced of the benefits, we encourage you to build buy-in first.
- Depending on how your foundation operates, you might decide to move through this workbook with your entire board. Or, if you have staff, staff members might create a draft to which the board responds.
- As you work through the following pages, gathering information about your field of interest, or *scanning the landscape*, is a critical step. Although you might be inclined to forgo this step to save time, we cannot emphasize enough how valuable it is. Your plan is likely to be significantly more effective if you take the time and energy to learn from other funders, nonprofits, available research, and more. Having said that, we encourage you to start with a high-level scan when using the workbook for the first time.

## Johnson Scholarship Foundation Road Map



Fund scholarship programs and the development of financial literacy & entrepreneurship programs at tribal colleges;

Invest in CDFIs\* to increase capital available to Native Americans.

\*Community Development Financial Institution

Tribal colleges will manage and grow scholarship programs and strengthen financial literacy and entrepreneurship programs;

CDFIs will provide more low-interest loans to Native Americans.

Native Americans have sufficient education and resources to start and maintain their own businesses in Native American communities.

Native American-owned and operated businesses start, thrive, and produce jobs in Native American communities.

# MISSION

Our foundation is focused on:

Helping Native Americans obtain education and employment



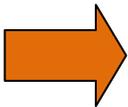
Refer to “Getting to Impact Through Planning” primer (pages 8–13).

What is your foundation’s mission? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If your foundation had to articulate what it’s focused on, what would it say (e.g., environment, children, health)? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If your foundation has more than one focus, you may want to craft a road map for each focus individually. If so, decide which focus area your foundation will start with:

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Write your answer in the **orange space** on the last page.

*Note:* If your foundation cannot identify a particular focus that is supported by the board, we recommend you review the “Getting to Impact Through Planning” primer to take steps to find a focus. The following steps will be difficult to complete if your goal is vague (e.g., make the world a better place).

Refer to “Getting to Impact Through Planning” primer (pages 15–17).

In addition to defining a focus, it is important to delineate the foundation’s strengths, limitations, interests, values, and assumptions. This information is a critical piece of the puzzle when shaping your strategy for impact and should be considered at each decision point in the planning process.

Assets spent annually on grants and non-grant strategies: \_\_\_\_\_

Strengths and skills of foundation board and staff: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Time offered by staff and board: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tradition of philanthropy or levels of change that resonate (see “Getting to Impact Through Planning” primer pp. 15–16): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Values that guide how the work is done (e.g., we see nonprofits as partners rather than grantees): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Balance of portfolio (i.e., level of risk): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Foundation assumptions about the field (e.g., too few nonprofits receive capacity building support): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Other notes of interest: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Define Your Intended Impact



Refer to “Getting to Impact Through Planning” primer (pages 19–20).

To make sound decisions about what is best for the foundation to pursue and ultimately define as success, the foundation will need to learn about its field of interest and/or community. The SCAN, DECIDE, DEFINE structure used in the rest of this workbook will guide you through the process.

**Scan** to identify the challenges and opportunities that exist in your foundation’s focus area.

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**Decide** which challenge(s) your foundation will address by considering your foundation’s resources and interests, as well as timely opportunities. \_\_\_\_\_

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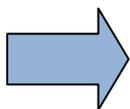
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**Define** an intended impact by answering the question: What will success look like if your foundation addresses the challenge(s) effectively? \_\_\_\_\_

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Write this **Intended Impact** in bullet form under **1** on the last page.

Notes for further discussion/analysis: \_\_\_\_\_

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## Define Your Intermediate Outcomes



Refer to “Getting to Impact Through Planning” primer (pages 21–22).

**Scan** to identify the barriers to achieving your foundation’s intended impact, as well as possible solutions.

Barriers: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

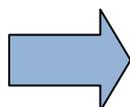
Solutions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Decide** which barrier(s) your foundation will address and/or which solution(s) it will pursue.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Define** intermediate outcomes by answering the question: What changes must occur within individuals and/or communities before your foundation’s intended impact can be realized?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Write these **intermediate outcomes** in bullet form under **2** on the last page.

Notes for further discussion/analysis: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Define Your Immediate Outcomes



Refer to “Getting to Impact Through Planning” primer (pages 23–24).

**Scan** to identify relevant and effective grantee strategies and any gaps that exist.

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**Decide** which strategies and types of grantees (e.g., individuals, nonprofits, public schools) your foundation will support. \_\_\_\_\_

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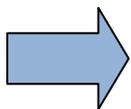
**Define** immediate outcomes by answering the question: What must organizations/grantees be able to do to bring about the change your foundation seeks?

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Write these **immediate outcomes** in bullet form under **3** on the last page.

Notes for further discussion/analysis: \_\_\_\_\_

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Define Your Foundation Strategies

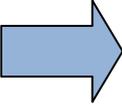


Refer to “Getting to Impact Through Planning” primer (pages 25–29).

**Scan** to identify effective grant and non-grant strategy options in and beyond the field your foundation funds. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Decide** which grant and non-grant strategies best meet the needs of the field/community your foundation funds. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Define** foundation strategies by answering the question: Which grant and non-grant strategies will your foundation implement to achieve the greatest impact?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

 Write these **foundation strategies** in bullet form under **4** on the last page. Once complete, you can read the steps from left to right (4 to 1) to articulate your foundation’s Theory of Change.

Notes for further discussion/analysis: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Define the Organizational Implications



Refer to “Getting to Impact Through Planning” primer (pages 30–32).

Ensure that your governance, administration, tax and legal matters, and investments are all in support of your intended impact. For example, consider the following questions:

### Governance

- Does the board need new board or advisory committee members with special skills or expertise?
- Does the board have sufficient knowledge, or should it incorporate education into board meetings?
- As new strategies are implemented, should the board structure meetings differently to allow more time for learning and making adjustments?
- Is there a need for new or revised policies?
- What are the foundation’s next steps (e.g., evaluation)?

### Administration

- Is the foundation properly staffed to implement new strategies?
- Can technology assist in implementing new strategies?
- Are budget changes necessary to fully fund new strategies?
- Can the foundation continue to function in its current work space?
- How will we communicate our interests to current and prospective grantees?
- Must recordkeeping systems be updated?

### Tax and legal

- Must bylaws or other organizing documents be changed?
- Is IRS approval required for new strategies (e.g., scholarship programs)?
- Must the board learn more about laws that pertain to new strategies (e.g., awarding program related investments, practicing expenditure responsibility)?

## Investments

- Must we create or change a spending policy based on new strategies?
- Do we want to shift investments to generate social returns aligned with our intended impact?
- Does our investment strategy maximize returns for our cause?
- Must we shift our allocations due to different cash flow needs?

## Grantmaking

- What needs to be developed for our grant program, application process and form?
- What will our proposal review process look like?
- How will we communicate our grant guidelines to potential grantees?
- What do we need to do to strengthen relationships with key players in the field?
- What can we put in place so we continue to learn for increased impact?

A chart like the following can help you keep track of necessary tasks. Grantmaking activities are likely to need a separate chart.

Strategy #1			
What organizational changes will further increase your impact?	Tasks	Person Responsible	Due by
Governance	a.		
	b.		
	c.		
Administration	a.		
	b.		
	c.		
Tax & Legal	a.		
	b.		
	c.		
Investments	a.		
	b.		
	c.		

Strategy #2			
What organizational changes will further increase your impact?	Tasks	Person Responsible	Due by
Governance	a.		
	b.		
	c.		
Administration	a.		
	b.		
	c.		
Tax & Legal	a.		
	b.		
	c.		
Investments	a.		
	b.		
	c.		8

