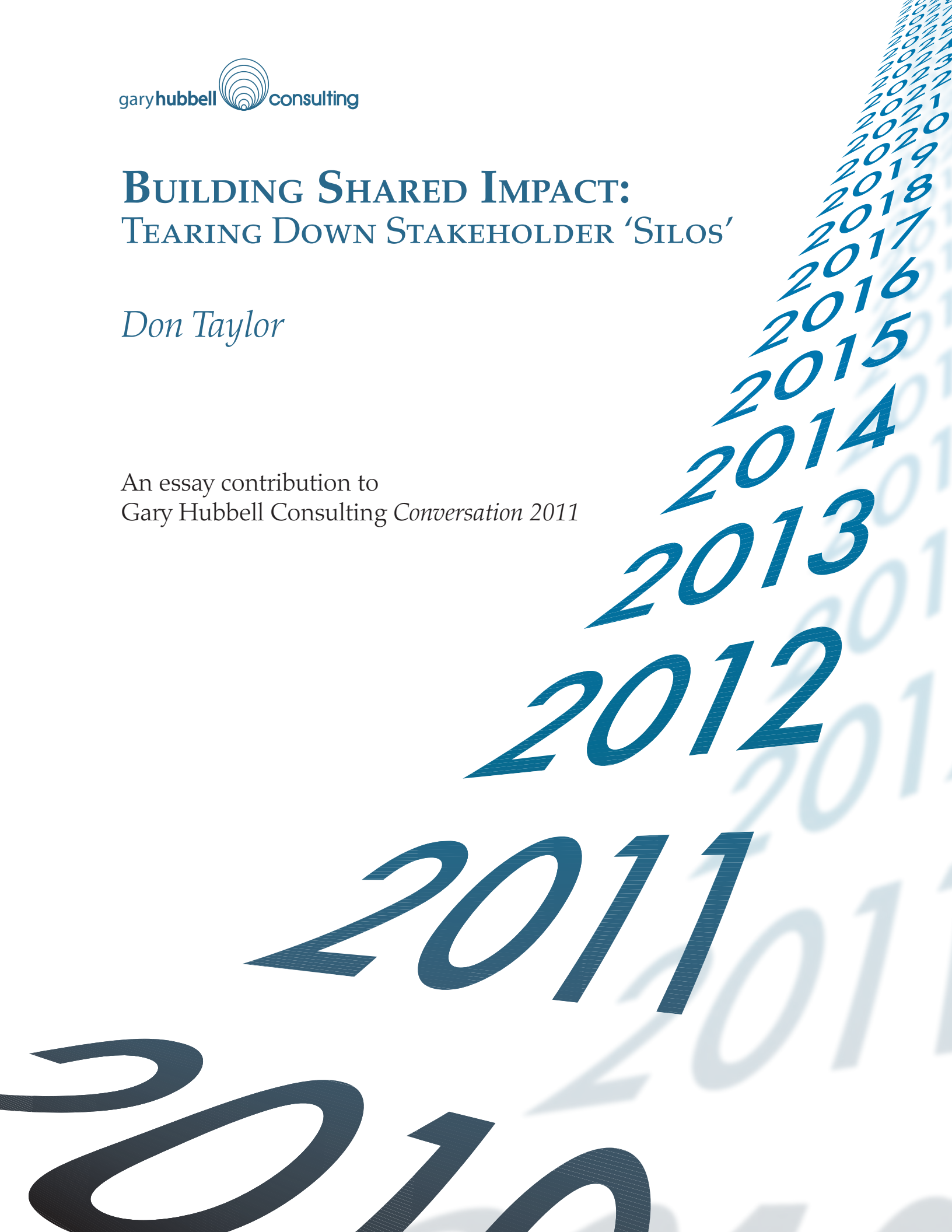


BUILDING SHARED IMPACT: TEARING DOWN STAKEHOLDER 'SILOS'

Don Taylor

An essay contribution to
Gary Hubbell Consulting *Conversation 2011*



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ABOUT GARY HUBBELL CONSULTING CONVERSATION

Annually, Gary Hubbell Consulting convenes and hosts a small hand-picked group of social sector professionals from throughout North America for three days of intense dialogue and critical thinking. We strive to create a thought-provoking, mind-opening, and stimulating conversation about philanthropy, organizational leadership, and social sector change. This deep exploration of the nature and challenges of the philanthropic environment is intended to engage, inform, and inspire senior leaders to be catalysts for change in their own organizations and communities of influence. With each *GHC Conversation*, we seek to establish the seeds of a continuing and enriching network that nourishes us as individuals and helps each of us change how we converse, inspire, and seek new dimensions of philanthropy.

Gary Hubbell Consulting *Conversation 2011*



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Don W. Taylor, CFRE, is Vice President/Development and Client Services at The Minneapolis Foundation. Don joined the Foundation in 2008, working with his staff to build the overall assets of the Foundation, raise funds to support the mission-related work of the Foundation's strategic plan and provide support to the charitable interests of over 600 donor advisor families.

Don's career has focused on non-profit fund development including strategy development, planning, execution and evaluation of comprehensive development programs in human services, education and healthcare. Throughout his career he has served on executive management teams responsible for building and implementing strategic direction for the organizations he has served.

In the development profession nearly 30 years, Don's prior employment includes work as the VP/Chief Development Officer at Courage Center in Golden Valley; Gift Planning/Major Gifts Director at the Carlson School of Management, University of Minnesota; and Directors of Development for the School of Divinity at the University of St. Thomas and the Laura Baker School in Northfield, MN.

Don is a Certified Fund Raising Executive, holding certification since 1987. He holds a Bachelor of Science degree in Music Therapy from the College of St. Teresa in Winona, MN, and an MBA in Nonprofit Management from the University of St. Thomas, Minneapolis/St. Paul.

Don has served the Association of Fundraising Professionals (AFP), Minnesota Chapter, as a board member for eight years and provided leadership to the chapter's National Philanthropy Day and subsequently served as its President in 1993. He served on the AFP National Foundation Board of Directors starting in 2000, serving as Chair in both 2005 and 2006. Prior to service as Board Chair, he also served as Treasurer, Co-chair Strategic Direction and Governance, and Chair of the Every Member National Campaign. In November, 2005, Don was named Outstanding Professional Fundraiser of the Year by AFP, Minnesota Chapter.

Currently, Don is involved in volunteer in-kind consulting and has served several years as a board member of Patchwork Quilt—a non-profit afterschool program serving children in North Minneapolis.

This is Don's second *GHC Conversation*.

BUILDING SHARED IMPACT: TEARING DOWN STAKEHOLDER ‘SILOS’

By Don Taylor

“Large-scale social change requires broad cross-sector coordination, yet the social sector remains focused on the isolated intervention of individual organizations”¹

INTRODUCTION

At Conversation 2010, much of our writing and subsequent discussion focused on the considerable changes in the philanthropic landscape. While recognizing that the underlying anxiety of significant change was at our doorstep, it provided us with a curiosity for creating the future rather than being victim to it. There was consensus that consistent turbulence would exist on our way to defining a new culture of philanthropy. The timeline for developing a new norm could be significant. It may carry with it part of our old norms—but certainly would most likely include some re-invention of what has been. We thought that this new culture would require us (among many things) to find a new kind of alignment among stakeholders. Roles of visionary, teacher and leader would be interchangeable among participating stakeholders. The notion of greater authenticity amongst leaders and less need for control or acknowledgment amongst individual contributors would define greater success.

¹ John Kania & Mark Kramer; “Collective Impact”, *Stanford Social Innovation Review*, Winter, 2011 retrieved December 27, 2010 from http://www.ssireview.org/articles/entry/collective_impact/

Amidst the conversations, there emerged a diagram that I retained and keep on my office wall. It reflects this collective nature of philanthropy—a decidedly new methodology by which many stakeholders from many sectors would work together to solve major social challenges. It challenged previous notions that they could be solved through the efforts of individual stakeholders—management language of “working in silos.” In this new paradigm, individual philanthropists, organized philanthropy, existing institutions (profit and nonprofit) aligned with the social problem, corporations and government would band together through creation of a collection of resources or definition of new public policy or changes to existing policy.

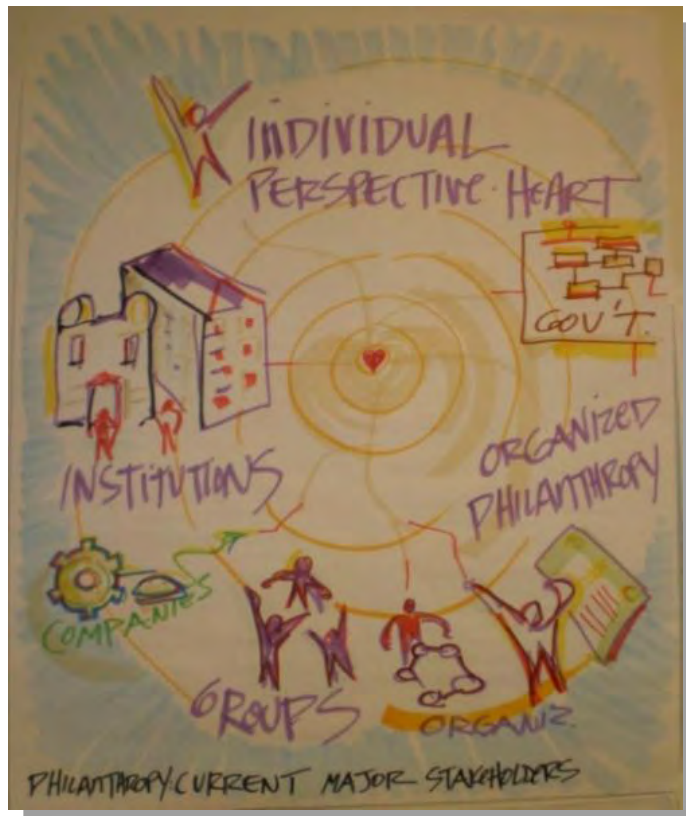


Illustration by Ken Hubbell, 2010

That diagram and much of my work in the past year has given me opportunity for continued reflection and some research. In that effort, I recognized that collective philanthropy is not an entirely new concept. It *is* a more highly developed and effective iteration of a couple of more recent, less sophisticated concepts. In this writing, I will note the progression to more sophisticated models of working together, cite examples of

collective impact from my professional work and define some of the related challenges to this work.

NOT ENTIRELY NEW

Robert Hughes² talked about the emergence of this type of work: notably its benefits and its challenges.

He provided definitions that noted the differences between collaborations and partnerships among a single-type stakeholder--organized philanthropies. Partnerships add the investment of money or other tangible resources to information and advice sharing that happens in collaborations.

Additionally, the advent of giving circles as a more widely accepted notion of philanthropy surfaced more formally some 20 years ago.³ With giving circles, like-minded individuals pooled an annual gift and granted proceeds toward commonly understood outcomes. Its members thought the likelihood of outcomes/success might be changed because the resource was greater and, because of it, would make a greater impact.

DEFINING A COMMON VOCABULARY

Collective philanthropy acknowledges that there is greater strength in working collectively rather than individually. By pooling philanthropic resources, participants are able to invest in projects of a larger scale and unite diverse coalitions of people with a desire to achieve an expected outcome (e.g., giving circles). As those same circles have matured in concept, there is movement of participants to become more engaged in problem solving—bringing ideas and life and work experiences to nonprofits, not just money—to formulate solutions, provide technical assistance (e.g., Social Venture Partners) and then grant collective resources around a shared strategy. This combination of pooled ideas and resources is thought have brought greater strength to problem solving.

More recently the concept of *leveraged philanthropy* has emerged. Leveraged philanthropy uses that same collected resource to leverage additional resources— with a

² Robert Hughes, *Philanthropies Working Together: Myths and Realities*, Foundation Center; February 2005

³ Tracey A. Rutnik and Jessica Bearman, *The Guidebook to Giving Circles*, Forum of Regional Associations of Grantmakers, 2005

goal of creating exponential impact for every dollar invested. Leverage is achieved by creating financial and knowledge partnerships that have potential to bring in significant resources from partner organizations.

Three specific ways to achieve leverage might include:

Co-investment: Co-investing with other stakeholders borrows from the concept of collective philanthropy. Sometimes that money is used to leverage additional money. For example, recognizing that charitable dollars are never enough to tackle complex issues, collected philanthropic dollars are often used to fund strategies to leverage exponential resources from government. Most recently, in Minnesota, The Minneapolis Foundation worked with other philanthropic leaders to leverage government resources by using philanthropic dollars toward efforts to create an Office of Early Childhood Education as a new part of State government. This development put the partnership on a path to achieve the goal of funding early education for every child in Minnesota—something that never would have been accomplished with philanthropic dollars alone or through an individual stakeholder.

Even more recently, in many states, philanthropic resources have been used to create state-wide plans to leverage “Race To The Top” dollars—federal dollars made available by the Obama administration to begin to create and demonstrate reforms in education.

Knowledge sharing: In knowledge sharing, “best” and “next practices” are shared across different geographies and among varied stakeholder groups. In Connecticut, for example, a policy organization called ConnCAN was created to leverage legislative dollars to fund significant reform strategies. Knowledge gained in that effort has been used to create a parent organization, 50CAN, and eventually develop a nationwide movement of education policy reform in all 50 States. In November of 2010, The Minneapolis Foundation partnered with corporate funders, individual funders and other organized philanthropies to build MinnCAN—a prototype of ConnCAN for education reform in Minnesota. Rhode Island has quickly followed. Best practice in “movement” building, working with heads of teacher’s unions and influencing state policy makers will be used in this knowledge sharing activity to create state-wide policy change toward education reform.

Advocacy: Cognizant of the government's important role in providing services and opportunities for its citizens, organized philanthropy, where allowed by law, has worked closely to align funding and advocacy work with some of its policy objectives. The very nature of this work with multiple stakeholders requires alignment of key messages of stakeholder groups toward common goals and “movement building.”

Institutional funders, in particular, have begun to understand the power of philanthropy in creating systems change. Oftentimes, that means going “upstream” on complex social issues to change policy around systems that do not support the goals for which they were originally created. Community foundations, in particular, use convening as a tool to raise awareness—a first step toward creating the “political will” for change, movement building and organizing. In addition to its own policy work, The Minneapolis Foundation allocates unrestricted grants specifically to nonprofits that play significant advocacy roles in our three key strategic initiatives—transform education, promote economic vitality and build social capital.

One of the greatest and possibly most unused tools toward this end is social media. The Obama campaign was one of the first and most successful users to influence political will among its intended younger audience. Actress Monique Coleman⁴ provides a primer for uses of social media and describes it as an important tool “... to connect to other people as a way to give back. Sometimes your biggest contribution is your voice.”

LOOKING TO THE FUTURE AND WHAT WORKS

Lucy Bernholz talks about ten trends for the next ten years. One, “Impact Investing will Surpass Philanthropy” and the second, “Scale will have a Networked Meaning” are directly related to collective and leveraged philanthropy.⁵ In the former, the vocabulary of “investing” has largely replaced language related to “giving.” In the latter, Bernholz asserts that the misconception of scale = big will be replaced by scale = networked. “We will have recognized that problems get solved through ‘small pieces loosely coupled.’”

⁴ Monique Coleman, *How to Use Social Media for Good*, www.letsredu.com/2010/12how-to-use-social-media-for-good retrieved December 30, 2010

⁵ Lucy Bernholz, *Philanthropy 2173 –Ten for the next 10: 2010-2020*, downloaded January 14, 2011 from <http://philanthropy.blogspot.com/>

Examples of collective impact are emerging within this new paradigm. While collaboration is not new, the principles of collective impact are. Unlike most collaboration, collective impact initiatives involve a centralized infrastructure, a dedicated staff, and a structured process that leads to a common agenda, shared measurement, continuous communication and mutually reinforcing activities among all participants. Kania and Kramer describe these as the conditions for collective success.⁶

In their work, Kania and Kramer point to the organization Strive as an example of successful collective impact. Strive, a nonprofit subsidiary of KnowledgeWorks, brought together local leaders in greater Cincinnati and Kentucky to tackle the nation-wide experience of an achievement gap between students of color and their white counterparts.

“In the four years since the group was launched, Strive partners have improved student success in dozens of key areas across three large public school districts. Despite the recession and budget cuts, 34 of 53 success indicators that Strive tracks have shown positive trends—including high school graduation rates, fourth-grade reading and math scores, and the number of preschool children prepared for kindergarten.”⁷

Kania and Kramer attribute Strive’s success to the process of abandoning individual agendas as “silos” among the continuum of stakeholders—for a common agenda that was built by the stakeholders. A common misconception among many is that simply growing philanthropy and throwing a larger pot of money at the problem is the solution. In their effort, Strive built a coalition of more than 300 leaders of local organizations. They included significant stakeholders: leadership of private and corporate foundations, city government officials, school districts, the presidents of eight different universities and heads from hundreds of education-related nonprofits and advocacy groups.

FIVE CONDITIONS—AND THEIR CHALLENGES

Kania and Kramer make reference to conditions for success. I’ve used some of their conditions and added some of my own. I’ve also listed, from my experience, some of the challenges around those five conditions.

⁶ Kania and Kramer (Collective Impact, Stanford Social Innovation Review, Winter 2011)

⁷ Ibid, retrieved online.

Common Agenda—

Success in collective impact requires a shared agenda with shared outcomes.

Challenges:

- 1) **Alignment** - While a shared outcome, (e.g., closing the achievement gap) is clearly shared among stakeholders—each typically has a solution it has previously “owned” and supported. Stakeholders are often firmly rooted in their passions around strategies they have adopted and getting them to align around a shared strategy (which might also be a new strategy) is difficult.
- 2) **Tool box** - Organized philanthropy has encouraged collaboration for years among its nonprofit grantees and funding partners. This relatively new engagement in collective impact has taught them the difficulty that results in building a collaboration. In some respects, organized philanthropy is a newcomer to collaboration and often misinformed about how to make it happen.
- 3) **Time as resource** - Collective impact requires a strategy to be built as a collective. That takes considerable negotiation and time to make it happen, but the outcome often results in better ownership and a stronger strategy for deployment. Oftentimes, the social issues are critical and time sensitive and time to build the collective is seen as a resource gap.

Shared Measurement Systems—

A goal without a shared measurable outcome is just that—a goal.

Challenges:

- 1) **Systems** - Most often data collected around a social issue is often either proprietary or self-contained within a stakeholder’s work. With no way to integrate data from disparate systems, understanding the starting point from which to measure is difficult.
- 2) **“Hero” syndrome** - stakeholder groups have historically been rewarded with increased funding for their good work and positive outcomes in their silos. When the outcome is shared and progress toward that outcome cannot be attributed specifically to one provider—no one stakeholder gets to claim “hero” status and the more important result-- increased funding.

MUTUALLY REINFORCING ACTIVITIES

A “one-size fits all” strategy is not a compelling case to a diverse group of stakeholders.

Challenges:

- 1) **Consensus building** - While Kania and Kramer assert that not every stakeholder needs to be working on the same activities—the combined activities must fit into an overarching plan if their combined efforts are to succeed. Building consensus is time consuming and requires “winners” and “losers” around strategies in the final plan.
- 2) **Who does what? When? Role definition** - Understanding the single most effective efforts toward an outcome are important. Defining the handful of strategies toward the same end requires careful research and negotiation. What part of the coalition is in charge of building the movement? Who among the coalition will provide the direct service? Who will be the lead voice at the legislature? Who’s in charge of managing outcome measurement?

CONTINUOUS COMMUNICATION

Foul ball! Let’s play fairly!

Challenges:

- 1) **Authentic Leadership** - Stakeholders need to understand that all are partners in this process. Trust building takes time and, in particular, trusting those who are in leadership is critically important. Learning that individuals in leadership don’t have personal agendas or that past behavior is not necessarily predictive of current aspirations is part of the trust building important to success.
- 2) **Vocabulary** - At the onset—a common vocabulary of terms with definitions will help alleviate misunderstanding.
- 3) **Systems** - Finding a communications tool that is accessible, relevant and timely helps build momentum, common understanding of the strategies and outcomes and is critical to movement building. The “theory of no surprises” is supported by good and predictable communications.

BACKBONE SUPPORT ORGANIZATIONS

I thought YOU were ordering food!

Challenges:

- 1) **Roles and Responsibilities** - Creating a support infrastructure is critical to collective impact. Expecting stakeholders to play that role is unrealistic and a prescription for failure. For example, as a part of work with MinnCAN, the stakeholders are creating a separate board for governance and hiring three staff to lead and run coalition-building activity.
- 2) **Adaptive Leadership** - Kania and Kramer describe the toolset for adaptive leadership as critical—ability to focus people’s attention and create a sense of urgency, the skill to apply pressure to stakeholders without overwhelming them, the competence to frame issues in a way that presents opportunities as well as difficulties, and the strength to mediate conflict among stakeholders.

PRESCRIPTION FOR THE FUTURE

The notion of collective impact is gaining momentum in this new paradigm of using collective philanthropy and knowledge partnerships to solve complex social issues. Building an understanding of the new paradigm is critical before it can become the new norm. Understanding how to lead and negotiate through the challenges this new paradigm presents is critical to its success.