

The Donor-Grantee Trap

How ineffective collaboration undermines philanthropic results for society, and what can be done about it.

A guide for nonprofit leaders,
their boards, and their donors

By Thomas J. Tierney and Richard Steele

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Contents

1	Introduction
3	Resource it Right
3	Nonprofits are typically strongly led but under-managed
4	Many organizations are trapped in a “starvation cycle”
6	Resourcing for results
9	Pursue Partnership
12	The power of shared goals and a productive working relationship
13	Shared Goals
15	A productive working relationship
19	Behaving like partners
21	Get Better Together
21	Measurement as learning
23	Three criteria
26	The importance of “failure”
27	Beyond the Handshake

Introduction

If you had a leak in your water line, would you repair it? What about if you lived in a dry area where water was especially precious, would you invest to avoid wasting a scarce resource? And if your garden was withering as water leaked away, would you care?

Of course you would.

The central premise of this paper is that philanthropy's pipe is leaking—that scarce resources (both money and time) are routinely wasted in the critical linkage between donor and grantee. And as a consequence, our communities—the causes and constituents we are trying to serve—are being unnecessarily shortchanged.

In times of relative abundance, we may elect to overlook this misfortune—we may tend to accommodate our leaky pipe by simply pumping in more water. Today's harsh realities, however, demand the opposite approach. In an era of severe government cutbacks, modest economic growth, and escalating social needs, we need to repair our pipes: Philanthropists and the nonprofit organizations they support must learn to get the absolute most from every scarce dollar they invest.

How might this be possible? While more thoughtful and disciplined strategies are certainly part of the answer, an even more significant opportunity may lie in better *execution* around those strategies—specifically, in *more effective donor-grantee collaboration*.¹ Some donors are relatively hands off with the nonprofits they fund (and make no mistake, a large, unrestricted gift from a supportive donor can be a boon to a nonprofit and its performance). But others, especially foundations, tend to be extremely involved. Such active engagement creates a tremendous opportunity to add value. Far too often, however—and despite the best of intentions on both sides—donors and their grantees “collaborate” in a manner that shortchanges beneficiaries. Donors talk of achieving “leverage” with their gifts—of generating ten dollars of resources for every dollar they contribute. But leverage can be negative as well as positive. Absent effective collaboration, a dollar may yield only ten cents worth of value, undermining the results society desperately needs.

¹ Grant-making organizations and individuals, and recipient organizations, go by many names. For the sake of clarity, this paper refers to all grant-making organizations and individuals as “donors” or “funders.” Recipient organizations are referred to as “grantees” or “nonprofits.”

How can donors and grantees learn to work well together? Reduced to the essentials, there are three imperatives of effective collaboration—for which both parties must share responsibility. They are:

1. **Resource it Right:** Make sure that the grantee has what it takes to get the job done.
2. **Pursue Partnership:** Develop shared goals and a productive working relationship (which demands a certain level of strategic clarity and a reasonable “cost-of-capital” burden on the grantee).
3. **Get Better Together:** Create the necessary conditions for learning and continuous improvement.

These imperatives appear simple; experience has shown, however, that following them almost always requires confronting—and overcoming—some deeply ingrained dynamics, assumptions, and behaviors.

This short paper explains each imperative in turn and highlights how better execution can increase the impact of limited resources. It’s important to note, however, that although we present the three imperatives one at a time, what we’re describing is *rarely a linear process*. In practice, donors and grantees often approach all three imperatives at once, iterating back and forth as their understanding deepens. Most funding situations are messy and evolve over time as donors and grantees toggle from issue to issue. The key is that all three imperatives must eventually be addressed to achieve effective donor–grantee collaboration.

The Donor-Grantee Trap is written for nonprofit executives, their boards, and their major donors. It is based upon and excerpted from the book *Give Smart: Philanthropy That Gets Results*, by Thomas J. Tierney and Joel L. Fleishman, and supplemented with content from several related Bridgespan articles, which reflect The Bridgespan Group’s extensive field experience working with both donors and their grantees.²

² This paper is based on and excerpted from chapters four, five, and six of the book *Give Smart: Philanthropy That Gets Results*, by Thomas J. Tierney and Joel L. Fleishman, with Nan Stone. It is supplemented with content drawn from several related Bridgespan articles, including: “Strongly Led, Under-managed: How can visionary nonprofits make the transition to stronger management?” by Daniel Stid and Jeffrey L. Bradach; “The Nonprofit Starvation Cycle,” by Ann Goggins Gregory and Don Howard; and “Measurement as Learning: What Nonprofit CEOs, Board Members, and Philanthropists Need to Know to Keep Improving,” by Jeri Eckhart-Queenan and Matt Forti.

Resource it Right

Even the most elegant strategy is useless if it can't be fully and effectively implemented. That's why both donors and grantees need to understand and agree on just what it will take to achieve the outcomes they seek. And then ensure that the necessary resources are committed to the effort.

Are the organization's programs adequately staffed for their strategy? What sort of management skills and experience are needed? What processes and systems are required to support programs? Are timelines realistic (given that most projects in life seem to take longer and cost more than originally anticipated)? Those are the kinds of questions to confront, and on the surface, they're pretty straightforward. Unfortunately, two critical "facts of life" that characterize the nonprofit sector make them difficult to answer correctly.

Nonprofits are typically strongly led but under-managed

Consider the first fact: *Nonprofits are typically strongly led but under-managed.*³ The leaders of many organizations may be genuinely inspirational figures and passionate about their work. Their power to set compelling visions, motivate followers, and build strong organizational cultures is impressive. Importantly, however, their backgrounds often don't include management education or operational experience in organizations other than their own.

Consequently, they often fall short when it comes to assessing the need for—and delivering on—critical management responsibilities, such as translating their visions into practical organizational priorities, setting realistic budgets, providing employees with useful performance feedback to better develop future leaders, and defining clear decision-making roles.⁴

They're also not likely to be able to assess their organizations' needs accurately, much less communicate those needs to funders. But changing this kind of scenario

3 Daniel Stid and Jeffrey L. Bradach, "How Visionary Nonprofit Leaders Are Learning to Enhance Management Capabilities," *Strategy & Leadership* 37, no. 1 (2009), <http://www.bridgespan.org/learningcenter/resourceDetail.aspx?id=312>.

4 Kirk Kramer and Daniel Stid, "The Effective Organization: Five Questions to Translate Leadership into Strong Management," published by Bridgespan May 2010, <http://www.bridgespan.org/LearningCenter/ResourceDetail.aspx?id=2624>.

is hard, in large part because the environment in which nonprofit leaders work reinforces visionary leadership at the expense of management discipline.

Rob Waldron, former CEO of the youth-serving organization Jumpstart, remembered telling funders, “I want to be the best manager of a nonprofit in Boston, and I want us to be the best managed nonprofit in America.” He thought the message would resonate. “Based on my for-profit experience, I thought that strong management was what people would seek and want to invest in,” he explained. “But no one gives a &#\$@. They don’t make the decision that way. It’s not the thing that drives the emotion to give.”⁵

Passion, coupled with the ability to make a compelling case for a cause, drives fundraising and enables leaders to attract and motivate staff and volunteers. Management skills and training—essential elements for retaining talented staff, strengthening an organization, and improving its impact—fall into the less-compelling category of “overhead.”

Many organizations are trapped in a “starvation cycle”

This leads us to the second major “fact of life” in the sector: No one wants to pay for overhead. As a result, *many organizations are trapped in a “starvation cycle.”*⁶

The cycle begins with donors (public as well as private) who have unrealistically low assumptions about what it actually costs to run a nonprofit. Nonprofits, dependent on external funding, feel obliged to conform to those unrealistic expectations insofar as humanly possible. To that end, they cut overhead to the bone (a choice often reinforced by their desire to “spend every nickel on the kids”) and underreport administrative expenditures in annual reports, IRS 990s, and fundraising materials to make their operations look as lean as possible. Unfortunately, this only serves to reinforce the unrealistically low assumptions that kicked off the cycle in the first place.

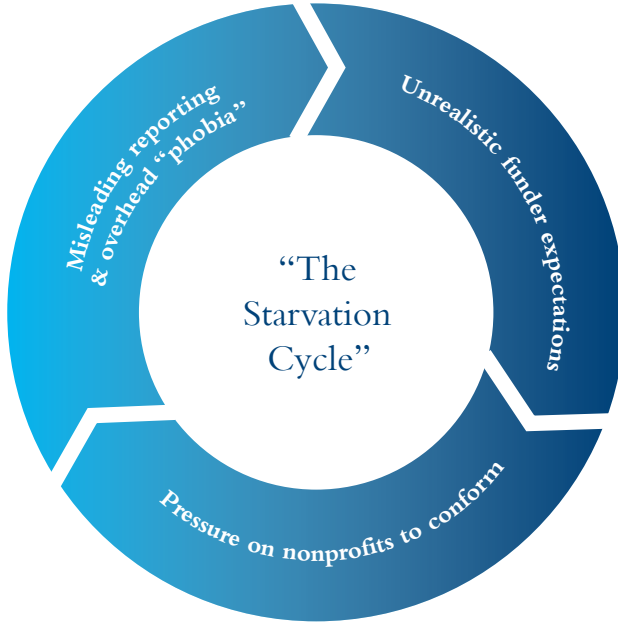
Over time, the term “overhead” gets an increasingly bad reputation, and even overhead costs amounting to 15 or 20 percent of operating expenses seem high (despite a stark contrast between what’s considered acceptable in the

5 Daniel Stid and Jeffrey Bradach, “Strongly Led, Under-managed: How can visionary nonprofits make the transition to stronger management,” published 2008, <http://www.bridgespan.org/learningcenter/resourcedetail.aspx?id=312>. This article also appears as “How Visionary Nonprofit Leaders are Learning to Enhance Management Capabilities” in the January 2009 issue of *Strategy & Leadership*.

6 Ann Goggins Gregory and Don Howard, “The Nonprofit Starvation Cycle,” *Stanford Social Innovation Review* (Fall 2009) pp. 49–53, http://www.ssireview.org/images/articles/2009FA_feature_Gregory_Howard.pdf. See also Kennard Wing, Tom Pollak, and Patrick Rooney, “How Not to Empower the Nonprofit Sector: Under-Resourcing and Misreporting Spending on Organizational Infrastructure,” Washington, D.C.: Alliance for Nonprofit Management, 2004. Wing, Pollak, and Rooney are three of the lead researchers on the Nonprofit Overhead Cost Study.

for-profit sector, where overhead⁷ averages 25 percent across all industries and 34 percent for service industries). Donors expect grantees to do more and more with less and less, and the organization is starved for the resources necessary to deliver results. (The accompanying graphic illustrates the forces that propel the nonprofit starvation cycle.)

The nonprofit starvation cycle



- *Unrealistic funder expectations*: Donors tend to reward organizations with the leanest profiles. They also skew their funding towards programmatic activities.
- *Pressure on nonprofits to conform*: Nonprofit leaders feel pressure to conform to donors' expectations by spending as little as possible on overhead and by reporting lower-than-actual overhead rates.
- *Misleading reporting and underinvestment*: The majority of nonprofits underreport overhead on tax forms and in fundraising materials.⁸

⁷ Selling, General and Administrative Expense (SG&A) as a percentage of sales.

⁸ See also Kennard Wing, Tom Pollak, and Patrick Rooney, "How Not to Empower the Nonprofit Sector: Under-Resourcing and Misreporting Spending on Organizational Infrastructure," Washington, D.C.: Alliance for Nonprofit Management, 2004. Wing, Pollak, and Rooney are three of the lead researchers on the Nonprofit Overhead Cost Study—a five-year research project conducted by the Urban Institute's National Center for Charitable Statistics and the Center on Philanthropy at Indiana University—on which the "Starvation Cycle" builds.

Ultimately, it's the beneficiaries who suffer. As one nonprofit leader commented, "Operating with subpar systems has meant that we simply couldn't support a bigger network. A smaller network, of course, means serving fewer kids." Another pointed out the before-and-after difference since his organization invested in developing a system for sharing and tracking outcomes: "[Before the system], the staff only looked at youth outcomes a few times a year and collecting those outcomes required a 10 to 20 percent premium on the entire staff's time. [Now], the site staff have a lot more time to spend with kids and have access to up-to-date data that can inform their programs."⁹

Even the most successful nonprofits are not immune to the starvation cycle. They usually have to raise the unrestricted funds for each year's operating budget anew, and their leaders never forget that if they come up short in that effort, the organization's very existence may be imperiled. As a result, they're perpetually in "sell mode," externally focused and intent on persuading people to contribute their money, time, and influence to the cause.

Resourcing for results

What can donors and grantees do to be sure that the grantee has what it takes to get the job done? To begin, both have to ask whether the overhead in question is an important piece of the organization's ability to do its work well. For most nonprofits of any size, for instance, it would be hard to argue that a capable CFO would be "bad" overhead. The same applies to a human resource function that will help to develop an organization's people and build its managerial bench strength, or an up-to-date information technology platform that will help staff make better decisions, or a chief operating officer who can manage the organization's administrative systems, leaving the executive director free to focus on program issues, and to develop funding, avoiding burn out. "Good" overhead, in its many forms, is simply what it takes to achieve the results that the nonprofit and its supporters seek.

A growing number of pioneering donors and grantees are taking powerful and exemplary steps to recognize good overhead, and to ensure that the beneficiaries and causes they are passionate about have the most and best support possible. For example, in recent years, many donors are investing to develop and sustain great nonprofit leadership. A number of prominent foundations, including the Edna McConnell Clark Foundation, the David and Lucile Packard Foundation, and the William and Flora Hewlett Foundation, have committed sizable sums of money to building their grantees' organizational capacity as a means of achieving more and better results. The Durfee Foundation's innovative sabbatical program for nonprofit leaders created is addressing this challenge head on. And more

⁹ William Bedsworth, Ann Goggins Gregory, Don Howard, "Nonprofit Overhead Costs: Breaking the Vicious Cycle of Misleading Reporting, Unrealistic Expectations, and Pressure to Conform," Bridgespan White Paper 2008, <http://www.bridgespan.org/nonprofit-overhead-costs-2008.aspx>.

boards are stepping up as well, bringing their own talents and networks to bear to make their organizations more effective and efficient.¹⁰

Importantly, donors are also becoming more mindful of matching the size of their grants with a realistic view of what results they can expect from any given grantee. They're paying attention to absolute funding levels (rather than expecting "a million dollars of results for \$100,000"), offering more unrestricted funding (rather than shortchanging the nonprofit by funding program work exclusively), and having open discussions with nonprofit leaders about the timing of their support (to avoid providing only short-term funding, for instance, when what's truly required for sustainable, positive change is support for multiple years).

At the same time, increasing numbers of nonprofit leaders are "coming clean" about what their organizations really need to deliver on the promise of their strategies. They're thinking strategically about the mix of funding they have and need and striving for initial alignment with donors, despite the real pressure to make ill-fated commitments (such as agreeing to deliver results that aren't feasible given the resources involved) to ensure that at least some money is coming in the door. And they're investing to train and develop their management teams, including next-generation leaders (more and more of whom are coming from the schools of business and public policy with strong nonprofit curricula). What's more, they and their boards are becoming increasingly willing to consider hiring "bridgers"—select individuals capable of bringing the skills and management experience they've developed in their business careers to social-sector organizations.

Here's an example of what can happen when a nonprofit and its donors work together to "resource it right":

During the first four years of its existence, this youth-serving organization, which runs after-school programs offering homework help, tutoring, and a variety of enrichment activities for students in elementary and middle schools, grew rapidly. It added programs and sites largely without bolstering its initial infrastructure or management capacity. Then its leaders, realizing that the organization was overextended but heartened by its early success and driven to increase its impact, developed a strategic plan to guide its future growth. Subsequently, they were able to make a compelling—and successful—case to funders.

Three years later, total overhead costs had increased from 5 percent to 20 percent of its operating budget; the nonprofit grew its non-program staff by 150 percent and made several improvements to its systems infrastructure, including the addition of an intranet and laptop computers to allow staff to share knowledge

¹⁰ Other stakeholders are taking action to support strong nonprofit leadership; the Social Enterprise Initiative started at Harvard Business School by John Whitehead is one example.

and plan meetings more efficiently. But as a result of these investments, the nonprofit also had doubled the number of communities in which it operated. The organization's staff members are far more productive, and the central office can more effectively respond to the needs of individual sites. Most importantly, the organization is fulfilling its mission more effectively.

As its Executive Director reflected, "For years, I was the poster child for low overhead. In my mind, I was saving money on overhead so that we could better serve our kids. What I realized a few years ago, however, was that my penny pinching had the potential to hurt the kids as much or more than it helped them. [Our organization] is a good example of what can and should happen when you pay attention to what investment is really required. We're much higher functioning—and our programs are performing better because of these investments."¹¹

11 William Bedsworth, Ann Goggins Gregory, and Don Howard, "Nonprofit Overhead Costs: Breaking the Vicious Cycle of Misleading Reporting, Unrealistic Expectations, and Pressure to Conform," Bridgespan White Paper 2008, <http://www.bridgespan.org/nonprofit-overhead-costs-2008.aspx>.

Pursue Partnership

Donors often talk about “partnering” with grantees. That’s a well-intentioned description, but “partnership” isn’t usually the first word that comes to mind when nonprofit leaders think about the relationship they have with their benefactors. It’s often more along the lines of an amiable association, where donor and grantee objectives and processes coexist without conflict but don’t necessarily work together to leverage each other’s strengths. Sometimes it’s a forced march, in which the grantee’s chronic need for funding motivates its leadership to accept whatever terms and conditions a major contributor imposes, even if that results in management disruptions, organizational constraints, or strategic distractions. And sometimes—sadly—it’s a train wreck, where despite good intentions on both sides, donor and grantee strategies clash, donor requirements undermine grantee work, miscommunication and distrust become the norm, and both organizations end up wasting resources and shortchanging beneficiaries.

As we said earlier, there are many times where a donor wishes to write a check and have no further involvement. Such gifts (especially if unrestricted!) can be enormously valuable; this form of funding from small and large donors propels a tremendous amount of good work in the nonprofit sector. But if a donor intends to get more involved with a grantee—perhaps by restricting the way that the money can be used, or by attempting to measure the direct results of a grant, or by engaging with the grantee’s leadership team in other ways (offering guidance, facilitating introductions to other possible donors)—then both parties need to pursue the kind of working partnership that ultimately generates the best results for beneficiaries.

Doing so begins with a willingness to try to see the world—and all of its challenges and opportunities—through the other party’s eyes. Which isn’t at all easy: Donors and their grantees typically live in very different worlds.

Nothing underscores that reality more forcefully than the drumbeat of financial urgency, which is barely audible to donors but omnipresent for their grantees. Philanthropists seldom lie awake at night, as nonprofit leaders often do, worrying about how they will find the funds to make payroll, maintain a successful program, or purchase new laptops for their staff. If they did, there might be fewer comments like this one, from a well-respected leader of a highly successful

nonprofit: “I’ve been working with this big name donor, modifying one grant renewal request after another for a full ten months. And even after all that, we still have absolutely no idea where we stand.”¹²

There are certainly times when philanthropists also worry about money, for example during the Great Recession that began in 2008, when many foundations suffered major losses in their portfolios. But by and large, donors worry about the allocation of capital and grantees worry about access to it. Even in the best of times, many nonprofit organizations typically have little in the way of unrestricted reserves available for critical investments or for the inevitable rainy day. And unlike foundations, they cannot bounce back when a sagging economy starts to rebound. Given the constant need to pursue prospects and raise funds, it is hardly surprising that a nonprofit leader’s most important role is usually “fundraiser in chief.” Or that scrambling for funds to meet the annual budget—only to have to hit reset and start the entire money hunt all over again the next fiscal year—is a fact of life for most executive directors, even in quite well-known and well-supported organizations.¹³

These realities frame the legitimate but competing incentives that motivate donors and grantees. Donors want their money to have as much impact as possible and they want as much assurance as possible that it is being used to the absolute best advantage. Grantees, for their part, want to get as much money as possible, for as long as possible, with as few limitations on its use as possible, so they can effectively pursue their program strategies.

These realities also expose a fundamental truth: *Donors always have the upper hand*. Both parties need to understand and acknowledge that, however collegial a donor and grantee aspire to be, they never operate on a level playing field. In most circumstances, it is the nonprofit that is on the front line, driving results with beneficiaries while donors provide the funds that enable them to do so. So it is fair to say that donors (especially major donors) can exert disproportionate influence on a nonprofit, for better or worse. There is an inherent, and significant, *power imbalance* in a donor–grantee relationship, and no amount of goodwill on either side will change that reality.

Moreover, this imbalance is never far from a nonprofit leader’s mind. This dynamic inevitably tempers the willingness to be candid and to provide vital feedback about what’s working and what’s not in the programs, or about the negative consequences of donor behavior on the organization’s ability to

¹² This comment was made to Tom Tierney in the course of a consulting engagement by a nonprofit leader who wished to remain anonymous.

¹³ See also: Cornelius, Marla, Rick Moyers, and Jeanne Bell, “Daring to Lead 2011: A National Study of Nonprofit Executive Leadership” (San Francisco, CA: CompassPoint Nonprofit Services and the Meyer Foundation, 2011).

perform. Yet donors need such understanding as much as grantees do, in order to best serve beneficiaries (and get the most from their scarce resources).

As a cautionary illustration, consider what happened a few years back at a wealthy new foundation, which recruited as senior staff members a cadre of very bright people, all new to the fields in which the donor wanted to engage.

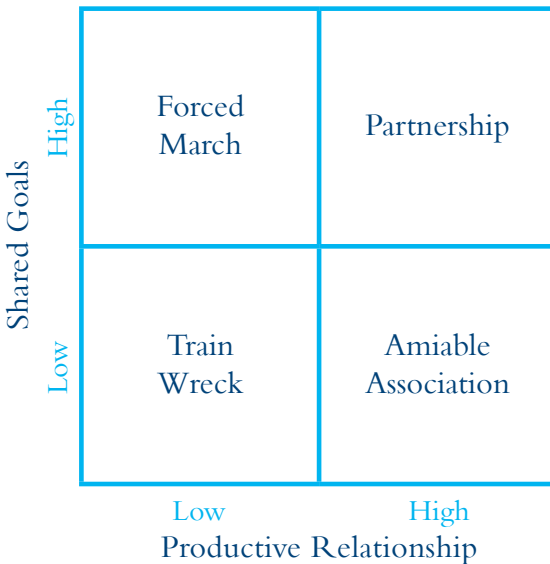
In the course of the first year, the staff designed a “breakthrough” strategy and identified potential grantees they thought might be able to execute on the foundation’s ambitious goals. In effect, prospective grantees were asked to explain what they could do to serve the foundation’s needs, with little consideration given to their own extensive experience or existing strategic plans. The unstated message from the foundation was clear: “If you want our money, you had best do things our way.” And many nonprofits went along, writing compelling proposals, even when they knew that the initiatives might end up conflicting with their own strategic priorities, in part because it was hard to tell where things might end up and they didn’t want to miss a potentially big opportunity.

But before long, it became frustratingly clear that the foundation’s strategy was naive, untested, and confused. Worst of all, by insisting that grantees blindly conform to its needs rather than collaborating, the foundation undermined its grantees’ performance, ultimately achieving only modest impact from some very significant grants. This wasn’t a partnership of equal players with aligned incentives; it was money throwing its weight around to everyone’s detriment.

The power of shared goals and a productive working relationship

Authentic donor-grantee partnerships are characterized by both *shared goals* and a *highly productive working relationship*, as reflected in the graphic below. Partnerships occupy the upper right corner of the matrix. By contrast, the lower left corner, populated by pairs of institutions with opposing strategies and dysfunctional relationships, is the tragic (and costly) domain of train wrecks.

True partnerships are characterized by shared goals and a productive working relationship



Partnership: In a real partnership, donor and grantee together—and continually—explore opportunities to build upon and leverage their relationship through innovative strategies, enhanced collaboration with other organizations and constituents, and increased financial and/or nonfinancial assistance. They have both shared goals and a highly productive working relationship.

Amiable Association: In an amiable association, donor and grantee are not strategically aligned, but the working relationship functions well (perhaps because of limited direct involvement by the donor). This can be highly desirable from the nonprofit’s perspective. However, results might be improved if both parties engaged more fully on strategic issues, adding value and learning from one another.

Forced March: When a donor-grantee relationship looks like a forced march, donors are behaving like owners exerting control instead of like-minded supporters exercising influence. Overall goals are aligned, but potential is lost executing on

those goals given the dramatic power imbalance between donor and grantee. The grantee functions essentially as a subcontractor with a high cost of capital.

Train Wreck: In this scenario, donor and grantee have opposing or incomplete strategies and a largely dysfunctional relationship. Trust, mutual respect, and honest communication are limited. Resources—both money and time—are routinely wasted (although much of that waste is invisible, especially to the donor). At a minimum, efforts fall far short of potential; at worst, harm is done.

Shared goals

If donor and grantee intend to work together in any capacity—whether it involves analyzing strategies, requiring/providing reports to access results, offering/integrating feedback, participating in decision making, or engaging with third parties—they best be strategically aligned.

That is, they need to be clear about, and agree upon, what they are trying to accomplish together; they need to articulate and embrace a *shared definition of success*. And then, they need to agree on *how that success will be achieved*. To that end, they need to decide if: a) the donor's strategy will dominate (that is, the grantee explicitly agrees to follow the donor's strategy, almost like a subcontractor); b) the grantee's strategy will dominate (the donor funds the grantee's existing strategy by supporting a specific program, a grantee-led initiative or the organization overall); or c) the donor and grantee will together develop or align to a mutually-agreed upon strategy.

These three options are far easier to describe than to practice. In part, that's because donors and grantees are often operating in fields where there is a lot of uncertainty about what works, and so homing in on a strategy is often like trying to shoot at a moving target. (Hence, the importance of a productive working relationship where both parties can align around changes in strategy as necessary.)

It's also easier to describe than to do because the first two options require one organization to recognize the other as its strategic lead, and the third requires an inordinate amount of flexibility on both sides—a formidable challenge given that foundations generally have their own goals to attend to, and established nonprofits have their own missions and constituents to consider. In fact, there are only a few scenarios where such balance is very easily achieved (e.g. through tailor-made intermediaries, foundations with strategies that are fundamentally focused upon increasing capacity in a given field, or spurring innovation).

Under almost any scenario, however, donors and grantees can always strive to improve their understanding of one another (and set clearer expectations for

results) if they are willing to engage in open, honest conversation about goals and the associated strategic implications. These behaviors require courage and a dose of humility on both sides of the handshake.

Any other approach may likely lead to wasted resources and underserved beneficiaries. Consider this cautionary example:

A Midwestern foundation approached an East Coast nonprofit that was becoming known for providing job-training services to mothers on welfare. Excited by preliminary data, which indicated the program was succeeding in mitigating this seemingly intractable problem, a senior program officer at the foundation proposed funding a second site near its Midwestern headquarters. Tempted by the prospective donor's generosity, flattered to be courted, and concerned that such an opportunity might not come again, the nonprofit's leader couldn't refuse the invitation to expand, even though the aggressive geographic move was by no means part of its strategy; the organization's top priority was to refine its program model and strengthen its basic capacity.

The venture proved disappointing. What went wrong? For one thing, the foundation could not afford to fund the full program at the new site (a sad reminder of the risks of not having a clear, shared understanding of what programs actually cost and how they will be funded), and the nonprofit hadn't built relationships with any other local funders to fill this breach. Short on funds, the nonprofit's leaders chose to provide a scaled-back suite of services. The problem was, although the original program's early results were promising, the leadership team wasn't sure why that was so; participants received a wide range of services, and it was unclear which of those services actually mattered most in terms of yielding results. The new combination offered at the new site failed to help beneficiaries achieve the outcomes that had been achieved in the original location.

In addition, at the original site, the organization had a strong base in the community and an alliance with local government officials. Would both those factors be necessary elsewhere? The senior leaders didn't have an answer. They had planned to devote time and resources to addressing questions like these, but the temptation of immediate funding to open in a new city where they could serve thousands of deserving mothers on welfare had proven irresistible, so they largely ignored these critical issues.

Meanwhile, performance in the nonprofit's founding city faltered because the leadership team had diverted attention to the start-up effort. Several years later, the nonprofit found itself with a struggling operation and a program model still in need of refinement. Good intentions, minus strategic alignment, derailed both organizations and wasted resources neither could afford to squander.

Could this outcome have been averted? Probably. But not without a set of direct conversations and some different behavior on both sides of the table. The foundation's program officer would have had to be willing to understand and accept the nonprofit leader's existing strategy and priorities. The latter would have had to be both disciplined and candid about communicating his organization's strategy, alongside its real needs and limitations. Both would have had to have a clear, shared understanding of what it really would take to launch a second site and what additional resources might be needed in the first site to support such growth. Had such honest dialog occurred, the upshot might well have been a decision to study the core program and identify its essential tenets before funding replication. Instead, the nonprofit allowed the (flawed) donor strategy to dominate, to the detriment of the beneficiaries they both hoped to serve (and with the added consequence of crippling its own promising organization).

A productive working relationship

When two parties work together productively, the benefits that accrue from that working relationship outweigh the costs. The higher these net benefits, the more productive the relationship. In the case of philanthropic relationships, however, these benefits do not accrue to either the donor or the grantee, but to their beneficiaries (and thus society) by enhancing the probability that together they will achieve results.

In practice, pursuing a productive working relationship means managing the true cost of philanthropic capital and capturing opportunities for the donor to add value beyond monetary gifts.

Cost of philanthropic capital

Relatively small leadership teams, limited infrastructure, and modest staff levels can place enormous daily burdens on executive directors and their direct reports, burdens that even the most well-intentioned donors can unwittingly exacerbate. How? Consider a few examples. Nonprofit leaders rewrite proposals again and again, while the donor's decision making stretches out indefinitely. Donors impose all manner of measurement requirements without stopping to ask what's already in place or whether the measures they're requesting will actually add value to the strategy (and thus improve results). Grantees are invited to—and obligated to attend—time-intensive gatherings, when what they may really need are opportunities to meet other high-net-worth philanthropists interested in their work.

As a result of behaviors like these, the true costs of philanthropic capital are rarely as modest as the direct expenses reported on a nonprofit's public filings would suggest. More often than not, those figures provide only a baseline on

which to add the considerable indirect costs nonprofits incur in the course of working with donors: Courting prospective contributors; preparing and revising grant applications; complying with reporting and monitoring requirements; attending meetings; and all the other activities that are part and parcel of “doing business” with philanthropists and foundations.

The problem isn’t the fact that there is a cost of capital. Philanthropic resources (nonfinancial as well as financial) provide significant benefits, and no sensible nonprofit leader would expect those benefits to come cost free. The problem is that, all too often, the cost of capital escalates out of control, because a grantee’s chronic need for funding motivates its leadership to accept whatever terms, conditions, and behaviors their major contributors impose, however disruptive. Donors have little incentive to try to mitigate these costs or modify their approaches, because the burdens they are imposing remain essentially invisible and free, at least for them. The general absence of consequences to donors who impose an excessive cost of capital enables those costs to go easily unchecked, even becoming borderline abusive.

One well-regarded nonprofit leader recounted a particularly harrowing story that illustrates the kind of burdens philanthropists unwittingly impose, driving up the hidden cost of capital.

A billionaire passed away, leaving three longtime employees who had no experience with philanthropy (and who were themselves not wealthy) to establish a foundation and distribute upward of \$30 million a year entirely on their own.

The nonprofit executive led a large national network that provides after-school programs for inner-city schools. He and his development team sought a meeting with these novice philanthropists. The latter were receptive and enthusiastic; they met with some of the national network’s board members, went on site visits, and indicated serious interest in helping grow the organization’s national footprint. Encouraged, the network submitted a request for \$10 million to support expansion to four new cities.

Two months later, the donors replied that they weren’t interested in a major gift after all but would consider supporting a couple of schools in full, covering everything necessary to achieve good results. Could the network pull together a proposal like that?

Setting aside their disappointment (and frustration), the executive director, his development team, and some of the local offices put together a new proposal. They researched the best sites and carefully calculated the costs, which included transportation for the students and national office staff to support the start-up

as well as staff on site in the new locations. The price tag came to just under \$1 million over three years.

Weeks went by before the donors replied that the numbers didn't seem quite right. According to their calculations, overhead accounted for 40 percent of the proposal's cost, and they were unwilling to consider anything over 15 percent. Direct program costs, like the new staff were fine; funding for the national staff or transportation was not. The executive director was astonished, but the donors seemed to be setting arbitrary standards; they weren't interested in further discussion, analysis, or explanation. Without transportation, the kids couldn't get to the programs. And without support from the national staff, the new sites would be reinventing the wheel, without any of the deep expertise the network had already developed.

Unable to agree, the donors and the nonprofit parted ways. For the donors, it was just another proposal to reject and a self-funded journey along their learning curve. For the nonprofit, it was nine months of senior staff time and hundreds of hours of work wasted.

Value beyond money

While an excessive cost of capital reduces the productivity of a donor-grantee relationship, adding value beyond money can dramatically enhance it. The time and influence a donor contributes to a grantee can often be as valuable (or even more valuable) than the grant money itself. A donor's greatest contribution may be raising awareness of the organization among other potential donors and facilitating introductions, for example, or serving on the board, or becoming an informal advisor to the executive director. Each case is unique, but continually exploring the different ways in which donors can add value and help drive the strategy through effective dialog between donor and grantee is important.

The relationship between Communities in Schools (CIS) Board Chair Elaine Wynn and President Dan Cardinali provides a good example of the powerful returns of a relationship in which money is just one element of the value added between donor and grantee.

Deeply invested in the health of Las Vegas where they built their wealth, Wynn and her former husband, Steve, were especially concerned about the city's high dropout rate. Serendipity stepped in when a friend from Sacramento told her about CIS Founder Bill Milliken.

CIS connects schools with resources that already exist in the community, bringing services, parents, and volunteers into schools to act as a "community of caring adults" to work with educators.¹⁴ And, as Wynn remembers thinking after

¹⁴ Communities in Schools, <http://www.cis-pa.org/>.

meeting Milliken, “The approach made a tremendous amount of sense to me as a businessperson who understands about leverage. We decided to try a pilot in Las Vegas, and that was the beginning.”¹⁵

In the ensuing years, Wynn expanded her involvement with CIS, where she now serves as chair of the national board. Importantly, though, her commitment to the organization still rests on her belief in, and respect for, the CIS model. For Cardinali, who became president in 2004, this is the most critical part of their relationship: “When we first met, we spent a lot of time talking through the ‘DNA level’ of the mission. It’s a high degree of comfort for me knowing that not only does Elaine understand our mission, she is passionate about it and she understands the intricacies of the work.”

According to Cardinali, this same familiarity enables Wynn to contribute more, and more thoughtfully, as a partner in the organization’s success: “As I embark on opportunities or leadership challenges, I have someone as partner and leader that I can go to and test ideas, without having to explain nuances. How things relate, and why they are challenges, are intuitive to her now.” What’s more, Cardinali said, “Elaine encourages testing and exploring ideas, so I don’t feel I have to be perfect, and I don’t expect her or Bill [Milliken] to be. We agree that unless you’re pushing boundaries you’ll never maximize results. So we rarely get in a conflict.” Frequent communication, in the form of a standing weekly call, creates a forum for their conversations.

Meanwhile, Wynn has created clear boundaries for her role and has been explicit about how and where she can best add value. “I’m not in the trenches, so I try to embrace what happens there, but I leave execution to Dan. My job is keeping us focused on the mission and the vision, and providing guidance on prioritization.”

In the time that Cardinali and Wynn have worked together, CIS has made exceptional strides. The organization is now reaching 1.3 million students annually, in 25 states and Washington, DC.¹⁶ A rigorous national evaluation has shown that CIS both keeps kids in school and increases graduation rates.¹⁷ When the program is implemented faithfully, according to the national model, CIS schools have more fourth- and eighth-graders reaching reading and math proficiency than comparison schools.

15 Quotes in this section are derived from an interview with Elaine Wynn and Dan Cardinali, conducted by Alison Murphy and Nan Stone on July 27, 2010.

16 Communities In Schools, “President’s Message,” Inside CIS 5 no. 3 (June 2010). http://www.communitiesin-schools.org/media/uploads/attachments/Inside_CIS_June_2010.pdf

17 Communities In Schools and IFC International, “The Communities in Schools National Evaluation: Mid-Level Findings,” 2008, http://www.cislosangeles.org/static/media/uploads/attachments/The_Communities_In_Schools_National_Evaluation_Mid-Level_Findings.pdf

Behaving like partners

When nonprofit leaders are asked what, in their experience, distinguishes the most effective donor-grantee partnerships, they invariably cite the same three characteristics: clear communications, consistent expectations, and a sense of mutuality and respect.¹⁸ In essence, they are saying, “Treat us the way you’d want to be treated if our situations were reversed.” It sounds simple, but in reality a lot can get in the way, even when there is a single donor decision maker. When there is more than one, as is usually the case in larger foundations, the opportunities for confusion and miscommunication increase exponentially.

The fact that grantees have little incentive to tell philanthropists bad news about how the relationship is going further complicates communication; however, the Center for Effective Philanthropy’s (CEP) innovative Grantee Perception Report (GPR) provides a powerful way to help clear this particular hurdle. CEP administers this survey on a foundation’s behalf to all of its grantees, helping them get an accurate—and anonymous—report on what the relationship looks like from the other side. How satisfied are grantees? What can the foundation do better? By providing a safe forum for vital feedback, the GPR has helped more than 190 donors, including such well-known foundations as the Bill & Melinda Gates Foundation and the David & Lucile Packard Foundation, improve their effectiveness with grantees.

As Jeff Raikes, CEO of the Bill & Melinda Gates Foundation, put it, “The bigger the challenges and the more ambiguous the solutions, the more you need to hear a wide variety of viewpoints to innovate and learn.”¹⁹ Given those views, Raikes asked CEP to survey all of the foundation’s grantees. When the report came back, it revealed considerable dissatisfaction with the way the foundation made decisions, communicated with grantees, and explained its strategies and goals. Instead of suppressing the criticisms, though, or dealing with them “offline,” Raikes wrote them up in his annual letter (which he posted on the foundation’s website), along with a set of action steps for getting better.²⁰ He has been equally active and forthright about reaching out to employees (who reported similar feelings of frustration with foundation decision making), to independent experts in fields the foundation funds, and to journalists who have been critical of the foundation in their columns and articles. “I may not agree with everything they say,” Raikes noted. “But it is important to understand how they see the world and to factor it into our thinking.”

18 Ellie Buteau, Phil Buchanan, and Timothy Chu, “Working with Grantees: The Keys to Success and Five Program Officers Who Exemplify Them,” Center for Effective Philanthropy, 2010, http://www.effectivephilanthropy.org/assets/pdfs/CEP_Working_with_Grantees.pdf.

19 All of Jeff Raikes’ quotes in this section are from an October 20, 2010, interview with Raikes conducted by Nan Stone and Tom Tierney.

20 Jeff Raikes, “Grantee Perception Report Summary,” Bill & Melinda Gates Foundation, June 15, 2010, <http://www.gatesfoundation.org/learning/Pages/grantee-perception-report.aspx>.

Even with tools like the GPR, though, communication channels between grantors and grantees are rarely tidy. It's not at all unusual for informal decision-making dynamics to collide with formal procedures. This can happen when a benefactor or family member is passionate about a particular program or grant that may not be aligned with the foundation's guidelines. Or communications may get distorted because a foundation program officer hesitates to deliver a tough message or a potential grantee clings to false hopes by hearing (only) what he or she wants to hear. Communication around money is always complicated, especially when it is laced with all manner of emotions from passion for a mission to fear of failure, and where there may be too little shared understanding and mutual respect.

Nothing in life is static, and donor grantee relationships are no exception to this rule. Even when donors and grantees have created the basis for an effective partnership—through careful mutual selection and by “right-sizing” a grant (resource it right)—it will require continuing care and vigilance to remain effective. It also will require a commitment on both sides to share what management expert Jim Collins refers to as the “brutal facts.”²¹ Why? Because the goals that donor and grantee jointly agreed to will likely evolve over time, as the strategy is implemented and evolves. And because the relationship itself will ebb and flow as new information emerges, new needs take shape, and/or new players enter the picture. Consequently, the more clarity there is, the better: Clarity about the funding strategy and goals; about how and when go/no-go decisions will be made; about milestones and expected outcomes; and about application and reporting requirements. At the Case Foundation, for example, every commitment has its own grant document, which is short on legalese and long on expectations. “No lawyers work on [these documents],” Co-founder and CEO Jean Case observed. “There are written expectations on both sides around what we're each going to bring to the party, and what we hope to see in return, and what we'll do to evaluate that along the way. We try, with due diligence, to make clear what each side is and is not going to do.”²²

21 Jim Collins, *Good to Great* (New York: Harper Business, 2001).

22 Quote from an October 4, 2010, interview with Ally Burns and Jean Case conducted by Allison Murphy, Nan Stone, and Tom Tierney.

Get Better Together

What would nonprofits do to achieve better results if they had time, ample resources, and *no pressure at all from funders to generate progress reports of any kind?*

Ideally, they would continually track and reflect on their performance in a manner that would help them improve their programs. They would home in on the truly vital metrics that could help them measure their current performance against their strategy and the needs they're trying to meet. They would gather data relevant to decisions about what to stop, start, continue, and refine—all with an eye toward increasing their impact.

Unfortunately, even though measurement *is* perhaps the single most powerful tool that nonprofits and their donors can use to get better together, it's rarely deployed to that end. Here's what often happens instead:

Donors tell their grantees what kind of reports they must produce in order to qualify for funding. (In many cases, these reports are standardized; donors often don't often customize measures and reporting around specific strategies.)

Chasing money, executive directors and their staff accommodate funder demands (even when there are multiple funders, each with different reporting requirements). And although the pressure to achieve “measurable results” can enhance strategic performance, in far too many cases, misguided measurement becomes primarily a cost of capital—a burden rather than an opportunity to improve.

But the burden—and the missed opportunity—generally remain hidden. Happy talk prevails in public because donors and grantees need each other (and because they normally share a common passion). In private, however, hand-wringing can become the order of the day as reporting-related frustrations boil over on both sides. And instead of getting better together, money and time are wasted, people burn out, and beneficiaries suffer.

Measurement as Learning

How can donors and grantees use measurement to its greatest potential effect? How can they get better together? The solution demands that both parties trust and respect one another—and believe fervently that there is always room for

improvement. Donors must make the effort to ensure that the metrics they want to see are useful both as performance indicators and as tools that can help the nonprofit organization improve its results. And nonprofit leaders must find a way to measure data that will help them get better at what they do regardless of specific donor requirements (In our experience, grantees that develop these capabilities are ultimately better positioned to do the measurement work required by donors, even when those efforts are distinctly different—possibly because of their experience gathering meaningful data and analyzing it, and the organizational culture of accountability and results that can develop as a byproduct of that experience.)

Put another way, getting better, steadily better, requires *learning*. This is as true for philanthropists and grantees as it is for athletes, business executives, actors, and doctors. When people and organizations become set in their ways, as a result of arrogance or inertia, they stifle useful learning. Entire industries, like US auto manufacturing, have fallen into this trap. And we all know individuals who seemed to stop learning in their thirties or forties, probably because learning can be difficult and uncomfortable. It requires a certain degree of humility—an ability to acknowledge what you may not know or may have gotten wrong—plus the personal resolve to invest the time and energy to steadily improve.

It also requires relentless focus. Not all learning is created equal. It's easy to become distracted by (and “learn” something from) *information that seems interesting but is not necessarily germane*. But a seemingly limitless supply of data (along with a myriad of tools to help gather it) and competing points of view can confound rather than instruct. Learning requires thoughtful discipline about what elements matter most.

We know of one philanthropic organization, for example, that with the best of intentions developed reporting requirements that unfortunately were extremely burdensome to the grantee, and ultimately too confusing for both donor and grantee to be useful. In the spirit of trying to learn all that it could about the programs it was funding and also ensure that its grantee was staying on track to deliver on expected results, this donor kept enthusiastically adding to the list of items it wanted the grantee to track. Before long the grantee was measuring more than 80 indicators, overwhelmed by the very act of measuring, and learning nothing in the process.

In another scenario, an inexperienced donor in the education field, intent on being “performance driven,” imposed an impossible ultimatum on its grantee. The donor provided funding for just one year's worth of programming without taking into account the fact that the change it was seeking would take more than one funding cycle to achieve. The donor also ignored the implications for

the organization if it was unable to qualify for a renewal. Essentially, the donor said, “We’ll pull the funding if you’re not meeting your targets,” which led the nonprofit leaders to decide that they couldn’t reasonably hire—and commit to—the staff and infrastructure improvements they would need in order to make progress towards meeting the targets.

So which performance measures are worth the effort and expense to develop? To paraphrase Mario Morino, a founder of Venture Philanthropy Partners and one of the most knowledgeable and thoughtful philanthropists around, measurement should be a means to an end, not an end in and of itself. The end is helping nonprofits create greater benefits for the people and causes that they and their donors serve. That, in turn, as Morino has noted, requires “gaining real clarity on the change we are trying to create . . . figuring out what information is most helpful for determining how we’re doing, and using this information to guide our key decisions and actions.”²³

Put another way, when measurement is used as a vehicle for continuous improvement, it serves less like a scorekeeper and more like a coach. It is akin to what the business world knows as “performance management”: Collecting ongoing quantitative and qualitative data about an organization’s programs and activities so that both donors and nonprofit leaders share an informed point of view about performance, and can thus make better decisions, yielding better results.

Three criteria

Three simple criteria can help donor and grantee find common ground about what to measure and when. All measures should be *strategic*, *situational*, and *actionable*.

The most important measures are those that *inform strategy*. Strategies are always grounded in a set of assumptions about the context and behavior of others, assumptions that require testing and can quickly become outdated. Donors will not deliver results (much less get better) if the nonprofits and initiatives they fund are not strategically robust; nonprofits will underperform unless they have adequate strategic clarity about how they intend to achieve success and are able to course correct over time.

The right measures are also *situational*. If a donor or grantee is making a long-term financial commitment to a new and relatively risky initiative (such as funding a remedial program for juvenile dropouts or working to reduce urban poverty), multiple measures will probably be essential to test and refine the

23 Mario Morino, “Social Outcomes: Missing the Forest for the Trees?” January 8, 2010, Venture Philanthropy Partners, http://www.vppartners.org/learning/perspectives/corner/0110_social-outcomes.html. See also: *Leap of Reason: Managing to Outcomes in an Era of Scarcity*, Venture Philanthropy Partners; May 1, 2011.

initial theory of change.²⁴ (In contrast, if a grant is going to support the purchase of conservation lands or a large contribution to an alma mater, it's possible that very few measures will be needed.)

A nonprofit's circumstances also will dictate different measurement needs and approaches: The nascent and unproven after-school program for dropouts needs basic measures to assess its early outcomes and refine its program model; the well-established conservation organization with a proven strategy may benefit more from measures that can help it scale or replicate.

Finally, the best measures are *actionable*. If donors and/or grantees cannot connect a given measure to improved decision making, then it's probably of limited use.

Consider an excellent illustration of corporate philanthropy: Goldman Sachs' *10,000 Women*. This is a \$100-million, multiyear charitable effort, where the Goldman team decided from the outset to invest in measurement practices that would drive results and enable continuous improvement. The basic principles embedded in this initiative apply to most (if not all) situations where donors and grantees want to get better together—even when resources are far more constrained.

10,000 Women was launched to provide underserved women around the world with the business education and support services (mentoring, networking, advising) they need to grow their businesses, and by doing so, to foster economic growth. Since its inception, Goldman's *10,000 Women* team has worked purposefully to develop, and refine, a measurement system that actively engages partnering organizations (grantees) and beneficiaries (the women they serve) to ensure that performance indicators provide relevant information to decision makers who can then take action based upon what they learn.

This discipline holds true throughout the initiative, with Goldman staff routinely emphasizing measurement in their interactions with grantees and program staff following the progress of individual women, continuously gathering feedback, and applying what they learn to improve on their work.

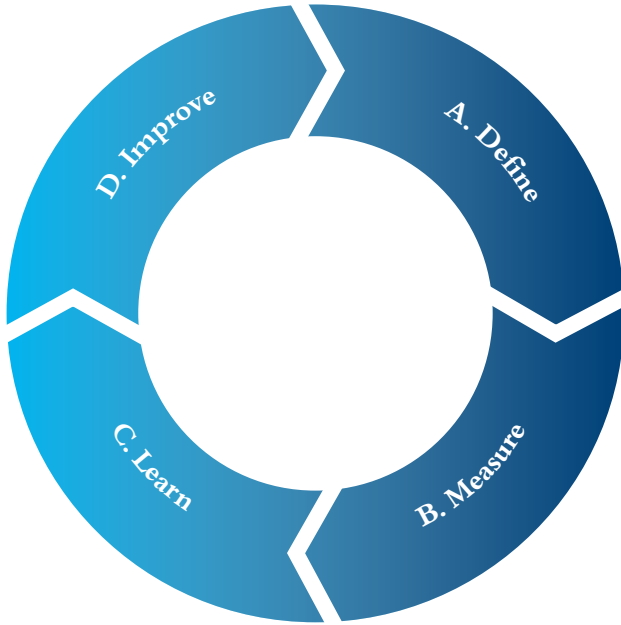
Marcele Carneiro Gama Viana, *10,000 Women* project manager at the Brazilian university Fundação Dom Cabral (FDC), provides one example. Through that program's measurement system, she explained, "We've been able to learn very quickly what is working and where our Scholars [participants] need more help. For example, we were very surprised to learn that 90 percent or more of the Scholars in our first cohort had not given formal feedback to their employees over the past 12 months. We knew we needed to revise our human resources

²⁴ Susan Colby, Nan Stone, Paul Carttar, "Zeroing in on Impact," *Stanford Social Innovation Review* (Fall 2009), http://www.ssireview.org/images/articles/2004FA_feature_colby.pdf.

module to ensure a focus on this critical issue. The measurement has helped us make quick adjustments like this so the next cohort can benefit right away.”²⁵

The accompanying graphic and sidebar illustrate how nonprofit leaders and philanthropists alike can use measurement purposefully, to get better together.

Performance measurement lifecycle



Define

- Define intended impact (what results you will achieve) and theory of change (how you will achieve results)
- Anchor your measurement and learning strategy to the above

Measure

- Collect information
- Verify/validate
- Input into data system

Learn

- Analyze information
- Generate reports
- Draw out insights
- Wrestle with and refine insights (using learning forums)
- Propose improvements from the insights

Improve

- Agree on improvements (in decision forums)
- Implement improvements

25 Jeri Eckhart-Queenan and Matt Forti, “Measurement as Learning: What Nonprofit CEOs, Board Members, and Philanthropists Need to Know to Keep Improving,” Bridgespan White Paper, 2011, <http://www.bridgespan.org/measurement-as-learning.aspx>. For further reading, see also Jeri Eckhart-Queenan and Matt Forti, “Ten Thousand Strong,” *Business Strategy Review*, Issue 2–2011.

The importance of “failure”

No one likes to fail, especially with others watching! Yet “failure”—falling short of one’s objectives—is commonly recognized as an essential component of learning. For instance, if all academic performance were only rated on a pass/fail system, with essentially everyone passing, it would be much harder to identify and address one’s shortcomings. Worse yet, it would lead to complacency, blissfully masking one’s true performance.

The nonprofit sector is an almost ideal setting for just this sort of avoidance and self-deception. Grantees have little incentive to take the initiative in reporting “mistakes” to donors, lest they diminish their reputation and jeopardize future funding. It isn’t that they intentionally try to deceive their donors; just that, at the margin, good news is more likely to flow than bad news.

Donors, for their part, are often not inclined to be rigorous about exploring where their funds might have been “wasted.” They may appreciate the concept of learning from mistakes, yet in philanthropy, failure is like the crazy uncle people whisper about but rarely acknowledge—even though, ironically, many philanthropists view their work as providing “society’s risk capital,” and failure is a natural element of any effort that involves risk. In fact, in dozens of interviews with philanthropists, we found only a handful of individuals willing to discuss examples of failure, even off the record.

It doesn’t help that simple-minded media reports tend to reference any effort short of perfection a failure, regardless of the value the initiative actually creates. Labeling something a failure begs the question: A failure relative to what? To doing nothing? To not trying in the first place? Since we have not yet cured cancer, this logic would suggest that the billions of dollars of philanthropic and public-sector funding committed to cancer research has failed—an unlikely conclusion in the minds of most people.

Acknowledging the reality that most results are not binary, and that learning occurs from all manner of shortfalls and imperfections, some innovative donors and grantees are pushing ahead in defense of failure. The Robert Wood Johnson Foundation, for example, has published an annual volume for more than a decade that includes lessons learned from unsuccessful initiatives, while the William and Flora Hewlett Foundation is one of a number of leading foundations that post their so-called failures on their website. This form of transparency nurtures learning beyond the boundaries of any given organization to the general benefit of society.

Beyond the Handshake

It is easier to be good than great, and easier still to be mediocre. It is easy to shake hands, write a check, accept a contribution. But these days, that is not enough.

It is not enough for donors who are generously investing their scarce resources. It is not enough for the nonprofit leaders working long hours to help make our world a better place. Most important of all, it is not enough for the people and causes donors and grantees jointly seek to serve.

At a time when resources are chronically scarce (and society's needs are escalating), effective collaboration will enable donors and grantees to achieve more results with the same (or fewer) resources. We know that such collaboration is possible because we've seen it in action. The imperative is to make it the norm rather than the exception, to go beyond the handshake and work effectively together in pursuit of shared goals, to accept our mutual interdependence and collaborate for the common good.

How can we ignore this opportunity?