



APPROACHES TO ASSESSING OVERALL PERFORMANCE

Measuring foundation performance is notoriously difficult, but three foundation leaders shared their ambitious and creative approaches to foundation-wide assessment. Kristen Burns, President of REDF, Bill McAlpin, Executive Vice President and COO of the Rockefeller Brothers Fund (RBF), and Kathy Merchant, President and CEO of The Greater Cincinnati Foundation (GCF), discussed their experiences in developing assessment approaches appropriate to their missions and organizational needs.

A COMMUNITY FOUNDATION: MATCHING ASSESSMENT TO MISSION

The Greater Cincinnati Foundation is a large community foundation serving eight counties in three states. When Kathy Merchant arrived at the foundation eight years ago, it had no written strategic plan and no metrics for any of its activities. Merchant first worked with the board



BILL MCCALPIN, ROCKEFELLER BROTHERS FUND

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but about learning and improving.”*

—Bill McAlpin

to create a strategic plan, then turned her attention to developing assessment tools.

The quarterly report Merchant developed for the board includes a performance overview explicitly organized around the foundation’s mission, core values, and beliefs. Merchant’s take on what matters is clearly laid out both in the highlights and in the organization of the material in four categories: financial results, customer (donor) solutions, internal competencies, and “learn and grow.” Each of these areas is further organized around a key question and objectives, making the document a springboard for important discussions at the board level about what is and isn’t working.

Merchant supports GCF’s assessment efforts with information-gathering in several areas. For example, the foundation surveys not only current donors, but also the potential donor pool of high-net-worth individuals and the estate professionals – lawyers, accountants, trust officers, and financial advisors – who work with them. GCF’s customer focus reflects the needs and concerns of a foundation that is intensely responsive to and dependent upon the community it serves.

A FOCUSED FUNDER: FEEDBACK AND REFLECTION

REDF’s mission is to move people out of poverty. It provides high-engagement funding and non-monetary assistance to a portfolio of nonprofits that employ individuals with histories of homelessness, incarceration, disabilities, substance abuse, and other barriers to employment. With its clearly defined mission and grantee group, REDF has, in some ways, a simpler performance assessment challenge than a large, more diversified community foundation such as GCF. Through its “Real Indicators of Success in Employment” (RISE) system, REDF interviews employees in the enterprises it supports every six months, tracking their income, housing status, and other factors.

“True assessment demands a willingness to acknowledge and learn from mistakes,” said Kristen Burns. To measure its own effectiveness, REDF relies upon approaches such as annual two-way interviews with grantees, 360-degree staff performance reviews, and built-in time each week and month for staff reflection. The two-way interviews are very useful, says Burns, “because we have long-term relationships, so we get very candid responses.”

For example, in 2000, REDF combined financial and social measures of grantee performance to create a rating for “social return on investment” (SROI). After grantees made it clear they didn’t find this rating useful, REDF returned to reporting separate financial and social data. Reflection and feedback also led to a decision to revise and update the RISE system. “In some cases we over-built,” said Burns. “You need to think about what data you really need to know.”

For Burns, the key to assessments lies in what action they prompt you to take next, and the key to acting is preparing people for the assessment process. “You have to be sure all of your stakeholders are ready to face the truth about effectiveness,” she advised.

A LARGE, PRIVATE FOUNDATION: ASSESSMENT AS A TOOL FOR LEARNING

As Burns’s comments imply, program staff, grantees, and even board members may feel threatened by assessment. Describing the assessment efforts of the Rockefeller Brothers Fund, Bill McAlpin explained how a 65-year-old foundation with a deeply rooted culture dealt with this anxiety. For example, RBF has a history of embracing risk and supporting grantees early in their

development, even though it isn’t always clear how things will turn out. As RBF began work on assessment, program officers spoke up for this long-standing tradition. “Don’t move us away from that, they said,” according to McAlpin. “Don’t tell us objectives and propel us toward them and take us away from these opportunities.”

To increase the organization’s comfort level with assessment, RBF framed it in terms of reflection, learning, and improvement. The board formed an ad hoc committee on assessment that included both assessment supporters and skeptics to ensure a robust series of conversations. Program officers were also included because, McAlpin said, “they would be most affected by the outcome.” The committee recommended an annual review of RBF operations, new ways of reporting on grantmaking, and surveys of staff, the board, and grantees. For the staff, seeing that the board would participate in assessment (through the Center for Effective Philanthropy’s Comparative Board Report) was “an important symbolic step,” said McAlpin.

At the program level, RBF has instituted changes at both ends of the grantmaking process. The format for presenting new grants requires more detailed descriptions of objectives. Ongoing reporting takes the form of program update memos that capture learning, set work plans, and set out accountability for objectives. Asked about developing indicators of effectiveness, McAlpin said, “Our first step is to get program officers to think about impact. As they do that, they may begin to develop indicators.” The key, he added, is recognizing that “program update memos will only be useful if they are brutally honest. This is not about scoring and judging, but about learning and improving.”



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