



COMMUNICATING DURING TIMES OF CHANGE

In presenting Grantee Perception Reports® — assessment tools provided to individual foundations based on comparative data gathered in our grantee surveys — over the past three years, we have worked with a number of foundations undergoing changes in their priorities, processes, and leadership. Some of these foundations surveyed their grantees during major changes, while others surveyed grantees immediately after changes had taken place. These foundations were often rated less positively than the median foundation in their communications. This makes sense: Grantees might be confused or unsure about what these changes might mean for the potential of continued funding from the foundation.

There are exceptions, however. Several foundations received high ratings from grantees even while making significant changes in their grantmaking. The David and Lucile Packard Foundation, for example, had undergone a significant reduction in grantmaking in the months preceding CEP's surveys.¹ CEP surveyed grantees who had been informed that their funding areas would be discontinued as well as grantees whose funding areas were to be continued. On most dimensions, there were no significant differences in how these two groups rated the foundation.^{2, 3} The key was that the foundation was proactive in informing grantees about changes. For example, the foundation's program officers, program directors, and CEO personally contacted each grantee whose funding was to be discontinued to explain the reasons for the cutbacks.

As one Packard grantee wrote:

We understand that the foundation has been undergoing changes, and these changes have affected us as we try to understand the scope and focus of the foundation's interests and who we should talk with.... We appreciate the foundation's support for our work during

this period and the candor and transparency of communication that foundation staff have shown — these have been invaluable.

As Chris DeCardy, the director of communications, told us, the foundation's communications flowed out of its programmatic goals:

We were committed to smoothing the transition with grantees. So in that year, we increased our payout beyond the minimum 5 percent. With current project grants and multiyear grants, we worked with grantees to repurpose grants if that would be helpful to them. Further, we opened our organizational effectiveness program to phaseout grantees. In some cases, our transitions were longer term, and the funding we provided to some phaseout grantees lasted up to three years.

DeCardy stressed that the foundation sought to be proactive and straightforward:

We had three goals in communicating these changes with grantees. We wanted first for grantees to hear from us directly, and not through others or innuendo. Second, we wanted grantees to hear from us as soon as we knew, and as much as we knew. Finally, if we didn't know the answer, we wanted to let grantees know that... We also worked with our local newspaper here, ... in advance of our announcements, so they interviewed us twice before we went public with the cutbacks. We wanted people to understand why we were making these changes — so there was the article, a letter from Dick Schlosberg [who was president and CEO of the foundation during the transitions] on our Web site, and our own calls and communications with grantees.

Finally, leadership at the foundation was crucial, according to DeCardy:

I'd give a lot of credit to Dick Schlosberg for his leadership. He worked with trustees on key decisions. The first was to cut some funding streams but actually increase our grants budget in others, so

that the foundation would not be half an inch deep and a mile wide in program focus. The second was to make the difficult decision on staff cuts to reflect the new grantmaking realities. So, during a time of great transition for us, Dick was instrumental in encouraging us to be clear-eyed in our goals, but then very thoughtful about what the cutbacks meant for grantees. That combination helped communicate both the “whats” and the “whys” through the transition.

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- 1 In the interest of transparency and full disclosure, we would like to note that The David and Lucile Packard Foundation is a grant funder of CEP.
 - 2 At 95 percent certainty.
 - 3 The David and Lucile Packard Foundation posted excerpts of its 2004 GPR on its Web site at <http://www.packard.org/categoryDetails.aspx?RootCatID=2&CategoryID=55&ItemID=1020>.



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