



## THE POWER OF DATA: ONE FOUNDATION'S STORY



*At a celebration of CEP's Five-Year Anniversary in New York on September 14, 2006, Rockefeller Foundation Vice President Nadya Shmavonian delivered a candid talk on how data has influenced that foundation's change efforts. An excerpt of her remarks follows.*

It is a tremendous honor to be asked to participate in this wonderful event, particularly as Rockefeller is a relative latecomer to the grand experiment that is CEP.

It's hard to believe that CEP has only been in existence for five years – a theme I'm sure we'll hear over and over today because of your vital role in the philanthropic landscape.

As for the Rockefeller Foundation, it's important to qualify up front that we are not done with this change process... so I'm not here to announce new Rockefeller Foundation work.

My charge, however, is to talk about how we've used data – including CEP's important Grantee Perception Report – to help our organization move and change through this transition period.

Perhaps the factor that most characterizes both the current opportunities and challenges at the Rockefeller Foundation is our history – namely:

- How can we build upon our significant past successes, legacy, and reputational capital?
- At the same time, how can we help to shift and reposition the institution into a current landscape that is markedly different from when many of those early successes were enjoyed?

Success can indeed breed success, but it can also perpetuate adherence to approaches and attitudes that sometimes extend beyond their sell-by dates...

Success can also contribute to a perception that we are the experts, and that we have the answers. And, I think, without it ever being explicitly said, over generations our organization experienced some creep toward "invented here first." I would say that this is true for both our programs and our organizational operations.

As you've heard, we have been in a strategic repositioning exercise for over a year now, and it has moved from program to operations to program and now it is focused on both: how it all comes together.

It will come as no surprise to any of you that in that process, we've found that some old habits die hard. Among the key changes we've tried to instill is a willingness and ability to look outside the walls of the Rockefeller Foundation more systematically and rigorously and test assumptions upon which much of our work and internal practices have been based.

... In really approaching the organizational change elements that were needed (as distinct from specific program strategy work), we had three key sources of data that we used to help begin to move/shift the culture early this year:

- The results of the Grantee Perception Report, which as I said, Rockefeller had never participated in before, but which we felt would afford us a

critical window into our perceived effectiveness and value added from our primary partners

- [The work of nonprofit strategy consulting firm] Bridgespan to benchmark many elements of our operating model and cost structure against other foundations
- An internal staff climate survey... a scheduled bi-annual survey that Rockefeller had conducted in prior years, and that we decided to let go forward on schedule, even though we were truly in the early stages of transition

We had a small team that included senior and junior administrative and program staff to review and digest these data, and we asked Bridgespan to distill and present them as a collective picture for all of our staff in early January. This was our “shock and awe” campaign, as it were, as it began to suggest that our internal view of ourselves and our effectiveness was not necessarily supported by external data.

Having these data sets arrayed together was very powerful and, at times, difficult for staff. In other forums and venues we were able to provide individuals with reinforcement for their good work – of which there is much – but this was admittedly a very significant wake-up call for the staff as a whole. Among the key messages that emerged from these data were:

- Rockefeller Foundation was more focused on internal matters than on achieving external social impact.
- We had a higher cost structure than many of our peers.
- Our organization and processes were overly complex, and people were not effectively deployed in all instances.
- Overall, decision-making was cumbersome.
- We did not link foundation-wide goals to department and individual goals.
- The culture did not consistently expect and reward high performance.

- Nor did we have a shared culture, but rather many distinct individual cultures that had emerged over the years in different departments and divisions.

As you can imagine, this was a lot to absorb...

Just a word on our use of the CEP data at this juncture. For the January meeting, we only shared certain key points with the full staff. [CEP staff] came in subsequently for a half-day session with the program staff in February, and at that meeting were able to provide the fuller context and texture that is essential to understanding these data more deeply. They did a fabulous job in helping staff probe and examine these findings more carefully at that session, and they then also presented to our Board in June.

Among the key “ah-ha” moments the CEP data afforded us were:

- For all of our focus on advancing knowledge in the field (which grantees did indeed perceive), we were seen as falling below our peers in the actual impact of our work in their fields.
- > This forced us to really reckon with knowledge for knowledge’s sake, versus generating knowledge toward a broader strategic goal. It sounds basic, but that’s the beauty of data – it is simple to the observer, but has the real potential for an “ahha” moment for people who are living up close and personal with the work every day.
- We also fell below our peers in grant dollars per grantee administrative hour – so we were placing a greater administrative burden on grantees for less financial return.
- There were also negative findings about the effectiveness of our communications, which many internally were able to attribute to transition – which is understandable – but certainly will warrant further accountability and attention at our end as we emerge from this change period.

I will say that one truly heartening piece of data we received was from our internal staff survey, where the percentage of staff who reported “I feel optimistic about the Rockefeller Foundation’s future as an

institution of excellence” rose significantly from prior surveys. We felt this was an asset we had to build on. We offered a Voluntary Separation Program as a generous opportunity for those who did not have the energy or interest in rallying for the next phase to freely make the decision to leave, while we alternatively hoped we could turn that reported optimism among those who chose to remain into new work and focus.

I don’t pretend to maintain that we’re over the hump, or that we have consistently changed our practices and culture – for a 93-year-old organization, that takes years, and we know and understand that. For example, we’re just now entering into revamping our budgeting system, which is probably the ultimate sacred cow at the Rockefeller Foundation. How we can create a new agility and flexibility in our work, and diminish the “my budget, my program” mentality is, of course, a tall order. We have just centralized our grants management function, however, something that for many of you is simply how business is done. For us, this is a significant step along the continuum toward operating as one foundation – not distinct program entities – and one that opens up significant and creative structural alternatives for us going forward.

Perhaps one more, last great “ah-ha” moment was not exactly a data point, but an event. It may seem obvious to all of you, but for us to fully grasp the meaning

of no longer operating as though we were the largest foundation in the country (even though that was a long time ago), but more like fifteenth or sixteenth, has been a hard sell at times. There’s the fact of it, and then there’s the culture of it. While, intellectually, staff have all caught up, emotionally and culturally it has been slow to land in the collective consciousness of our staff.

An external data point that finally brought even the most recalcitrant of employees around was the Buffet/Gates announcement in June: This helped remind everyone of the need to look afresh at our positioning in the external landscape, with this being simply one of many significant external changes that we need to factor into our world view.

With our staff, our networks, and our history, we have wonderful assets upon which to build. This process has helped us to begin to move toward a twenty-first century culture that is much more rigorously focused on achieving and measuring impact, that can operate with more agility and flexibility, that is more diligently focused on searching for and digesting diverse data sources (such as CEP’s critical contributions), that can form strategic alliances as appropriate to better extend and leverage our work toward a greater impact, and that is assiduously and creatively looking for new ways to listen to the needs of our ultimate beneficiaries, the world’s poor and vulnerable.

