How to Position Your Organization for a Big Bet

A big bet is a significant philanthropic donation (typically a multimillion dollar commitment) with the ability to catalyze meaningful change for organizations and social movements. Big bets underwrite the types of social change work that can be achieved with major philanthropy and that have been at the heart of important societal advances for decades.

Most often, big bets build upon existing funder-grantee relationships. Eighty percent of the gifts of $10 million or more in our database* were preceded by one or more prior gifts, and nearly one-third were preceded by at least 10 gifts.

The Bridgespan Group has had the privilege of working with some of the most ambitious social change leaders and philanthropists to help find, initiate, and support big bets. In doing this work, it has become clear that **one of the largest barriers to deploying more big bets for social change is a lack of what are sometimes called "shovel-ready" opportunities.**

Though funders ultimately decide whether and when to make big bets, these gifts often require recipient organizations to develop a concept for turning a large infusion of philanthropy into enduring change.

The tools and examples contained here can help you think through whether your organization might become "big bettable," and what key questions you need to answer in order to do so. We hope this material can help you develop a compelling investment concept. For further detail, please see the article "Becoming Big Bettable" published in the Spring 2019 issue of *Stanford Social Innovation Review*.

Key Elements of a Big Bettable Concept

Important Problem

A compelling, succinct articulation of needs facing a specific, underserved population

Tip: Ensure the emphasis on the problem is in balance with the proposed solution

- What is the cost of inaction?
- Why now?
- How many are affected?

Point of Arrival

A clear and concrete 5–10 year goal that lies between long-term vision and short-term goals

Tip: Should be ambitious and tied to impact in order to energize team and funders

- What specific results will be achieved?
- Why do key stakeholders care about the arrival point?
- What will it take to maintain the results after the grant?
- Would the results be accomplished without a big bet?

Credible Path

A set of capabilities, plans, and reasons to believe that the organization can achieve the measurable goals of the point of arrival

Tip: May include multiple phases (e.g., testing, modifying, and scaling)

- How will we achieve the arrival point?
- What evidence suggests that it will work? What are the assumptions?
- What inputs will be required?
- What partnerships will be needed?

Why Philanthropy

A clear articulation of why philanthropic resources are the right medium to achieve the point of arrival

Tip: Funding may play different roles such as providing one-time growth capital or allowing the grantee to take a big risk

- Why is philanthropy the missing ingredient?
- If funding weren't an issue, what would be the next constraint on reaching the point of arrival?
- Will we need renewed funding to replace the big bet?

Strong Leader & Team

A deep knowledge of (ideally proximity to) the issue at hand and/or a track record of success in addressing these challenges

Tip: Leaders should demonstrate ability to work with their own teams, beneficiaries, and funders

- Why is our leadership qualified to execute the plan?
- Why should the donor trust our team to succeed?

My Big Bettable Concept:

Important Problem

Point of Arrival

Credible Path

Why Philanthropy

Strong Leader & Team

Example Big Bet Concept: **City Year**

Big Bet Overview: Double the number of students who reach 10th grade on-track and on-time in schools served within 10 years

Funding: $50+ million from Einhorn Family Charitable Trust and Jonathan and Jeannie Lavine (2008-2018)

❓ Important Problem

- **Gap in graduation rates for students in poverty:** High school students growing up in areas with concentrated poverty (10 million children nationwide) graduate high school at rates 22 percentage points lower than other students

- **Window before 10th grade pivotal:** Studies show that students reaching the 10th grade without early warning indicators are three times more likely to graduate

- **Schools face challenges meeting scale of student need:** Though there are evidence-based approaches that can help support students, schools often lack the capacity to implement and scale them

🏔 Point of Arrival

- **Reach schools in greatest need:** City Year will serve in the cities that account for two-thirds of the nation's urban student population likely to drop out (growing from 20 cities served to 30+)

- **Help more students graduate:** 80 percent of students in City Year schools will reach 10th grade on track to graduate (up from 40–60 percent at baseline)

- **Close the opportunity gap:** City Year will reduce the disparity in high school graduation rates between students growing up in poverty and all US students, ensuring that each student can thrive in school and beyond

🗺 Credible Path

- **Strong base of AmeriCorps members:** At the time of the bet, City Year had ~1,500 AmeriCorps members serving in ~20 cities, demonstrating that it could effectively recruit these staff members and access the associated federal funding

- **Established partnerships with schools:** City Year had AmeriCorps members serving in hundreds of public schools, demonstrating that it could partner effectively with schools around the country

- **Existing demand for impact and services:** Addressing disparities in high school graduation rates was already a priority for education and community leaders, and schools were already paying for City Year services

❤ Why Philanthropy

- **Need for growth capital:** City Year had capacity-building needs that philanthropy could fund to strengthen impact and allow expansion to new cities and schools

- **Strong sources of ongoing revenue:** City Year's model is partly funded by government dollars (through employing AmeriCorps members) and fee-for-service revenue from districts and schools

- **Cost savings for schools further help ongoing economics:** Schools with City Year are projected to realize nearly $150,000 savings in remedial programs and teacher turnover

👥 Strong Leader & Team

- **Track record of growth:** Together the co-founder/CEO, president, and senior leadership team grew the organization from concept to a nationally-recognized social impact nonprofit working in ~20 cities across the United States

- **Standard for successful government partnership:** City Year's leadership has fostered a relationship of trust with AmeriCorps, and it is often the model that experts point to for AmeriCorps partnerships

- **Ability to adapt and improve:** Leadership team transformed City Year to focus and increase its impact, moving from a broadly defined service year to a codified, school-based program driving student and school success

www.cityyear.org

Example Big Bet Concept: **Splash**

Big Bet Overview: Provide clean water, sanitation, hygiene, and menstrual health solutions to all public schools in Addis Ababa, Ethiopia, and Kolkata, India, within five years

Funding: $20 million from Children's Investment Fund Foundation (CIFF) (2019)

Important Problem

- **Lack of access to clean water and sanitation infrastructure:** Children living in urban poverty often cannot get clean water and do not have access to facilities for menstrual hygiene management

- **Schools often ill-equipped:** For example, most schools in Kolkata have water contaminated with E. coli, and lack menstrual hygiene facilities and handwashing soap

- **Connection to many other problems:** The United Nations elevated clean water as a sustainable development goal because of its role in reducing poverty, improving health and education, and spurring economic growth

Point of Arrival

- **Complete infrastructure and operations reaching all public schools:** Locally appropriate business models will supply clean water to students and surrounding communities

- **Turn projects over to local partners:** Once sites are running smoothly, local government and private-sector actors will take over operations

- **Improve child health in areas served:** These efforts will contribute to reduced incidence of diarrhea among beneficiaries as well as increased school attendance for girls via menstrual health programs

Credible Path

- **Effective technology that works globally:** Splash uses the same technology, supply chains, and standards that multinational food service and hospitality corporations use, producing safe water in and near rural slums

- **Targeted approach in highest-need areas:** By operating in megacities with concentrated areas of poverty and working in schools nestled in those areas, Splash can efficiently reach a large proportion of its target population

- **Designed for full coverage:** By planning from the start to reach all schools, and by working closely with government and private sector, Splash is developing a model to bring to more cities in the future

Why Philanthropy

- **Sustainable economic model:** Projects transition over to local governments for funding and to private sector for maintenance; Splash aims to put itself out of business

- **Scalable replication:** Local government funding is a precondition for entering a city; philanthropy helps prove cost effectiveness, health impact, and quality

Strong Leader & Team

- **Track record of accomplishing bold objectives:** Splash successfully reached every orphanage in China, installing water purification systems across more than 1,000 cities

- **Ability to work in diverse settings:** At the time of CIFF's 2019 big bet, Splash had worked in eight different countries across Africa and Asia; Splash has prioritized hiring only local staff with experience in locations served

- **Rapid growth trajectory:** The organization has grown from a single staff member in 2007 to more than 100 employees in 2019