

VENTURE PHILANTHROPY CASE INTERVIEW EXAMPLE

*Note: Includes both
candidate and
interviewer materials*

Candidate
materials

Interviewer
materials

Legend and intro

- BLUE: Interviewer speaking points, **questions**
- RED: Potential candidate answers
- GREEN: Other interviewer notes

Interviewer Script for Part 1

1. Give prompt and share materials

- Let's pretend that I'm your Manager on this case. I'll start by giving you the context for this case situation and then I'll leave you to do some analysis. After 20 minutes, I'll come back so we can discuss it together. Although expedited, this mirrors how Managers and Associate Consultants/Consultants often work together at Bridgespan.
- Here's the context for this case:
 - Trevor and Sarah, a married couple in Silicon Valley who have earned more than \$1B in the technology world, have asked Bridgespan to advise their charitable giving through high-impact philanthropy
 - One of their focus areas is health and nutrition for young children
 - Every quarter, your team brings your clients a short list of potential investments for them to consider adding to their portfolio
 - You have an update with me in 20 minutes in which you will provide your recommendation on which opportunities the team should take to the client, and what you see as the pros and cons of each
- **Any questions before I provide some materials for you?**
- I'll leave you with 4 things (noted by the green tags at the top right of each page, slides 4-10):
 - a) A slide that summarizes the context for this case that we just went over together
 - b) A blank page so that you can draw out any framework that may be useful as an aid for discussion with your manager
 - c) Investment criteria
 - d) Information on 4 possible investment opportunities that your team has researched
- **Leave them for 20 minutes to work independently**

A. Venture Philanthropy case overview

Client context:

- Trevor and Sarah, a married couple in Silicon Valley who have earned more than \$1B in the technology world, have asked Bridgespan to advise their charitable giving toward high-impact philanthropy
- One of their focus areas is health and nutrition for young children

Situation:

- Every quarter, your team brings your clients a short list of potential investments for them to consider adding to their portfolio
- You have an update with your Manager in 20 minutes in which you will be providing your recommendation on which opportunities the team should take to the client, and what you see as the pros and cons of each

Instructions:

- Please spend the next 20 minutes reviewing the attached background materials and developing a recommendation to share with your Bridgespan interviewer
- To structure your conversation with him/her, please outline the factors you would consider on the page provided
- Your manager will then engage you in a discussion (similar to regular collaboration at Bridgespan)

B. Summary of your recommendation and rationale for the discussion with your manager

Slides 4 to 10 are for candidates to review independently for 20 minutes

C. Investment criteria

- Trevor and Sarah have three main investment criteria they use when evaluating opportunities for their portfolio:
 - **1) Impact:** Trevor and Sarah want to make investments that will result in meaningful, life-changing differences in the lives of children. Impact that has been proven with independent research and data is the gold standard for them, but they are also willing to consider opportunities that have strong theories of impact, even if it is not yet proven.
 - **2) Scale:** Your clients seek opportunities with the potential to have impact on a national or international scale, ultimately helping hundreds of thousands, or even millions of children. They are not interested in focusing on any one city or region, and they are not interested in opportunities that are unlikely to ever reach more than a few thousand kids.
 - **3) Sustainability:** Trevor and Sarah prioritize investing in opportunities where philanthropy will catalyze something that can be sustained after the infusion of philanthropy has concluded.
- Though their resources are vast, Trevor and Sarah use a very high bar when they decide whether or not to invest in an opportunity, aligned with the criteria above. They choose to make all of their donations anonymously.

Slides 4 to 10 are for candidates to review independently for 20 minutes

D. Research on Opportunity A: Project Pantry

Description

For 30 years Project Pantry has been dedicated to feeding cities' hungry children and now operates in a dozen of the nation's leading cities.

Project Pantry also addresses hunger's underlying causes by supporting affordable access to nutritious food in low-income communities, supporting families and communities in the prevention of diet-related diseases, channeling a greater amount of local farm food into high need areas, and enhancing the ability of agency partners to feed hungry children.

Impact to date

Project Pantry's direct impact comes through alleviation of hunger with every food delivery. A recent study showed that the children they reach with their food deliveries are 35% less likely to show up at school hungry and 24% less likely to get sent to the school nurse than children of similar income in cities where Project Pantry is not available. It also showed a 12% reduction in diet-related diseases in high-needs areas in which the full suite of Project Pantry resources have been offered for a decade.

Scale to date

This year, Project Pantry will collect 42 million pounds of excess food from all segments of the food industry, including restaurants, grocers, corporate cafeterias, manufacturers, and farms. They will deliver it to 150,000 low-income kids free of charge by a fleet of trucks and bikes. They also will provide more than 300,000 low-income residents with nutrition education courses, cooking demonstrations, healthy recipes, and shopping workshops.

Opportunity for Philanthropy

Project Pantry believes it is ready to begin serving another dozen cities, and seeks \$5M as seed funding to begin this expansion. Once it is in 24 cities, the organization estimates that economies of scale will mean it can operate on \$8M per year per city.



D. Research on Opportunity B: Child Spotlight

Description

Child Spotlight is an intensive early childhood, two-generation home visiting intervention that works with a community's most vulnerable young children (prenatal to age six years) and their families. The goal is to identify children at the earliest possible time to decrease emotional and behavioral problems, developmental and learning problems, and abuse and neglect.



Impact to date

Results of a randomized controlled trial demonstrated that at 12 month follow-up, Child Spotlight intervention families had strong positive outcomes, as compared to a group of similar families who did not receive the service:

- Child Spotlight children were 68% less likely to have language problems and 42% less likely to have aggressive and defiant behaviors
- Child Spotlight children were 64% more likely to be on track to be ready for kindergarten by age 5, as measured by a widely-used assessment tool
- Child Spotlight families were 39% less likely to be involved with child protective services, which was sustained (33%) at 3 year follow-up.

Scale to date

Child Spotlight has served 950 families in the state of Nevada since the program began in 2001. The program is now beginning national replication, starting in Maryland next year and anticipating going to an additional state the year after.

Opportunity for Philanthropy

Child Spotlight has received inquiries from over 25 states interested in benefiting from its expansion. The nonprofit seeks \$5M in philanthropy to do the following:

- Fund the per-family costs in its next three states through 2020
- Establish regional offices to manage hiring and training local staff, coordinate with each state's department of children and families, and manage the flow of case loads
- Develop an electronic health record and data warehouse to ensure complete and accurate data collection in all new states
- Commission an evaluation of impact in each of the new states

D. Research on Opportunity C: HealthText

Description

HealthText is a free text messaging service to help new mothers and expectant women keep themselves and their babies healthy.

The service was created to help address the overwhelming infant mortality rate in the U.S., which currently ranks near the top among developed nations in infant mortality, with 1 in every 8 babies born prematurely and 28,000 deaths each year. HealthText addresses lack of health information and access to care by delivering research-based information and safety tips to expectant women and mothers with infants under the age of 1.

Impact to date

- *Parental health knowledge*: On three important topics – safe sleep, infant feeding, and the best time to deliver in a healthy pregnancy – HealthText participants demonstrated a significantly higher level of health knowledge than the comparison groups (81% of HealthText participants responded correctly versus 60-62% of other prenatal participants), as reported in an evaluation funded by the U.S. Department of Health and Human Services.
- *Reduction in alcohol consumption*: 60% of HealthText participants in a Department of Defense-funded randomized controlled trial reported no alcohol consumption at a postpartum follow-up versus 40% of control participants.

Scale to date

HealthText visits doctors' offices and hospitals across the U.S. to alert obstetricians and nurses about this free service. They currently have about 100,000 women enrolled, and another 500,000 women that were once enrolled but since have aged out following their child's first birthday.

Opportunity for Philanthropy

HealthText's ultimate ambition is to reach every low-income mother in the U.S. with a child under 5 years of age. To enable this expansion, they seek \$5M in philanthropy to do the following:

- Contract with early childhood experts to develop high-quality messages for mothers of children aged 1-5
- Make a one-time, major outreach push to embed the service with more hospitals and doctors offices
- Formally evaluate the impact that HealthText's messages have on kindergarten-readiness



Slides 4 to 10 are for candidates to review independently for 20 minutes

D. Research on Opportunity D: FriendlyDocs

Description

FriendlyDocs is a web platform that provides resources to educate kids and families about health issues and surgical procedures without the 'doctor-ese'. The site offers short cartoons featuring "stars" like Dr. Patches, a precocious 10-year-old female physician and her sidekick, Nurse Scrubs, an 8-year-old male wonder nurse. The library of cartoons looks to educate kids (and parents) about a wide range of health issues in an entertaining and educational way.

Impact to date

Research shows that the medical world can be intimidating, especially for children, and particularly for low-income and minority families. FriendlyDocs develops content through partnership with leading pediatric bloggers, child psychologists, and child-life specialists.

Scale to date

So far, the videos and cartoons on FriendlyDocs have been viewed 50,000 times. They use targeted ads on other websites, such as WebMD and the Mayo Clinic, to get the word out to people who may be grappling with children's health issues. Long term, FriendlyDocs looks to educate children across the world on health and wellness.

Opportunity for Philanthropy

FriendlyDocs seeks \$5M in philanthropy to expand its library of video content. The funds would be used to:

- Contract with professional children's writers
- Contract with a team of animation artists
- Upgrade their technology infrastructure (e.g., increase their server size so they can host more videos)
- Fund an advertising campaign to get the word out

Tonsillectomy



After the surgery!

Lets check on what the team has to say about Kevin after his tonsillectomy!



Interviewer Script for Part 2

2. Discuss and probe candidate answer on recommendations

- **I'm excited to hear about the latest opportunities for Trevor and Sarah. What do you have for me?**
- **Look / test for:**
 - Whether they lead with a clear recommendation
 - Whether the recommendation answers the key question
 - Whether they have used their blank page to sketch out a structure (most likely a simple table; we just want to see if they have organized their thinking)
- **Probe with regards to their rationale on a subset of the organizations**
 - See model answer on slide 7
 - **Look / test for:**
 - ▶ Logical rationale on how orgs stack up vis a vis the guideposts (see model answer for examples)
 - ▶ How they respond / build on the points you make
 - ▶ Effective back and forth communication

Model answer for Part 2 – opportunity prioritization

Recommendation: Opportunities A and C are the best fit against Trevor and Sarah’s guideposts, per the rationale below – bring these two (and only these two) to them for their consideration.

	<u>A: Project Pantry</u>	<u>B: Child Spotlight</u>	<u>C: HealthText</u>	<u>D: FriendlyDocs</u>
Impact	<p>✓</p> <p>Good longitudinal evidence; reduction in diet-related diseases is stated relative to similar cities, which is about as good of a “control group” as could be hoped for</p>	<p>✓</p> <p>Very deep, compelling evidence base of the impact on children</p>	<p>✓</p> <p>Rigorous studies show a change in parent behaviors, with a credible link to impact on children; philanthropy will fund evaluation to ensure the impact on children is indeed occurring</p>	<p>✗</p> <p>Many leaps of logic in the theory of impact (e.g., that the people watching don’t already know the info; that they retain it after the video; that having it changes how they interact with the health system)</p>
Scale	<p>✓</p> <p>Impressive number of people and cities to date; TA model would allow for efficient growth</p>	<p>✗</p> <p>Appears to be an expensive model with no proof that it will be possible to scale it beyond NV, even though there are interested states</p>	<p>✓</p> <p>Massive potential for scale with such a low-touch intervention; distribution through the health care system is a good way to reach target families</p>	<p>✓</p> <p>Massive potential for scale with such a low-touch intervention, and good traction to date</p>
Sustainability	<p>✗</p> <p>High on-going costs, with no state plan to leverage sources outside of philanthropy</p>	<p>✗</p> <p>The grant would establish offices and employees without a plan for how they can be maintained after the philanthropy runs out</p>	<p>✓</p> <p>Most costs are one-time, and ongoing costs are likely to be low given the technology-oriented aspects of the program</p>	<p>✓</p> <p>They are looking to have philanthropy fund one-time costs</p>

Interviewer Script for Part 3

3. Project Pantry Cost-benefit analysis

- I have had the opportunity to get to know the leaders at Project Pantry well through past client work at Bridgespan, and while I think they are a great organization, one of the questions I have about them is whether they are too costly. While you were working on this, I asked our team to summarize what we know about their costs so that you and I can do a cost-benefit analysis together.
- Here's the data (**Pass out slide 14**) – let me give you minute to review it, and then it would be great if you could walk through how you would do a cost-benefit analysis.
- **What to look for in candidate response:**
 - Intuitive understanding of what we look to accomplish with a cost-benefit analysis
 - Ability to set up the equation in the right way
 - The faculty with which they work through the numbers
- **Sample candidate answer**
 - Benefits per city = 10,000 low-income people served * 25% diet-related disease incidence rate * 12% reduction in rate (those who will not get a diet-related disease as a result) * \$150,000 saved per person = \$45M
 - Cost per city = \$8M per year * 10 years to see outcomes = \$80M
 - Overall return is negative (because cost of \$80M per city is more than benefits of \$45M)
 - Negative \$35M per city * 12 cities = negative \$420M

Rough cost/benefit analysis for Project Pantry

Benefits

- In high-needs areas in which the full suite of Project Pantry resources are offered, there is a 12% reduction in diet-related diseases relative to comparable areas
 - The baseline rate of diet-related disease is 25%
 - Project Pantry will need to operate for a decade in each new city before realizing these benefits
- In each of Project Pantry’s dozen current cities, there are about 10,000 low-income people living in the high-needs areas receiving this full suite of resources
- The total cost to taxpayers when a low-income person gets a diet-related disease is \$150,000

Costs

- When Project Pantry gets to 24 cities, it will require \$8M per year, per city, to operate its full suite of services

Question: If Project Pantry receives the philanthropy needed to go to 12 additional cities, what will be the net benefits for the 12 new cities in ten years time?

Interviewer Script for Part 4

4. Making sense of cost-benefit analysis

- Interesting, that's what I feared – at least by our back of the envelope calculations, the costs seem to outweigh the benefits. It's a shame, because they do have strong impact. **Let's brainstorm for a couple minutes about how Project Pantry could reduce costs in their model. Any ideas?**
- What to look for in candidate response
 - Understanding of the implication of negative return to society estimate
 - Their ability to brainstorm live
 - Whether they can build upon ideas you suggest
- Sample candidate answer
 - Try to figure out what the highest-impact elements of the model are (i.e., can you get 80% of the impact at 20% of the cost?)
 - Search for duplication of effort with other nonprofits or city governments, and streamline together
 - Keep costs the same, and increase return to society by considering ways to increase impact
 - This CBA is just one lens looking at monetary return, may be other viewpoints

Interviewer Script for Part 5

5. Recommendation

- Great, that was a helpful brainstorm. I see we're getting to the end of our check-in, so **help me summarize where we've landed.**
- Look for: Ability to synthesize
- **Sample candidate answer**
 - I think we can confidently go to Trevor and Sarah and recommend X (HealthText, or whatever logical recommendation they landed on during the case).
 - We can hold off on recommending Project Pantry, and instead try to work with their leaders to think about how they might be able to reduce the costs of their model.
- Thanks for a great check-in!