Lessons in Funder Collaboration

What the Packard Foundation Has Learned about Working with Other Funders

By Judy Huang & Willa Seldon

The Packard Foundation commissioned The Bridgespan Group to study Packard's recent engagements in collaborations. This report captures the themes, insights, and recommendations that emerged from Bridgespan's research. While geared toward Packard, the report is broadly relevant to philanthropy and contributes to a field-wide discussion of effective donor collaboration.

Collaborating to accelerate social impact

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Introduction

Funder collaboration has been a hot topic in philanthropy for years. But interest has grown of late as more funders realize that individual efforts simply are not enough to address complex social problems. And even when funders engage in cross-sector collaborations, they often have to collaborate with each other in new ways.

The David and Lucile Packard Foundation has championed this view for decades as it has worked with dozens of other funders towards a common purpose. As the Foundation approached its 50th anniversary, it asked The Bridgespan Group to assist in taking stock of what Packard can learn from its many collaborations.[1]

Today, Packard participates in over 60 collaborations in its five program areas and takes part in another handful that span multiple areas. Packard's investments in collaborations have ranged from hundreds of thousands to hundreds of millions of dollars. While each collaboration is unique, all share an underlying rationale: collaboration can yield results beyond what Packard could accomplish alone.

"Consistent with our 'capacity to think big,' collaboration has been one means to allow us to take on larger social agendas, tougher issues, and longer-term challenges while knowing we are in deliberate coordination with others," said Carol Larson, president and CEO. Packard's engagements have ranged from simple knowledge exchange with like-minded funders to complex efforts that pool funders' talents, resources, and decision making. "Most of the Foundation's collaborations are multiyear," added Larson, "and most all involve hard work in terms of constantly learning and revising."
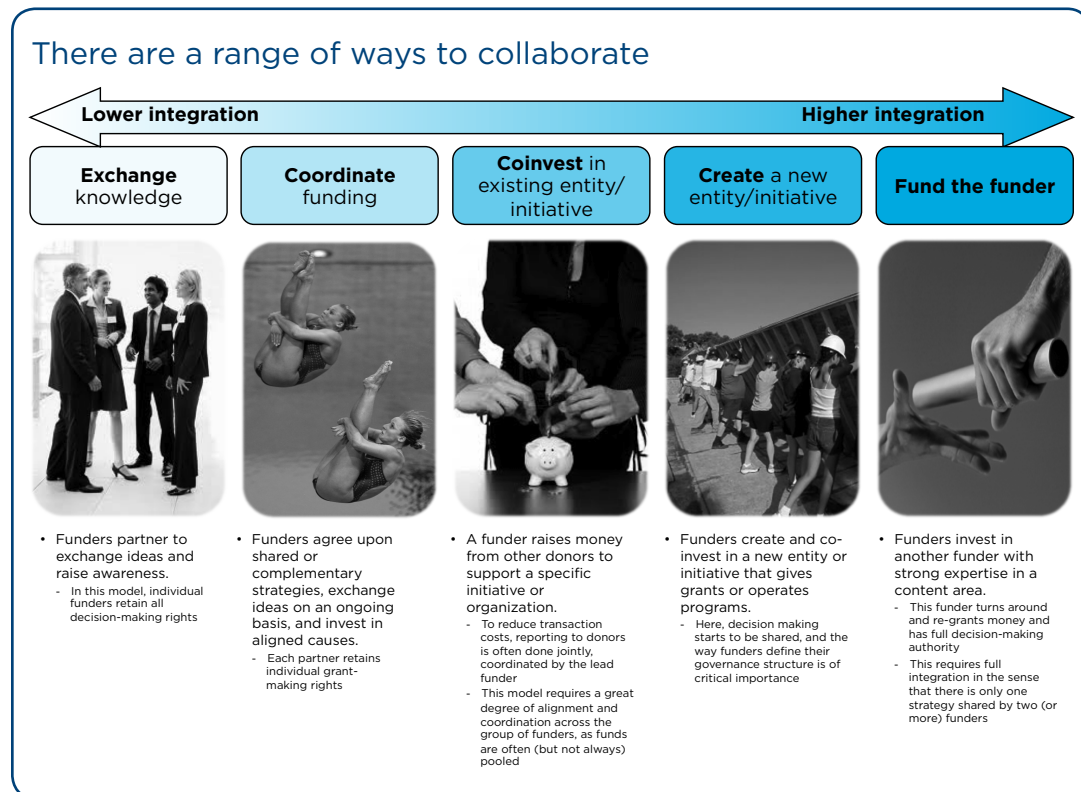
Collaboration, however, is not seen by Packard as an end in itself. Meera Mani, director of the Foundation's Children, Families, and Communities program, voiced a common sentiment: "Collaboration is a priority, but we need to be selective about why and when it has impact. Sometimes, there is strength in numbers, but there are also times when it is better to be on your own.... You can take risks [acting alone] you cannot always take as a collective." Tamara Kreinin, director of the Population and Reproductive Health program, expressed a similar view: "My principle is to think of what we want to get done and how we most effectively can get that done. I love a good collaboration. But let's go for outcomes, and if collaboration is the best way to get there, then let's go there."

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1 The Bridgespan Group's research was based on a review of the literature and Bridgespan's prior research on collaborations; a review of Packard's own materials, including evaluations of its collaborations; extensive interviews with Packard Foundation leaders, program directors, and program staff; a facilitated program staff meeting; and interviews with external funding partners.

In fact, the Foundation has often chosen to go solo. And there are times when it starts solo and transitions to a partnership. Several years ago, for example, the Population and Reproductive Health program entered Pakistan before other funders were active there. Today, the Bill & Melinda Gates Foundation has a strong presence in the country, and Packard's program staff are partnering with Gates along with other funders and cross-sector players, such as the government.

Models of Funder Collaboration

Philanthropic collaborations range in type of structure and the level of integration, (i.e., the degree to which funders share information, talent, resources, and decision making). Bridgespan's work in this area has identified five main models:

As with all taxonomies, these five categories are meant to serve as signposts along a continuum. Each collaboration differs in a variety of ways, whether it is the flow of funds, decision making, expectations and roles of funding partners, or legal structure. Some collaborations transition from one category to another. Others may span multiple categories because they have been designed in a way to allow individual funders to participate in different ways, depending on their own strategies.

The three forms of funder collaboration to the right of the spectrum share the most integrated processes and demonstrate what Bridgespan has termed "high stakes donor collaboration." High stakes collaborations are shared multiyear efforts around which donors pool talent, resources, and decision making. Not
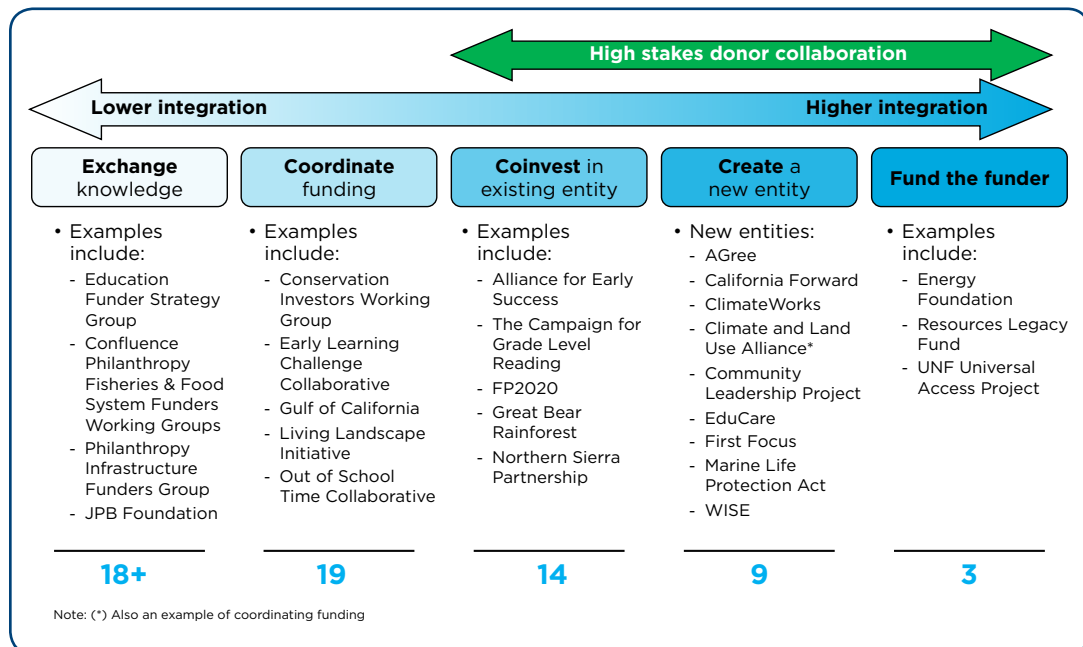
surprisingly, these efforts are typically more resource-intensive, both in time and money invested. And the risks on this side of the spectrum are higher.

Bridgespan research has identified three main reasons funders participate in high stakes donor collaborations: accessing others' expertise, having enough clout to pursue system-level change, and aggregating the capital needed to take a successful project to the next level.[2] However, before coinvesting or creating a new entity, many funders often have already worked together on less complex projects and established a level of mutual confidence.

The Packard Foundation's Collaborations

We identified examples of Packard Foundation collaborations across all five models in the taxonomy, including nearly 20 in the "exchange knowledge" category alone. But we focused on the 45 collaborations in the latter four categories, all of which require alignment and more intensive coordination by program staff (see the case studies that follow).

Notably, the majority of the 45 collaborations we focused on are high stakes. Not surprisingly, Packard sparingly uses the most integrated collaboration where the foundation has less control—the "fund the funder" category. One would expect that any foundation would be more careful about these riskier investments.

Exchange knowledge	Coordinate funding	Coinvest in existing entity	Create a new entity	Fund the funder
High stakes donor collaboration (spans Coordinate through Fund the funder)				
Lower integration ←→ Higher integration				
• Examples include: - Education Funder Strategy Group - Confluence Philanthropy Fisheries & Food System Funders Working Groups - Philanthropy Infrastructure Funders Group - JPB Foundation	• Examples include: - Conservation Investors Working Group - Early Learning Challenge Collaborative - Gulf of California - Living Landscape Initiative - Out of School Time Collaborative	• Examples include: - Alliance for Early Success - The Campaign for Grade Level Reading - FP2020 - Great Bear Rainforest - Northern Sierra Partnership	• New entities: - AGree - California Forward - ClimateWorks - Climate and Land Use Alliance* - Community Leadership Project - EduCare - First Focus - Marine Life Protection Act - WISE	• Examples include: - Energy Foundation - Resources Legacy Fund - UNF Universal Access Project
18+	19	14	9	3

Note: (*) Also an example of coordinating funding

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2 Willa Seldon, Thomas J. Tierney, and Gihani Fernando, "High Stakes Donor Collaborations," *Stanford Social Innovation Review,* Spring 2013, http://www.ssireview.org/articles/entry/high_stakes_donor_collaborations.

The following descriptions illustrate collaborations within each category:

- **Exchange knowledge:** The Early Childhood Funders Collaborative is a well-established venue for funders of early childhood education to regularly discuss developments in the field, their grantmaking, and what they're learning. The collaborative is over 25 years old and has more than 40 member foundations, about half of which are very active. Participating foundations come together three times a year to exchange information on topics such as trends in early childhood education and development, new learning about effective practice, shifts in member foundation strategies, and emerging grantmaking opportunities. Membership is diverse, including major national funders of early childhood education like Kellogg, Gates, Annie E. Casey, and Packard, as well as smaller family foundations and community foundations.

- **Coordinate funding:** One newer and promising example here is the Conservation Investors Working Group (CWG), formed in 2013 and led by Susan Phinney-Silver of Packard and Dan Winterson of the Gordon and Betty Moore Foundation. The two foundations initially worked with San Francisco-based Imprint Capital to evaluate various investment approaches to advance global resource sustainability. The goal was to generate a pipeline of investment opportunities with different types of environmental impacts and highlight potential areas of collaboration. Based on the results of this evaluation and the success of a shared investment in The Freshwater Trust (a river conservation nonprofit), Phinney-Silver and Winterson launched the CWG. It aims to generate ongoing discussions among funders and investors to identify areas of overlapping interest and enable coinvestment in environmentally focused projects. The CWG working group has grown to include the Bloomberg Philanthropies, John D. and Catherine T. MacArthur Foundation, Kresge Foundation, and New Island Capital, among others.

- **Coinvest in an existing entity:** In 2000, the Packard Foundation answered the call of local Canadian environmental groups and partnered with them to support the Great Bear Rainforest of British Columbia. In short order, leaders from more than half a dozen foundations, including the Hewlett and the Gordon and Betty Moore foundations, joined the effort. Their common objective: creating a sustainable rainforest development plan that would enable indigenous First Nations people and lumber companies to use the forest's resources while preserving its habitats. The foundations pooled their resources, networks, and knowledge to advance the Great Bear protection effort. In 2006, the lumber industry, environmental groups, the government, and the First Nations representatives reached an agreement to protect nearly 21 million acres of the Great Bear forest.

- **Create a new entity or project:** In 2009, CEOs of the Packard, James Irvine, and William and Flora Hewlett foundations launched the Community Leadership Project (CLP), a time-limited initiative to serve low-income and diverse communities in three regions of California. "[With this new project], we were able to accomplish so much more in terms of impact and learning than I would have been able to do alone," said Kathy Reich, director of Packard's Organizational Effectiveness program and manager of the CLP relationship.

That same year, Rebekah Saul Butler, program director at the Grove Foundation, created the blueprint that led to launching the Working to Institutionalize Sex Ed (WISE) initiative with support from the Packard, Hewlett, and Ford foundations. Today, WISE provides funding to 11 states to improve comprehensive sexuality education in public schools. Packard's Lana Dakan, the WISE program officer, notes that "it made sense to partner with Rebekah and lean on her expertise since the Packard Foundation did not, at the time, have as much deep experience in US- based policy. We have deepened our knowledge tremendously by learning from Grove, as well as learning from and collaborating across state partners."

- **Fund the funder:** The Energy Foundation was founded in 1991 by the Rockefeller, John D. and Catherine T. MacArthur, and Pew foundations. It is primarily a grantmaker that funds organizations across four program areas—buildings, power, transportation, and policy—in the United States and through Energy Foundation China. The Energy Foundation's goal is to "build the new energy economy" powered by "clean, reliable, and secure sources of energy." Packard has funded the Energy Foundation for more than 10 years and is part of a group of 16 funders to do so. Besides supporting its US program, Packard worked with the Energy Foundation to launch the China Sustainable Energy Program in March 1999, now known as Energy Foundation China. While this example sits in the "fund the funder" category, it is also a powerful example of a collaboration that enabled Packard to help "create a new entity"—the China Sustainable Energy Program—highlighting how models of collaboration change and evolve.

Each of these collaborations differs in context and approach. At the same time, looking across the spectrum of collaborations, we can make some observations about Packard's experience:

- **There is a time to lead, a time to follow, and a time to say no:** Packard has sometimes initiated and led a collaboration, and other times it has followed. Program staff describes these decisions as based on several factors, including the Foundation's level of expertise, the ability of program staff to dedicate time, and the degree to which the Foundation has an interest in driving strategy. In certain cases, Packard also has made the decision not to join a collaboration due to time and resource limitations, the lack of tight strategic connection, or a concern about the structure of the collaboration.

- **It's important to make sure the collaboration is worth the investment:** Staff time spent on individual collaborations does not necessarily correlate with dollars invested. Some collaborations that entail relatively small financial commitments require significant time from program staff. For example, the Out-of-School-Time Collaborative, in which Packard made a $498,000 investment, takes approximately 15 percent of staff time. Other programs that involve relatively large financial support are structured to minimize the time spent by program staff. The Conservation and Land Use Alliance, a $12.7 million investment (plus additional financial support of ClimateWorks), takes approximately 5 to 10 percent of staff time. Time spent is more often a function of the collective capacity of other funders, the staffing and capacity of the funded entity, and

the degree to which funders have collaborated together in the past. In general, we found that staff time was most significant as the collaboration was being established and at key transition points, such as new phases of funding, strategy reassessments, and staff changes.

- **Some collaborations require significant CEO engagement:** The CEOs' involvement can help raise the profile of a collaboration and attract attention and commitment by other partners. In the case of California Forward, the involvement of several large foundation CEOs helped attract leaders like Leon Panetta (former director of the Central Intelligence Agency) and Bruce McPherson (former California Secretary of State) to the effort. The CEOs can also play an important role in setting the tone of a collaboration, even without playing a deep day-to-day role. In the CLP, for example, the CEOs of each foundation set a tone for their staffs to be creative, even if it meant recommending changing normal foundation policies to be successful.

  And sometimes CEO involvement is essential to getting results. After investing hundreds of millions of dollars in the ClimateWorks Foundation collaborative, Packard's CEO, along with the leaders of other funding partners, recognized the need to become involved to a much greater extent—by joining the Board of Directors—to achieve the full strategic value expected from the collaboration.

In short, there is no single "right" model of collaboration. Whatever the model, we see examples of success as well as challenges across the spectrum. What is clear is that given the investment required for high stakes collaborations, unrelated to size, Packard's experience highlights the importance of carefully weighing the benefits relative to the costs before entering a collaboration.

Strategic and Practical Considerations

Our exploration of Packard's collaborations suggests factors that significantly raise the chances of success. Some are strategic success factors to consider as you form your collaborations. And some are important "watch outs" to keep in mind. The list below emerged from the stories of successes and challenges that Packard has experienced. And it affirms and builds on the findings from Bridgespan's article: "High Stakes Donor Collaborations."

Strategic Considerations

- **Aligning on a clear common vision and goals:** For most of the Foundation's collaborations, this was a time-intensive process that required external research and a clear process for discussion. The importance of candor emerged as a common theme. Said Walt Reid, director of Packard's Conservation and Science program and a coordinator for the Climate and Land Use Alliance (CLUA): "All of (the funders) are weighing the added benefit of collaboration versus the transaction cost, so it is important to be clear about goals. The costs are relatively high, which is always on people's minds. So we need to be confident we're getting enough out of this. If someone were really feeling that the costs

were too great, we've created a structure and avenues where this would bubble up to the surface."[3]

- **Being clear about the fit—or exception—to Packard's strategy:** Some programs, such as Children, Families, and Communities, have written collaboration into many aspects of strategy. "This is trite, but none of us can do this alone," said Mani, director of the program. "We really benefit from each other's resources. And we expect our grantees to work together, coordinate, and look for efficiencies. It's really about trying to walk that talk."

Yet there are also collaborations that do not fit squarely within program strategies or even Foundation strategy, or situations in which the fit with Packard's strategies waned as the collaborative decided upon its vision and goals. Take, for example, the California Forward collaboration. Packard's initial participation grew out of the Children, Families, and Communities program, and an observation by then Director Lois Salisbury that California's challenging policy context was slowing progress for the causes that the program supported.

However, as California Forward developed, its agenda broadened to cover many facets of state governance. For the Packard Foundation, advocating for process changes to improve California government is not a formal program. Yet CEO Larson noted, "We recognized that there was something missing. We needed a bipartisan, long-term entity in California to catalyze new thinking." Packard continues to fund California Forward today, a decision to act outside its formal strategy, and a decision that Larson revisits carefully and regularly.

- **Designing decision making and governance to fit funders' interests and expertise:** Many of the collaborations we explored operate on a consensus basis. In these cases, each person we interviewed highlighted the importance of developing distinct roles for each funder. In the Community Leadership Project, for example, Connie Malloy at the James Irvine Foundation leads the collaborative's communications efforts, John McGuirk at the William and Flora Hewlett Foundation manages meetings and convenings, and Kathy Reich at the Packard Foundation leads evaluation and learning efforts.

In other cases, we heard of innovative ways to create governance structures that allowed for flexibility for individual funders to exercise their own interests. CLUA partners agreed to develop a joint strategy and coordinate funding decisions. But they do not pool their funds. Rather, members follow their internal procedures for awarding grants, with one exception. Grants over $250,000 from ClimateWorks Foundation (CWF), one of the CLUA partners, come under review by the alliance board or its executive director. "Pooling funds is very valuable when there's a specific issue—a very focused campaign," explained Reid, director of Packard's Conservation and Science program and past CLUA board chairman. "But the tradeoff is that you lose the diversity of approaches and diversity of funding channels for NGOs. The thing I like about CLUA is that there's a way for grantees to experience different approaches and also an aligned strategy."

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3 CLUA funders regularly discuss the issue of costs as a part of their ongoing agenda.

- **Creating partnership structures that are adaptable and flexible:** Each collaboration needs to allow space for the strategy and, in some cases, the structure, to evolve. Where the stakes are high, there also may be a need to allow for flexibility, so that each of the funding partners can meet its own strategic goals. This was an important lesson for the CWF collaborative, launched in 2008 based on a study by six foundations, including Packard. "CWF was and is a hugely ambitious effort, [and] got many things right," noted Chris DeCardy, Packard's vice president and director of programs, in a May 2013 memo to the Foundation's board of trustees. At the same time, version "1.0" of the collaboration was rigid in its governance and required that all funders agree on investment decisions. This structure was less attractive to new funders and limited opportunities for greater coordination among funders that had aligned interests. The "2.0" incarnation has shifted towards a model more akin to the CLUA governance structure, allowing funders the flexibility to pool funds or coordinate their grantmaking. CWF agrees on a set of investments made independently, but these are reviewed by the entire funder group.

- **Considering exit planning up front:** In the "High Stakes Donor Collaboration" article, we suggested that partners "clarify at the start how much time everyone wants to commit and how each partner can leave with minimal friction." Among Packard's collaborations, we observed mixed approaches to exit planning. Some collaborations included it as a feature up-front, and others did not. However, in all cases where planning for exit took place up-front, staff noted that it played a useful part in subsequent investment decisions and conversations with other funders. Additionally, staff added that early exit planning allowed for discussion of the topic without fear of signaling lack of support to other funders or the funded entity or initiative.

- **Using evaluation results to adapt and improve:** Across the board, staff cited ways in which evaluation, designed and set up at the start of collaborations, has enabled funders to improve their work. The WISE collaborative, for example, has worked with the LFA Group since day one to understand where and how the collaborative is having desired impact. This has allowed the funders to direct money to specific places and programs based on impact evaluations. As a case in point, the William and Flora Hewlett Foundation has chosen to support WISE in certain states and not others.

Practical considerations

- **Balancing ambition with realism:** One of the important roles staff can play is helping to shape the scope of collaborations—balancing ambition with realism. For example, Kathy Reich has described the Community Leadership Project as "one of the best experiences" she has participated in. But she's also candid about the challenges encountered along the way. In Phase 1, the collaborative funded 27 intermediary organizations that supported 100 small- to medium-sized nonprofits serving low-income communities and communities of color

in the three target regions.[4] This proved to be simply too much to manage, especially given the deep attention each of the funding partners felt necessary to support success among the grantees. In Phase 2, the project has narrowed its grantmaking to 10 intermediaries and 57 organizations. The shift was spurred, in part, by evaluation results and collective reflection about the work.[5]

- **Knowing your partners:** Nearly everyone we spoke to emphasized the importance of developing strong working relationships with partners. "Having some good base knowledge about who you're working with—work styles, ways of interacting, common base of values and approaches—is important," said Irene Wong, director of Packard's Local Grantmaking program. Working with a funder before starting a collaboration is helpful. But staff also described ways in which they were able to bring new people and funders into the fold and weather staff transitions. All this takes forethought and frequent communication.

While there is considerable upside, a collaboration done poorly can do more harm than good by draining time, money, and energy that could have been put to better use. Indeed, before joining a collaborative, we would suggest you answer four key questions:

- What is our goal?
- Do we need to collaborate to succeed?
- What are we willing to invest in time and money?
- How do we achieve results?

By virtue of its reputation and size, Packard's involvement in a collaboration carries significant "signaling power." This makes it especially important to make a well-considered decision before entering or starting a collaboration, since exiting can send a negative signal to stakeholders and, in some cases, to the public.

Such considerations come into play, for example, as the Foundation reviews its options with California Forward. Packard has been clear that its funding was time limited given that California Forward was not a core focus for the Foundation. Larson and other funding partners are committed to helping California Forward transition to a new funding model in a way that signals their continued belief that the organization does good work and should be supported.

Using Collaboration to Magnify Impact and Facilitate Learning

When well executed, collaborations magnify the sum of each partner's contributions and produce results beyond the reach of any single donor. There are

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4 Social Policy Research Associates, "Evaluation of the Community Leadership Project," January 2012.
5 Community Leadership Project website, accessed November 7, 2013, http://www.community leadershipproject.org/grantees.html.

many examples of these achievements at Packard, including examples cited in independent evaluations:

- **Climate and Land Use Alliance (CLUA):** "Impressive progress towards the development of common standards and application of social and environmental safeguards by multilateral organizations, without which the prospects for REDD+ (Reducing Emissions from Deforestation and Forest Degradation) proceeding in any form would be substantially less."[6]

- **Working to Institutionalize Sex Education (WISE):** "Codifying an approach to institutionalizing comprehensive sexuality education (CSE) in schools while also increasing the number of public school students who have access to CSE: to date almost 500,000 students in the US have been reached."[7]

- **Community Leadership Project (CLP):** "Very strong impacts at the initiative level…. Intermediaries report expanded awareness of the different types of organizations in different regions, a deeper understanding of the multiple challenges that community grantees face, increased commitment to addressing structural barriers and using multilevel competency frameworks, and a commitment to building stronger capacity-building networks and infrastructures in the three regions…. Intermediaries are also self-organizing to establish working partnerships and to build learning communities focused on how best to support small, grassroots organizations and better understand the intersection of race, power, and philanthropy in a way that will be helpful even after the initiative ends."[8]

While it is impossible to definitively attribute these achievements to collaboration, Packard's staff believes collaboration was essential to achieving the range and depth of impact.

Collaboration also presents an opportunity for the Foundation to learn from others. "There is a values piece of collaboration—an expectation from our board and internal family that we don't see ourselves as having *the* answer," said Packard's DeCardy. "There are others out there we have a lot to learn from—grantees doing the work and foundations who have been there before. If there is something we are going to do, we have a responsibility to learn and be humble. This puts us in a collaborative stance even as we consider impact first."

Packard's orientation towards collaboration is supported and encouraged by its board. Larson notes that boards can encourage organizations to collaborate by focusing on impact as opposed to getting credit or having ownership. Boards also can foster collaboration by asking before approving a strategy or project who else is active in an area, what can be learned from them, and what opportunities exist for collaboration?

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6 *Independent Mid-Term Evaluation of the Climate and Land Use Alliance*, August 8, 2012, http://www.packard.org/wp-content/uploads/2012/11/Climate-and-Land-Use-Mid-Term-Evaluation-2012.pdf.

7 LFA Group, *Working to Institutionalize Sex Education (WISE): Informing Sex Ed Practice and Funding in the United States*, May 2013.

8 Social Policy Research Associates, *Evaluation of the Community Leadership Project: 2011 Evaluation Progress Report*, January 10, 2012.

Considerations for Foundations' Practices and Policies

Packard's diversity of experiences with collaboration provides a strong foundation from which to learn and build. (See "Seven Rules for the Road" for successful collaborations below.) The research on the Foundation's collaborations highlights the importance of being adaptive as collaborations are likely to evolve over time as circumstances change, as funding partners learn more about what is and isn't working, and as funder preferences evolve. There is still much to learn about creating collaborations that work and adopting internal practices and policies that facilitate learning and effective approaches. In refining these practices and policies, we urge foundation leaders and their staffs to consider the following questions:

- What criteria should you use to decide when to say yes to collaboration and when to say no? What preconditions should be in place before joining a collaboration?

- How do you project and capture the ongoing costs of collaboration and staff appropriately?

- What roles and structures can best facilitate decision making and results in particular circumstances?

- What is the grantee's experience of the collaboration, and what feedback mechanisms should your foundation and the funding partners have in place?

- Are there tools, such as checklists or technology, that can make collaborations function more efficiently?

- How can you increase cross-program dialogue about the "craft" of collaboration and share lessons as you onboard new staff?

Collaboration is a powerful means to amplify resources and impact. But there is still much to learn about how to do this well. While we've provided some guidance based on Packard's experience and a broader study of funder collaboration, our work suggests that many foundations could benefit from incorporating these lessons into effective day-to-day practice.

Seven Rules for the Road

- Weigh the cost-benefits, including the opportunity cost, of collaboration, especially if it is not strategic to the foundation or the program area.

- Align on clear goals before investing. Otherwise, preserve decision-making flexibility.

- Use a taxonomy to apply rigor to decision making regarding the collaborative's structure.

- Be clear about the roles the various funding partners will play as well as the investment required.

- Set the exit strategy upfront and establish milestones along the way.

- Put in place evaluation mechanisms and grantee feedback loops; adapt based on this information.

- Engage the board in key discussions about collaboration when it is central to the foundation's work.

Case Studies

California Forward

The Issue

In 2005, several of California's largest foundations came to share the view that state's partisan politics and tangled governance processes impeded progress on many of the most important issues they each cared about, such as education reform, and the health and wellbeing of children and families.[1]

The scope and depth of the problem was so extensive that no single foundation could realistically hope to solve it alone, or even make a substantive, positive difference. What's more, there was no organization in place dedicated to improving government functions at the broad scale needed to make a significant, lasting difference statewide.

"It was desperate times," said Carol Larson, president and CEO of the David and Lucile Packard Foundation. "Something had been missing from the dialogue [between the state of California and its people]. There was a crucial need for a bipartisan, long-term entity that could catalyze new thinking."

Fast Facts

Type of collaboration: Create a new entity

Established: 2007

Funders involved: The California Endowment, Evelyn and Walter Hass Jr. Fund, William and Flora Hewlett Foundation, James Irvine Foundation, David and Lucile Packard Foundation

Shared goal: A nonpartisan effort to bring about fiscal, structural, and democratic process reforms to fundamentally reshape the way California government operates

Funding committed by Packard to date: $4.9 million, including $60,000 dedicated to external evaluation

How the Collaborative Worked

Five foundations (The California Endowment, the Evelyn and Walter Haas Jr. Fund, William and Flora Hewlett, James Irvine, and Packard) decided to launch a joint effort to improve California's system of government.[2] Four organizations—California Common Cause, the Center for Governmental Studies, the New California Network, and The Commonwealth Club of California's Voices of Reform Project—

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1 Conversations began in 2005; initial funding occurred in fall 2007; and public launch took place in March 2008.
2 The David and Lucile Packard Foundation is a tax-exempt charitable organization qualified under section 501(c)(3) and classified as a private foundation under section 509(a) of the Internal Revenue Code. Packard Foundation funds may have been used to support some, but not all, of the activities of grantees and others described in this case study. No Packard Foundation funds were used to support or oppose any candidate for election to public office. No Packard Foundation funds were earmarked or designated to be used for lobbying or attempts to influence legislation (as defined in section 4945(d)(1) of the Internal Revenue Code).

came together to propose launching a new organization, California Forward. This new entity would operate in a bipartisan manner and would engage in policy development, coalition building, advocacy, and communications to improve the functioning of California's government.

California Forward set out to change California's political culture in two ways: by promoting governance reform and by modeling—through its own organizational make up and processes—a different way of getting work done. Specifically, the organization would demonstrate deliberative, bipartisan (or even nonpartisan) democracy.

Leaders of the five foundations helped recruit impressive bipartisan cochairs for the organization's Leadership Council, Leon Panetta and Tom McKernan. The cochairs then assembled the Leadership Council, comprised of representatives of business, labor, faith, and community organizations. In 2007, the five funders provided initial three-year grants. In 2010, the funders pledged another $15 million in grants through 2014. As these grants come to conclusion, some funders are now considering transition funding.

With high-profile advocacy efforts, pinning down an exit strategy can be difficult. While it's advisable for any collaborative to be clear about exit criteria and plans, exit discussions need to occur along the way. And as the time approaches, the specifics require careful attention and discussions. "As our current commitments come to an end, the funders are meeting with California Forward leadership to discuss their plans for future years and to develop a transition to new sources of funding," said Larson. "We take seriously how that transition occurs because we want to make sure California Forward's good work continues."

For each of the funders, the creation of California Forward required stepping outside its own comfort zone, including embracing ambiguity. CEOs were much more engaged than is typical of other grants, given the scale of the work and the power of their combined voices. Some funders made grants outside their regular grant-making programs, recognizing the cross-cutting impact this work could have. Each funder agreed to shift its standard reporting requirements to allow California Forward to concentrate on its advocacy efforts without also having to create multiple annual reports tailored to the interests of each foundation.

All of this requires tremendous trust and coordination. Said Jim Canales, former president and CEO of the James Irvine Foundation, "So much of this is about interpersonal relationships. There was no ego brought to the table. And we worked from the strengths of each funder, from Haas' and California Endowment's commitment to all Californians, to Hewlett's rigor in the development of strategy, to Packard's practical experience in public policy, especially through their successes in the child advocacy space." Added Ira Hirschfield, president of the Haas Jr. Fund, "There is a real respect among all of us. We're glad to be at the table with one another."

And the funders of California Forward continue to build on these strengths, creating leadership structures to ensure ongoing conversation and coordination. The funders formed a CEO group and a staff group (consisting of the program officers and program directors who manage the grants on a day-to-day basis). The CEO group generally has met in-person twice a year. The staff group has had periodic check-in calls and adds time as needed given the needs of California Forward at any given time.

Despite the close work among the funders, the collaboration has not been without challenges. For example, funders maintain appointing authority to name the cochairs of California Forward's Leadership Council, which has ultimate decision-making authority. As the funders reflected on the early days of California Forward, they wondered whether they should have been more active in their approach when they saw leadership challenges arise within the organization. However, each funder also notes that the situation was complicated and "experimental" in many ways.

Results

California Forward has been credited with helping to advance three specific reforms that have been approved by voters: independent redrawing of political districts, "top two" open state primaries, and majority-vote budgets.

California Forward also has worked to improve dialogue among various groups through transparency and nonpartisan research. In 2013, for example, California Forward, together with the California Special Districts Association, launched a first-of-its-kind portal providing data and information on more than 1,100 California special districts. [When residents or landowners want new services or higher levels of existing services, they can form a special district to pay for and administer them.] The new tool, located on California Forward's Transparency Portal, (transparency.cafwd.org/portal/), allows the public access to background information and financial data on special districts throughout the state.

California Forward has not had an unbroken string of successes. In 2012, for example, California Forward's sister organization, the California Forward Action Fund, supported Proposition 31, the Government Performance and Accountability Act that voters did not pass. But the organization's leaders and supporters are well aware that advocacy on the scale they are attempting is not simple. Said Hirschfield, "The jury's still out on the overall efficacy of the work. But there's still a need for the work." Canales concurred: "This is compelling, with great potential for impact. We know that in the absence of funder collaboration, this would be a much slower movement."

Key Takeaways

- **Big challenges require big thinking:** "A functioning California democracy is critical to getting our work done," said Larson. Each of the funders came to the work recognizing the magnitude of the challenge at hand. They worked creatively to collaborate effectively together, whether by working outside

formal grantmaking areas, modifying typical grantmaking reporting policy, or deciding how activist to be in championing the bipartisan effort. Importantly, collaboration was seen by funders as a valuable means to an end—signaling and advancing issues more quickly—but not as an end in itself.

- **Trust among collaborators is key:** Especially with a challenge of this magnitude and the real ambiguity associated with the work, each funder noted the importance of trust. "There is a real camaraderie and degree of respect among this group. It is a well-stewarded collaboration," said Amy Dominguez-Arms, program director at the Irvine Foundation.

- **Role definition is critical, including the role of foundation CEOs:** Achieving consensus among a group of peers with no clear leader is extremely difficult. Hence, California Forward's funders looked to Irvine's Jim Canales to fill this role. "For Irvine, the work of California Forward is core to their strategy, and we looked to Jim to lead. He has incredible skills as a facilitator," said Hirschfield. Additionally, the participation of foundation CEOs was critical. Said Canales: "This is a compelling idea that is more powerfully messaged through the shared brands of foundations and CEOs. There is power and movement here."

The Climate and Land Use Alliance

The Issue

Greenhouse gas emissions from deforestation, forest degradation, and agricultural production account for approximately 25 percent of global emissions. In 2009, four leading US philanthropic institutions already working together on these issues realized that much more needed to be done to address the pressures associated with deforestation and land use changes. These funders—David and Lucile Packard Foundation, Ford Foundation, Gordon and Betty Moore Foundation, and ClimateWorks—concluded that:

- The global response to climate change will be unsuccessful without significant reductions in deforestation and forest degradation and improved agricultural practices.

- To meaningfully reduce deforestation and enhance the ability of land to store carbon, we must address the forces that drive agricultural practices and expansion into forested areas, including the growing global demand for food, fuel, and fiber.

- Protecting and enhancing the livelihoods and rights of indigenous peoples and rural communities is an essential part of the solution.

> **Fast Facts**
>
> **Type of collaboration:** Create a new entity and coordinate funding
>
> **Established:** 2010
>
> **Funders involved:** David and Lucile Packard Foundation (lead), Ford Foundation, Gordon and Betty Moore Foundation, ClimateWorks Foundation
>
> **Shared goal:** To harness the potential of forested and agricultural landscapes to mitigate climate change, benefit people, and protect the environment
>
> **Funding committed by Packard to date:** $12.7M direct investment plus additional significant financial support of ClimateWorks

To advance their shared goals, the four funders resolved to create a new, collaborative entity, the Climate and Land Use Alliance, more commonly known as CLUA. While the Margaret A. Cargill Foundation is not a formal member of CLUA, the foundation participates in most CLUA activities and aligns all of its tropical forest funding to CLUA's strategy.

How the Collaborative Worked

CLUA launched in January 2010 for a five-year trial. As a collaborative, the partners agreed to develop a joint strategy and coordinate funding decisions. Each partner saw an opportunity to create "critical mass" around deforestation and agricultural sustailability and work with colleagues for whom they already had deep respect. As David Kaimowitz, director of sustainable development at the Ford Foundation put it: "[Ford] alone wasn't able to put in enough resources at the beginning. . . . And we also saw a big opportunity to work with foundations that don't have the same context or vision. We viewed that as a way to have something that was complementary. We didn't see it as contradictory. And it's proven to be a fabulous experience."

Each organization brought something different to the table. Kaimowitz explained: "The Ford Foundation is about social justice. This collaborative had to have some social justice perspective to warrant our getting involved. ClimateWorks had a strong carbon focus. Moore had a very strong biodiversity perspective. And Packard was the glue that had a little bit of each of these." Working together, the CLUA partners have put together a joint strategy, coordinated work plans for a variety of initiatives, and agreed on plans for monitoring and evaluation.

CLUA is governed by a seven-member Alliance board and managed by an executive director and four-member staff. The board has broad oversight over unified strategy and grantmaking that supports the collaborative's five initiatives: global climate and land use, and programs in Brazil, Indonesia, Mexico and Central America, and the United States. The teams working on each initiative include foundation program officers with specific interest in the target areas. These teams help develop and oversee grants in their respective areas.

Ford, Moore, and Packard decide upon and administer their own grants rather than pooling their funds. Each of the grants that they want to be considered CLUA grants has to be discussed by the different foundations in initiative meetings. Based on those discussions, CLUA's executive director can decide if grants less than $250,000 will be considered CLUA grants. Above, $250,000 the CLUA board decides.

The CLUA board also allocates the use of ClimateWorks funds to an initiative based on a recommendation by CLUA's program director. The initiative coordinators then decide on the use of those funds. Some of the foundation partners are involved in on-the-ground decision making. For example, Ford and Packard staffs serve as initiative coordinators; other initiative coordinators are long-term ClimateWorks consultants. And, staff of all four foundations (ClimateWorks, Ford, Moore, and Packard) can serve as program officers for the ClimateWorks grants. All ClimateWorks grants smaller than $250,000 have to be approved by the CLUA executive director. If over that amount the board approves.

"The structure has worked really well because you have lots of experimentation from each of the individual funders, but also collective effort in support of one strategy," said Walt Reid, director of Packard's Conservation and Science Program and past CLUA board chairman. Moreover, CLUA brings together "people with different approaches in order to have a diversity of ideas and goals." This blending of diverse perspectives has big unanticipated advantages, added Reid. "We're constantly being forced to ask questions we don't normally ask ourselves." With diversity also comes a wide range of expertise. "If we want to understand what's going on in Norway, or with large international conservation organizations, or with climate change negotiations, all we have to do is ring up one of our CLUA foundation partners. It's been very valuable," noted Reid.

"What makes it all particularly amazing," Reid concluded, "is how different we are in our views, our history, in the grantees we support—and it all works."

Results

Since its 2010 founding, CLUA has awarded 392 grants and contracts totaling more than $104 million in pursuit of its common strategy of enhancing carbon stocks associated with land use management.

An independent evaluation conducted in mid-2012 indicates that CLUA already had made substantial progress:

> *At this point a key question for the partner foundations is whether CLUA is having, or showing the potential to have, an impact that justifies the investments being made, both financially and in terms of their staff time? Our conclusion is, that given the opportunities and constraints CLUA faced, the Alliance has so far made excellent use of the available financial and human resources in pursuit of its objectives, and demonstrated an impressive potential to deliver valuable future impacts.*[3]

The current board chairman, Guillermo Castilleja, chief program officer at the Gordon and Betty Moore Foundation, praised his predecessor for setting the CLUA's partners on a mutually beneficial path. "Walt Reid personifies Packard's ability to establish a productive and successful collaboration," noted Castilleja, who added that his task going forward is "to ensure that the partnership is even more effective."

Key Takeaways

In studying CLUA, we observed several success factors:

- **Relationships rooted in deep respect:** Each of the four early funders had worked together in the past, and the principals of each noted a deep respect for their colleagues, despite differences in approach and focus.

- **Regular communication and a willingness to have hard conversations:** The norm across the four funders is one of strong communication: clear, constant, and candid. All of the funders noted their willingness to have hard conversations and a comfort with exploring differences candidly. This was enabled in part by preexisting relationships, but the funders also noted that the frequency of communication facilitated this dialogue.

- **Flexible governance structure:** A flexible governance structure that allowed the funders collectively to pursue a shared strategy while maintaining separate sub-strategies of interest to each funder.

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3 *Independent Mid-Term Evaluation of the Climate and Land Use Alliance*, August,8, 2012, http://www.climateandlandusealliance.org/uploads/PDFs/CLUA%20MTEval%20Summary%202012.pdf

Community Leadership Project

The Issue

In 2008, the California legislature was considering legislation that would have required foundations to report on the number and amount of grants they made to people of color and/or female-led organizations; the number of contracts to vendors led by people of color; and the number and amount of grants they made to organizations serving low-income communities, people of color, LGBT people, and other underrepresented groups. The legislation also would have required foundations to report on the racial and gender diversity of their boards and staff. Opposition from the foundation community was strong because of unnecessary government interference in grantmaking and onerous reporting requirements. Eventually, a compromise was struck that sidelined the legislation in exchange for a commitment by nine foundations to voluntarily address diversity in grantmaking.

Fast Facts

Type of collaboration: Create and coinvest in a new time-limited initiative

Established: 2009

Funders involved: David and Lucile Packard Foundation, James Irvine Foundation, William and Flora Hewlett Foundation

Shared goal: Build capacity of grantees in low-income communities and communities of color

Funding committed by Packard to date: $4.9 million, including $200,000 for evaluation

In the wake of that legislative tussle, the presidents of the James Irvine, William and Flora Hewlett, David and Lucile Packard foundations resolved to support leadership development and capacity building among minority-led and other grassroots organizations serving low-income communities. As a first step, they embarked on a listening tour to hear first-hand the concerns of nonprofits and community groups representing diverse populations. Out of that effort came a new joint effort, the Community Leadership Project (CLP), established in 2009. CLP set out to strengthen grassroots organizations that serve low-income people and communities of color in the greater San Francisco Bay Area, the Central Coast, and San Joaquin Valley.

How the Collaborative Worked

Once the presidents agreed to an operating framework for CLP, they turned day-to-day operations over to three program officers, one from each organization. The program officers were empowered to make sure that regular foundation rules and regulations (like grant cycles or program strategies) did not get in the way to making CLP happen. From the outset, the funders envisioned a three-year commitment to build the capacity of small- and medium-sized organizations—groups typically not served by the Hewlett or Packard foundations. All involved understood the risks inherent in the project.

"I was suspicious about CLP," said Kathy Reich, Packard's director of Organizational Effectiveness Grantmaking. "I thought it would never work because of the different work styles of the foundations." Moreover, Hewlett and Packard "are not traditional social justice grantmakers," she added. "Investing in small nonprofits serving communities of color in California is not typically what we do; it's not necessarily aligned to our global strategic focus."

Given the mandate from the top to make CLP work, the three program officers lost no time figuring out how to work together. "Trust building was important because the three of us had never worked together before, though our foundations had partnered in the past," said Reich. "It was definitely a high stakes collaboration. We had media attention and groups critical of foundations watching us. There was a risk of public failure."

Phase one launched in April 2009 and was underwritten with $10 million from the three foundations. "When the three presidents are highly motivated and like working together, the process goes quickly," remarked John McGuirk, director of Hewlett's Performing Arts Program and liaison to CLP. Working by consensus, the three program officers picked 27 intermediaries—community foundations, grantmaking public charities, and funder affinity groups—to regrant funds the foundations channeled to them. The intermediary organizations, in turn, awarded grants to 100 small nonprofits. Each grantee received funds from all three foundations.

To save themselves time and work, the program officers hired an independent consultant to handle several key tasks, including coordination of report submissions from the grantees and management of an online site for grantee information sharing.

As phase one neared its conclusion in December 2012, and the foundations weighed the merits of committing to a second round of support, the program officers agreed that a number of grant administration and process changes needed to be made if the project continued. Involving each foundation with every grantee, for example, proved to be too time consuming. "Minor budget reallocations or grant extensions had to be checked with all three funders," noted Reich. "Relatively minor issues could escalate and getting everyone on the phone to get resolution was time consuming." In fact, the time commitment took everyone by surprise. "Everyone under-resourced CLP in terms of time," said Reich. "Effectively staffing a collaboration is easily twice as time-intensive as a typical grant."

Relying on a consultant for administrative support turned out not to work as smoothly as envisioned. The program officers conceded that perhaps they failed to adequately delineate the consultant's role. Nonetheless, they found that the consultant added an unnecessary layer between themselves, the intermediaries, and the community grantees.

When the evaluation results for phase one showed meaningful progress in a variety of areas, the funders agreed to another three-year, $10 million commitment extending through 2015, at which point they plan to exit the project. With the new phase, the

program officers decided to do a number of things differently. They eliminated the independent consultant position, trimmed the number of intermediaries to 10 from 27, and cut the number of grantees nearly in half to 57. To streamline decision making, each grantee now receives funds from only one foundation, not all three as in the past. While they continue to operate by consensus, the program officers found it helpful to more clearly delineate their roles. McGuirk at Hewlett took on meeting coordination, Connie Galambos Malloy at Irvine took on communications, and Reich at Packard took on measurement and evaluation. The trio also agreed to use email for frequent communication, supplemented by phone check-ins every six to eight weeks, and periodic face-to-face get-togethers.

Results

The CLP did not include a plan for evaluation when it launched in 2009. At the time, the three foundations planned to exit the project after three years. But one year in, they reversed course and hired Social Policy Research Associates to conduct program evaluations. The first evaluation effort was not well received by either the intermediaries or grantees, who viewed it as difficult and time consuming. As a result, Social Policy Research Associates agreed to simplify the measurement tools and pay grantees for their time collecting data.

When the results came in, phase one evaluation found "early indications that CLP's investments are making meaningful changes on the ground with individual leaders and organizations." Specifically, the evaluation found:

- Small nonprofit grantees are becoming more financially stable, building leadership, and becoming more resilient.

- Intermediaries are becoming more familiar with the unique issues, challenges, and strengths of small organizations serving low-income communities and communities of color.

- The three funders are learning a great deal about what it means to work effectively with small organizations.

In phase two, the funders left no doubt about the importance of continuing with evaluation. It's built into the program, and intermediaries will have an opportunity to help design the evaluation tools and get individualized training on implementation.

Key Takeaways

- **Sometimes, collaboration has to start at the top:** Without the commitment of the three foundation presidents, CLP never would have happened. It was their commitment that allowed the program officers the flexibility to make CLP work.

- **Successful collaborations may require a big time commitment:** While the time program officers devoted to the project fluctuated, in general everyone underestimated by half what it takes to make a collaborative work.

- **Adapt on the fly:** In phase one, the three program officers struggled to figure out how to work together and with the consultant they hired to manage important

administrative processes. In phase two, they made a number of adjustments to streamline decision making and clarify their own roles in the collaboration, including elimination of the consultant's position.

- **Commit to evaluation from the beginning:** Evaluation got off to a rocky start when the three funders' decided in year two of CLP to add assessment to the program. In phase two, everyone knows that evaluation is part of the program, and they can plan accordingly.

- **Set milestones, including an exit plan:** Putting a time limit on a collaboration forces the funders to step back and evaluate before proceeding—if they choose to proceed. Although the CLP funders backed into evaluation after they started, the three-year initial commitment clearly set expectations for everyone involved. The phase two commitment lays out an exit timeline, which will be designed and communicated in detail at least a year prior to the exit phase.

First Focus

The Issue

Shortly after Lois Salisbury joined the David and Lucile Packard Foundation in March of 2002 as director of its Children, Families, and Communities program, she set out to ensure a strong advocacy voice for children in Washington, DC. Child advocates in the capitol were missing a unified voice with which to advocate for children within federal tax and budget debates, where so much federal policy was set. Existing groups tended to focus on individual issues, lacked relationships with state-based advocates, and wielded little clout on Capitol Hill. Salisbury envisioned a new project, housed within an existing organization. That project would draw on the best state-level thinking about issues and priorities—and use it to inform legislative advocacy.[4] Salisbury viewed this work as critical to ensuring the overall success of Packard's Children, Families, and Communities program.

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Fast Facts

Type of collaboration: Create a new entity

Established: 2008 (formerly known as the Children's Investment Project)

Funders involved: Annie E. Casey Foundation, The Atlantic Philanthropies, and the David and Lucile Packard Foundation

Shared goal: A bipartisan advocacy organization dedicated to making children and families the priority in federal policy and budget decisions

Funding committed by Packard to date: $3.4 million

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Salisbury and her team knew that Packard would need help testing assumptions about the need for a strong advocacy voice for children and defining the right approach to take. But other philanthropic organizations rebuffed her pitch to form a collaborative effort. "It's very difficult to get funders engaged if it's not their idea," said Salisbury. "So we got a tepid response from most when we proposed the investigation we wanted to do."

One group, however, answered Salisbury's call: The Atlantic Philanthropies. "It was a serendipitous connection—Packard and Atlantic. We hit it off," said Salisbury. Additionally, these foundations found a like-minded ally in the Annie E. Casey Foundation.

Working together, the three philanthropies soon verified the need for a new children's advocacy group, which they planned to call First Focus. And they teamed up to take the next steps.

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4 The David and Lucile Packard Foundation is a tax-exempt charitable organization qualified under section 501(c)(3) and classified as a private foundation under section 509(a) of the Internal Revenue Code. Packard Foundation funds may have been used to support some, but not all, of the activities of grantees and others described in this case study. No Packard Foundation funds were used to support or oppose any candidate for election to public office. No Packard Foundation funds were earmarked or designated to be used for lobbying or attempts to influence legislation (as defined in section 4945(d)(1) of the Internal Revenue Code).

How the Collaborative Worked

Rather than launch First Focus as a stand-alone entity, the funders resolved to nest it within an existing organization dedicated to supporting young people. A competitive bidding process led them to pick America's Promise Alliance, a collaborative network founded in 1997 now comprised of more than 400 organizations that facilitate volunteer actions to benefit children and young people. With grants from the Packard Foundation and Atlantic Philanthropies, the Alliance launched First Focus in 2008 and billed it as the organization's "policy affiliate." Annie E. Casey Foundation soon joined as a founding funder. First Focus describes itself as "a bipartisan advocacy organization dedicated to making children and families the priority in federal policy and budget decisions."

During the organization's formative stage, Salisbury and her partners at Atlantic Philanthropies spent a lot of time on First Focus. "I was in DC every couple of months, and we were on the phone a lot," Salisbury recalled. "It was very hands-on for a while." Added Michael Laracy, Annie E. Casey Foundation's director of Policy Reform and Advocacy, "Casey brought a very strong connection to DC. Being based in Baltimore, it was very easy for us to hop over to DC." But after time, once First Focus had established itself with grounded leaders, the funders backed off. Each funder recognized that for First Focus to be successful, it needed to have its own leadership team making strategic and operational decisions and to gain additional funding from other sources.

However, this was not always an easy line to walk. Salisbury recalls the need to provide strong feedback when it became clear to the funders that the initial leader they had helped select to run First Focus was not a good fit. As Salisbury recounted, "We had to be carefully engaged in giving America's Promise our feedback, while not interfering."

Under the leadership of current president Bruce Lesley, First Focus has achieved the independence that Packard had hoped for. The organization conducts polling and opinion research, and writes fact sheets, legislative comparisons, and policy reports to be used as resources for lawmakers and others working on behalf of children. The work spans a number of topics, including early childhood, education, health, juvenile justice, and tax and budget policy. First Focus staff members also testify in Congress as part of the organization's efforts to direct attention to how issues ranging from immigration reform to health insurance and the justice system affect children.

Today, First Focus has a collaborative of funders providing general support, including Packard, Atlantic, the Annie E. Casey Foundation, and the W.K. Kellogg Foundation. Other supporters, including Goldman Sachs, have provided funding for specific projects. For its part, Packard remains involved in steering the organization's work. "In terms of level of funding, I think they're very much like any grantee in the portfolio," explained Meera Mani, Salisbury's successor after she retired in 2011. "That being said, we tend to be fairly involved in the organization's strategic direction and about advocacy in the field overall." Along with general

operating support, Packard has also provided funding for targeted purposes, such as a 2010 organizational effectiveness grant to help First Focus enhance its grassroots engagement strategies.

Results

First Focus publishes a wide variety of reports and fact sheets to serve as resources for budget-makers and other nonprofits and children's advocates whose efforts may be focused more narrowly. One example: Each year since 2008, First Focus has published "The Children's Budget," a detailed guide to federal spending on children, offering information about more than 180 federally funded children's programs.

First Focus counts among its successes the work it has done to increase national focus on issues of children's health insurance and to protect federal support for all programs that impact children and low-income families. These cross-cutting efforts benefit Packard's other efforts within its Children, Families, and Communities portfolio—part of the Foundation's original impetus in forming such an entity.

Key Takeaways

- **Ensure collaboration is truly necessary for success:** Packard initially sought out collaborators given the magnitude of the challenges at hand, but struggled initially to find a like-minded partner given its own strong point of view. In considering collaboration, ask yourself: Do we need collaborators or simply additional support? As Mani put it, "The changes we seek have complex solutions and can benefit from collective experience. That being said, one must be clear that all of the collaborators have the same understanding of what is to be achieved and be willing to make hard choices and learn from mistakes." Moreover, when collaboration works well, it sends an important message to the field. "We expect our grantees to work together, coordinate, look for efficiencies, and it's really about trying to walk that talk, even if partnering in philanthropy is hard," said Mani.

- **Explore alternative options before deciding to create a new entity:** Before establishing a stand-alone entity, funders should examine whether an existing organization can add the new role to its existing portfolio of activities. In this case, the funders solicited bids from existing organizations to identify the right one to establish First Focus.

- **Keep the ultimate purpose of the collaboration in mind:** Often, as a collaborative effort evolves, people tend to behave as if collaboration is a goal in and of itself. It's not. As Mani said, "We are conscious about asking 'what is our message, where is the value add, why Packard, why now?' " Anything the funders do ought to link directly to the outcomes they're seeking together. Otherwise, said Mani, "It's too easy for collaborations to distort the value of their coming together."

Silicon Valley Out-of-School-Time Collaborative

The Issue

Out-of-school-time (OST) programs can have an important impact on students' academic and social development, boosting their chances for graduating from high school and succeeding in college. With those goals in mind, a group of funders created the Silicon Valley OST Collaborative to improve the quality of academic skill development provided by out-of-school programs for the region's middle and high school students. In 2013, the funders agreed to add an important but often overlooked element, development of noncognitive factors such as academic mindset, social skills, and learning strategies. Many of these skills are a natural fit for out-of-school settings and, unlike traditional academic skills development, can be cultivated in young people in a variety of ways that don't depend on specific academic content knowledge among staff.

> ## Fast Facts
>
> **Type of collaboration:** Coordinate funding
>
> **Established:** 2010
>
> **Funders involved:** Sand Hill Foundation, Silicon Valley Social Venture Fund (SV2), David and Lucile Packard Foundation, Sobrato Family Foundation
>
> **Shared goal:** To develop the organizational capacity of OST providers and improve the quality and effectiveness of OST programming in the Silicon Valley
>
> **Funding committed by Packard to date:** $622,500

How the Collaborative Worked

The Silicon Valley OST Collaborative, launched in 2010, supports nine local OST organizations to develop and strengthen academic skills for middle and high school students. It had three goals:

- To build the capacity of each participant organization to achieve a significantly increased level of organizational impact,

- To create a learning community focused on excellence in after-school and summer academic programming, and

- To advance the field of after-school and summer academic services, collectively aspiring to demonstrate and share models for effectiveness with others outside our regional area.

The nine grantees varied in terms of program type (e.g., after-school, summer school, charter school), program focus, grades served, organizational size, and the tenure of their executive directors. But all nine shared an explicit academic focus in their OST programming. Each organization received a $45,000 annual grant, an opportunity for some additional funding, and important nonfinancial supports: five "learning community" meetings per year that brought all nine executive directors and the four funders together; one to three seminars with national experts; access to Taproot Foundation grants; and a one-to-one mentorship between each executive director and a funder.

In the first year of the collaborative, funders met regularly outside of the learning community setting to plan and share responsibilities. Concerned that their consensus-style governance process was cumbersome and time-consuming, at the end of the first year the funders asked Ash McNeely, executive director of the Sand Hill Foundation, to take the lead. Each of the other funders ended up with supporting roles: the Silicon Valley Social Venture Fund (a donor circle) acted as fiscal sponsor; Packard brought strong experience with learning communities as well as knowledge about OST programs in other parts of the country; and the Sobrato Family Foundation, which came in later, contributed funds to provide for evaluations in the second and third years.

Mixing grantees and funders in an intensive series of learning community sessions is a very unusual feature of the Silicon Valley OST Collaborative. "I had initially been skeptical of learning together with funders and grantees, since this was not our typical way of operating" said Irene Wong, director of local grant making for the Packard Foundation. "But there's been real value in having both groups in a room learning together. It's built greater trust among everyone and given each of us stronger appreciation and understanding of each other's work." Sand Hill's McNeely agreed: "It's given grantees a relationship with funders that most of them don't have." She also emphasized that the time spent working together has led to an unusual degree of candor. "As funders, we've ended up being transparent about what we don't know, about what we want to learn, and about our own foundations' weaknesses."

Results

A three-year evaluation, conducted by Learning For Action Group, looked at the extent to which the Silicon Valley OST Collaborative succeeded in its goals of strengthening the grantee organizations and increasing program reach, quality, and effectiveness leading to better student outcomes. Among the findings:

- All grantees reported they improved their evaluation capacity, and at least two-thirds reported some or significant progress in each of the other areas of capacity.

- All grantees expanded the reach of their programs and the number of students they serve, for a collective increase of 27 percent. Many grantees achieved this by establishing new partnerships with other nonprofits or launching their programs in new school sites.

- All grantees expanded their programming to meet their students' needs, many by adding college prep supports to their curricula and a few by expanding the grade levels they covered in order to provide more continuous support to their students.

- Some grantees had evidence that student outcomes improved during the course of the initiative, while others have seen early signs of improvement.

- All grantees found the initiative's non-financial supports to be of even greater value than the financial support.

- For the funders, the initiative improved their practice by strengthening their commitment to funding capacity and operating support, providing multiyear grants, engaging deeply with grantees, and working in collaboration with other funders.

- Funders also deepened their knowledge of the OST field and strengthened their relationships with the local leaders.

Key Takeaways

Several success factors emerge from this work:

- **Clarify funder roles:** While the OST funders learned a tremendous amount in working by consensus, the collaborative became more efficient and effective once it asked one funder (the Sand Hill Foundation) to take the lead. The other funders also sought to differentiate roles so they, too, could focus on what they brought to the table.

- **Use external consultants selectively, especially when leanly staffed:** The funders relied on external consultants both to facilitate the learning community sessions and to help develop the overall strategy. The consultants brought a valuable point of view and important skills to the work.

- **Learn together as funders and grantees:** The evaluators helped the initiative define "moving the needle" in terms of community impact rather than focusing solely on organizational capacity. The evaluation also provided important information about which types of capacity building had contributed most to organizational change. Further, the executive directors and funders found substantial value in the amount of time they spent learning together, building trust, and helping each learn more about the other's work and perspectives.

- **Unrestricted funding provides needed flexibility:** Packard made an extra $25,000 available in 2013 to advance the funders' exploration of adding non-cognitive skill development to the OST programs. As McNeely observed: "Every collaborative budget needs flexible, unallocated funding that can be brought to the table at an opportune moment to take advantage of group ideas and momentum."

Working to Institutionalize Sex Ed (WISE)

The Issue

Since 1997 the federal government has invested more than $1.5 billion in abstinence-only sex education programs. These programs exclude important information that could help young people protect their health and have little or no evidence of effectiveness. Comprehensive sex education (CSE), on the other hand, stresses abstinence but also provides information about contraception and condoms. There is evidence that CSE programs can delay the initiation of sexual activity and reduce sexual risk.

By the second half of the 2000s, the tide was turning against abstinence-only programs. In 2007, 10 states declined federal abstinence-only funding; by 2009, nearly half of the states chose not to accept the funds. Many states and localities were also passing new laws that supported CSE. And there was public support as well. One survey found that 82 percent of adults polled favored programs that teach students about both abstinence and other methods of preventing pregnancy and sexually transmitted infections.

However, in site visits across the country, the eventual leaders of WISE found that gains in CSE advocacy were not being fully realized because too few resources were used for implementation. In many places, having a favorable policy climate did not lead to schools actually delivering comprehensive sex education programs to their students.

How the Collaborative Worked

In 2009, four foundations—Grove, Ford, William and Flora Hewlett, and David and Lucile Packard—stepped up.[5] They supported the WISE Initiative to provide focused funding to states and localities where there was a favorable policy climate and where a public-private collaborative was poised to significantly improve CSE programming in K–12 public schools. The initiative supports state and local implementation efforts and seeks to expand the field's knowledge about best practices for institutionalizing CSE. Initially, it made investments in seven state and local partners. Today, its work has expanded to 11 states. For the first two years, WISE encouraged grantees to test multiple strategies to get CSE into schools. By the third year, it had codified a five-step CSE implementation model called the WISE Method.

> ## Fast Facts
>
> **Type of collaboration:** Create a new entity
>
> **Established:** 2009
>
> **Funders involved:** Grove Foundation (lead), David and Lucile Packard Foundation, Ford Foundation, William and Flora Hewlett Foundation, with additional funders joining in 2011
>
> **Shared goal:** Provide public school students with access to comprehensive sex education
>
> **Funding committed by Packard to date:** $1.3 million

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5 Hewlett stopped funding WISE in 2012.

The Grove Foundation leads the collaboration, and the foundation's Rebekah Saul Butler is the WISE program director. "Rebekah really had a vision in mind, and she was the lead funder and conceptualizer. We at Packard saw a real opportunity to partner with and lean on Rebekah's expertise," explained Lana Dakan, Packard Foundation program officer for population and reproductive health. Packard provides Grove with flexible, multiyear funding, and Grove, in turn, makes grants to subgrantees.

Governance is quite informal. The funding partners meet once a year, but otherwise, said Dakan, "There aren't any memoranda of understanding or specific structures. Rebekah leads it, and then there's a key consultant." Initially, the partners formed an advisory committee, but over time the committee was dismantled, and now WISE relies on a set of informal advisors.

What helps to keep WISE on track despite the informal collaborative arrangements among the funding partners? "Having a clear evaluation plan and metrics is really important," said Dakan, "because then you are very clear about what the initiative is trying to achieve and the progress you're making towards those outcomes. It helps guide conversations and means there are no big surprises." Even without a highly formalized governance structure, the partners often communicate with each other. "Communication doesn't have to be formal or lengthy," said Dakan. "Rebekah shoots off quick emails, and it keeps us all engaged."

Results

In the first three years of the initiative, all of the WISE sites made significant progress toward their objectives. WISE-supported activities have reached over 500,000 students; more than 700 teachers have been trained; and hundreds of schools have either implemented sex education where there was previously no sex education or significantly improved their program. As of 2014, 11 states and localities are participating in WISE.

Dakan also points to the impact that WISE has had on its funders. "We've built a relationship and shared trust among the foundation project officers involved," she said. "We're able to check in with each other—and not just about WISE, but about low-cost ways to train teachers to teach comprehensive sex ed and ways to reach kids outside of school. We're all working on this together."

Key Takeaways

We observe several success factors in this work:

- **Partner with a motivated lead funder with subject matter expertise:** With growing support for CSE in states and localities, and among the public, and with a new administration in Washington, Grove, Packard, and the other foundations in the initial group of WISE funders were able to take advantage of a much improved climate in which to spread CSE. With this timely opening at hand, Packard saw an opportunity to learn from the Grove Foundation's expertise in this area.

- **Consistent communication and clarity on shared goals can lessen the need for formal structure:** Packard and Grove generally see eye-to-eye on WISE's goals and strategy. The relationship among all the funders is not defined so much by formal arrangements as by informal communication and trust in the leadership that the Grove Foundation is providing.

- **Start with a clear evaluation plan and learn from metrics:** From the start, WISE has engaged Learning for Action Group as its evaluator. The initiative has made major decisions based on what it has learned from evaluation. For example, results from the multiple strategies tested during the first two years led to development of the WISE Method that now guides the initiative. Clarity about metrics and the evaluation plan has also helped keep the funders aligned with each other and with the overall initiative. In fact, all foundations have agreed that LFA's work fulfills their individual evaluation needs.

- **The sum is greater than the parts:** Each funding partner brought a particular expertise to the table, and the group worked collaboratively to learn from and deploy those individual assets to enhance the quality of the program. Working together in this way served to create funder buy-in and a sense that "we're all in this together."