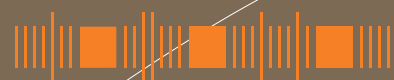




CEP at



*Comparative Data Enabling Higher-Performing Foundations*

5

Excerpts from the Center for Effective Philanthropy's  
Five-Year Anniversary Event

September 14, 2006  
New York



THE CENTER FOR  
EFFECTIVE PHILANTHROPY

To experience the complete timeline,  
visit [www.effectivephilanthropy.org](http://www.effectivephilanthropy.org).

2001

JUNE 2001

- Founding fellow and board member Phil Giudice develops initial Foundation Performance Metrics Pilot Study plan and leads search for Executive Director



- Initial funding secured for Foundation Performance Metrics Pilot Study from Surdna Foundation, The David and Lucile Packard Foundation, and The Atlantic Philanthropies

the David & Lucile Packard FOUNDATION

The ATLANTIC Philanthropies



2002

FEBRUARY 2002

- *Toward a Common Language: Listening to Foundation CEOs and Other Experts Talk About Performance Measurement in Philanthropy* released



"In their search for useful measures, foundation leaders share a similar conception of key activities — achieving impact, setting the agenda, and managing operations — but seek more timely, consistent, and summary

*performance measures*

AUGUST 2002

- *Indicators of Effectiveness: Understanding and Improving Foundation Performance* released



"Absent direct measurement of social benefit, foundation leaders are exploring performance measures on multiple levels. Foundation leaders...can gain important insight into absolute and relative performance, subject to an important caveat: foundation leaders must select and apply those measures..."

JULY 2006

- CEP cited by a variety of newspapers, including the *Wall Street Journal*, *The Globe and Mail*, and *The Chronicle of Philanthropy* regarding Warren Buffett's donation to the Gates Foundation; Phil Buchanan interviewed on PBS' "Nightly Business Report" regarding the implications of Buffett's unprecedented gift

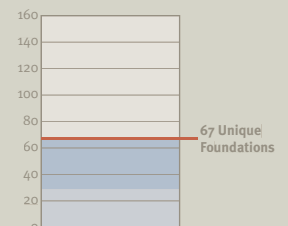


2006

2004

CEP TOOLS

Sixty-seven unique foundations have commissioned CEP assessment tools to date



"Our grantees believe that Hyams has a deep understanding of the populations they serve. While they also rated the Foundation's impact on their own organizations very highly, Hyams' rating on this criterion was slightly below the median. Based on the survey, we learned that Hyams staff provide more assistance 'beyond the grant check' than other foundations in the CEP data set. Assisting grantees in accessing other sources of funding was seen as especially valuable. Based in part on this feedback, we are interacting even more with our grantees by making fewer and larger multi-year grants in several of our program strategy areas."

— ELIZABETH B. SMITH, EXECUTIVE DIRECTOR OF THE HYAMS FOUNDATION, IN A LETTER TO THE FOUNDATION'S GRANTEEES AND APPLICANTS

THE CENTER FOR  
EFFECTIVE PHILANTHROPY

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The mission of the Center for Effective Philanthropy is to provide management and governance tools to define, assess, and improve overall foundation performance.

This mission is based on a vision of a world in which pressing social needs are more effectively addressed. It stems from a belief that improved foundation performance can have a profoundly positive impact on nonprofit organizations and those they serve.

Although our work is about measuring results, providing useful data, and improving performance, our ultimate goal is improving lives. We believe this can only be achieved through a powerful combination of dispassionate analysis and passionate commitment to creating a better society.

CEP is committed to openness about its policies, finances, and operations. To review our recent audited financial information, IRS Form 990, and major institutional policies, or to learn more about CEP, visit [www.effectivephilanthropy.org](http://www.effectivephilanthropy.org).

January 8, 2007

Dear Colleagues,

As we write this message, the Center for Effective Philanthropy has just completed its fifth full year in operation. We are deeply appreciative of the risk that three foundations – The Atlantic Philanthropies, the Surdna Foundation, and The David and Lucile Packard Foundation – took in the summer of 2001 by providing the initial support that allowed us to get started.

A lot has changed during those five years, and we are inspired by the progress we have seen. A growing number of leaders, emboldened both by a sense of responsibility and a vision of what might be possible, are pushing their foundations harder to achieve the greatest possible impact. As they pursue this objective, they are holding themselves and their foundations accountable for performance, utilizing comparative indicators of foundation effectiveness.

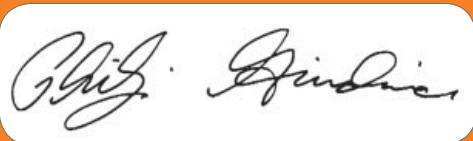
Our focus has been – and will continue to be – on the development of comparative data that enables higher-performing foundations. Our analysis of that data fuels our three primary activities: the creation of research publications that inform foundation leaders; the provision of assessment tools that allow foundations to understand comparative strengths and weaknesses; and programming that brings together foundation leaders to share approaches to assessing and improving performance.

In all of these activities, we work in close consultation with foundation leaders represented on our Advisory Board and Board of Directors – and with the growing community of users of CEP's research, tools, and programming. We are dependent on their engagement and insight in the work we do.

This publication reflects on CEP's first five years, through stories and pictures from our Five-Year Anniversary Event held in New York in September 2006. It's not an annual report: CEP's audited financial statements and other organizational information – from our conflict of interest policy to our IRS Form 990 – are always available on our Web site for anyone to peruse.

We hope this publication offers you a sense of the powerful changes occurring within many of this country's large foundations – and of the possibilities of a future in which foundations make a yet greater contribution to the alleviation of the most pressing problems facing our country and our world.

As always, we welcome your reactions and suggestions.



Phil Giudice  
Chair, Board of Directors  
[philg@effectivephilanthropy.org](mailto:philg@effectivephilanthropy.org)



Phil Buchanan  
Executive Director  
[philb@effectivephilanthropy.org](mailto:philb@effectivephilanthropy.org)

# The Power of Data :

## One Foundation's Story

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



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

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

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

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

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

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

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

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

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

*Success can also contribute to a perception that we are the experts, and that we have the answers. And, I think, without it ever being explicitly said, over generations our organization experienced some creep toward “invented here first.”*

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

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

- The results of the Grantee Perception Report, which as I said, Rockefeller had never participated in before, but which we felt would afford us a critical window into our perceived effectiveness and value added from our primary partners
- [The work of nonprofit strategy consulting firm] Bridgespan to benchmark many elements of our operating model and cost structure against other foundations
- An internal staff climate survey... a scheduled bi-annual survey that Rockefeller had conducted in prior years, and that we decided to let go forward on schedule, even though we were truly in the early stages of transition

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

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

- Rockefeller Foundation was more focused on internal matters than on achieving external social impact.
- We had a higher cost structure than many of our peers.
- Our organization and processes were overly complex, and people were not effectively deployed in all instances.
- Overall, decision-making was cumbersome.
- We did not link foundation-wide goals to department and individual goals.
- The culture did not consistently expect and reward high performance.
- Nor did we have a shared culture, but rather many distinct individual cultures that had emerged over the years in different departments and divisions.

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

*Among the key changes we've tried to instill is a willingness and ability to look outside the walls of the Rockefeller Foundation more systematically and rigorously and test assumptions upon which much of our work and internal practices have been based.*



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

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

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

*This was our “shock and awe” campaign, as it were, as it began to suggest that our internal view of ourselves and our effectiveness was not necessarily supported by external data.*

I will say that one truly heartening piece of data we received was from our internal staff survey, where the percentage of staff who reported “I feel optimistic about the Rockefeller Foundation’s future as an institution of excellence” rose significantly from prior surveys. We felt this was an asset we had to build on. We offered a Voluntary Separation Program as a generous opportunity for those who did not have the energy or interest in rallying for the next phase to freely make the decision to leave, while we alternatively hoped we could turn that reported optimism among those who chose to remain into new work and focus.

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



Perhaps one more, last great “ah-ha” moment was not exactly a data point, but an event. It may seem obvious to all of you, but for us to fully grasp the meaning of no longer operating as though we were the largest foundation in the country (even though that was a long time ago), but more like fifteenth or sixteenth, has been a hard sell at times. There’s the fact of it, and then there’s the culture of it. While, intellectually, staff have all caught up, emotionally and culturally it has been slow to land in the collective consciousness of our staff.

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

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



*This process has helped us to begin to move toward a twenty-first century culture that is much more rigorously focused on achieving and measuring impact, that can operate with more agility and flexibility.*



# The **Foundation**

## *Effectiveness Imperative*



*Phil Buchanan, CEP's first and current Executive Director, delivered these remarks at the Five-Year Anniversary Celebration.*



Speeches about foundations often begin with this observation: Charitable foundations enjoy a level of freedom that is unrivaled by other types of institutions in our society.

Freedom from scrutiny. Freedom from feedback. Freedom from competitive pressures. Freedom from worries about meeting payroll.

Although many have made this point, others have disputed it or tried to downplay it. Sensing danger from the outside, some foundation leaders have tried to argue – with a straight face – that foundations are subject to meaningful oversight: that foundations are not so free. But the fact is, relative to other institutions, foundations enjoy unrivaled freedoms. It's a fact. One that should be acknowledged and celebrated, not disputed, because the fact that foundations — you — are so free is among your greatest strengths.

Why? Because this freedom allows you to play a unique role – a role offsetting those whose only allegiance is to shareholders, or to 50.1 percent of the voters in their district. Or to those whose aspirations must be tempered by their need to package a successful fundraising appeal. Unlike other institutions, foundations – particularly private foundations – are institutions, as Joel Fleishman has noted, capable of doing much good, for the very reason that they are so free.

True, foundation giving represents only 12 percent of charitable giving, as we all know.

But this country's large foundations in particular are crucial institutions because they can take on and support and bring attention to issues that – for all kinds of reasons ranging from a lack of profit incentive to cold political calculation – others ignore. Disease in Africa. Access to health care in the U.S. Poverty. Discrimination against gays and lesbians. Religious freedoms.

So we need these unique institutions, foundations. ... We need you to be effective.

We need you to be effective in the pursuit of your goals. We need you to be effective even if some of you are working in pursuit of goals others of you oppose. Because foundations, when effective, are crucial contributors to the vitality of our nonprofit sector, our society, and our democracy.

And our mission at CEP is to foster your effectiveness through the development of comparative data. Because understanding whether a foundation is really effective absolutely requires comparative data. Otherwise, effectiveness is just a mantle any foundation leader can claim.

*This country's large foundations in particular are crucial institutions because they can take on and support and bring attention to issues that – for all kinds of reasons ranging from a lack of profit incentive to cold political calculation – others ignore.*

Developing comparative data is what we set out to do five years ago. Our goal was to develop comparative data that allows foundation leaders to assess and improve their overall performance – their effectiveness – in pursuit of whatever goals they define.

When we began, we realized that very little research had been conducted on questions of foundation effectiveness. So we decided to start by listening. We asked foundation CEOs and trustees what data they used to assess their foundations' effectiveness. Their answers were sobering. In many – most – foundation boardrooms, the only data regularly reviewed were administrative cost ratios and reports on endowment performance. So, here were foundations, large ones, operating in isolation from any data about their overall effectiveness – but often believing passionately that they were effective, and even proclaiming so. Publicly, forcefully, and unequivocally.

When we moved the discussions from what was to what might be, many foundation leaders were able to describe their ultimate performance measure: impact relative to resources expended. A simple ratio. Impact relative to resources expended. But most conceded that this measure was only theoretical. Foundation impact could never be boiled down to a single number. Why?

First, because establishing a causal connection between grants and outcomes is often impossible. The median grant size for even the large foundations whose grantees we have surveyed is just \$50,000... and often accounts for a fraction of a project or organization budget.

Second, because even if causality could be claimed, grant results cannot simply be aggregated. There is no common unit of impact

measurement – no ROI – across the activities funded by foundations, and there never will be. To pretend otherwise is pure fantasy.

Third, because it can take decades to know whether results have been achieved. Melinda Gates, for example, acknowledged recently that it would be 20 years before even the Gates Foundation really understood the results of its school reform efforts.

So impact relative to resources expended, while the right theoretical measure, cannot be calculated. The problems of causality, aggregation, and timeliness – and a dozen others that I won't even mention – get in the way.

We learned, as we listened, how challenging assessment of overall foundation effectiveness really is. But, with your encouragement and help, we decided to take on the challenge. To build a set of indicators that, taken together, tell us about foundation effectiveness. No one data set or organization has all the answers. But we have begun to develop what we have called a “language of assessment” that is particular to foundations. This is our focus. And, in five years, and with lots of support, we have accomplished a great deal.

We have surveyed 30,000 grantees about their candid, confidential perspectives on 180 foundations; we have also surveyed many of these foundations' declined applicants. Well over 100 of those foundations, including many of those represented here, have commissioned Grantee Perception Reports – GPRs – illustrating how they are perceived on myriad dimensions relative to how other foundations are seen by their grantees on the same dimensions.



*So, here were foundations, large ones, operating in isolation from any data about their overall effectiveness — but often believing passionately that they were effective, and even proclaiming so.*

Our grantee survey research has led to important insights that we have publicized in our research reports. For the first time, for example, foundations could understand, based on broad and rigorous research described in our report *Listening to Grantees*, what nonprofits really valued in their relationships with their foundation funders.<sup>1</sup>

It's one thing to read a research report. It's another to put yourself on the line and obtain detailed results on how grantees view your foundation – compared to how peer foundations are seen by their grantees. Delivering GPRs, we have seen tears and rage and elation – elation that hard work is appreciated by grantees. We have had our credentials questioned; our methodologies questioned; our youth questioned. We have heard foundation leaders argue that grantees are merely a means to an end and that their views are unimportant. We have heard the GPR derided as a survey about grantee “happiness” when, of course, not one question refers to happiness.

But, mostly, overwhelmingly, we have seen foundations take seriously, and act on, the results, as so many of you have, because you know that grantees are foundations’ agents of change. You heard some of the stories earlier today. Some of the most dramatic ones tend to be kept more private, and have led to long overdue and significant improvements – in staff, or priorities, or goals, or processes: in some cases, all of the above at a single foundation. GPR results have

led to dramatic and positive changes – changes based on new realizations. New realizations that goals are unclear or misguided. New realizations that processes or services designed to help grantees aren't viewed as helpful. Or affirmation that they are.

But the views of grantees and applicants are by no means the only source of performance feedback. Our Staff Perception Report helps foundations to know the confidential and comparative views of their staffs. How does this relate to a foundation's achievement of its impact goals? Pretty directly, it turns out – because, how can a foundation expect to achieve its goals unless its staff understand those goals? And are motivated and empowered to pursue them?

Our Comparative Board Report looks at foundation board functioning and it, along with the accompanying board facilitation we provide and our report *Beyond Compliance*, have led foundation boards to overhaul the way they function – often focusing more board time and energy on strategy and assessment.<sup>2</sup>

So we now have done a lot of work and collected a lot of survey data. And analysis of this data, described in our research reports, has challenged conventional wisdom on a range of issues.



*Delivering GPRs, we have seen tears and rage and elation  
— elation that hard work is appreciated by grantees.*

<sup>1</sup> See *Listening to Grantees: What Nonprofits Value in Their Foundation Funders* (2004) at [www.effectivephilanthropy.org](http://www.effectivephilanthropy.org).

<sup>2</sup> See *Beyond Compliance: The Trustee Viewpoint on Effective Foundation Governance* (2005) at [www.effectivephilanthropy.org](http://www.effectivephilanthropy.org).

So, with all that data in hand, and with the experiences of the past five years: What is an effective foundation? We know enough now not to believe those who promise easy answers to this question – those who say that the key, for example, is for foundations to operate more like businesses. Those who promote this perspective miss the point.

They miss the point that foundations' comparative advantage as institutions is that they are free and do not have to act like businesses – accountable to investors in pursuit of profit. And they miss the point that, as business guru Jim Collins has observed, most businesses are mediocre. Why, Collins asks, would we want to emulate the mediocre?<sup>3</sup>

So there are no easy answers when it comes to foundation effectiveness. No simple calculations. No frameworks ready for quick importation from other sectors. No one ratio. No easy answers.

Foundation effectiveness takes many forms. But, drawing on our research and our experience, I'd suggest that effectiveness does require five elements:

- First, foundation effectiveness requires specific goals that can be articulated succinctly and consistently by trustees, program officers, and other staff. This seems simple. Basic.
- › Yet a surprising number of the CEOs and program officers we have interviewed during our ongoing study on foundation strategy could not articulate specific goals.
- Second, foundation effectiveness requires a strategy. A clearly conceived set of grantmaking and other activities that relate to the achievement of goals. Some might call this a theory of change. Whatever we call it, it's essential, and its development should be rooted in an awareness of other funders and other actors – and, when possible, in data about what works. We have seen some very clearly thought-through strategies.

› But, here, too, many we have interviewed have struggled. And clarity of communication of foundation goals and strategy is one of the lowest-rated dimensions by the thousands of grantees we have surveyed.

*There are no easy answers when it comes to foundation effectiveness. No simple calculations. No frameworks ready for quick importation from other sectors. No one ratio.*

- Third, foundation effectiveness requires measurable indicators of effectiveness that relate to goals and strategy. Those indicators must come from a wide variety of sources and be comparative in nature.

- Fourth, foundation effectiveness requires leaders who make the indicators real – holding individuals responsible and confronting performance issues head-on.

› We have seen tremendous unintentional variation within foundations when we segment GPR results by program area – or program officer. We have seen some foundation leaders confront clear performance issues directly and productively – working with individuals to help them to improve or, in some cases, moving them out. But we have also seen leaders look the other way, even acknowledging that, though the issues are real, they prefer not to deal with them.

- Fifth, foundation effectiveness requires boards that are engaged deeply in definition of goals and strategy and who insist on reviewing performance indicators on a regular basis – and holding the CEO accountable for results. Boards need to engage the difficult work of assessment, and they know it. Our research has revealed that assessment is the area of greatest board dissatisfaction and the area in which boards most want to spend more energy.



<sup>3</sup> See Collins' monograph, *Good to Great and the Social Sectors* (2005).

These are not easy things to do. They entail personal risk. They require personal courage. They necessitate a kind of impatience and dissatisfaction with the status quo that is not always found within foundations.

Your freedom means that no one will compel you to do these things.

But, for you and your foundations to be effective – as we need you to be – this is what you must do. Foundation leaders should not be able to tout their effectiveness without backing it up; without subjecting themselves, as most of you have, to the painful process of assessment.

We at CEP must do our part, too. We need to continue to expand our tool offerings. We need more frequently to work with foundations to combine our assessment tools into a holistic assessment that draws insights across results. We need to expand our collection of operational data, and offer you easier, online, real-time ways to create reports illustrating your data relative to a self-selected set of peers. We need to continue to conduct more qualitative research, highlighting exemplars and innovative models.

The results of this effort will be that five years from now, a greater number of foundation leaders are as committed as are those of you in this room to foundation effectiveness. And that they are literally surrounded as they do their work by a rich array of comparative data to allow them to assess their effectiveness and chart a path of improvement.

This may seem a daunting challenge. But five years ago, when CEP was being discussed by Phil Giudice, Kevin Bolduc, and me in our 800-square-foot office with no street-facing windows, we really didn't allow ourselves to imagine that more than 140 foundations would use our assessment

tools. Or that you'd take the results as seriously as most of you have. Or that well over a dozen foundations would make your assessment reports – sometimes including disappointing findings – public. Or that so many of you would help us to design new tools, to plan our research studies, to fund us to innovate and conduct research. Or that so many of you would read our research reports and make them the topics of board and staff retreats.

This progress is inspiring. It suggests that, because of our shared belief in the unique opportunity charitable foundations have to do good – to make an impact, we can accomplish a great deal together.

We can make this country's large charitable foundations yet much more effective in pursuit of their goals, whatever they may be. We can stop debating whether foundations are subject to sufficient oversight. We can talk instead about a much more important issue: whether or not they are effective in the ways only foundations can be; whether they are using their unrivaled freedoms to do what other institutions cannot; whether foundations — whether you — are catalyzing the kinds of important changes – in our society and in our world that, perhaps, only you can.

Thank you all for your support, encouragement, and counsel. And for your commitment, every day, to making your foundations effective in pursuit of their impact goals. And thank you for being here today.

*We can make this country's large charitable foundations yet much more effective in pursuit of their goals, whatever they may be.*

# Progress and Unrealized Potential:

## Comments from Foundation Leaders

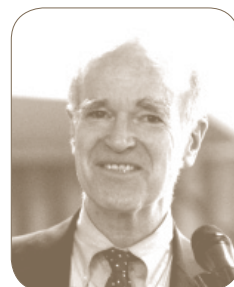


*"We have it within our power to make a much bigger impact on the inequity and scarcity that holds our society back. We don't have to finish the job, but we have to start it – and very, very soon."*

Edward Skloot, Executive Director, Surdna Foundation

*"When one looks back on CEP's first and ever more successful analytic offering – the Grantee Perception Report – one is struck by the obviousness of the insight that it makes great sense to assess comparative foundation performance by surveying grantees. Of course that makes sense. Indeed, if a foundation has any interest in knowing how well it really is doing, and in understanding how it might do better, it seems perverse – indeed, dare I say it – downright stupid or at least willfully self-blinding, not to survey grantees, who are, after all, the primary, virtually the sole, clients of foundations."*

Joel Fleishman, Director of the Sam and Ronnie Heyman Center for Ethics, Public Policy, and the Professions at the Terry Sanford Institute of Public Policy, Duke University



*"At the end of the day, however, we must not lose sight of the bigger goal. Given the profound challenges facing our planet and humankind, we must ask ourselves the daunting question, 'What real impact are we having in making the world a better, safer place?'"*

Stephen B. Heintz, President, Rockefeller Brothers Fund

*"CEP has provided great stimulus and support in the difficult and imprecise effort to measure foundation effectiveness. We appreciate CEP's leadership and collegial approach in helping Lumina Foundation and the philanthropic sector move toward greater accountability and transparency—all to improve our service as trustees of funds deployed for the common good."*

Martha D. Lamkin, President and CEO, Lumina Foundation for Education



For the full text of the CEP Five-Year Anniversary Event remarks excerpted here, visit [www.effectivephilanthropy.org](http://www.effectivephilanthropy.org).

# CEP's **Research** Agenda:

*From Insights to Impact*



All of CEP's research and data-collection efforts are designed to inform foundation leaders as they seek to assess and improve performance. CEP's research reports have explored issues such as performance assessment, governance, foundation-grantee relations, and communications.

CEP is currently engaged in a ground-breaking study of foundation strategy. Funded by the Surdna Foundation, this study seeks to document approaches to development, implementation, and assessment of foundation and program strategy at the country's largest foundations. Other ongoing research initiatives include CEP's Foundation Governance Project, which seeks to identify key components of effective foundation governance; continued analysis of tens of thousands of surveys of grantee perceptions of their foundation funders; and the development of case studies on foundations that have used comparative data to assess and improve.

CEP's research approach combines the most sophisticated statistical analyses with rigorously conducted qualitative data-collection efforts. CEP's research staff includes two Ph.D.s with significant research and evaluation expertise and a half-dozen highly trained and skilled research analysts.



# CEP's **Assessment Tools:**

## *A Basis for Foundation Improvement*

CEP's assessment tools provide foundations with comparative data on strengths and areas in need of improvement. More than 140 foundations have used CEP's tools since 2003.

**The Grantee Perception Report® (GPR)** provides comparative data on grantee perceptions of foundation performance on a variety of dimensions. The GPR is based on a comprehensive survey of grantees covering issues such as interactions during the grant, the application and reporting processes, and perceived foundation impact. **The Applicant Perception Report (APR)** is a companion to the GPR and provides comparative data from surveys of declined grant applicants.

**The Comparative Board Report (CBR)** is the only board self-assessment tool that includes comparative data gathered through large-scale research on foundation boards. The CBR provides a basis for boards to assess their functioning in a number of areas, including board dynamics, participation in shaping foundation strategy, and relationship with the CEO.

**The Staff Perception Report (SPR)** explores foundation staff members' perceptions of foundation effectiveness and job satisfaction on a comparative basis. The SPR is based on a survey specific to foundations that includes key questions related to staff members' impressions of foundation impact, alignment in pursuit of key goals, job satisfaction, empowerment, and opportunities for foundation improvement.

**The Operational Benchmarking Report (OBR)** provides comparative data, relative to a selected peer group of foundations, on aspects of foundation operations – including foundation staffing, program officer workload, grant characteristics, and administrative costs.

**The Multidimensional Assessment Process (MAP)** provides foundations with an integrated assessment of performance based on comparative data collected from a variety of different sources, including grantees, declined applicants, foundation staff, and foundation board members. The MAP incorporates insights and data from all of CEP's assessment tools into key findings, implications, and recommended action steps for improved foundation performance.



CEP is pleased to offer a 5% discount on all assessment tools to members of Grantmakers for Effective Organizations (GEO). GEO is a community of grantmakers dedicated to building strong and effective organizations. GEO's mission is to maximize philanthropy's impact by advancing the effectiveness of grantmakers and their grantees. For more information about GEO membership, visit [www.geofunders.org](http://www.geofunders.org).

*We are grateful to the following foundations for commissioning CEP assessment tools.*

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## *Sharing Insights*

CEP offers programming for foundation trustees, CEOs, senior executives, and trustees. CEP's programming features our latest research and highlights exemplars in the field. Conferences are candid, hard-hitting, and practical, bringing foundation leaders together to learn from each other and set a higher standard for foundation performance. Conferences feature sessions on strategy development, performance assessment, governance, and leadership.

CEP hosts national seminars bi-annually. Reports on past programming and selected speech transcripts are available on CEP's web site at [www.effectivephilanthropy.org/seminars/seminars\\_overview.html](http://www.effectivephilanthropy.org/seminars/seminars_overview.html).

*"CEP's conferences speak directly to the challenges foundation board members face, offering practical, research-based insights on how to maximize board effectiveness and foundation impact. CEP's conferences draw trustees and leaders from the country's leading foundations and provide a unique opportunity for honest conversation with peers facing similar challenges."*

John Hawkins, Board Chair,  
Surdna Foundation

*"I have found CEP's programs to be really valuable opportunities to explore some of our community foundation's more vexing challenges of impact and effectiveness. What I have valued most is that CEP's approaches the elusive issues of effective philanthropy in ways that are both values-driven and evidence-based. This gives us confidence to make strategic decisions about various functional areas – donor services and competitive grantmaking. At the Vermont Community Foundation we have used what we've learned from CEP to continually revamp our competitive grantmaking programs for greater relevance among grantees, to reposition our role in the community, and to clarify our unique value proposition for Vermont-focused philanthropists and nonprofits. The sessions CEP has organized, in addition to being good learning opportunities, are also a wonderful chance to informally network with other foundation heads who are trying to operate at the edge of their craft to improve the performance of their foundations."*

Brian Byrnes, President and CEO,  
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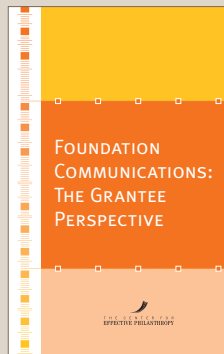
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\* Initial funders of CEP in 2001, together with The Atlantic Philanthropies.

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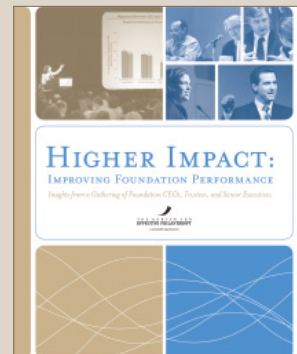
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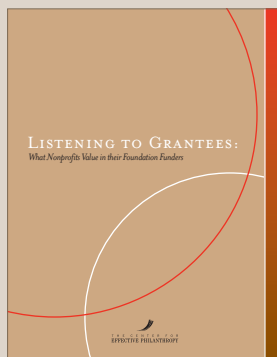
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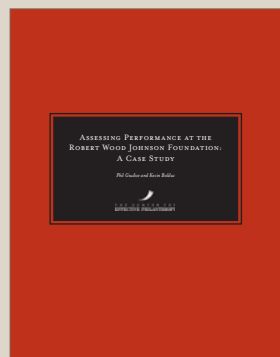
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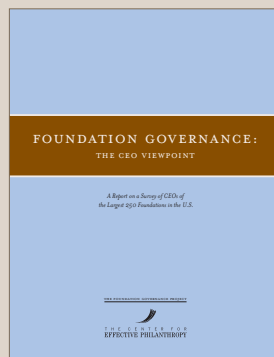
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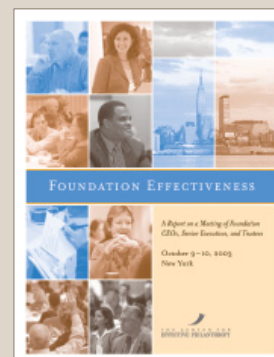
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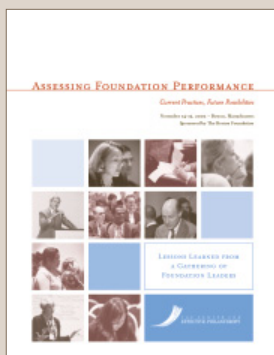
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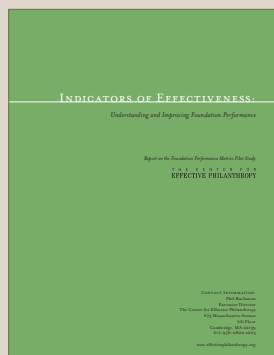
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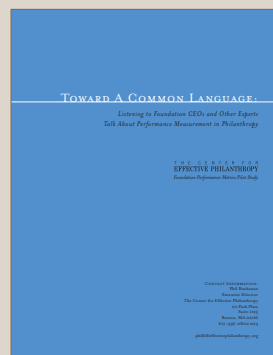
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- ☐ The Grantee Perception Report and Applicant Perception Report
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