

Transforming Philanthropic Transactions: *An Evaluation of the First Five Years at Social Venture Partners Seattle*

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ABOUT BLUEPRINT RESEARCH & DESIGN, INC.

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- Philanthropic program planning and research
- Philanthropic program evaluation
- Research and writing on issues in philanthropy

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EXECUTIVE SUMMARY

Social Venture Partners (SVP) Seattle was born in Seattle 1997 as the concept of venture philanthropy was gathering steam. Most of SVP's 40 founding members (Partners) were beneficiaries of the local technology boom and looking for a way to give back to their community. They created a new breed of giving circle where each Partner would contribute both financial and human capital to build organizational capacity of select local nonprofits (Investees). (Note: Although the terms SVP and SVP Seattle are used interchangeably in this report, research and findings are drawn only from SVP Seattle.)

At the peak of the technology boom in 2000, SVP had 282 Partners and the numbers have fallen off only slightly during the economic downturn. Over five years, SVP has touched 431 participating households composed of 736 adults. Two-thirds of Partners who have joined SVP since 2000 are not technology professionals. The organization has distributed \$5.3 million to 34 different nonprofits and filled nearly 350 volunteer assignments. In contrast to the expectation that nonprofits simply put up with volunteers in order to get money, the value of the SVP volunteers was highly regarded by all Investees we interviewed. Moreover, 27 other cities in North America have replicated the model. In short, SVP has built itself into an established part of the philanthropic industry.

Assessing SVP's Impact: Insights for the Field

This report provides the philanthropic industry key insights from a yearlong independent evaluation of SVP, funded by the David and Lucile Packard Foundation. The evaluation's purpose was three-fold:

- 1) to help SVP understand the effectiveness of its work in philanthropy promotion and organizational capacity building
- 2) to provide SVP guidance in how to measure the impact of its work more systematically
- 3) to identify useful insights for other players in the philanthropic industry, especially those involved in donor education and philanthropy promotion, nonprofit capacity builders, and others interested in venture philanthropy and high engagement grantmaking

Research methodologies included extensive interviews of a representative sample of SVP Partners and long-term Investees, piloting the McKinsey Capacity Assessment Grid¹ with long-term Investees, and reviewing SVP's archival records. These methods are detailed in the appendices of the report. Data were collected between March and October of 2002. Initial findings were presented to the SVP Board and the general Partnership in November of 2002.

The SVP Model: A Unique Fusion of Activities

SVP is a dual mission organization. Its objectives are:

- promoting philanthropy and volunteerism of its Partners
- building the organizational capacity of its nonprofit Investees

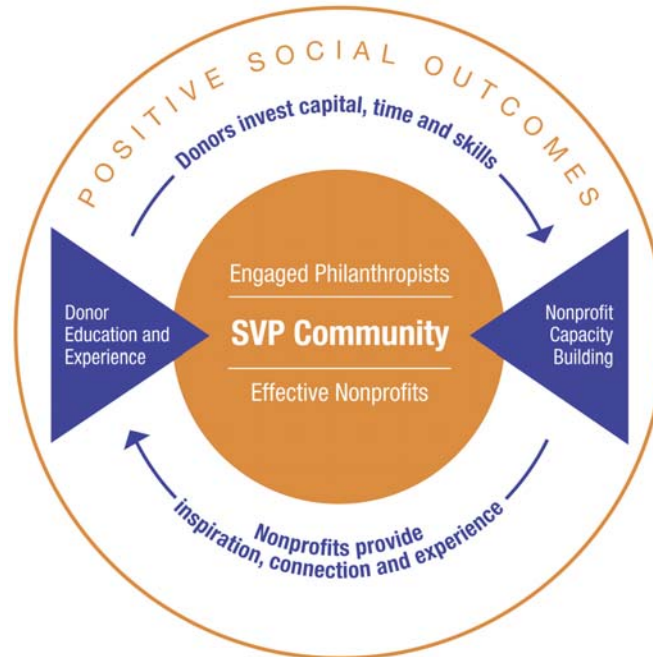
SVP accomplishes this work by taking activities traditionally practiced by separate entities—donor recruitment, donor education, volunteer matching, and grantmaking—and housing them in a single organization. By operating in multiple arenas, SVP creates a venue in which both its primary stakeholders—nonprofits and donors—can engage in a direct and intimate manner.

By viewing their relationship to the nonprofit community as more than a one-way transfer of money, SVP Partners are simultaneously strengthening nonprofits in their community *and* receiving a rich philanthropic education that is grounded in actual experience. SVP's nonprofit capacity building business is an essential component of its philanthropy promotion business. It provides a rich, practical training ground where new philanthropists get hands-on experience in the mechanics of grantmaking and in the culture of nonprofits. In turn, SVP's work in recruiting and training donors feeds its nonprofit capacity building business. It provides local nonprofits with financial and

¹ Created by McKinsey & Company and published in "Effective Capacity Building in Nonprofit Organizations" (Reston, VA.: Venture Philanthropy Partners, 2001)., produced for Venture Philanthropy Partners (www.vpppartners.org)

human resources, as well as the opportunity to build long-term relationships with motivated, skilled community players who can continue to provide access to money, board members and a personal network of other resources even after the SVP grant ends.

*SVP's Strategic Intent*²



SVP's Effectiveness in Inspiring Philanthropy and Volunteerism

Important Characteristics of SVP Partners

SVP has drawn hundreds of new people into the formal philanthropic community in Seattle. Three-quarters of the Partners interviewed were not connected to organized philanthropy before joining SVP. Most were not involved in significant volunteering with local nonprofits when they joined, although 80 percent of Partners interviewed had service-oriented volunteering experience in their youth. Other common characteristics of SVP Partners included an orientation to action and results, a desire to become more involved in their community, a desire for hands-on engagement with the nonprofits where they invest their money, and a desire to figure out a meaningful way to deal with a sudden increase in their wealth. It also is notable that many SVP Partners (at least 1/3) joined during a time of life transition where they had considerably more time to volunteer, become more active in philanthropy, and open themselves to new ways of thinking.

SVP's Approach to Philanthropy Promotion

SVP's model for inspiring philanthropy is highly flexible. Partners make a \$5,500 annual commitment for two years and then choose from a range of activities including attending Partner education seminars, volunteering with Investees, sitting on a grant committee, joining an internal working group, or simply receiving and reading the newsletter. None of these activities are required, although 75 % of Partners do more than write a check.

At its core, SVP's work with donors is about transforming their philanthropy from a discreet monetary transaction into a philanthropic experience. Its activities—seminars, committees, volunteer opportunities, and a peer-networking environment—provide a philanthropic experience that can last for years. Writing a check to a nonprofit

² Source: SVP Seattle.

is a transaction whose satisfaction fades, for many philanthropists, once the check is delivered. In SVP, the initial donation to join is just the beginning of the experience. This stands in marked contrast to most of the donor education experiences available which frequently offer one-time activities with little follow up.

SVP's Impact on Partner's Philanthropy and Volunteerism

Partners' interest in other types of philanthropic activities increased. Rather than draining resources from other philanthropic vehicles, as was initially feared, the research suggests that SVP is actually a stimulus for engagement in other forms of philanthropy. Many SVP families also have a fund at the local community foundation and/or belong to another giving circle in town. In many cases, becoming an SVP Partner was the catalyst for becoming involved in other philanthropic vehicles.

Partners became more focused and strategic in their personal philanthropy. Over time, Partners said they were writing fewer checks but for larger amounts. SVP grantmaking committees, and to a lesser extent the seminars, also taught them practical organizational skills, such as vetting proposals and conducting site visits, that they then applied to their personal philanthropy.

All Partners increased their knowledge of community issues and nonprofit culture, which led many to become more willing to providing general operating support. This deeper knowledge made Partners more effective volunteers and influenced where and how they gave their non-SVP donations. Many of the active Partners who volunteered said they had become more open to providing general operating support in their personal philanthropy. After working so closely with a nonprofit, they came to understand the value of this type of support—and how it would be used.

Partners increased the quality and quantity of volunteering. Participation on grant committees, becoming directly involved with one or more Investees, and attending Partner education seminars made Partners more informed in their volunteer work. A number of the most active Partners went from minimal volunteering before joining SVP to contributing ten to 15 hours per month to their Investees. Nine Partner volunteers have been asked to join the boards of six of the seven long-term Investees examined in this study.

Partners saw philanthropy and nonprofit work as a more significant part of their identity. Over time, most SVP members came to see philanthropy and volunteering as a much more significant part of who they are. A number of Partners interviewed have even taken jobs in the nonprofit sector.

Partners focused a greater portion of their philanthropic contributions on local organizations. Many Partners said that over time, they had been channeling a larger proportion of their personal donations to local organizations, in large part because SVP helped them to learn about local groups whose work fit Partner interests.

An SVP association may counter people's inclination to reduce giving during economic downturns. A number of SVP's most active Partners said they actually increased their giving to local groups in the last year because they knew first hand that it was needed more than ever.

Key Observations on SVP's Work in Philanthropy Promotion

Partner involvement in the capacity building work with nonprofits is SVP's most effective donor education tool. Although most people think of donor education as the myriad seminars SVP offers, the impact of these activities on Partner's individual philanthropy paled when compared to the experience of volunteering and/or serving on a grant committee. These activities provide donors experiential learning. As Partners increasingly become committed to specific nonprofits, they give more money and time to support these relationships.

Partners view SVP more as a focal point for learning about philanthropy than as a giving vehicle. For most Partners, their \$5,500 donation represents only a portion, and in many cases a small portion, of their total giving. Most of their donations get channeled through other vehicles, such as private checkbooks, charitable giving funds, donor advised funds, and even family foundations. SVP appears to have had more influence on how and where Partners gave their money than how much they gave.

SVP's experience validates Paul Schervish's industry research on why people become philanthropic. Schervish, in "The Spiritual Horizons of Philanthropy," highlights four characteristics of wealth holders that enhance one's propensity towards philanthropy.³ Those include: "hyperagency", feelings of gratitude, identification, and associational capital. All are clearly reflected in SVP's program. Identification and associational capital are central elements for SVP's approach to inspiring philanthropy and volunteerism among Partners.

SVP's impact on Partners was proportional to the Partner's level of engagement in SVP activities. Not surprisingly, the Partners who described the greatest evolution in their philanthropy had been the most actively involved in many levels of SVP. SVP only achieves its mission when Partners get involved.

SVP has fostered significant relationships between Partners and individuals in the nonprofit sector. By creating a philanthropic experience, SVP builds relationships between Partners and nonprofits that involve more than money. Most Partners said that before joining SVP, they did not have significant interactions with staff in the nonprofit sector. It is these nonprofit relationships that have motivated most Partners to remain involved beyond their initial two-year commitment.

SVP has not created a strong sense of community among its Partners in its first five years. While many Partners said they joined SVP to meet other people interested in philanthropy, most felt little affinity for other Partners. Most Partners assigned to volunteer at a nonprofit rarely even meet the other Partners assigned to that nonprofit.

Contrary to common perceptions, Partners aren't driven by a venture capital mindset that their business acumen will transform nonprofits. SVP Partners are bound by the simple desire to give both their money and their time to strengthen nonprofits in their community—and a desire to encourage other people to do the same. Support for the terminology of "venture philanthropy" is surprisingly thin.

Recommendations to SVP on Philanthropy Promotion

The report also provides recommendations to help SVP improve its philanthropy promotion. This is particularly relevant given SVP's recent strategic decision to support Partners through a lifetime of growth as philanthropists, rather than just being a "beginners club". Specific recommendations, detailed in the report, include:

- *Develop criteria for an "engaged philanthropist".* A definition might be as simple as outlining SVP's principles by which engaged philanthropists practice their work.
- *Articulate a trajectory for a lifetime of Partner personal growth.* Currently SVP is mostly designed to serve beginner philanthropists.
- *Develop and track outcomes that address quality of Partners' philanthropy, not simply the quantity of philanthropist.* Examples of potential indicators include participation rates in SVP activities, the number of Partners who move from short-term to long-term volunteer commitments, and proportion of Partners' discretionary income devoted to charity.
- *Cultivate relationships among Partners and reduce Partner dependence on SVP's Executive Director.*

SVP's Approach to Capacity Building

SVP's strategy for building nonprofit capacity is to provide its Investees a resource package of money, volunteers, consultants, targeted training, and access to its network of well-connected staff and Partners. Over the last five years, SVP has worked with 35 nonprofits that focus on the fields of education, early childhood, and the environment. In the course of a typical five year relationship with an Investee, SVP invests approximately \$200,000-\$300,000, provides 10-20 strategic and hands-on volunteers, funds approximately \$25,000 worth of consultant support, and provides numerous connections to other information resources.

The volunteer efforts of its Partners are the backbone of SVP's capacity building strategy. SVP has filled approximately 350 volunteer assignments from its Investees, over 200 of whom have provided strategic management assistance. The majority of Partners have volunteered in technology and marketing, while some

³ Paul G Schervish and John Havens, "The New Physics of Philanthropy: The Supply-Side Vectors of Charitable Giving, Part 2: The Spiritual Side of the Supply Side," *The Case International Journal of Educational Advancement* 2 (2002:221-241)

worked on financial management, strategic planning, and other areas of management assistance. The integral involvement of Partners—as volunteers, network resources, and members of grant committees—distinguishes the SVP model from that of many other venture philanthropy groups and traditional capacity builders that are more staff-driven.

Initially, SVP relied almost exclusively on volunteers to provide technical and management assistance to grantees. Over time, SVP learned that Partners do not always have the skills investees need, so in 2000, they began to supplement volunteers with targeted consultants.

It should be noted that the goal of this evaluation was to assess SVP's effectiveness at capacity building. Systematically evaluating the link between growth in organizational capacity and improved client outcomes was beyond the scope of this project, due to the small size of the sample and lack of baseline data.

SVP's Impact on Capacity Growth of Its Investees

All long-term Investees interviewed experienced growth in organizational capacity during their relationship with SVP, although the degree of growth varied considerably. Two of the seven Investees reported growth that took them to a new level of service and vision. Three others felt that they had made substantial gains in their capacity and strengthened the foundation of their organizations. The final two organizations also showed distinct gains, but growth was impeded—in one case, by a lack of alignment with SVP's business model and, in the other case, by difficulties with the volunteer matching process.

The elements of capacity that grew varied across grantees. Growth was most consistently demonstrated in the capacity areas of technology, outcomes management, and board development. Growth was least consistently demonstrated in the capacity areas of marketing, fundraising, and leadership development.

SVP's role in the capacity growth of its Investees was high. Investees said that few of their other funders provide financial or human capital in support of capacity building. Partners developed relationships with the nonprofits that extend well beyond the initial skills they brought to bear. Not only did they often become donors and/or board members themselves, they also provided new linkages to a whole network of resources in the community.

SVP maximized its impact in capacity building when it combined the use of volunteers with other strategies. SVP's capacity building work has become much more successful in the last two years as it has incorporated paid consultants and also leveraged the resources of the existing network of staff and Partners. SVP amplifies the impact of its capacity building work when it uses volunteers *in conjunction with* these consultants and other resources.

Key Observations on Capacity Building

Investees see Partner volunteers as a significant asset. The major culture clash between SVP Partners and the nonprofits that many expected has not materialized. Occasional misunderstandings are inevitable, but Investees went out of their way to note SVP's humility, sensitivity and willingness to learn from the mistakes it has made. Most long term Investees said they valued the volunteers more than the grant money.

Using volunteers, compared to consultants, is a high-risk, high return proposition. Despite the considerable time nonprofits invested in recruiting, training and managing volunteer Partners, they universally agreed that the benefits far outweighed the costs. While Investees acknowledged that consultants were easier to find and often more available to start projects, they preferred to use Partners when they are available. Partner commitment often led to long-term relationships that translated into money, board involvement and connections with other advocates and resources in the community.

Organizations grew the most when SVP helped them address the "higher elements" of capacity. As much as technical skills are valued by nonprofits, the greatest value occurs when a funder is able to support a nonprofit to clarify and strengthen their mission, vision, strategy and leadership. Areas where SVP has been most able to do this are Board Involvement, Strategic Planning and Leadership Development. However, SVP has not systematically helped all its Investees address these areas.

SVP's capacity building work has been constrained by the lack of systems for early assessment of Investee needs and on-going benchmarking and monitoring. During its first five years, SVP has not systematically assessed an Investee's capacity needs at the outset of the relationship. Accordingly, it sometimes took a year or more for the Investee and the SVP Lead Partner to identify and align on key priorities. On-going progress and goals setting have been ambiguous because there are no defined capacity standards and objectives. SVP began addressing this problem in 2003 by administering a modified version of the McKinsey Capacity Assessment Grid to all its grantees as part of its annual refunding process.

Selecting grantees that are ready and motivated to address capacity is more important than targeting nonprofits that meet pre-defined size and age criteria. Our research suggests that the ability of SVP grantees to absorb capacity assistance is not a function of size or age. SVP has provided as much value to a 15-year-old, \$2.9 million dollar organization, as it has to a fledging \$250,000 start-up.

The philosophical/cultural fit between SVP and its Investees has been extremely important. SVP operates from an outcomes-focused business model. Its most successful relationships are with Investees who are receptive to that approach.

Recommendations to SVP on Capacity Building

As with its work in philanthropy promotion, SVP has achieved significant success in its capacity building work, but needs to do more to reach the next level of success. Recommendations, detailed in the report, are as follows:

- *Use a capacity assessment tool to facilitate early assessment of capacity needs and to benchmark progress.* Based on the preliminary findings from our research, SVP has already begun asking Investees to complete a modified version of the McKinsey Capacity Assessment Grid on an annual basis.
- *Institute a more systematic focus on leadership development.* SVP already has begun a review of leadership resources that it could make available to investees.
- *Develop a system for on-going management of volunteer assignments.* SVP needs a system to identify when volunteer tasks change and to evaluate how well the task was completed.
- *Adjust Partner expectations to acknowledge long-term nature of capacity building.* This would make Investees more comfortable choosing to work on more challenging capacity issues because they would feel less pressure to show results within a year.
- *Make multi-year funding commitments.* SVP might preserve flexibility by awarding one-year planning grants followed by multi-year grants.
- *Clarify expectations between grant makers and nonprofit Partners.* A written memorandum of understanding would reduce misunderstandings between the two parties.
- *Become more proactive in developing collaborations with other funders to facilitate transitions for outgoing Investees.* Currently SVP has no transition plan for its first class of investees who are completing their last grants this year.
- *Invest in its own organizational capacity.* SVP needs to strengthen its administrative systems and staffing levels to achieve the quality and consistency of nonprofit capacity building to which it aspires—as well as to model the value of organizational capacity to its grantees.

SVP's Innovation in Fusing Philanthropy Promotion and Capacity Building and Implications for the Field

SVP's model of intertwining its donor education and capacity building activities is unique and marks its greatest contribution to the field of philanthropy. SVP has taken activities traditionally practiced by separate entities and brought them together into a single organization. By creating a philanthropic ecosystem of donors and nonprofits, SVP strengthens the effectiveness of each piece.

At its best, this fusion allows SVP to transform philanthropy for its Partners from a series of discreet monetary transactions into a philanthropic experience that builds long-term, multi-dimensional relationships between people of wealth and community nonprofits. However, the interdependence also creates tensions which, to date, have primarily impacted the sharpness of SVP's focus on capacity building. An example of the tension is in the way that

new grant committees, composed of new Partners looking for tangible, feel-good results, tend to earmark grant dollars for specific programs rather than capacity building.

And yet to date, SVP is only beginning to understand the power of integrating its two lines of work. It has operated its philanthropy promotion and nonprofit capacity building work more as two parallel activities, rather than systematically attempting to maximize the synergies. A major reason for this lies in the fact that SVP has lacked a unifying vision for its two missions.

Partly in response to the evaluation findings presented to their board last fall, SVP drafted a new vision towards which all its efforts are leading:

to mobilize and connect a community of people to have a life-long commitment to being personally engaged in making a positive difference in their communities.

It is noteworthy that this draft establishes SVP's work in organizing philanthropists as its primary mission. However, this prioritization need not diminish SVP's attention to its capacity building work. Involving volunteers in capacity building is central to its effectiveness in philanthropy promotion and adds tremendous value to the nonprofits with whom it works.

SVP's primary contribution to the field of capacity building has been to show that a well-managed volunteer force can be pulled together from the professional ranks and deployed to help nonprofits. SVP's experience also reinforces the evolving tenets of venture philanthropy.

SVP offers more significant innovations to the nascent field of the donor education and philanthropy promotion. SVP's experience suggests three key propositions:

- 1) Donor learning needs to be seen as a *long-term experience* rather than just a discreet set of services, and the activities and indicators of success should be set with this in mind.
- 2) The value of SVP's efforts appears in the relationships between donors and nonprofits. It is a viable means of building *associational capital* between funders and nonprofits.
- 3) *Learning, doing* and *giving* can be separate activities, but done together they are mutually reinforcing and accelerating.

These principles are encouraging, for there are hundreds of organizations around the country in a position to adapt them to improve and expand their own work. Community foundations are particularly well positioned to employ some of these principles, and many have begun to do so. Of the 27 SVPs around the country, community foundations launched four, and most of the other SVPs operate as donor advised funds at their local community foundation.

That said, the SVP experience is not ideally suited for everyone. Not all donors are looking for the level of engagement that SVP offers. But SVP has created a valuable new avenue for philanthropy promotion—and one that is highly effective with targeted donors.

SVP is making an important contribution to the philanthropic community in Seattle. It has nurtured new donors and focused their resources in new areas, strengthened local nonprofit organizations and their boards, encouraged better grantmaking practices in several small foundations, build a vibrant network of learning about community issues, and facilitated active partnerships between funders and nonprofits. SVP has become a piece of the existing fabric of the Seattle community, and has added its own color to that fabric.

CHAPTER ONE: ASSESSING SVP'S IMPACT ON PARTNERS, NONPROFITS & THE FIELD OF PHILANTHROPY

In the late 1990s, while the dot-coms were purporting to transform the economy, proponents of venture philanthropy were hoping to revolutionize philanthropy. Venture philanthropists promised to make philanthropy more accountable, more engaged, and more effective. Simultaneously, they promised to make nonprofits more efficient by using their managerial skills to help them run more like a business.⁴ In the excitement of the late 1990s, venture philanthropy quickly mushroomed from an idea to an emerging movement.

Social Venture Partners (SVP) was born in Seattle in 1997 as the concept of venture philanthropy was gathering steam. (Note: Although the terms SVP and SVP Seattle are used interchangeably in this report, research and findings are drawn only from SVP Seattle.) Most of SVP's 40 founding members (called "Partners") were local technology people in their 30s and 40s who felt grateful for the windfall they had received from the tech boom and wanted to find a way to give back to their community. They created a giving circle where each would each contribute \$5000 (now \$5500) annually into a pooled grant fund for local nonprofits—"Investees" in their lexicon. They augmented the traditional notion of a giving circle by combining cash grants with the human capital of their Partners. Specifically, Partners would contribute their business and managerial skills to help build the Investee's infrastructure. The idea took off. At the peak of the technology boom in 2000, SVP boasted 286 Partners. Moreover, as of the publication of this report, SVP has spawned affiliates in 27 other cities in North America and internationally.

SVP's arrival on the philanthropic scene generated tremendous publicity and much skepticism among established grant makers. Many foundation staff envisioned arrogant but uninformed business people meddling in nonprofits. They thought nonprofits would simply put up with Partner volunteers in order to get the money. Some people in established community foundations and donor education circles worried that SVPs would siphon away their business. Many predicted that Partner interest would fade as they discovered the reality of nonprofits and the economy took a downturn.

But SVP is proving to be more than a by-product of the technology bubble. Two years after the NASDAQ peaked, SVP is still going strong. It has distributed \$5.3 million to 34 different nonprofits over the last five years. It has filled nearly 350 volunteer assignments. Many charities have seen donations plummet, but SVP membership has dropped only slightly from its peak of 286 at the end of 2001 and retention rates among Partners exceed 80 percent.⁵

SVP has built itself into an established part of the philanthropic industry. It has learned much from its experience and has distinguished itself from traditional stereotypes of venture philanthropy. Instead of funding innovative social entrepreneurs, it is funding a more mainstream group of small to mid-size organizations. It is developing partnerships with these organizations and nurturing a mutually respectful learning relationship. SVP may not have achieved venture philanthropy's grandiose ideals of transforming the internal dynamics of nonprofits into business-like efficiencies, however, it has strengthened the organizational infrastructure of its grantees and developed a culture of learning that is unique.

SVP is a dual-mission organization with concurrent goals of producing more informed, engaged philanthropists and stronger nonprofits. The dynamic relationship between its two missions is depicted in the Exhibit 1.1.

⁴ The term venture philanthropy refers to "the nonprofit sector's application of certain practices used by venture capitalists when investing in new business ideas." Key elements of the venture philanthropy model include: long-term investments, a close relationship between funder and nonprofit, provision of financial and human capital, and a results-orientation. Center for Venture Philanthropy website: http://www.pcf.org/venture_philanthropy/definition.html

⁵ Retention rates differ depending on how long people have been a partner. Retention rates to-date: Year 1-2 = 91%, Year 2-3 = 80%, Year 3-4 = 90%, Year 4-5 = 93%.

Exhibit 1.1. SVP's Strategic Intent ⁶



Most people are familiar with SVP's capacity building work with nonprofits. SVP provides grants that include money and a promise of skilled volunteers drawn from its Partners. Most grants range between \$35,000 and \$65,000 annually. To the surprise of SVP's early skeptics, this evaluation found that Investees highly valued their relationships with SVP volunteers and cited SVP as having played a major role in the growth of their organizational capacity. They saw Partners as key ingredients in their organization's growth, and in most cases valued the human capital provided by SVP as much or more than the grant dollars.

Fewer people are familiar with SVP's explicit mission around philanthropy promotion—or, in the words of its mission, "... to inspire philanthropy and volunteerism" among its Partners. The goal is *not* to get people to give more money to SVP, but to help Partners become more informed and strategic in their giving (most of which takes place outside of SVP), and to increase their level of engagement and commitment to nonprofits in the local community. By viewing their relationship to the nonprofit community as more than a one-way transfer of money, SVP Partners are simultaneously strengthening nonprofits and receiving a philanthropic education that is grounded in actual experience. The SVP model moves philanthropy beyond a series of discreet transactions (donations) towards long-term, multi-dimensional relationships between people of wealth and community nonprofits. In so doing, SVP is able to turn philanthropy for its Partners from a *service* into an *experience*. SVP has enabled hundreds of local donors to give time, money, and expertise to local nonprofit organizations and, in the process, become more engaged and informed philanthropists themselves.

Assessing SVP's Effectiveness

In the fall of 2001, SVP retained the consulting firm Blueprint Research and Design, Inc. to accomplish three goals:⁷

- 1) Evaluate its effectiveness to date in its two key lines of work—building the capacity of its nonprofit grantees and inspiring philanthropy
- 2) Develop strategies for measuring more systematically the impact of SVPs work in these areas
- 3) Share lessons with other players in the philanthropic industry

⁶ Source: SVP Seattle.

⁷ Refer to www.svpseattle.org/EPS/docs/SVP%20Outcomes%20Plan.Doc for original work plan.

The David and Lucile Packard Foundation funded this research with a particular eye towards identifying what other established players in philanthropy could learn from SVP's experience and to highlight any innovations in SVP's approach. To that end, the evaluation was designed to answer four overarching questions:

- 1) Has SVP drawn any new people into philanthropy or just attracted people who would have participated in other ways?
- 2) How does participation in SVP influence Partners' philanthropic philosophy and practice?
- 3) Does the "engaged philanthropy" model of using volunteers to help nonprofits build their organizational capacity actually work? Do volunteer teams provide SVP grantees with a higher value package of money and skills than they could get from traditional funders?
- 4) What are the benefits and drawbacks—to both Partners and nonprofits—of marrying philanthropy promotion and nonprofit capacity building in one organization?

Research was conducted from January through October 2002, using a wide spectrum of methodologies detailed in Appendix A. The philanthropy promotion research drew primarily on interviews with 36 current and former Partners who were carefully selected to represent a cross section of experience, backgrounds, demographics, and activity level within SVP. The capacity building research centered on a series of interviews with the seven Investees that had the longest history with SVP. The initial findings on SVP's effectiveness in its two key lines of work were presented to the SVP Board and at a general Partner membership meeting in November 2002.

This paper draws together insights from the evaluation that we consider to be most useful for individuals and organizations in the philanthropic industry. Those involved in donor learning and philanthropy promotion may be particularly interested in Chapter Two that examines SVP's impact in inspiring philanthropy and volunteerism among its Partners. Those involved in capacity building for nonprofits may be especially interested in Chapter Three that examines SVP's impact on building the organizational capacity of its Investees. Both of these chapters are organized as follows: 1) SVP's approach to their work in the respective areas; 2) the impact of SVP's activities in each area; 3) the key observations gleaned from the research; and 4) specific recommendations to SVP as to how to take their work in the respective areas to the next level. Partner and Investee profiles are included at the end of each chapter.

The closing chapter reflects on SVP's effectiveness in integrating its philanthropy promotion and capacity building work and the relevance of its model to other players in the field.

CHAPTER TWO: SVP'S WORK IN INSPIRING PHILANTHROPY & VOLUNTEERISM

Unique Characteristics of SVP Partners

SVP has drawn hundreds of new people into the formal philanthropic community in Seattle. Most of the Partners interviewed as part of this research (three-quarters) were not connected to any form of organized philanthropy before joining SVP.⁸ Although almost all of the initial Partners were from the technology sector, SVP has made a conscious attempt to diversify its membership in recent years. In fact, two-thirds of all new Partners over the last three years have had no connection to the technology industry. But Partners' professional background is not the glue that binds them to SVP. The box to the right lists common characteristics among Partners; three merit further discussion. The SVP model is particularly effective for people who are:

- 1) *Trying to figure out a meaningful way to deal with a sudden significant increase in wealth.* This was the most commonly cited reason for joining SVP.
- 2) *Looking for a new focus as part of a life transition,* such as retiring, taking time off between jobs, or becoming a stay-at-home parent. One-third of Partners interviewed said they had joined SVP during such a life transition. These life transitions both gave them more time to become involved in philanthropy and made them more open to new ways of thinking about things.
- 3) *Pre-disposed to volunteering.* SVP does not create an interest in volunteering, rather, it provides a vehicle for those with an interest to become more involved. Eighty percent of Partners interviewed described previous experience with service-oriented volunteering, primarily during their teenage and college years. However, most spoke of not knowing how to connect with nonprofits in the Seattle community, either because they were new to the area or because they had, until recently, not had any time to volunteer. This finding supports the research showing that one of the strongest predictors of charitable giving as an adult is experience volunteering and, as a youth, seeing parents volunteer.⁹

Characteristics of Donors Open to SVP Model of Engaged Grantmaking

- Experience with service-oriented volunteering
- "Hyperagent" mentality—confident they can change their environment
- Interested in increasing their philanthropic activity
- Desire to be more involved with grantmaking than just writing a check
- Experiencing a life transition
- Time to volunteer at least five hours per month
- Desire to significantly increase their community connections
- Recently experienced major increase in wealth

How SVP Transforms Partners' Philanthropic Philosophy and Practice

SVP's model for inspiring philanthropy is highly flexible and caters to the wide range of interests and availability of its Partners. SVP offers numerous opportunities for involvement including attending Partner education seminars, volunteering with Investees in a hands-on or strategic capacity, sitting on a grant committee, joining an internal working group, or simply, receiving and reading the newsletter.

Partner Participation Levels

- 75% do more than write the minimum check
- 63% attended at least one partner education event (100 partners attended more than five)
- 33% worked directly with an Investee (335 volunteer assignments)—60% of volunteer assignments are strategic, 40% are mentoring/tutoring
- 30% sat on a grant committee
- 15% joined an internal work group
- 2/3rds of Partner households have at least one member who has volunteered
- 46% volunteered with an Investee or served on a grant committee
- 17% volunteered with a nonprofit AND served on grant committee
- 15% made extra unsolicited donations towards supporting SVP operating costs

⁸ By organized philanthropy, we mean formal giving vehicles such as family foundations, donor advised funds, or giving circles.

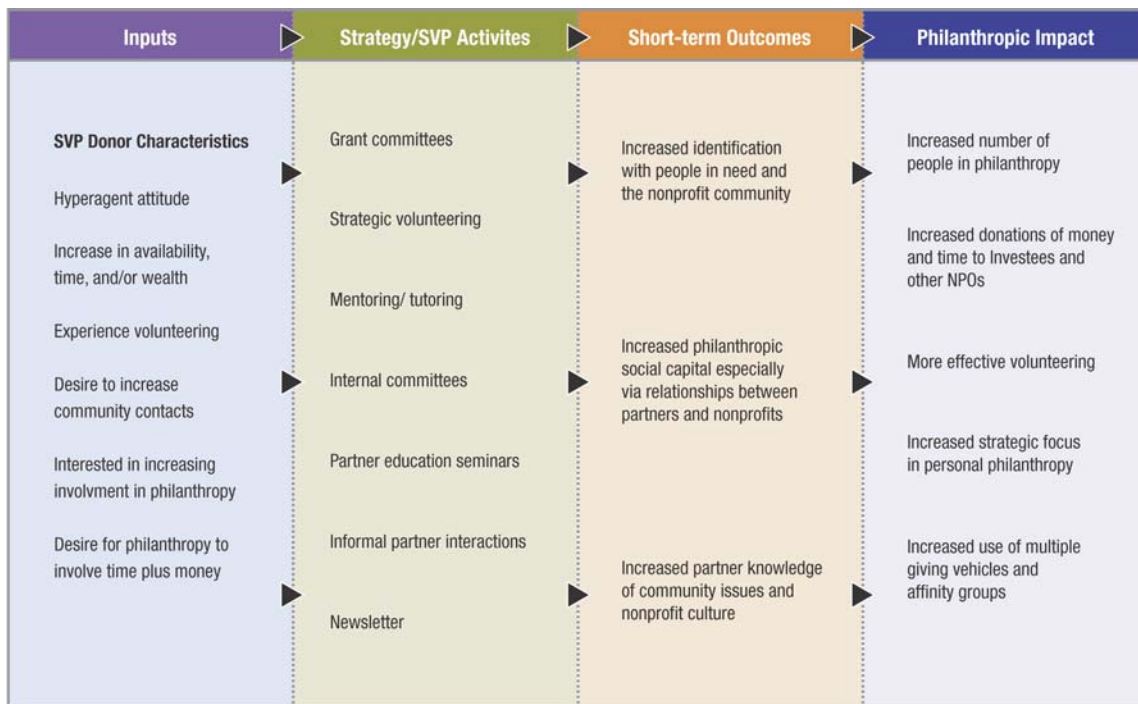
⁹ Independent Sector, Giving and Volunteering in the United States. (Washington, D.C.: Independent Sector, 2001).

None of these activities are required. In fact, the only “requirement” is that Partners contribute \$5,500 per year for two years to SVP’s pooled fund. As noted in the box on the previous page, most Partners do more than write a check. Clearly, the value they receive from their affiliation with SVP is proportional to the degree to which they are directly involved. See Exhibit 2.1 below for a graphic depiction of SVP’s Theory of Change in philanthropy promotion.

SVP’s effectiveness is determined by the extent to which it is able to transform philanthropy from a discreet monetary transaction into a philanthropic experience. SVP’s model embodies what authors Joseph Pine and James Gilmore call the “experience economy”, a new economic era in which all businesses must not simply provide a service but deliver memorable events for their customers.¹⁰ The evolution of baking birthday cakes provides an example. Beginning with baking from scratch to buying cake mix, and then on to the supermarket for a pre-made cake, birthday parties have evolved from industrial society to a commodity to the service economy. In the experience economy, the consumer pays companies to put on the entire birthday party experience. The cake gets thrown in, almost for free.

Similarly, SVP offers its Partners more than the service of transferring their dollars to worthy nonprofits. Its activities—seminars, committees, volunteer opportunities, and a peer-networking environment—provide a philanthropic experience that can last for years. Writing a check to a nonprofit is a transaction whose satisfaction fades, for many philanthropists, once the check is delivered. In SVP, making monetary donations to nonprofits is just one of many activities. In fact, the initial donation to join SVP is just beginning of the experience. This stands in marked contrast to most of the donor education experiences available, which are one off activities with little follow up.¹¹

Exhibit 2.1. Theory of Change: How SVP Inspires Philanthropy and Volunteerism



¹⁰ B. J. Pine and J.H. Gilmore. “Welcome to the Experience Economy,” *Harvard Business Review* (997-105: July August 1998).

¹¹ Dan Siegel and Jenny Yancey, *Scanning the Landscape of Donor Learning: An Overview and Analysis of the Emerging Field of Donor Education*. (Mil Valley, CA.: New Visions PRD, 2003). www.newvisionsprd.org.

SVP's Impact on Partner's Philanthropy and Volunteerism

In its first five years, SVP involved more than 431 households composed of 736 individuals. Most of these people were not active in organized philanthropy before joining SVP, nor were they volunteering with local organizations in a significant way. SVP has helped the Partners that participated in its activities become more informed and strategic in their personal grantmaking. In numerous cases, SVP involvement catalyzed significant personal transformations, helping Partners come to see their philanthropy and volunteerism as a much more significant part of their identity. They increased their giving and volunteering and developed long-term relationships with nonprofits—clearly more than just writing checks.

The themes that emerged in Partners' descriptions of impacts on their philanthropy and volunteerism were as follows:

Partners' involvement in other types of philanthropic activities increased. When SVP began, some existing philanthropic organizations in town worried that it might siphon off some of their clients. In fact, interviews with Partners suggest SVP may actually be generating business for them. By encouraging Partners to learn more about philanthropy and become more effective in their giving, SVP encouraged Partners to become more involved in other groups as well. Among the Partners interviewed, 75 percent had no involvement with organized philanthropy before joining SVP. Twenty-five percent of the Partners interviewed became involved in another form of organized philanthropy while being active in SVP. For example, several Partners said they joined SVP because they had just started a family foundation and wanted to learn what to do. A number of others created other philanthropic vehicles or are considering creating them because of what they have learned as members of SVP. Currently 42 SVP households also have a fund at the local community foundation.¹² And at least 46 SVP members also belong to at least one of two other giving circles in town.

Partners became more focused and strategic in their personal philanthropy. Over time, Partners said they were writing fewer checks but for larger amounts. They moved towards seeing their donations as a set of inter-related investments advancing their vision. Said one Partner, "SVP taught me how to narrow our giving priorities. We wrote a family mission statement" and aligned giving around it. Said another, "I became more proactive about finding organizations on my own that are doing the work that I want done in the world and giving them big checks." SVP grantmaking committees, and to a lesser extent the seminars, also taught them practical organizational skills, such as vetting proposals and conducting site visits, that they then applied to their personal philanthropy. Several of the Partners who had their own family foundations reported adopting many of the procedures from SVP's grant committee for their own foundation.

Partners increased their knowledge of community issues and nonprofit culture, which led many to become more willing to providing general operating support. Most Partners reported a significant increase in their knowledge of community issues. This knowledge both improved their volunteering and influenced where and how they gave their non-SVP donations. Said one Partner who has her own family foundation, "I am now more receptive to approaches I wouldn't have been five years ago because I have spent time learning about community issues. Now I think about things more broadly ... how the whole system works." Volunteering also significantly increased their understanding of nonprofit culture and operating norms. Many of the active Partners who volunteered said they had become more open to providing general operating support in their personal philanthropy. After working so closely with a nonprofit, they now understand the value of this type of support—and how it would be used.

Partners increased the quality and quantity of volunteering. Participation on grant committees, becoming directly involved with one or more Investees, and attending Partner education seminars made Partners more informed in their volunteer work. A number of the most active Partners went from minimal volunteering before joining SVP to contributing ten to 15 hours per month to their Investee. Moreover, they move from short-term to long-term commitments. Six of the seven long-term Investees have invited at least one SVP volunteer to join their boards.¹³

Partners saw philanthropy and nonprofit work as a more significant part of their identity. Over time, most SVP members came to see philanthropy and volunteering as a much more significant part of who they are. A number of

¹² Composed of 36 couples and 6 individuals for a total of 78 individuals.

¹³ A total of nine Partners are now on the boards of these six investees.

Partners interviewed have even taken jobs in the nonprofit sector. At least four of the 36 Partners who provided detailed interviews as part of the evaluation eventually took jobs in the nonprofit sector. Said one of these Partners: “I’m not the same person I was when I left the private sector. I will never take a job again without a social mission or purpose.”¹⁴

Partners focused a greater portion of their philanthropic contributions on local organizations. Many Partners said that over time, they had been channeling a larger proportion of their personal donations to local organizations, primarily because their SVP activities introduced them to strong organizations doing work in their interest areas. However, SVP has no way of knowing whether increased Partner contributions to local organizations are coming at the expense of their other philanthropic giving since it does not track total giving among Partners. In general, Partners talked more about how SVP influences where they gave their money than how much they gave.

There is some evidence that an SVP association may counter people’s inclination to reduce giving during economic downturns. Anecdotally, a number of SVP’s most active Partners said they actually increased their giving to local groups in the last year because they knew first hand that it was needed more than ever. Partners who have built long-term relationships with their Investees may be less likely to decrease their giving than donors lacking that relationship.

Key Observations on Philanthropy Promotion and Donor Education

Partners view SVP more as a focal point for learning about philanthropy than as a giving vehicle. For most Partners, their \$5,500 SVP contribution represents only a portion, and in many cases a small portion, of their total giving. To Partners, that money is as much a membership fee as a donation to a nonprofit. Most of their donations get channeled through other vehicles, such as private checkbooks, charitable giving funds, donor advised funds, and even family foundations. Our interviews suggest that SVP appears to have had more influence on how and where Partners gave their money than how much they gave. Some Partners specifically said that SVP membership had encouraged them to increase their giving. However, for the majority of Partners interviewed, the decision about how much to give stemmed more from their personal sense of economic well-being. Moreover, for many, joining SVP was a direct result of a decision to increase their giving.

The greatest philanthropic education for Partners is involvement in the capacity building work with nonprofits. Although most people think of philanthropy promotion within SVP in terms of the myriad seminars, trainings and workshops that it offers, our research suggests that these activities pale in their impact on Partners compared to the actual experience of volunteering and/or serving on a Grant Committee. Volunteering and grant committees are so effective because they are long-term in nature and because they provide donors experiential learning—new information and a chance to apply it. One Partner observed, “By just giving money, you don’t have the same sense of realism about how hard it is to solve the problems. If you are just writing a check ... it’s easier to take a superficial view. When you volunteer, you have more empathy.” Interestingly, SVP primarily considers volunteering and serving on grant committees part of its capacity building work, yet these activities have unintentionally become SVP’s most profound opportunities for philanthropic education.

SVP’s experience validates Paul Schervish’s industry research on why people become philanthropic. At the Social Welfare Research Institute at Boston College, Schervish has studied for 20 years why people become philanthropic. In “The Spiritual Horizons of Philanthropy,”¹⁵ he highlights four characteristics of wealth holders that enhance ones propensity towards philanthropy. All are clearly reflected within SVP program.

¹⁴ Despite increased identification with philanthropy, most partners still avoid calling themselves philanthropists. They said they see the term as associated with the “the Andrew Carnegies”. Partners prefer to see themselves as community volunteers, albeit high powered ones.

¹⁵ Schervish and Havens, 2002.

Exhibit 2.2. Characteristics That Inspire Philanthropy

Characteristics Identified by Schervish	SVP Experience
See themselves as <i>hyperagents</i> . Hyperagency is the “enhanced capacity of individuals to affect the conditions under which they and others live.”	Partners are flush with energy, intelligence and a “can-do” attitude, epitomizing the notions of hyperagency.
Feel <i>grateful</i> and attribute their financial success, in part, to good luck rather than “deserving everything they’ve gotten ... they are human beings who abide with a gracious dispensation.”	Numerous Partners spoke of feeling gratitude for their financial success, believing that they were “in the right place at the right time,” rather than “I did it all myself.”
Develop a sense of <i>identification</i> , which refers to identifying with and caring about the fate of others, and to not getting separated from real life and real problems.	Identification is built through opportunities to engage directly with Investee staff and, in the case of hands-on volunteering, with clients.
Belong to social networks and communities of participation, i.e., “ <i>associational capital</i> , which is the formal and informal communities of participation in which donors learn about needs.”	SVP offers Partners access to a network of peers and to a wide spectrum of individuals working in nonprofit organizations, as well as their clients.

The final elements—identification and associational capital—are the central elements of SVP’s model for inspiring philanthropy and volunteerism among Partners. SVP’s ability to increase its Partners’ philanthropic social capital is a key catalyst for significant changes in Partner philanthropy. SVP has significantly increased Partners’ web of relationships with people in the nonprofit and philanthropic sector. Simply joining SVP gives Partners access to a network of several hundred other people interested in philanthropy. Sitting on grant committees or becoming Lead Partners involves them in a peer network of people with like interests in giving time plus money to their community. Finally, and perhaps most significantly, volunteering with a nonprofit connects Partners to a whole new world of people in the nonprofit sector with whom few Partners previously interacted.

SVP’s impact on Partners was proportional to the Partner’s level of engagement in SVP activities. Not surprisingly, the Partners whose philanthropy showed the greatest evolution were those Partners who were most active. These were the people who joined grant committees, served as long-term strategic volunteers and, to a lesser extent, attended Partner education events. Those Partners who served as SVP’s lead coordinator with an Investee were particularly affected. Many of the less active Partner said they valued their affiliation with SVP, but they described less dramatic change in their philanthropy. About 25 percent of people who joined SVP never attend any activities. They said they maintain their membership for two reasons: 1) they consider SVP an effective grantor; and 2) they want to support their peers and the model of giving time and money—even if they don’t have the time or inclination to volunteer themselves. These inactive Partners provide important support for SVP to achieve its mission, but their personal philanthropy is not affected.

Contrary to common perceptions, Partners are not driven by a venture capital mindset that their business acumen will transform nonprofits. Despite impressions created by early press coverage, most SVP Partners did not set out to transform the nonprofit sector into business-like efficiencies. Its founding Partners, and those who joined subsequently, are bound by a thread that is much simpler: a desire to give both their money and their time to strengthen nonprofits in their community, and a desire to encourage other people to do the same. Most Partners don’t even like the term “venture philanthropy”. Less than half saw themselves as practicing venture philanthropy and about one third said they either disliked the term because they saw it as “arrogant” or “marketing hype”.

SVP has facilitated the development of significant relationships between Partners and individuals in the nonprofit sector. Most Partners said that before joining SVP, they did not have significant interactions with staff in the nonprofit sector. Said one Partner, “I have met people I otherwise would not have met. People that have significantly enriched my life. They are different than me in background and perspective and I didn’t see that as (an SVP) benefit before I got involved.” Most Partners assigned to volunteer at a nonprofit rarely, if ever, meet the other Partners assigned to that nonprofit. “I ended up feeling much more connected to the organizations I volunteered with. I never really felt any kind of connection with the people in SVP,” said one Partner. It is these

nonprofit relationships that have motivated most Partners to remain involved beyond their initial two-year commitment.

SVP has not created a strong sense of community among its Partners in its first five years. Partner commitment in SVP is based primarily on their commitment to the concept of giving time plus money and an individual relationship with the organization's executive director. There is surprisingly little relationship among Partners. While many Partners said they joined to meet other people interested in philanthropy, most felt little affinity for other Partners. A typical comment was: "The promise of connections with other people has been more important than the actual connections." This finding is interesting in light of the New Visions survey that found opportunity for peer interactions as the most highly sought after element in donor education programs.¹⁶ Partners' strong individual relationships with Paul Shoemaker, SVP's exceptional Executive Director, may work at cross-purposes with the efforts to build community among colleagues. Partners orient their attention to Paul Shoemaker, instead of to each other. Even when they begin volunteering and join "v-teams", Partners still use the Executive Director as their conduit of information and feedback, rather than the Lead Partner at the Investee, or other team members.

Long-term involvement with Investees provides Partners time to build real relationships with them. Since SVP's relationship with an Investee lasts four to five years, many Partners interviewed had been volunteering at their nonprofits for that same length of time. By creating a philanthropic experience, SVP doesn't just generate donations; it builds relationships between Partners and nonprofits that involve more than money. Partners who start by committing to a single volunteer assignment frequently increase their gifts of both time and money as they get to know their organization. At least 40 of the approximately 70 Partners who have worked with the seven long-term Investees examined in the capacity building part of this study also made individual donations to those nonprofits. Partners who become board members often state that, over time, their primary allegiance shifts from SVP to the Investee. "You become more committed because you put sweat equity into it," said one Partner. Most Partners with long-term volunteer relationships said they expected their relationship with the nonprofit to continue after SVP's formal funding relationship ends.

Recommendations to SVP on Philanthropy Promotion

While SVP has achieved significant success in philanthropy promotion, there is much it can do to take its work to the next level. This is particularly relevant given SVP's recent long-term strategic decision to provide on-going services to support Partners in their growth and development as philanthropists, as opposed to just being a "beginners club". Specifically, SVP should:

- *Develop principles of an "engaged philanthropist".* SVP has no standard definition for their key product—engaged philanthropists. SVP inspires people to become more philanthropic but it hasn't outlined to Partners where it hopes to take them. It's as if they motivated hundreds of people to start running a race, but never defined the finish line. A definition might be as simple as outlining SVP's principles by which engaged philanthropists practice their work.
- *Articulate a trajectory for a lifetime of Partner personal growth.* Once SVP defines its vision of an engaged philanthropist, it needs to outline paths by which Partners can get there. Partner education has been completely self-directed, with each Partner choosing their own experiences to feed their own learning. While this is one of SVP's strengths, it also leaves Partners who have significantly increased their sophistication wondering what's next. In its new five-year strategic plan released in March 2003, SVP committed itself to developing programs to meet the needs of its more experienced as well as new members, so that it can encourage people to pursue a lifetime of philanthropy. SVP might find it helpful to develop some type of personal philanthropic assessment tool that Partners could use to identify where they are along these pathways and set goals for future progress.
- *Develop and track outcomes that address quality of Partners' philanthropy, not simply the quantity of philanthropists.* To date, SVP has measured success in its work with Partners by growth in the number of Partners. This has serious limitations. First, it puts the emphasis on quantity rather than quality and, in fact, encourages SVP to be all things to all people in order to maximize growth. Second, it makes it hard to

¹⁶ Dan Siegel and Jenny Yancey, 2003.

measure success in a down economy when a slowdown in Partner growth is beyond SVP's control. Such tracking systems should allow SVP to truly test if it is a catalyst for actually increasing the quality and quantity of Partner giving (and volunteerism) over time versus primarily refocusing it. Examples of measures for inspiring philanthropy might include:

- Proportion of Partners who volunteer
 - Proportion of Partners serve on a grant committee
 - Total volunteer hours contributed. (To date, SVP has thought it too burdensome on Partners to track actual hours of volunteer time. However, SVPs in several other cities do track it. Without such tracking SVP has no way to know if it is moving Partners from short-term to long-term commitments with nonprofits.)
 - Number of Partners who move from short term to long-term volunteer commitments.
 - Number of Partners that make independent gifts to Investees
 - Number of Partners who report increasing their total philanthropic giving in the last year or the proportion of their income devoted to charity (Ideally, this would be measured by tax returns.)
 - Number of Partners who devote more than the national or local average proportion of their discretionary income to charity (The Chronicle of Philanthropy's recent analysis of giving in America's 3,091 counties would provide an excellent benchmark.¹⁷)
- *Cultivate relationships among Partners and reduce Partner dependence on Executive Director.* SVP Partners rely heavily on Paul Shoemaker to be their conduit to SVP. Paul orients new Partners, manages relationships with nearly all of SVP's Partners and is solely responsible for the volunteer matching process. Decentralizing the volunteer matching process and strengthening the volunteer teams with Investees are two examples of ways that SVP could build relationships among Partners and reduce the dependence on Paul.

¹⁷ "How America Gives," The Chronicle of Philanthropy, May 1, 2003.

Partner Profiles¹⁸

Frank Bellon: Involved in SVP at Every Level

Frank is an extremely active SVP Partner, having taken advantage of every form of philanthropic education available. He illustrates how SVP helps Partners build long-term, multi-dimensional relationships with nonprofits. He has attended myriad donor education seminars, served on a grant committee and achieved deeper and deeper levels of engagement in his work with an Investee. He began as a hands-on volunteer, became a Lead Partner and began providing more strategic and management assistance. Two years ago, he was asked to join the board of directors.

Frank has a long history of philanthropic involvement, stemming from the influence of his parents who were always very involved in the community. He sees a responsibility to share his "luck". Frank says, "I think a lot of things are circumstance. You're born into a family, you're lucky, the cards went in your direction ... given the advantages you might have, whether it's education or money or whatever it might be, there is sort of an onus and a burden that you should be able to leverage that more and be able to help other people in a good way."

Frank joined SVP during a time when he was experiencing a major life transition and had extra time. "I'd worked very hard for what seemed like a long-time and I was looking for something that would, on a temporary basis, be a fulfilling and meaningful thing for me and I felt SVP was an appropriate thing for that."

Although he already had a donor advised fund at the local community foundation, Frank was drawn to SVP for the philanthropic education and the opportunity to meet others in similar circumstances. He has also experienced a "sense of community" that helps him deal with life issues such as transitioning from working full time to spending time as a philanthropist. Frank's experience of community in SVP was atypical of the broader SVP membership, but more common among Lead Partners who have regular opportunities to interact with each other.

Frank has been most impacted by his direct involvement with an Investee and has come away with an enhanced sensitivity to the inner workings of the nonprofit world. "You can't just go in and have an MBA attitude that 'I'm going to analyze this and here's x, y and z, we can do this and boom let's go for it.' It takes awhile. You need to build the trust and understand the organization and the dynamics that are there."

Frank has used SVP as an educational vehicle to inform his personal giving. While he has not shifted issue areas, he has changed the criteria by which he chooses nonprofits. For example, he now thinks more about the organization's executive director and how effective that person is as a leader. He also expects that in future giving, he will become more focused on program outcomes. As far as the amount he gives, Frank said that has increased in the past several years, but it was because "my [personal] situation has allowed me to do this. So much of my circumstances have changed, so it's hard to say whether SVP has encouraged those changes in giving ... SVP has been more of a facilitator in making it easier to give time."

As Frank matures as a philanthropist, he hopes that SVP will be able to meet his evolving needs for continuing education. "Where SVP has been most effective is on the education-front and I think they need to take that up another level."

James and Mindy Harding: SVP as a Conduit to the Community

Like many SVP Partners, James and Mindy joined SVP as a couple. James and Mindy came to Seattle in 1992. They sought out SVP to help them increase their connection to the local community. Though both were volunteers throughout childhood and college, neither prioritized financial giving. "It wasn't something that I really thought all that much about. I never really felt like there was that much of a

¹⁸ Partner names have been changed to protect their anonymity.

connection between giving money and actually doing something. I always thought of the two things as being separate.”

After working at Microsoft, both joined SVP. He wanted to find a meaningful way to give back to the community financially. He helped a nonprofit build a database. She was seeking a successful volunteer match. Her volunteering took the shape of both hands-on work, such as reading to children, as well as sitting on an SVP grants committees.

SVP was successful in linking the Partners with community organizations, and with understanding the goals and experiences of budgeting and managing nonprofits. As a community though, James and Mindy found that SVP fell short: “I ended up being much more connected to the organizations that I volunteered for than I ever really felt any kind of connection with the people in SVP. ...There were team leaders, but in one of my experiences I didn’t even know who my team leader was for a long time ... I didn’t feel there was a whole lot of connection in getting together and volunteering with a group of people. It was more like I went out and did it on my own. They gave me the vehicle, but I did it on my own.”

SVP was an important vehicle in connecting James and Mindy with their local community. They gained knowledge of strategic philanthropy and now seem ready to move past the Philanthropy 101 state: “SVP helped me think about giving with a results-oriented approach. We can do this individually now (without SVP).” Although they are no longer members of SVP, both continue to work with an SVP grantee organization; one as a volunteer, the other as a staff member.

Jane Johnson: From “Techie” to Full-time Philanthropist

Jane joined SVP as she was looking for a new identity. The experience changed the way she thinks about herself, from a techie to fulltime philanthropist. Now in her 30s, Jane began volunteering in the 7th grade through the Red Cross at a local elderly home. Like many SVP Partners, her relationship to volunteering has been life-long, although she took a break during her most intense work years. Jane did not grow up in a wealthy family but gained her wealth after moving to Seattle in the late 1980s to work at Microsoft.

Jane was feeling burned out from five years of intense focus on her work life. When she stopped working, she wanted to explore philanthropy so she started her own small family foundation. SVP is more of an education vehicle than a giving tool for Jane. Like many Partners, she has many giving vehicles. In addition to her family foundation, she also works with the local regional association of grantmakers, Emily’s List, and another Seattle-based giving circle with a more social activist approach. When Jane first sought out philanthropy organizations, she found that “they didn’t want to talk to me because I wasn’t speaking the ‘language of granting and giving’.” She needed the SVP community to learn how to give; and through the SVP grant committees she learned how to set up and best operate a family foundation.

During her first few years, Jane mostly attended Partner education events. Once she became more comfortable with her new occupation, she became a Lead Partner, serving as SVP’s point person with an Investee, volunteering at a grantee organization, and participating on a grant committee. Jane says her experience on the grant committee reinforced for her the importance of publishing guidelines, reviewing letters of inquiry, asking for proposals, and knowing what each of these components looks like. She has applied these techniques to work in her own family foundation. After several years as an active Partner with SVP, an eager and dedicated community volunteer, and the manager of the family foundation, Jane is now focusing an increasing amount of time on the social activist giving circle, which fits with her evolving political values and social perspective.

Jane came into the SVP network with no experience as a financial donor, but with the hopes that the education and environment of the Partners would provide a base from which she could evolve from her Microsoft career. SVP has provided her with deep knowledge of philanthropic issues and structures, and the confidence that philanthropy will be her key vocation.

CHAPTER THREE: SVP'S WORK IN NONPROFIT CAPACITY BUILDING

From the outset, SVP's approach to high engagement grant making has focused on organizational capacity building. The goal of the Partner involvement is not to give advice to nonprofits on how they should do their core program or service work (e.g., helping kids or building better schools). Co-founder Paul Brainerd acknowledged that nonprofits "have more expertise than we will ever have within SVP, and we respect that knowledge and expertise." Instead, Partners share their professional skills in an effort to assist with organizational capacity building in support of the nonprofit's core mission.

Our evaluation of SVP's capacity building work examined SVP's effectiveness in capacity building, i.e., what elements of Investee capacity grew, what growth could be attributed to SVP, and what factors explained SVP's successes and weaknesses in its efforts. We did not focus on proving or quantifying the causal relationship between stronger organizational capacity and improved service outcomes of grantees.¹⁹ The evaluation also sought to help SVP develop ways to more systematically assess and measure their impact across grantees moving forward. To address the needs for retrospective evaluation and future benchmarking, Blueprint piloted the use of the McKinsey Capacity Assessment Grid developed by McKinsey and Company for Venture Philanthropy Partners.²⁰ The Grid asked Investees to rate themselves on a common set of benchmarks across seven dimensions of organizational capacity. See Appendix C for a more detailed description of this tool, as well as our observations and recommendations on using it.

Who are SVP's Investees?

- Nonprofits in the fields of education, early childhood, or environment
- Most have been operating programs successfully for at least three years and are looking at scalability and sustainability
- Most have budgets between \$500,000 and \$1 million
- Have identified need for human, as well as financial capital, that SVP provides
- Have capable and entrepreneurial leadership
- Are open to SVP's business model

SVP's Approach to Building Organizational Capacity

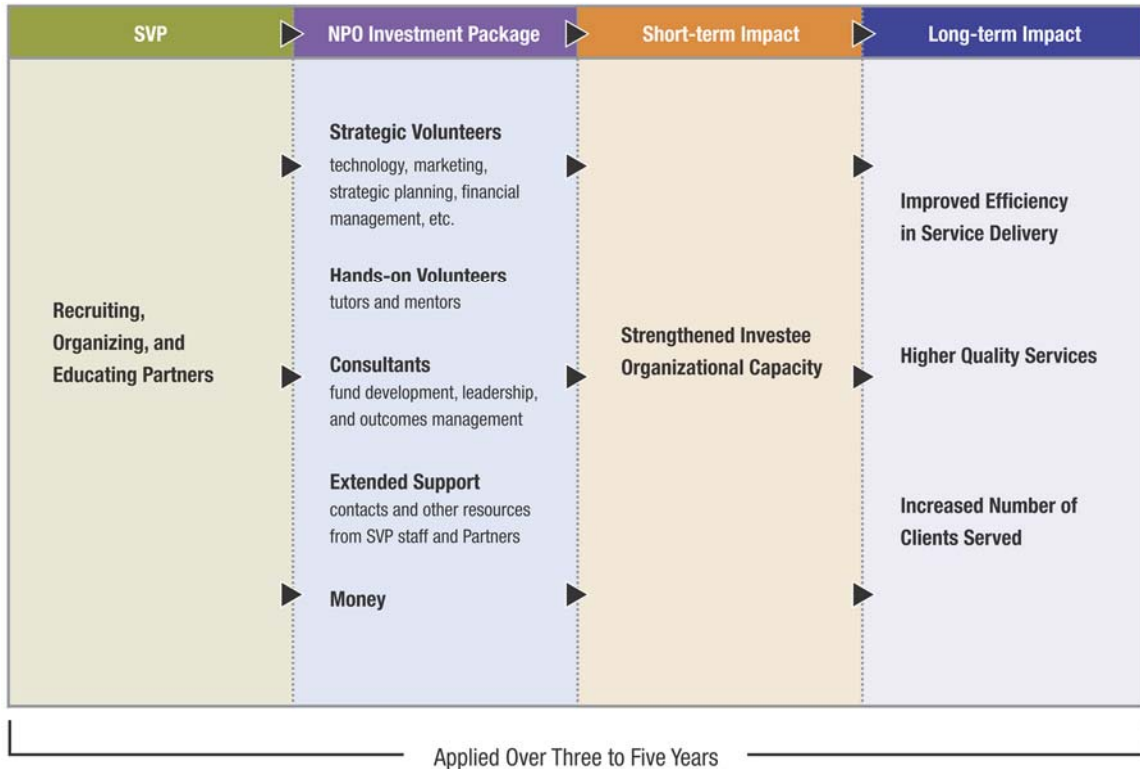
SVP defines organizational capacity building as the development of core skills, management practices, and systems in order to enhance an organization's effectiveness, sustainability and ability to fulfill its mission. In support of its mission to build the capacity of its Investees, SVP has infused financial and human capital into 35 Seattle-area nonprofits over the last five years. The core element of these resources has been the volunteer efforts of its Partners. SVP has filled 350 volunteer assignments from its Investees, over 200 of whom have provided strategic management assistance.²¹ In the course of a typical five year relationship with an Investee, SVP would invest approximately \$200,000-\$300,000, provide 10-20 strategic and hands-on volunteers, contribute approximately \$25,000 in consultant support, and provide countless connections to other resources for in-kind support.

¹⁹ Proving a causal relationship between stronger organizational capacity and improved nonprofits outcomes with a sample size of seven Investees and no baseline data would have been extremely difficult and was beyond the scope of our evaluation. However, many of our observations support the theory that improvements in the capacity of SVP's Investees have in fact led to better client outcomes.

²⁰ McKinsey and Company, 2001.

²¹ Investees write project descriptions for each desired volunteer and submit them to SVP Seattle's Executive Director who does the volunteer matching personally. Usually, three to six volunteers are working with an Investee at any one time. These volunteers are nominally constituted as "V-Teams", although the degree of interaction and coordination between them is limited. Each organization is assigned an SVP Lead Partner (LP). The role of the LP varies, but that person is usually the key conduit between SVP and the Investees. The LP helps recruit volunteers and often acts as a sounding board for the executive director. Every year, once grant awards have been made, Lead Partners sit down with the executive directors and develop a plan with programmatic and organizational objectives. Somewhat surprisingly, neither Investees nor Lead Partners said that they felt that their dual loyalties to SVP and the Investees created a conflict.

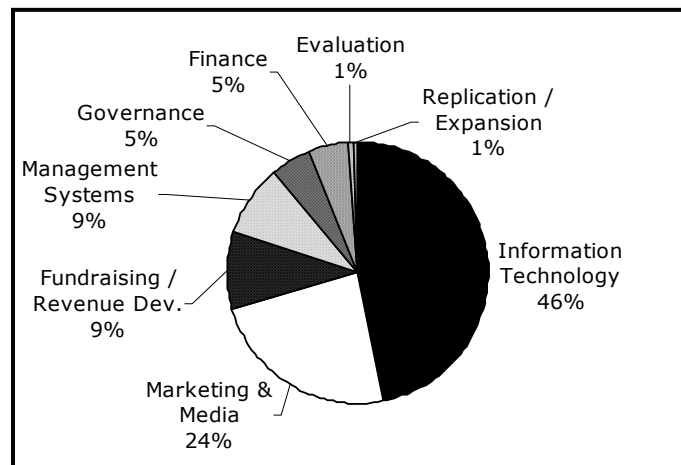
Exhibit 3.1. Theory of Change: How SVP Strengthens Organizational Capacity



Investees work with their Lead Partners to develop annual work plans, which includes both client-related measurable outcomes and goals for improving their organizational infrastructure. While SVP expects most of its relationships to last about five years, it does not make multi-year grants; Investees have to reapply for refunding each year. The integral involvement of Partners—as volunteers, networking resources, and members of grant committees—distinguishes the SVP model from that of many other venture philanthropy groups and traditional capacity builders that are more staff-driven.

As noted in Exhibit 3.2, volunteer assignments with Investees have been heavily slanted towards technology and marketing. This stems from the preponderance of these skills among Partners.

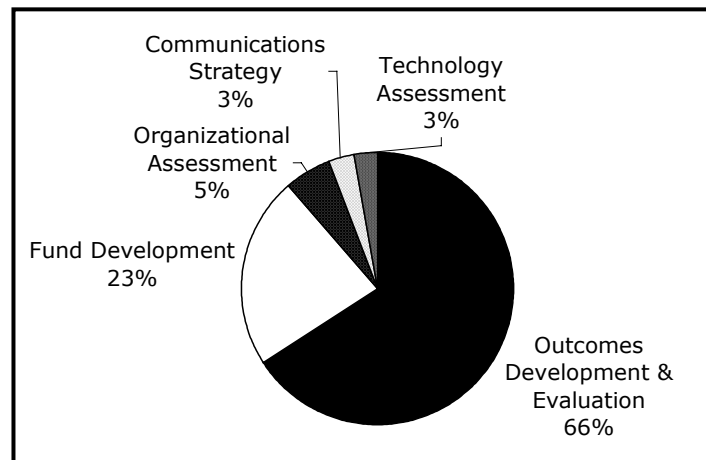
Exhibit 3.2. Distribution of SVP Volunteers



Initially, SVP relied almost exclusively on volunteers to provide technical and management assistance to Investees. Over time, they have learned that it takes multiple tools. It became clear that Partners have a specific set of skills and experience and that there are times when Investee needs are not aligned with Partner skills. Further, as the economy has changed, it became somewhat more difficult to find Partners who can make substantial volunteer time commitments.

To address the growing gap between Investee needs and volunteer skills and availability, SVP expanded capacity building support for Investees in 2000 to include some funding to hire consultants and other third party technical assistance providers. Exhibit 3.3 depicts the distribution of SVP's consultant support during 2001 and 2002. The dollar value of such support was approximately \$80,000.

Exhibit 3.3. Role of Consultants



In addition to providing volunteers and consultants, SVP has begun to more actively tap into the extended support of its network to provide nonprofits with connections to other resources, including leadership development and management training opportunities. Appendix D summarizes the inputs and outputs of seven grantees that were the focus of this review.

SVP's Impact on Investees' Organizational Capacity

All Investees interviewed experienced growth in organizational capacity during their relationship with SVP, although the degree of growth varied considerably. Two of the seven Investees' growth took them to a new level of service and vision. Three others felt that they had made substantial gains in their capacity and strengthened the foundation of their organizations. The final two organizations also showed distinct gains, but growth was impeded—in one case by a lack of alignment with SVP's business model and, in the other, by difficulties with the volunteer matching process. The two organizations that grew the most were impacted at the "higher levels" of strategy, culture, leadership, and aspirations.

Exhibit 3.4 provides a summary of the elements of capacity that grew the most, SVP's role in that growth, and the tools they used. While this is not a comprehensive list of all capacity areas that were mentioned, it includes those that stood out for their consistency or lack thereof.

Exhibit 3.4. Highlights of SVP's Impact on Key Areas of Capacity

Capacity Area	Consistency in growth across Investees	SVP's Role in Growth (scale of 1-3, with 3 as highest)	Resources Provided V=volunteer C=consultant E=extended support
Technology	High	+ + +	V
Outcomes Management	High	+ +	V, C
Board Development	Moderate/High	+ +	V, E
Strategic Planning	Moderate/High	+ + +	V, C, E
Marketing	Inconsistent	+ + +	V
Fundraising	Inconsistent	+	C
Leadership Development	Inconsistent	+ +	V, E

Growth was most consistently demonstrated in the capacity areas of technology, outcomes management, and board development.

- *Technology* – Given the background of SVP Partners, technology-related projects were an excellent fit. Further, technology needs were usually clearly defined and time bounded.
- *Outcomes Management* – SVP's business orientation and that of its volunteers clearly had an impact on Investees. Moreover, SVP has connected many Investees with an outstanding local consultant who specializes in helping nonprofits design outcomes management systems.
- *Board Development* – SVP has stimulated board development and involvement as a bi-product of the relationships that Partners have developed with Investees. In all but one of the long-term Investees, at least one Partner has been asked to join the Investee boards of directors.
- *Strategic Planning* – Four of the seven Investees we spoke with noted significant SVP involvement in their strategic planning efforts. This took a variety of forms, from a team of six Partners coming in to develop a strategic plan, to hiring a consultant to facilitate a board's strategic planning process, to referring Investees to a program called the Denali Initiative that helped two Investees clarify and articulate a strategic vision.

Growth was least consistently demonstrated in the capacity areas of marketing, fundraising, and leadership development.

- *Marketing* – SVP Partners made some major contributions in marketing with some Investees but little progress with others. Gains were clearly disproportionate to volunteer resources devoted to this area. The longer lead-time on marketing projects is a major factor. Moreover, it seems that Partners' skills in marketing were not as directly transferable to the nonprofit sector as other areas, e.g. Technology.
- *Fundraising* – Few SVP Partners have skills in this area. Moreover, SVP is hesitant to become directly involved due to concerns that Investees would solicit Partners directly. SVP has also not been consistently proactive about connecting Investees with other funding sources, especially as they near the end of their funding relationship.
- *Leadership Development* – Support for executive directors has been very effective when offered, but SVP's dedication of resources to executive director support has been uneven and is viewed by some Investees as arbitrary.

SVP's role in the capacity growth of its Investees was generally high. Few, if any, of the other funders Investees work with provide financial or human capital in support of capacity building. The role of volunteers was especially noteworthy. According to Investees, volunteers have provided invaluable support to their organizations. They have

built databases, created marketing plans, assisted in hiring processes, and developed strategic plans. Moreover, Partners develop relationships with the nonprofits that extend well beyond the skills they bring to bear. Not only do they often become donors and/or board members themselves, they also provide new linkages to a whole network of resources in the community.

SVP maximized impact in capacity building when it combined the use of volunteers with other strategies. As shown in Exhibit 3.2, volunteers are an important aspect of SVP capacity building work, but not the sole strategy. In fact, consultants played a particularly critical role in fund development and outcomes development, and extended support was crucial in leadership development. SVP has become much more successful in the last two years as it has incorporated paid consultants and also leveraged the resources of the existing network of staff and Partners. SVP amplifies the impact of its capacity building work when it uses volunteers *in conjunction with* these consultants and other resources. In one recent example, a consultant set up an outcome management system for a local Investee, but the organization then needed an active SVP Partner to help them implement the newly created system.

Key Observations on Capacity Building

Partner volunteers have, on balance, been overwhelmingly positive assets to Investees. When asked whether they felt that they had to accept volunteers in order to get grant dollars, the answer was a resounding “no.” In fact, one Investee admitted the reverse—the well-established organization had created a program for SVP to fund just to get access to their volunteers. Another stated, “If I were asked, do you want program support or do you want people? I would throw the money out. I’ll take the volunteers.” The massive culture clash between SVP Partners and the nonprofits that many expected has not materialized. While there have certainly been individual instances of Partners—coming in with a sense of urgency—that did not consider the nonprofit’s culture and other priorities, these cases have been the exception. Moreover, SVP has learned from its mistakes. Many Investees praised SVP for its humility and sensitivity, and its willingness to learn. Most also reflected that the business orientation of SVP and its Partners, while sometimes uncomfortable, has helped push their organization to think more clearly and strategically.

Using volunteers, compared to consultants, is a high-risk, high-return proposition. One of the greatest strengths of SVP volunteers—their “hyperagent” mentality—can also create unique challenges for Investees. Said one, “These are people who are pretty driven ... Once they commit to a project, they tend to not to let go of it even when they should, even when they’re out of the country, even if they’re not the right person, even if they’re not going to get to it for three years.” Despite the considerable time nonprofits invested in recruiting, training and managing volunteer Partners, Investees universally agreed that the benefits from Partner involvement in their organizations far outweighed the costs. While Investees acknowledged that consultants were easier to find and more available to start projects, they preferred to use Partners. In most cases, they felt that the skill sets were comparable and Partners offered the advantage of bringing their passion and commitment to bear. The investment in volunteers often led to relationships that extended well beyond the scope of the work for which they were assigned. These relationships translated into money, board involvement, and connections with other advocates and resources in the community. For example, among SVPs seven oldest Investees, Partner volunteers have made individual contributions to these organizations totaling more than \$200,000. Six of these nonprofits have invited nine Partners to join their boards. Most of these board members now say their primary allegiance is to the nonprofit, not SVP.

Organizations grew the most when SVP addressed the “higher elements” of capacity—aspirations and strategy. The two organizations that grew the most clearly were impacted at these higher levels of capacity. In reporting this impact, those Investees used terms like helping to “shift organizational culture,” “reshape our vision,” and “clarify our mission.” This supports the notion that as much as technical skills are valued by nonprofits, the greatest value occurs when a funder is able to support a nonprofit to clarify and strengthen their mission, vision, strategy, and leadership. This experience corroborated the findings by McKinsey and Company in 2001 of the importance of providing more than the technical assistance that nonprofits usually associate with capacity building. It also echoes a key finding by Christine Letts and William Ryan in their recent article on high engagement grantmaking.²² Letts and Ryan mention “strategy coaching” as one of the most critical ingredients of effective high engagement funding.

²² Christine W. Letts and William P Ryan, “Filling the Performance Gap: High-Engagement Philanthropy: What Grantees Say About Power, Performance, and Money,” *Stanford Social Innovation Review*, 1(2003):26-35.

Board involvement, participation in strategic planning, and leadership development are primary means to have an impact at the aspirations level.

- *Board Involvement* – SVP as an organization does not seek representation on the board, nor does it require Investees to invite Partner(s) onto their boards. However, in the many cases where Partners have been invited onto boards, they bring new perspective, skills, and resources to the boards. Moreover, they commit to long-term engagement and will attract their colleagues to the organization, in some cases replacing them when their board term is over.
- *Strategic Planning* – Letts and Ryan’s notion of “strategy coaching” distinguishes on-going strategic thinking with grantees from simply funding traditional, formal strategic planning processes. Lead Partners, in their roles as sounding boards, can be primary vehicles for promoting higher-level capacity development in SVP Investees. SVP volunteers as a whole can have significant impact on the way an Investee thinks about its mission, vision, and overarching goals. One Investee who brought in SVP volunteers to work with its board commented on the perspectives brought by SVP Partners: “They brought up different issues that other business people didn’t bring up and it was kind of that new way of thinking, that new way of giving that we needed to understand.”
- *Leadership Development* – In cases where SVP has provided leadership training for executive directors, the results have been profound for the organization as a whole. It was apparent, however, that that SVP has not been systematic about assessing and developing leadership potential.

SVP’s capacity building work is limited by the lack of systems for early assessment of Investee needs and on-going benchmarking and monitoring. During its first five years, SVP did not systematically assess an Investee’s capacity needs at the outset of the relationship. Accordingly, it sometimes took a year or more for the Investee and the SVP Lead Partner to identify and align on key priorities. In the past, when the Lead Partner met with their Investee on an annual basis to set goals for the upcoming years, the process was subjective because there have been no set of capacity standards or objectives. Investees tended to define their annual capacity building objectives more by where they thought they could get SVP volunteers—or where they thought they could make progress to show in refunding the following year—rather than by a thoughtful and comprehensive assessment and prioritization of needs. This has led to significant concentration on areas where SVP had many volunteers—such as technology—and less attention to more important areas such as leadership or fundraising. SVP is addressing this shortcoming by having all its Investees complete a modified version of the McKinsey Capacity Assessment Grid as part of their refunding process, starting in 2003. Investees, upon completing the McKinsey Grid for this evaluation, often commented on how useful it was in helping them see the universe of capacity elements. Without such a tool, they often “didn’t know what they didn’t know.” Not only will the tool allow for better diagnosis of the starting point, it will provide a means to benchmark progress moving forward.

Selecting grantees that are ready and motivated to address capacity is more important than targeting nonprofits that meet pre-defined size and age criteria. The relevance of life cycle considerations is well documented in capacity building initiatives. Nonprofits that are poised for growth and preparing to take the next steps towards sustainability and scalability that are best served by an investment in their own capacity. Our research suggests that the ability of SVP grantees to absorb capacity assistance is not a function of size or age. SVP has provided as much value to a 15-year-old, \$2.9 million dollar organization, as it has to a fledging \$250,000 start-up. An organization’s own readiness and motivation to tackle capacity issues is of paramount importance. That said, readiness is intangible and difficult to measure. One indication of readiness in the Investees we interviewed was the executive director and board’s ability to demonstrate their understanding of the time it will take to integrate the capacity support from SVP and their willingness to devote the necessary resources to managing that human capital.

The philosophical/cultural fit between SVP and its Investees has been extremely important. SVP clearly operates from an outcomes-based business model and its most successful relationships are with Investees who are open and receptive to that culture. By contrast, one of its least successful long-term Investee relationships occurred when it partnered with an organization that had strong resistance to that model. In that case, SVP sent a team of people to conduct a four-month strategic planning process. The Investee commented that “when doing strategic planning, SVP volunteers tried to create a business plan along a for-profit model ... and they felt frustrated that [the

organization] did not adopt more of their recommendations.” Funders, particularly those involved in high-engagement grant making like SVP, should not underestimate the importance of the fit between the foundations’ and grantees’ goals.

Observations from our research affirm the link between increased organizational capacity and better client outcomes. Although proving the link between improved capacity and client outcomes was beyond the scope of our evaluation, qualitative feedback from the executive directors in this study reinforces the conclusion reached by McKinsey and Company that “although the link between increased capacity and increased impact may be hard to quantify, one does lead to the other.”²³ The two Investees we interviewed that experienced the greatest gains in capacity gave clear examples of how that enhanced capacity has led to improved service outcomes. One reported how their increased capacity around financial management has led directly to additional funding from a local foundation and that funding has allowed them to hire more essential staff, which has, in turn, allowed them to reach more clients. Today, that organization provides critical services to over 2,500 people, compared to 250 at the outset of the SVP relationship. The other Investee cited SVP as the most significant factor in the organization’s capacity growth in the last five years, commenting that “we are reaching far more people with breadth and depth as a result of that increased capacity.”

²³ McKinsey and Company, 2001.

Observations on the Tenets of Venture Philanthropy

SVP's experience supports the evolving tenets of venture philanthropy and the broader rubric of high-engagement grantmaking, as outlined in the most recent survey of approximately 43 grantmaking organizations that view themselves in this field. SVP is now one of a small but growing number of organizations that describe themselves as taking this approach.^{24 & 25}

Providing strategic management assistance in addition to cash grants. SVP's experience suggests that over time, effective strategic assistance is actually valued as much or more than financial support by nonprofits. Several of the grantees were initially drawn to the money and the potential of long-term funding, but by the second or third years of the relationship, had realized the value of the volunteers. In fact, the size of the grants that SVP makes is actually small, especially in comparison to the value of the in-kind support and consulting they provide.

Cultivating a close relationship between donor and Investee. The engaged philanthropy practiced by SVP is characterized by mutual respect between Partners and Investees. While several Investees were initially apprehensive about SVP's high level of involvement, nearly all quickly came to experience the engagement as a partnership that not only provides an infusion of skills, but also builds lasting relationships. While a certain imbalance of power is inherent in any funding relationship, SVP has made significant progress in bridging the divide with its transparency, openness to feedback, and demonstrated commitment to its own on-going learning. Investees universally regard SVP as a partner, not an evaluator. This perspective mirrors the findings of Letts and Ryan (2003) that high engagement grantmakers have a more reciprocal relationship. In their recent article on high engagement grantmaking, the authors state that "the close and long-term relationship between grantee and funder stimulates trust and candor."²⁶

Investing for the long-term. Recognizing the importance of long-term investments is one of the most marked trends in venture philanthropy. According to the report by Venture Philanthropy Partners, 67% of the organizations said their grant relationships tend to cover four to seven years in 2002, compared to only 22% in 2001. SVP's intends to build long-term partnerships with Investees but it stops short of making multi-year grants. This hesitancy is not lost on Investees who felt like they had to prove themselves every year to be refunded. Accordingly, they are sometimes less willing to take risks and reluctant to embark on projects that would not show results for several years.

Focusing on organizational capacity building. SVP's commitment to capacity building work is highly valued by the nonprofit community. Numerous Investees commented on how difficult that funding is to find and how it was exactly what they were looking for when they discovered SVP.

Focusing on outcomes. SVP's focus on outcomes is not a new contribution to venture philanthropy or to the field of philanthropy as a whole. United Way, for example, had an outcomes-based evaluation methodology long before SVP. SVP is unique in the non-prescriptive manner in which they advocate for outcomes and measurement. Investees sense that SVP is not using them as data points to further their own issue agenda, but is really supporting nonprofits to achieve the outcomes they themselves say are most important.

²⁴ The term "venture philanthropy" has evolved over time, to the extent that it now means very different things to different people. Many venture philanthropy funders, including SVP, now prefer to describe their work by the more expansive term of high engagement grantmaking. Unlike venture philanthropy, the term itself describes the central organizing principle of this grantmaking approach.

²⁵ Community Wealth Ventures, Advancing Nonprofit Performance Through High Engagement Grantmaking. (Reston VA.: Venture Philanthropy Partners, 2002)

²⁶ Letts and Ryan, 2003.

Recommendations to SVP on Capacity Building

Adopt a modified version of the McKinsey Capacity Assessment Tool to facilitate early assessment of capacity needs and to benchmark progress. Based on the preliminary findings from our research, SVP has already begun asking Investees to complete a modified version of the McKinsey Capacity Assessment Grid on an annual basis. Investees will complete the tool annually for self-assessment purposes and benchmark their progress (although the annual ratings will not be used by SVP as part of the refunding process). SVP's next step should be to set some minimum standards for capacity growth during a relationship with SVP and consider aggregating data across Investees.

Institute a more systematic focus on leadership development across Investees. Attempting to impact an organization at the highest levels of mission and strategy must be done with a great deal of sensitivity. For example, requiring an Investee to undergo an organizational assessment or insisting on seats on the board of directors are strategies that are likely to backfire. Becoming more proactive in supporting leadership development with all the Investees it funds, on the other hand, is an excellent way to grow the highest levels of Investee capacity. SVP is currently reviewing a leadership self-assessment tool developed by the Schwab Foundation that would help executive directors identify areas where they may need support. Once leadership needs are identified, SVP should work with every nonprofit it funds to provide the necessary support, whether that be an executive coach or a leadership development program like those offered by Denali Initiative or Stanford University.

Develop a system for on-going management of volunteer assignments. The job descriptions that Investees complete when they identify a need for a volunteer facilitate the volunteer matching process and give Partners a good sense of what they are signing up for. There is, however, no mechanism to revise those job descriptions as projects unfold, nor is there a means to evaluate the effectiveness of the volunteer engagements. This can lead to misunderstandings about the nature and scope of a volunteer's responsibility and numerous missed opportunities about the lessons learned. In addition, projects sometimes extend well beyond the original timeline and outlive the interest and availability of Partners, leading Investees to feel "abandoned" in the middle of a project. SVP volunteer assignments would be improved with more structure, a finite scope of work, and a systematic means of evaluation. Taproot Foundation in San Francisco provides an example of a highly effective process for structuring volunteer assignments.²⁷ All projects are scoped out in advance in writing, last a maximum of four months, have a lead manager, and are evaluated both during and after the project.

Make multi-year funding commitments and adjust Partner expectations to acknowledge long-term nature of capacity building. Partners should be educated about the long-term nature of capacity building work. SVP's outcome focus, combined with the Partners' desire for tangible results, can send mixed messages to Investees who are working on capacity issues. One Investee expressed a sense that SVP needed to be more patient. "If SVP is serious about capacity building, it needs to look beyond the for-profit model in which focusing on efficiency and outcomes will, by itself, transform an organization's infrastructure. SVP is too oriented towards getting things done and checking them off a list." SVP limits its grants to one year in order to preserve its flexibility should an organization not prove to be a fit. This conservative funding strategy adversely impacts Investees who feel like they have to demonstrate "success" at the end of every year, and inadvertently encourages them to shy away from tackling core capacity needs that might take multiple years to complete. SVP could preserve its flexibility and communicate a long-term commitment to Investees by structuring their investments as initial one year planning grants, followed by longer-term commitments—to those organizations where there is a clear fit—with methods for assessing progress towards goals.

Clarify expectations between grant makers and nonprofit Partners. A number of Investees spoke about not fully understanding SVP and needing the Lead Partner to "translate" what SVP was all about. There was clarity about SVP's passion and commitment, but confusion about what they could expect from SVP and what was expected of them. SVP might benefit from developing an informal contract with Investees that outlines mutual expectations. The Roberts Enterprise Development Fund uses a Memorandum of Understanding (MOU) with the nonprofits it funds for this exact purpose.²⁸

²⁷ See <http://www.taprootfoundation.org/>.

²⁸ See www.redf.org.

Become more proactive in developing collaborations with other funders to facilitate transitions for outgoing Investees. Engaged philanthropy aimed at building organizational capacity requires strong collaborations with other public and private funding sources to ensure continuity. SVP has not gone about this in a consistent or systematic way, and its long-term Investees cited concerns about the transition once their funding relationship with SVP was over. Though the dollars invested in the nonprofit sector by venture philanthropists are still relatively small, venture philanthropy has the potential to act as a catalyst for leveraging substantial private and public funds. Not acting on this opportunity contributes to the perception that venture philanthropists are “naive or oblivious ... and likely to abandon their pet projects when funding runs out.”²⁹

Invest in its own organizational capacity. As a five-year-old organization, SVP itself is facing many of the same challenges experienced by its Investees. Its sustainability and scalability are challenged by its limited organizational capacity. Staff believed that Partners placed a high value on limiting its administrative costs, a philosophy that is common among less experienced donors. SVP needs to re-define its vision, improve management systems, and develop a more viable staffing structure. It is crucial that the organization model the type of capacity development it is advocating to its investees. In the spring of 2003, the SVP Board acted on this recommendation by reducing the number of future grants slightly and adding another staff person to focus on capacity building.

²⁹ Community Wealth Ventures, 13.

Investee Profile

New Futures: Using SVP Volunteers and Connections to Build Capacity

When New Futures (NF) approached SVP for funding in 1998, they had a full-time executive director, a hand full of part-time staff, and an operating budget of \$175,000. Five years later, with a budget of \$1.3 million, 39 staff and sophisticated internal systems, they are being hailed nationally as a successful model of strengthening children and families in blighted neighborhoods. SVP has been a crucial part of this evolution by infusing a mix of resources that have supported both the technical and systemic elements of NF's organizational capacity.

NF improves the lives of at-risk children by providing school-linked and family support services in low-income apartment complexes. During NF's five-year relationship with SVP, they have received \$383,000, 21 strategic volunteers, approximately \$10,000 worth of consultant support, and an important referral to a leadership training program through SVP's network of extended support. Roxanne Hood Lyons, NF's Executive Director, has an entrepreneurial background that meshed well with the business-oriented mindset of SVP. Moreover, when she approached SVP five years ago, she was absolutely clear that NF's paramount need was for infrastructure support.

NF's experience with SVP exemplifies the benefits and challenges of using volunteers as a tool for capacity building. Overall, SVP volunteers have played a crucial role in NF's organizational growth. At the "nuts and bolts" level, they have tackled a wide range of tasks, including support in database development, financial management, and technology systems. The work in financial management was especially important. Faced with the unique situation of having two fiscal agents, NF's finance and accounting system was a "nightmare." It took three years and three different volunteers, but they ended up with a state-of-the-art system that has not only improved their organizational efficiency, but has also served as a leverage point for attracting additional funding.

SVP volunteers have also played a critical role in providing higher-level support in strategic planning, board creation and development, and mentoring support to the executive director. As an example, NF had no outside board of directors when they began their relationship with SVP. SVP sent a team of Partners to work with the executive director to help in "conceptualizing the needs and building the organization." Out of that process, SVP Partners worked closely with Roxanne to establish 501(c)(3) status for NF, as well as develop a charter and bylaws for a board of directors.

While volunteers have been important to NF's organizational growth, there also have been challenges. One concern expressed by NF was that "it is sometimes difficult to meet the high expectations of (SVP) volunteers," especially in the short time frame that SVP's business professionals are used to working under. That creates a tension and, said one staff person, "sometimes I feel like I am working for them." It can be difficult for the organization to reconcile the demands of SVP volunteers working on capacity building efforts, who want immediate information, with the other priorities that the organization faces in providing services children and families.

In spite of the challenges, Roxanne is emphatic that "SVP volunteers have consistently been really good people, and have come back to the organization as volunteers, donors, and board members." Specifically, there are now three SVP Partners on NF's Board of Directors and volunteers have independently contributed close to \$100,000 in the past five years. This highlights the degree to which Partners become invested in the nonprofits with which they work. NF's Lead Partner believes that when SVP stops funding NF next year, the volunteers will stay. "SVP makes introductions, but once they people discover New Futures, they fall in love."

Complementing Partner volunteers with paid consultants has been an important component of SVP's capacity building support. NF has used consultants referred by SVP in the areas of fundraising, outcomes management and technology assessment. The outcomes consultant was particularly useful in helping NF implement a framework for on-going evaluation. The fundraising consultant, on the other hand, was not especially helpful. Roxanne commented that her experience of the success rates and quality of consultants and volunteers are similar. She prefers to use volunteers because of the potential for long-term relationships, but noted that consultants were important resources in areas that SVP did not have expertise or when there was time sensitivity in a project.

Roxanne also felt very strongly about the role of the extended support provided by SVP. An important example of this extended support was SVP's referring Roxanne to a leadership development program known as the Denali Initiative.³⁰ Roxanne cites participation in this program as having made the single biggest impact on her growth and development as an executive director. The curriculum of the program, professors she met, and interactions with other Fellows have all had a marked impact on how she thinks about the mission and vision of NF. Connecting NF with the Denali Initiative is an illustration of how SVP can impact organizations at the aspirations level through a focus on leadership development.

³⁰ The Denali Initiative is dedicated to developing the next generation of social entrepreneurs from small to mid-size, community-based, not-for-profit organizations across the nation. Through the creation of a premier educational curriculum and use of peer support and technical assistance, the program attracts executives from all program areas in the social sector and improves the quality of service provided to communities.

CHAPTER FOUR: FUSING DONOR EDUCATION & NONPROFIT CAPACITY BUILDING

SVP’s model of intertwining its donor education and capacity building activities is truly unique and marks its greatest contribution to the field of philanthropy. SVP runs two businesses—philanthropy promotion and nonprofit capacity building—using a core set of activities that serve different purposes for each business (see Exhibit 4.1). SVP adapted several time-tested activities traditionally practiced by separate entities—donor recruitment, donor education, philanthropy promotion, volunteer matching, grantmaking, and nonprofit capacity building. But the way SVP connects these activities within a single organization marks a significant innovation. By operating in multiple arenas, SVP creates a venue in which both of its primary customers—nonprofits and donors—can engage in a more direct and intimate manner. It nurtures a philanthropic ecosystem where work in one arena can feed the other.

Exhibit 4.1. SVP Activities that Advance Both Sides of its Work

Function in Philanthropy Promotion	SVP Activity	Function in Organizational Capacity Building
<ul style="list-style-type: none"> Increases donor knowledge about community issues Increases donor knowledge about grantmaking skills Builds associational capital¹ with other donors and with some nonprofit leaders 	Donor education seminars	<ul style="list-style-type: none"> Increases partner knowledge about issues related to the nonprofit where they volunteer
<ul style="list-style-type: none"> Increases donor knowledge of nonprofit organizational culture and issues Builds donor associational capital with nonprofit staff Increases donor identification with people in need 	Volunteer matching	<ul style="list-style-type: none"> Provides nonprofits access to skilled professional at no cost Connects nonprofits to potential donors and board members
<ul style="list-style-type: none"> Introduces partners to mechanics of proposal review and grantmaking Provides new donors an overview of issue areas in which prospective grantees work Builds associational capital among partners 	Granting committees	<ul style="list-style-type: none"> Provides nonprofits with structure for setting goals and assessing progress Exposes nonprofits that submit proposals to potential individual donors and volunteers Provides opportunity to educate partners about nonprofit organizations
<ul style="list-style-type: none"> Builds associational capital and value of the network for existing partners 	Partner recruitment	<ul style="list-style-type: none"> Raises money for nonprofit capacity building grants
<ul style="list-style-type: none"> Deepens knowledge among individual Lead Partners Increases associational capital of Lead Partners 	Lead Partner support group	<ul style="list-style-type: none"> Provides training and support network for key volunteers that increases their effectiveness and longevity

¹ See Exhibit 2.2.

SVP's nonprofit capacity building business provides a rich, practical training ground where new philanthropists get hands-on experience not just about the mechanics of grantmaking, but also about the culture of nonprofits and the issues they work on. In turn, SVP's work in philanthropy promotion feeds its nonprofit capacity building business. It provides local nonprofits with money and stretches the impact of those dollars by supplementing them with highly skilled and accountable volunteers that nonprofits can use to bolster their infrastructure. These volunteer assignments also provide nonprofits the opportunity to build long-term relationships with motivated, skilled community players who can continue to provide access to money, potential board members, and a personal network of other information resources once the SVP grant ends.

Traditional philanthropic relationships are typically more one-way: donors send the money to nonprofits, the nonprofits are expected to extend gratitude, and there are clear boundaries between the funder and the service providers. In SVP, by contrast, donors are encouraged to become part of the nonprofit they are funding—to engage with their staff and clients—rather than remain external actors. In so doing, donors also are receiving benefits—increased knowledge and meaningful relationships that help them achieve their personal philanthropic goals.

SVP's approach to the philanthropic ecosystem seems akin to the emerging theory of *co-production* in philanthropy. Promoted by Edgar Cahn, co-production centers around the idea of involving clients of social services in the management and delivery of the services. Says Cahn, "Charity has to be a two-way street ... Money, philanthropy, programs alone can't cure social problems if we can't enlist those being helped as partners and co-workers."³¹ Habitat for Humanity exemplifies this concept, where the recipients of the new housing assist in the building to generate "sweat equity". In a sense, SVP is Habitat for Humanity in reverse. It is the donors who are putting in the sweat-equity. Their return is experiencing the impact of their efforts on the nonprofits they support, an education in the issues faced by nonprofits and the inner workings of those nonprofits, and increased associational capital.

At its best, this fusion allows SVP to transform philanthropy for its Partners from a series of discreet monetary transactions into a philanthropic experience that builds long-term, multi-dimensional relationships between people of wealth and community nonprofits. However, the interdependence also creates tensions which, to date, have primarily impacted the sharpness of SVP's focus on capacity building. As examples:

- New grant committees tend to earmark grant dollars for specific programs rather than capacity building. While the balance shifts more to capacity building in later years of grants, there is still a disproportionate amount of funding that is dedicated to programs. Grant committees tend to be staffed by new and inexperienced Partners, in large part because SVP knows these committees provide an excellent education. However, these new Partners have received almost no orientation about SVP's philosophy of capacity building. To them, increasing services to children, for example, is more appealing than funding a marketing plan or a financial management system overhaul.
- In 2001, SVP increased the number of Investees (and therefore the number of grant committees), in large part to give more Partners the opportunity to have a grant committee experience. However, SVP could not adequately support the expanded number of Investees and many Investees commented that resources were being spread too thin. As part of its March 2003 five-year strategic plan, SVP recognized this issue and decided to allow the number of grantees in its portfolio to decline by normal attrition over time. They also reduced the number of new grants each year by two and dedicate some of those funds to hiring additional staff to provide more support for capacity building.

³¹ David Boyle, "The New Philanthropy," *The Atlantic Monthly*, January, 18, 2003.

Exhibit 4.2. Benefits and Drawbacks of Fusing Philanthropy Promotion and Capacity Building

Partners		Investees	
Benefits	Drawbacks	Benefits	Drawbacks
<ul style="list-style-type: none"> • Allows donors to feel like they are having a more tangible impact • Promotes more meaningful relationships between donors and nonprofit staff • Improves effectiveness of volunteer matching process • Transforms giving money from a transaction into an experience that lasts beyond writing the check • Provides forum for donors to meet other people with similar interests in philanthropy 	<ul style="list-style-type: none"> • Lose some control over which nonprofits receive your money • Exposed to some low key pressure to increase volunteering and personal giving • Capacity building efforts require additional overhead costs for SVP 	<ul style="list-style-type: none"> • Increases pool of skilled professionals available to volunteer • Reduces costs associated with finding and retaining high quality volunteers • Promotes greater accountability among volunteers due to affiliation with SVP • Increases organizational exposure to potential individual donors, volunteers, and board members • Increases donor pool knowledge on issue and operational priorities of nonprofits 	<ul style="list-style-type: none"> • Investees sometimes set capacity goals based on available skills of SVP Partners, rather than highest organizational need • Need to resell organization's merit to changing cast of players, especially on refunding committees • Need to adhere to more business-oriented operations model • Potential for negative volunteer experience to adversely affect funding relationship • SVP in response to (new) partner interests in tangible results, may compromise investment in investee capacity

Realizing the Full Value of the SVP Model

SVP is only beginning to understand the power of intertwining donor education and capacity building. To date, SVP has operated its inspiring philanthropy and nonprofit capacity building work more as two parallel activities. It has not systematically sought to maximize the synergies between them. These tracks, which stem from SVP's defining itself as a dual mission organization, run parallel in the absence of a single unifying vision towards which both are driving. It is as if two business units in a company did not realize that they are each making components for a single product—like one unit building Microsoft Explorer and another building Microsoft Word—without thinking through how they will work together to provide a better overall software system for the user.

The absence of such a unifying vision leads to some of the tensions and missed opportunities addressed earlier in the paper. For example, SVP's extensive Partner education seminar series is not aligned with SVP's capacity building work. The seminars rarely even draw on SVP's own Investees as issue-expert speakers. The donor education curriculum has been designed to teach Partners about philanthropic skills and community issues. It gives little consideration to SVP's work with its Investees. If SVP fully realized the connections between its two missions, the Partner education series would provide philanthropic skills and content while also keeping the broader Partnership—which receives minimal information about SVP Investees—abreast of the successes and challenges their Investees face or the lessons SVP is learning from its work with the Investees.

Partly in response to the evaluation findings presented to their board last fall, SVP drafted a new vision towards which all its efforts are leading:

to mobilize and connect a community of people to have a life-long commitment to being personally engaged in making a positive difference in their communities.

It is noteworthy that this vision establishes SVP's work in organizing philanthropists as its primary mission. This is consistent with the evaluation's findings that SVP's most significant innovation is its systemic approach to philanthropy promotion and donor education. This new vision marks an evolution from SVP staff's efforts to date to describe the organization as having two missions of equal priority. However, this prioritization should not diminish SVP's attention to its capacity building work. Involving volunteers in capacity building is central to its effectiveness in philanthropy promotion and adds tremendous value to the nonprofits with whom it works. SVP must now use this vision and other insights from this evaluation to improve the effectiveness of its two core activities—philanthropy promotion and nonprofit capacity building—and to increase the coordination between them.³²

SVP offers more significant innovations to the nascent field of the donor education and philanthropy promotion. SVP's experience suggests three key propositions:

- 1) Donor learning needs to be seen as a *long-term experience* rather than just a discreet set of services, and the activities and indicators of success should be set with this in mind.
- 2) The value of SVP's efforts appears in the relationships between donors and nonprofits. It is a viable means of building *associational capital* between funders and nonprofits.
- 3) *Learning, doing* and *giving* can be separate activities, but done together they are mutually reinforcing and accelerating.

These principles are encouraging, for there are hundreds of organizations around the country in a position to adapt them to improve and expand their own work. Community foundations are particularly well positioned to employ some of these principles, and many have begun to do so. Of the 27 SVP Affiliates around the country, community foundations launched four, and most of the other SVPs operate as donor advised funds at their local community foundation.³³ Community foundations are aware of the importance of the philanthropic experience and can offer a donor a long-term experience rather than just a set of services.

That said, the SVP experience is not ideally suited for everyone. Those that benefit most from participation in an SVP network are active individuals who can give time and money and are looking for ways to engage with the community. Not all donors are looking for the level of engagement that SVP offers. Some want more dedicated support from professional staff. Others place a greater value on networking with peer philanthropists. And still others simply want to write checks. Indeed, one-quarter of SVP's Partners fall into the latter category. This group sees their SVP contribution as a "good investment", although SVP has much less influence on the evolution of their personal philanthropy. SVP knows the type of donors with whom it can have the greatest impact and it often refers those who don't fit that bill to Seattle's community foundation and several other giving circles in the region.

Born in the Boom, Outlasting the Bust

SVP was born in the philanthropic boom years of the late 1990s. That timing contributed to its rapid growth, but it is not essential to SVP's future success. SVP's effectiveness stems from its successful execution of programs in building capacity and inspiring philanthropy, its innovative intertwining of the two core fields of operation, and an exceptional ability to learn from its experiences and adapt to changing times.

SVP's primary innovation to the field of capacity building has been to show that a well-managed volunteer force can be pulled together from the professional ranks and deployed to help nonprofits. The success in doing so is very much based on time-tested lessons and good practices from other volunteer organizations and the field of capacity building. SVP also has been a strong force in venture philanthropy's evolution to "high engagement grantmaking".

³² SVP Seattle's Five-year Strategic Plan (published in March 2003) is available upon request.

³³ Boston, Boulder County, Dallas, and Denver.

The relationships it has built between donors and Investees demonstrate the value of the close grantor-grantee relationship and the value of providing strategic management assistance as well as money.

SVP offers more significant innovations to the nascent field of donor education/engagement. While many have studied, talked about, and attempted to provide donor experiences that are peer-based or experiential, SVP's model has these principles at its core. They have redefined donor education from a *service* to an on-going *experience*. The SVP experience offers donors all the types of learning identified in the research on donor education programs conducted by New Visions Philanthropic Research and Development: internal reflections (who you are); substantive knowledge (focus on impacts and social change); and operational skills (how to give).³⁴ The success of the model is seen in the renewal rate of Partners, the carry-over of SVP practices to private and community foundations, the commitment to organizations by individual SVP Partners, the positive feedback from these organizations, and the rapid replication of SVP internationally.

An SVP-like organization that fuses philanthropy promotion and nonprofit capacity building might flourish in any community with a critical mass of donors sharing the following characteristics: 1) a significant increase in their wealth; 2) experiencing a life transition; and 3) previous experience volunteering but with few local nonprofit connections. For example, a community with a large number of young retired executives who have moved from elsewhere might be fertile ground for an SVP. Among retirees, the sudden increase in their available time and their need to deal with a life transition would be stronger drivers than the increase in wealth. Of course, people with these characteristics are only the raw material. Growing a successful SVP would also require sustained local leadership for the model to organize and inspire these people.

SVP Partners may have set out to transform nonprofits. Along the way, many have experienced a transformation in their own personal practice of philanthropy, both inside and outside of SVP. Few would have been drawn to SVP solely by the promise of a philanthropic education. However, by integrating learning about philanthropy with the experience of giving, SVP supported Partners through a gradual transformation.

SVP is making an important contribution to the philanthropic community in Seattle. It has nurtured new donors and focused their resources in new areas, strengthened local nonprofit organizations and their boards, encouraged better grantmaking practices in several small foundations, build a vibrant network of learning about community issues, and facilitated active partnerships between funders and nonprofits. SVP has become a piece of the existing fabric of the Seattle community, and has added its own color to that fabric.

³⁴ New Visions, 2002.

APPENDIX A: RESEARCH METHODOLOGIES & NOTES ON DATA SOURCES

Assessing SVP’s work essentially required two distinct but coordinated evaluations: one of its work in inspiring Partners and one of its capacity building effort with nonprofits. A variety of data sources were utilized.

Summary of Data Sources for SVP Evaluation	
SVP Records on Partner Activities	SVP’s access data base of Partners plus attendance records at seminars
Interviews with SVP Partners	One-on-one interviews with cross-section of 30 Partners
Interviews with Comparison Group of Non-SVP Donors	Washington Women’s Foundation (5); Seattle Foundation (2)
Interviews with Investees	Long-term SVP Investees (7); Newer SVP Investees (2)
Interviews with Lead Partners	SVP LPs of Investees that were interviewed
Investee Focus Group to Discuss Preliminary Findings	11 SVP Investees, of which 4 had been interviewed
Pilot McKinsey Organizational Capacity Assessment Grid	Executive directors of Investees that were interviewed, plus two brand new Investees
Grants Review and Analysis	SVP Grant Files and Access Database, 1997-2002

Philanthropy Promotion

The primary tool used to assess SVP’s impact on Partner philanthropy was semi-structured interviews with a purposefully drawn sample of Partners. SVP records were used to reconstruct a complete history of activity for each Partner—including all Partner education events attended, volunteer assignments and committee participation. Blueprint then categorized all current and former Partners according to an informal hierarchy of the activity’s ability to promote identification with the needs of the nonprofit community and build associational capital. Partner education events promote some identification by providing information and often an introduction to the nonprofit community. Serving on an SVP grant committee also promotes identification as well as building associational capital among members. Volunteering with nonprofit and attending Partner education events would provide Partners with the most intense opportunities to build identification and the most associational capital.

All current and former Partners were sorted according to their participation in SVP activities. The sample was drawn so that the group of Partners interviewed approximately reflected distribution of activity levels across the entire partnership. See Table Five. Attention also was paid to assure that the Partners interviewed represented people from the technology sector and those from other industries. Almost all Partners who were asked agreed to participate. Four Partners were interviewed as a couple rather than individuals, somewhat increasing the total number of Partners in certain categories. The mix included five former Partners and two who had moved from Seattle but were now involved in SVPs in other cities.

Sampling Strategy for Partner Interviews		
Level of Involvement	Proportion of SVP Membership	Number Interviewed
Provides money, but does not participate in activities	27 %	2
Only attends Partner meetings	9 %	3
Only attends education events	13 %	4
Participates in SVP committees and attends education events	11 %	10
Only volunteers with NPO or on SVP Committee (no Partner education)	10 %	7
Volunteers with a nonprofit and attends education events	30 %	10

The interview protocol asked questions about Partners' experience with philanthropy and volunteerism before joining SVP; why they joined SVP; how their experience with SVP activities had influenced their knowledge of community issues; attitudes towards volunteering and personal philanthropic strategy; and their assessments of SVP's strengths and weaknesses as an organization. (See Appendix B for the complete interview protocol.)

These interviews were supplemented with a quantitative analysis of SVP's records of Partner participation in all its activities, including volunteer jobs, committee assignments, and attendance at SVP educational seminars. Further insights were drawn from Partners interviewed as part of the Investee research.

Capacity Building

To assess SVP's effectiveness in building the capacity of its grantees, we conducted an in depth analysis of seven of SVP's longest-term Investees—those deemed to have the most opportunity for growth. Five were in their fifth year of SVP funding and two were in their fourth year. One of the seven had just ended its formal funding relationship with SVP. In each of these organizations, we conducted two semi-structured, in-depth interviews with senior staff (usually the executive directors), interviewed the Lead Partners for each of the organizations, convened a focus group of Investees to discuss our preliminary findings, and reviewed extensive grant records and files. (See Appendix B for the complete interview protocol.)

We also used an Organizational Capacity Assessment Grid developed by McKinsey and Company for Venture Philanthropy Partners as a means to assess capacity growth over time.³⁵ The common definitions in this tool allowed us to more systematically assess capacity growth across very different organizations and also to test the tool's usefulness in helping SVP track capacity growth among its Investees in a more measurable way. In terms of the data gathered for the current evaluation, it is important to acknowledge that Investees and Lead Partners were asked to assess Investee capacity growth retroactively, as there was no baseline data. See Appendix C for more detailed description of our experience using the McKinsey Organizational Capacity Assessment Grid.

³⁵ McKinsey and Company, 2001.

APPENDIX B: INTERVIEW PROTOCOLS

Interview Protocol for Current and Former SVP Partners

I. Background: experience with philanthropy and the nonprofit sector prior to joining SVP

- Were you involved in philanthropy in any way prior to joining SVP? How?
- Were you contributing time or money to any nonprofits prior to joining?
- What influenced you to first start giving? How, where, and why did you make your first significant contribution?
- Do you see any connection between the way you achieved your financial success and your motivation or strategy in giving money away?

Now, I would like to hear about how you got involved in SVP.

- How did you find out about SVP? How many other members did you know when you joined?
- What did SVP offer that was of particular interest?
- Did you consider other philanthropic vehicles or tools (such as a charitable gift fund, a private family foundation, a fund at a community foundation or involvement with the Washington Women's Foundation or ATR)? Which ones?
- How well have you been able to connect with those aspects of SVP that motivated you to join?

II. Reflecting on experiences with SVP and their influence

SVP offers many different activities: Partner education sessions, grant committees, working committees, volunteering with nonprofits, connections to other people interested in philanthropy, etc. Next I'd like you to reflect on what you've learned from each of these activities.

- How do you decide which SVP activities to be involved in?
- Which activity has had the biggest influence on how you practice or think about your philanthropy? Why?
- What have you learned from the other experiences? What are their limitations?
- How have you applied your SVP experiences to volunteering and philanthropy outside SVP?

Now I'd like to ask a few more questions about any volunteering you do, both inside and outside SVP.

- What is your sense of relationship between giving via volunteering versus giving money? Have your opinions changed over time? Why?
- Has your approach as a volunteer changed over time? How?
- How has your experience as a volunteer changed the way you think about philanthropy in general or your role as a philanthropist?

Now let's consider your work directly with SVP Investees, what impact you've made and what you've learned. (These questions are only relevant for interviewees that have been on a V-Team.)

- What has been your most rewarding experience working with an Investee? What has been the most frustrating?
- What did your Investee gain from your relationship with them? What did you gain?
- To what extent were you able to apply your business skills and perspective to help your Investee? Where there ways you found your business perspective or skills didn't translate into the nonprofit world as well?
- Do you make an individual contribution to the Investee you work with?

We would like to hear about any ways that your involvement in SVP has influenced your knowledge of community issues and community connections.

- How effective is SVP at connecting you with likeminded people? Can you provide some examples of where it worked and where it didn't?
- When you have issues about philanthropy you want to discuss, to whom do you turn: your family, friends, SVP staff, other SVP Partners, or the Investees where you volunteer?
- How much and where do you interact with SVP Partners outside formal SVP activities? How has SVP membership influenced your personal or professional networks?

- How has the heavy number of Microsoft people influenced SVP culture and how do you as a person without direct Microsoft connections work with that?
- To what extent has your involvement with SVP connected you with people who are different from yourself—or different from people you interacted with before SVP?
- What types of Partner meetings and education events have you found most valuable and why? What types have been least helpful?
- Has your changing understanding of community issues had any influences on where you give your time and money, both inside and outside of SVP?

III. Reflecting on growth as a philanthropist

- If you reflect on your giving of time and money within the last year, what stands out as your most significant or meaningful contribution? Why?
- What goes into your decision-making today about donating time or money to a cause (for example, types of issues, effectiveness, or certain characteristics of the group)? How has your decision-making process changed over the years?
- How has your overall attitude or approach to philanthropy changed over the last five years? (For example, how much of your money goes to local groups versus put of the community?)
- Has the level of your overall charitable contributions changed since you joined SVP? Stayed the same, increased, decreased?
- What have been the relevant influence SVP and other factors on your level of overall time and monetary contributions each year?
- How has the recent economic downturn affected your philanthropy? Have you looked at your SVP membership any differently, since the changes in the economy?
- How has your involvement in civic, nonprofit, and philanthropic activities changed over time?
- How has SVP's role in your overall philanthropic activities changed over time?
- What is the most important thing you have gained from your SVP membership?
- How long do you expect to continue your SVP membership and why?

IV. Reflecting on SVP the organization

- What does term venture philanthropy mean to you? Has your concept changed over time?
- What aspects of SVP's model to provide human and financial capital to nonprofits work well, in your opinion? What aspects are more problematic?
- What has made you stay involved in SVP (or cancel) and how does that compare to the reasons you initially joined?
- If you were to describe to a potential Partner the benefits of being involved with SVP, what would you say? Why give through SVP rather than do it on your own?
- How have any changes in SVP membership influenced your attitude towards the organization?
- Which of the following best describes your experience of SVP: a network, a community, a group of peers, a club, a grantmaking organization, a volunteer matching system, a provider of philanthropic education?

Interview Protocol for Investees

I. Experience completing the McKinsey capacity measurement grid

- How “user-friendly” was the tool? How long did it take you to complete? What kind of input, if any, did you find useful in completing the tool?
- How useful would this grid be as a planning tool for you, your senior management team or for developing annual objectives with your Lead Partner?
- What would you see as the strengths and weaknesses in using this grid as a tool to benchmark and track Investee's growth in organizational capacity over time?

II. Reflections on growth in organizational capacity and the role that SVP played

- What aspects of your strengthened organizational capacity have had the most impact on improving the services you provide and the outcomes you achieve, and why? Please be specific. (Might refer to the McKinsey Pyramid or grid as a guide.)
- What do you see as the relationship between capacity building and improved service delivery and client outcomes? Please be specific.
- What have been your organization's most pressing capacity building needs since the start of your relationship with SVP? How have you tried to address them and what role did SVP play?
- What factors/sources outside of SVP have contributed to your growth in organizational capacity and how does their influence compare to SVP's? Or, how much of your strengthened capacity would have happened regardless of your relationship with SVP?
- What do you think "capacity building" means to SVP? Has their concept changed over time? How does SVP's definition of capacity building compare to your definition?

III. Experience of SVP volunteers

Lead Partners

- What role does your LP play in your organization? How do they contribute?
- What do you see as the strengths and weaknesses in your relationship with your LP?
- Could you estimate how much time your LP spends with your organization on a monthly basis?
- How honest do you feel you can be with LP and other SVP volunteers about challenges or weaknesses in your organization? Do you regard the LP primarily as an advocate of your organization or the "eyes and ears" of SVP?

Volunteer teams

- In what capacity have SVP volunteers been most useful? Least useful? What has been your experience with hands-on versus strategic volunteers?
- Do you feel that you have a choice to accept volunteers, or that it is a funding requirement?
- To what extent do you feel that SVP's impact on your capacity objectives has been impacted directly by volunteers, vs. other resources that SVP funding has connected you with?
- How well trained to work in your organizations have the volunteers been? Do you provide the training, or did SVP?
- Who has coordinated the strategic volunteers on your end and how much time has that required?
- To what extent have the SVP volunteers become donors or board members? To what extent have the SVP volunteers encouraged non-SVP colleagues to become volunteers or donors to your organization?
- Has your organization used volunteers not associated with SVP? What types of tasks were they assigned? What impact did they have? How did they compare to SVP volunteers in terms of skill level and time commitment? How did you find these volunteers?
- What is your experience of the value-added that SVP provides in its volunteer matching efforts, compared to your other sources of volunteers? How well have your organization's needs been matched with SVP volunteers' skills and attitudes? How easily could you access volunteers of SVP's skill level without SVP?

IV. Reflections on the strengths and weaknesses of SVP's model of funding

- Other than its focus on capacity building, SVP's model of venture philanthropy emphasizes a close funder- Investee relationship, long-term commitment (of substantial resources), and a focus on outcomes and private-sector principles. Which of these factors initially led you to apply to SVP? Looking back over your relationship, which have been most valuable?
- SVP is regarded as a highly engaged funder. What is your experience of their "hi-touch" approach? What were your expectations how that would impact the commitment that would be required from your organization? Has your experience differed from your expectations? Has your organization experienced any resistance to the more hands-on involvement of SVP as a funder? If so, is the resistance a response to the risk of organizational change, or to the risk of changes in mission, purpose and values?
- How do you feel about the length of the commitment that SVP has made to you? How concerned were/are you about getting renewed funding each year, especially compared to any experiences with other funders?

- SVP is very focused on the importance of outcomes. Has your attitude towards reporting outcomes changed over the course of your relationship with SVP? To what extent do you feel that SVP's focus on measurement and outcomes is relevant to the needs of the population you serve?
- SVP sees itself as offering nonprofits the skills and perspectives of the business sector. Have you found that working with SVP has required your organization to adopt new steps and strategies? Please be specific. Have you incorporated any of the business-sector approaches introduced by SVP? Are there any that you specifically rejected?

V. Comparing your relationship with SVP to your relationship with other funders.

- How does your relationship with SVP compare to your relationships with your other funders? What is similar? What's different? How do any of these differences affect your work?
- SVP views themselves as "more engaged with their grantees" than other funders? How true has this been in your experience? How well does SVP honor the boundary line between helping its Investees and intruding?
- Does your organization have the capacity to work with another engaged grant maker like SVP? Do you think there is a need in the community for more funding sources like SVP? Considering all the various funding sources, what niche do you feel SVP fills?

VI. Closing reflections

- How has your relationship with SVP changed over time and why?
- Where are you now in the Life Cycle of an SVP Investee? What are your thoughts on how SVP will assist you in your transition away from SVP funding?
- Are you aware that SVP is committed to a dual mission: inspiring philanthropy and volunteerism among Partners and building organizational capacity of Investees? From your perspective, how does this dual mission impact SVP's work with its Investees?

Interview Protocol for Investees' Lead Partners

I. Involvement with Investees

- What role do you play in the organization? How has it changed over time?
- What have you seen as the strengths and weaknesses in your relationship with your Investee?
- How much time, on average, would you say you spend working with your Investee each month?
- How do you see your primary allegiance—to SVP or to the nonprofits? Have you ever felt like there were conflicts between the two?
- When SVP stops funding this Investee, do you expect to take a volunteer assignment with another SVP Investee, continue to work with the current organization, or take a break from volunteering? Do you have a sense of what the other SVP volunteers will do?

II. Perspective on the Investee's growth in organizational capacity over time

- Did you have a chance to review the Capacity Assessment that your Investee completed? What were your thoughts about the grid itself? Can you see using it as a planning tool? What about for measurement purposes?
- What were your feelings about your Investee's responses to the grid? How accurate was their self-assessment?
- When you became involved with your Investee, what were the organization's most pressing capacity needs?
- How much growth did you feel the Investee has made in those key areas? What do you most attribute that growth in capacity to? Please be as specific as possible about SVP and non-SVP factors in that growth.
- In general, how effective do you feel that SVP's venture philanthropy model is at impacting organizational capacity?

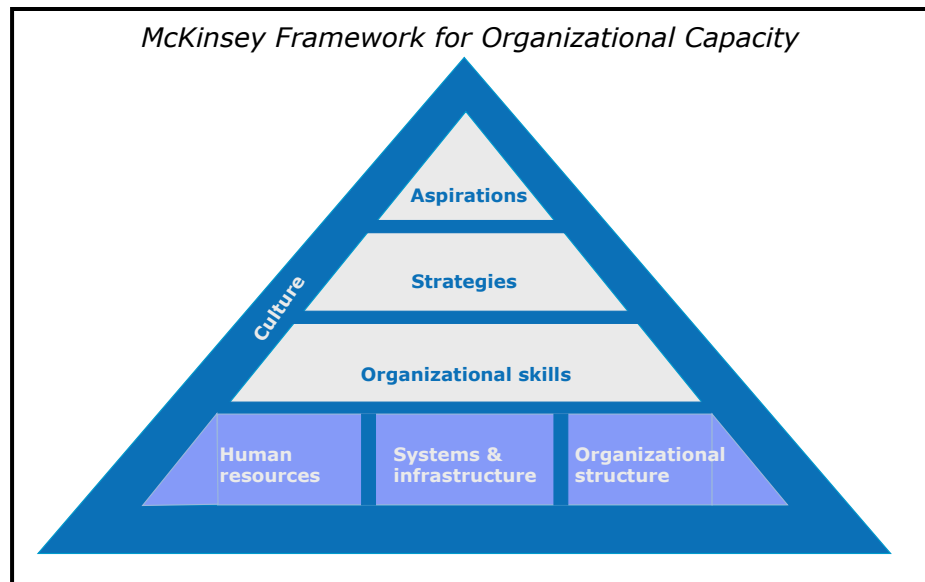
III. Reflections on SVP's model of "engaged philanthropy" and how it impacts Investees

- From your perspective, what are the most crucial components of SVP's model of philanthropy? (Consider grant size, length of funding, volunteers, outcomes focus, private sector perspective, focus on outcomes.)
- What is working best in SVP's relationship with this Investee and what could be improved?
- Has working with SVP required your grantee to adapt any new strategies or business practices, especially given SVP's private sector perspective? How has this transition played out?
- What is your perspective on the length of the commitment that SVP makes to its Investees and SVP's role post-funding?
- Has SVP's relationship with this Investee has any impact on SVP?

APPENDIX C: ASSESSING ORGANIZATIONAL CAPACITY USING THE MCKINSEY CAPACITY ASSESSMENT GRID³⁶

As part of our evaluation, Blueprint piloted the McKinsey's Capacity Assessment Grid (the Grid) with a cross-section of SVP's Investees. The pilot sought to assess the Grid's validity as both an on-going planning tool and a tool for measuring an organization's growth in organizational capacity over time.

McKinsey's capacity framework—on which the Grid is based—defines nonprofit capacity through seven essential elements: Aspirations; Strategies; Organizational Skills; Human Resources; Systems and Infrastructure; Organizational Structure; and Culture. The Grid includes 63 items—broken down by these seven elements—on which leaders are asked to assess their organizations. The Grid also includes a detailed description of each item at four different levels: 1) clear need for increased capacity; 2) basic level of capacity in place; 3) moderate level of capacity in place; and 4) high level of capacity in place.



Feedback from Investees

Feedback from Investees that piloted the Grid was quite positive:

"Going through it (the tool), made me feel good about where we are at organizationally ... I like that it can be used to generate an action plan and help develop action steps."

"It's extremely helpful as a tool to assess the health of your organization because it looks at many different aspects that are essential for creating and sustaining a nonprofit ... we will use it when we start our strategic planning in the fall"

"I like the concept of benchmarking and that this is being done at start of process with SVP. Typically, evaluation is done at the END of the grant year. And those measurement tools rarely focus on organizational side."

Strengths as a Diagnostic and Planning Tool

- Helps Investees systematically assess and frame organizational needs, and encourages them to consider capacity elements of which they may have been previously unaware

³⁶ During the evaluation of SVP Seattle, we used the original version of the McKinsey Capacity Assessment Grid that was created by McKinsey and Company for Venture Philanthropy Partners (www.vppartners.org), and published in "Effective Capacity Building in Nonprofit Organizations" (2001). It was used with permission from Venture Philanthropy Partners. Based on feedback from the evaluation, Blueprint Research and Design (www.blueprintrd.com) modified the Grid for SVP's future use by adding four new questions and converting it into an electronic (Excel) format.

- Reduces the time it takes for an Investee and Lead Partner to identify and align behind the organization's needs
- Serves as an asset in long-term strategic planning and annual goal setting
- Enables SVP to determine which needs it might support with volunteers alone, which might require the support of paid consultants, and which might be beyond its scope altogether

Strengths as a Measurement Tool

- Offers a coherent and consistent framework from which to compare progress within one organization over time or to compare capacity across organizations. (The cross-organization comparison is particularly valuable in comparing organizations working in very different issue areas.)
- Examines progress along some critical aspects of capacity that are often overlooked—mission/vision/values and shared beliefs/culture
- Enables SVP to define common standards among Investees, articulate goals, and aggregate impact across Investees
- Enables SVP International to compare and aggregate data across SVP affiliates

Limitations

- The validity of the tool as a gauge of improvement over time diminishes when there is a change in the executive director at an organization. In these cases, differences in ratings may reflect personal biases as much as objective changes
- While not discounting the usefulness of the Assessment Grid as an aid in the annual planning process, some Investees indicated that there was a gap between the relatively theoretical criteria included in the tool and the practical, detailed considerations that are an integral part of the planning process
- Most capacity growth takes three to five years to materialize and cannot be adequately measured on a year-by-year basis

Suggestions for Future Use of the Capacity Assessment Grid

Retaining the Original Rating Scale

There was extensive discussion about possible modifications to the rating scale. During the pilot, we received some feedback suggesting we add gradations to the rating scale. After extensive consideration and testing with Investees, we recommend retaining the original four-point grading system (with the addition of a “comments” section to enable Investees to qualitatively note incremental improvements on a year-to-year basis).

Retaining the original scale maintains simplicity and clarity, and results in a less cumbersome tool for Investees. It also reduces variation that would result from different interpretations of what it means to be in between categories and how to score such variations.

Process for Completing the Assessment

It is recommended that the executive director complete the assessment, soliciting input from key staff as needed. At the same time, the board Chair should complete the assessment independently. The executive director and board chair should meet and concur on one set of scores, which should then be reviewed by the Lead Partner. Without being unduly burdensome, this approach encourages participation from the board, and promotes interaction among the executive director, board, and Lead Partner.

Timeframe for Completing the Assessment

Investees should be required to use the tool in developing annual workplans, but not required to submit a completed assessment until after funding/re-funding decisions have been made. This approach encourages Investees to be candid and sends a clear message that the information will not be used against them in funding decisions. Moreover, it encourages the perception of SVP as a Partner as opposed to an “evaluator.”

Standards for Expected Growth

Uniform standards for expected growth in organizational capacity over the course of a long-term relationship with SVP should be developed and articulated. Our preliminary findings suggest five-year Investees can expect to exit SVP having attained a Moderate level of capacity (level 3) in most, if not all, areas.

Uses and Limitations as a Measurement Tool

The greatest value of the Assessment Tool is as a diagnostic and planning instrument that provokes meaningful dialogue about priorities and helps inform decision-making: it should be promoted as such. Measurement and tracking should focus on the baseline and exit data.

How the Tool was Tested and Modified

The initial pilot included seven long-term Investees (in their fourth or fifth year of funding), and four newer Investees. Executive directors completed the assessment—in some cases requesting input from staff—and shared it with their Lead Partner. Each organization rated their capacity twice for each question—once indicating where they are currently and once retrospectively based on where they were at the start of their relationship with SVP.

Executive directors said it took them about two hours to complete the tool. SVP had been hesitant to ask grantees to dedicate so much time to data collection for an evaluation; however, Investees almost uniformly found it time very well spent. The tool helped them to systematically consider a broad universe of capacity, prodding them to consider elements they have not focused on in the past.

After Blueprint completed the pilot, we sought additional feedback on the tool in order to develop an instrument that SVP could use on an on-going basis. Based on this feedback, four questions were added to provide greater detail on fundraising, board involvement, and communications. We then developed an electronic (Excel) version of the tool. The electronic version is designed in one Excel workbook with ten worksheets—one for each capacity element and additional worksheets for instructions, a summary table, and a summary graph. Worksheets are designed to prevent accidental modifications and formatted for ease of viewing and printing, and scores are automatically tabulated in the summary table and summary graph.

The electronic tool with new questions was shared with SVP's Lead Partner group and Portfolio Grant Committee, and again field-tested with Investees. We also consulted with McKinsey and Company, who was involved with the development of the tool, SVP Arizona, who has been using the tool for nine months, and VERA, a nonprofit in New York that has been using a modified version of the tool for the past two years.

Items in the McKinsey Capacity Assessment Grid

Aspirations – An organization's mission, vision, and overarching goals, which collectively articulate its common sense of purpose and direction.

- Mission
- Vision: Clarity
- Vision: Boldness
- Overarching Goals

Strategy – The coherent set of actions and programs aimed at fulfilling the organization's overarching goals.

- Overall Strategy
- Goals/Performance Targets
- Program Relevance & Integration
- Program Growth & Replication
- New Program Development
- Funding Model

Organizational Skills – The sum of the organization’s capabilities, including such things as performance measurement, planning, resource management, and external relationship building.

- Performance Management: Performance Measurement
- Performance Management: Performance Analysis & Program Adjustments
- Planning: Monitoring of Landscape
- Planning: Strategic Planning
- Planning: Financial Planning/Budgeting
- Planning: Operational Planning
- Planning: Human Resources Planning
- Fund-raising & Revenue Generation: Fund-raising
- Fund-raising & Revenue Generation: Revenue Generation
- External Relationship Building & Management: Development & Nurturing of Partnerships & Alliances
- Fund-raising & Revenue Generation: Fund Development Planning
- External Relationship Building & Management: Presence & Involvement in Local Community
- Communications: Communications Strategy
- Communications: Public Relations & Marketing
- Communications: Communications and Outreach Effectiveness
- Influencing of Policy-making
- Management of Legal & Liability Matters
- Organizational Processes Use & Development

Human Resources – The collective capabilities, experiences, potential, and commitment of the organization’s board, management team, staff, and volunteers.

- Staffing Levels
- Board: Composition & Commitment
- Board: Involvement & Support
- Board: Involvement & Participation in Fund Raising
- CEO/ED/Senior Management Team: Passion & Vision
- CEO/ED/Senior Management Team: Impact Orientation
- CEO/ED/Senior Management Team: People & Organizational Leadership/Effectiveness
- CEO/ED/Senior Management Team: Personal & Interpersonal Effectiveness
- CEO/ED/Senior Management Team: Analytical & Strategic Thinking
- CEO/ED/Senior Management Team: Financial Judgment
- CEO/ED/Senior Management Team: Experience & Standing
- Dependence of Management Team & Staff on CEO/ED
- Senior Management Team
- Staff
- Volunteers

Systems & Infrastructure – The organization’s planning, decision making, knowledge management, and administrative systems, as well as the physical and technological assets that support the organization.

- Systems: Planning Systems
- Systems: Decision Making Framework
- Systems: Financial Operations Management
- Systems: Knowledge Management
- Systems (Human Resources Management): Recruiting, Development, & Retention of Management
- Systems (Human Resources Management): Recruiting, Development, & Retention of General Staff
- Systems (Human Resources Management): Incentives
- Infrastructure (Physical): Buildings & Office Space
- Infrastructure (Technological): Telephone/Fax
- Infrastructure (Technological): Computers, Applications, Network, & Email
- Infrastructure (Technological): Web Site
- Infrastructure (Technological): Databases & Management Reporting Systems

Organizational Structure – The combination of governance, organizational design, interfunctional coordination, and individual job descriptions that shapes the organization’s legal and management structure.

- Board Governance
- Organizational Design
- Interfunctional Coordination
- Individual Job Design

Culture – The connective tissue that binds together the organization, including shared values and practices, behavior norms, and, most importantly, the organization’s orientation towards performance.

- Performance as Shared Value
- Other Shared Beliefs & Values
- Shared References & Practices

The complete McKinsey Capacity Assessment Grid is available at the Venture Philanthropy Partners website at <http://venturephilanthropypartners.org/learning/reports/capacity/capacity.html>. For more information, contact VPP at info@vpppartners.org.

For information on how SVP Seattle is using a modified version of the Grid, contact Erin Hemmings, Associate Director at SVP Seattle, at erinh@svpseattle.org.

For information on different strategies to measure organizational capacity, contact Blueprint Research & Design, Inc. at info@blueprintrd.com.

APPENDIX D: INVESTEE HIGHLIGHTS

Organization	Institute for Community Leadership	Institute for Family Development	Powerful Schools	New Futures (formerly Project Look)	Talbot Hill Educational Trust Fund	University of Washington Women's Center	Youth Eastside Services
<i>Website</i>	www.icleadership.org	www.institutefamily.org	www.powerfulschools.org	www.newfutures.us	www.renton.wednet.edu/talbothill/ventproj.html	www.depts.washington.edu/womenctr	www.youtheastside.org
<i>Mission</i>	To empower individuals and organizations to create a vision of a more just nation and world and to develop and sustain within themselves the strength, hope, leadership, relationships and organizational integrity to bring about that vision	To improve the lives of children and families through the development, evaluation, and dissemination of high quality, cost-effective services and supports	To build powerful learning communities where all children achieve their fullest potential	To foster successful children by strengthening families and invigorating neighborhoods	To support and advise the activities of the Talbot Hill Elementary School Ventures Program. Talbot Hill Elementary School is a MicroSociety school of caring and responsible citizens	To promote intellectual, creative, and ethical development through democratic, transformative, and community-based learning experiences	To empower youth and their families by providing leadership, counseling, advocacy, education, and prevention services
<i>Age of Investee at Time of Initial Funding</i>	4 yrs.	17 yrs.	7 yrs.	3 yrs.	4 yrs.	20 yrs.	30 yrs.
<i>Total Amount Granted by SVP</i>	\$173,900	\$244,309	\$319,000	\$383,000	\$184,000	\$250,000	\$228,000
<i>Average Annual Grant</i>	\$43,475	\$48,862	\$63,800	\$76,600	\$36,800	\$62,500	\$57,000
<i>Number of (Strategic) SVP Volunteers</i>	13	9	11	21	8	7	13

Organization	Institute for Community Leadership	Institute for Family Development	Powerful Schools	New Futures (formerly Project Look)	Talbot Hill Educational Trust Fund	University of Washington Women's Center	Youth Eastside Services
<i>Primary Tasks of SVP Volunteers</i>	<ul style="list-style-type: none"> o Technology (database, training staff) o HR planning (improve recruitment strategy) o Strategic planning o PR (newsletter template) 	<ul style="list-style-type: none"> o Technology (LANS, email, website, systems overhaul) o Marketing (marketing/business plan for revenue generating product) o Funding model 	<ul style="list-style-type: none"> o Communications planning, marketing, video o Developing technology plan o Fundraising (active support in annual breakfast) o Strategic planning 	<ul style="list-style-type: none"> o Conceptualizing needs and building the org. o Database development o Financial mgmt. o Marketing and materials development o Technology systems and training o Legal advising (501(c)(3)) o Real estate negotiation 	<ul style="list-style-type: none"> o IT assistance (though limited by fact that Talbot is Mac-based) o Board development o Guest speakers 	<ul style="list-style-type: none"> o Technology (computers, database development) o Assorted marketing projects o Teaching workshops o Mentors 	<ul style="list-style-type: none"> o Technology (email systems, website, databases, network, employee and volunteer training) o Marketing plan development o Board involvement o HR (helping hire new staff)
<i>Primary Role of Lead Partners (LPs)</i>	"Link" between SVP and ICL (common role)	Lead on marketing project; chair marketing committee of board and soon to move onto executive committee	Strategic thinking; sounding board; member of board	LP #1 was business mentor for ED; LP #2 focused on coordinating volunteers; Current LP is board Chair	Primary SVP contact; most engaged volunteer; "strategic advisor"	Very hands-on; catalyst in connecting UW with incremental funding for outcomes work; board member	Primary volunteer coordinator; technology project manager; Quasi-staff
<i>Impact of SVP Volunteers</i>	Mixed results <ul style="list-style-type: none"> o Important contributions, especially in technology; database volunteer has become virtual (unpaid) staff o Some marketing and strategic planning work did not meet ICL's needs 	Invaluable <ul style="list-style-type: none"> o Volunteers are more important than funding 	Very important <ul style="list-style-type: none"> o Preferable to consultants who are "hired hands" because volunteers become advocates for organization 	Very important, with a few aberrations <ul style="list-style-type: none"> o Developed great financial mgmt. system; helped conceptualize org; LP served as mentor to ED o Periodic issues with timeliness and attitude 	Limited value <ul style="list-style-type: none"> o Difficulty attracting/retaining volunteers (very frustrating) o Most consistent volunteer was one on the IT front who helped develop an on-line store 	Very important <ul style="list-style-type: none"> o Great fit between organization and profile of SVP volunteers o Two SVP partners built state of art database 	Generally excellent <ul style="list-style-type: none"> o Volunteers become like staff, helped professionalize organization o Occasional confusion in staff/volunteer roles

Organization	Institute for Community Leadership	Institute for Family Development	Powerful Schools	New Futures (formerly Project Look)	Talbot Hill Educational Trust Fund	University of Washington Women's Center	Youth Eastside Services
<i>Estimated Value of Consultant Support</i>	\$4,300	\$4,770	\$7,000	\$10,000	\$5,685	\$8,000	\$8,000
<i>Purpose of Consultant Support</i>	Fund development; technology assessment	Organizational assessment	Outcomes; technology assessment	Fund development; outcomes; technology assessment	Outcomes; fund development	Fund development; technology assessment; outcomes	Fund development
<i>Impact of Consultant Funding</i>	Consultants (especially fund development) not cited as playing major role	Limited value	Fundraising consultant cited as "useful"	Helpful, especially in outcomes mgmt.	"Transformative" support from consulting firm, The Evaluation Forum, in outcomes mgmt.	Helpful support in outcomes mgmt. from The Evaluation Forum	Helpful in outcomes mgmt. and fundraising
<i>Impact of Extended Support and Other Factors</i>	Stable funding, credibility very important	SVP helped harness IFD's entrepreneurial energy; Stanford leadership training very useful	Participation in Denali Initiative (leadership training for social entrepreneurs) was huge asset; LT nature of SVP funding gave stability	Denali Initiative was pivotal; ED cites own background in business family as part of growth	Participation in Stanford leadership training	SVP provided out-of-pocket \$ for ED public speaking training; Participation in Stanford leadership training	SVP funding to send ED to Stanford leadership training was very helpful
<i>Unmet Needs</i>	None cited	Financial mgmt.	Fund Dev.; Marketing	Fund Dev.	Leadership Dev.	Fund Dev.; Marketing	Leadership Dev.; Fund Dev.
<i>SVP Volunteers => Donors</i>	6 people (\$37,500)	4 people (\$6,000); also huge financial impact of connecting Investee to friends, other resources	10 people (\$20,000)	10 people (\$100,000); \$75K has come in last year after ED started asking more directly	2 people (\$8,500)	2-3 people; Fund dev. not major concern because they raise a lot of \$ from earned income	7 people (\$12,000)
<i>SVP Volunteers => Board Members</i>	None	One	Two	Three	Two	One (Advisory Board)	One
<i>Initial Operating Budget</i>	\$610,325	\$2,970,000	\$460,000	\$250,200	\$157,872	\$450,000	\$3,180,610
<i>Current Operating Budget</i>	\$825,309	\$3,511,609	\$770,000	\$1,002,157	\$161,500	\$550,000	\$2,800,000
<i>Percentage Growth in Operating Budget</i>	35.22%	18.24%	67.39%	300.54%	2.30%	22.22%	-11.97%