FOUR ESSENTIALS FOR

Evaluation

GRANTMAKERS FOR
EFFECTIVE ORGANIZATIONS

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CONTENTS

GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

Smarter grantmaking. Stronger nonprofits. Better results.

Grantmakers for Effective Organizations is a community of more than 370 grantmakers challenging the status quo in their field to help grantees achieve more. Understanding that grantmakers are successful only to the extent that their grantees achieve meaningful results, GEO promotes strategies and practices that contribute to grantee success. More information on GEO and a host of resources and links for grantmakers are available at www.geofunders.org.

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The Anytown Foundation Story

Tia was assembling packets for the next day's meeting with grantees and partners when it hit her: the meeting would be a true test of whether all the hard work in reshaping their evaluation and learning approach would pay off.

"This is such a great mix of people," Tia said, holding up the meeting participant list.

"I'm amazed almost everyone we invited is planning to come," Ted responded enthusiastically.

Tomorrow's meeting would bring together grantees, staff, board members and other community partners to reflect on the foundation's grants that past year. They would also give input on how the information was gathered and analyzed and what changes might be needed next year. It was the biggest learning event Anytown Foundation had ever hosted.

A lot had gone into the preparations for this meeting, no small feat since Tia Grant and Ted Fund, the foundation's only two program officers, already had a lot of work on their plates. With a rolling grants docket, they were typically juggling all stages of the process — application, onboarding, implementation, reporting and closeout.

A smaller foundation endowed by wealthy residents in the 1960s, Anytown Foundation only gives grants in the nearby geographic area, for the arts, youth education and development, and violence prevention. Their average grant size is $20,000, and they give around $1 million yearly through a mix of program grants and general operating support. They typically work with well-known nonprofits; however, the outcomes from many of their grants are difficult to measure.

During a pivotal board meeting about two years prior, someone brought up the idea of looking at past grants to understand the foundation's longer-term impact and figure out precisely where and how grant dollars had been spent. A heated conversation ensued, and for a couple of weeks everyone at the foundation debated how to track and evaluate grants. Some thought things were fine just as they were, while others wanted more data for making decisions.

Tia and Ted volunteered to lead the effort to set a better evaluation direction for the foundation. They quickly realized that revamping the foundation's evaluation approach was going to be a challenge for a number of reasons: The foundation didn't have a ton of information or ways to gather information about its work; staff and board members didn't agree on what they wanted to know; they didn't have a lot of time or resources to dedicate to the endeavor; they didn't currently fund evaluation for very many grants; and their grantees were already strapped for resources. It seemed like a daunting task.

Tia and Ted had some knowledge about evaluation, but they knew less about how it could serve as a learning tool for them and their grantees. Loads of articles on the Internet pointed to this or that method or consultant, but there was no clear guidance for how to proceed. So Ted called the GEO staff member he had met at a recent conference to see if she could help.

The GEO staffer sent along the names of a couple other funders who had been in their shoes. Ted and Tia then spent the next few days reaching out and talking with those grantmaking colleagues. It was the start of a critical journey for Anytown Foundation.

INTRODUCTION

GEO's conversations with members about evaluation often end in the same place: People are bought into the value of evaluating their work. They understand why it's important and what it can yield in the way of new insights and improved performance.

The problem, however, is that it's not always clear where to start. Grantmakers are unsure about what information they need to know to make better decisions, what it takes to build a culture that values and supports evaluation, what systems and infrastructure they need to develop, and how to make sure that their organizations are evaluating and learning in collaborative ways.

"Philanthropy still has a way to go before it can deliver on the true promise of evaluation to drive learning and deliver better results for organizations and the communities they serve," said Kathleen Enright, president and CEO of GEO. "The challenge for grantmakers is to weave evaluation into the fabric of what they do every day, and to shift the focus of this work so it's about improvement, not just proof."

GEO's latest field survey of grantmaker practice shows the extent to which grantmakers are still not using evaluation to drive performance improvement. While 70 percent of respondents stated that they evaluate the work they fund, the survey results suggest that the majority of grantmakers still view evaluation as an accountability exercise, with the main audiences for evaluation results limited to the board and staff of their organizations.[1]

GEO created this guide to help grantmakers get to the next level in their evaluation efforts. The target audience is champions and supporters of evaluation who want to embed these practices more deeply in the work of their organizations.

The term "evaluation" can refer to a lot of different activities, including data collection, information gathering and research about grantmaker-supported activities. GEO's emphasis, however, is on "evaluation for learning."

Evaluation is about more than ensuring that grantees are doing what they promise, or that a specific program area at a foundation is meeting its goals. Rather, it's about advancing knowledge and understanding among grantmakers, their grantees and their partners about what's working, what's not and how to improve their performance over time.

Using evaluation in this way requires grantmakers to transform themselves into learning organizations. Beyond getting smarter about specific evaluation methods and approaches, this means adopting a continuous process, a culture and a commitment to support the capacity of people to see patterns and insights that can lead to ever-improving results.

GEO's 2009 publication *Evaluation in Philanthropy: Perspectives From the Field* presented five approaches to using evaluation as a tool for advancing learning and improving performance (see sidebar on page 5). This guide builds on *Evaluation in Philanthropy* by offering grantmakers a practical perspective on how to build or strengthen the capacity of their organizations to tap the transformative power of evaluation for learning.

[1] Grantmakers for Effective Organizations, *Is Grantmaking Getting Smarter? A National Study of Philanthropic Practice* (Washington, DC: GEO, 2012). Available at www.geofunders.org.

FOUR ESSENTIALS FOR EVALUATION

When done well, evaluation for learning can help grantmakers, their grantees and their partners improve outcomes on the ground in real time. But doing it well requires that we work with key stakeholders to develop the leadership, the strategies and the systems that facilitate true learning.

1. **LEAD.** Create a culture where evaluation is an everyday priority and where it supports and advances continuous learning. Build commitment to evaluation for learning from your board and staff leaders and create spaces for key stakeholders to reflect on your work. (page 7)

2. **PLAN.** Develop a framework to ensure you, your grantees and your partners are "evaluating with a purpose." Determine what your stakeholders need to understand in order to do a better job and develop ways that ensure everyone is gaining this knowledge on an ongoing basis. (page 12)

3. **ORGANIZE.** Ensure you and your grantees have the necessary infrastructure to support your plan. This means establishing the right skills, processes and technology to make evaluation for learning an ongoing priority. (page 16)

4. **SHARE.** Collaborate with grantees, grantmaking colleagues and others to ensure that evaluation is producing meaningful results. Involve grantees and partners when developing or reviewing strategies, share lessons on an ongoing basis with key audiences and engage in open relationships with grantees to support learning. (page 23)

The goal of this guide is to provide grantmakers with ideas and insights so they can develop and strengthen their capacities in each of these four areas. Each section presents key action steps for grantmakers, along with examples of a variety of grantmakers engaged in this work. The fictional story of Anytown Foundation also illustrates how a foundation might build the four essential evaluation elements. More evaluation resources are also available through the GEO website at www.geofunders.org.

GRANTMAKER TALKING POINTS:

Why Evaluation for Learning? Why Now?

Supporters and champions of evaluation for learning need to demonstrate to their colleagues, boards and grantees that these activities must be a priority and that investing in evaluation for your organization and its grantees is worth it. Here is the key to making the case successfully: Show how today's climate for grantmakers and nonprofits demands that we do a better job assessing results and applying what we learn.

Here are a few messages that grantmakers can use to stress the urgency for embracing evaluation for learning:

- ***Philanthropy is not having the impact it should, despite urgent needs.*** Even with significant investments over the years, philanthropy does not seem to be making measurable advances in the social issues we care about. We need to gain a better understanding of what works and what types of support have the greatest impact.
- ***The stakes continue to rise for our grantees.*** The nonprofit sector is facing increased demand for results in a climate of fewer resources, coupled with a growing need for services. People increasingly expect nonprofits to do more with less and to demonstrate that they are making the best use of limited resources. Grantmakers can play a powerful role in partnering with nonprofits to answer these questions through solid evaluation approaches.
- ***Evaluation is a valuable tool for real-time improvement.*** When you look at evaluation as a means of learning for improvement, rather than as an accountability mechanism, investments in evaluation seem worthwhile because they can yield information needed for smarter and faster decisions about what works.
- ***We need to avoid making the same mistakes twice.*** Understanding why things fail is as important as understanding why they succeed. This means grantmakers should have systems and processes in place to identify instances in which their work and the work of their grantees is not living up to early expectations and to try and find out why.

SHIFTING HOW WE THINK ABOUT EVALUATION

In the 2009 publication *Evaluation in Philanthropy*, GEO and the Council on Foundations outlined an approach grantmakers should take to evaluation:

1. ***It's about improvement, not just proof.*** Evaluation is not solely about tracking the results of past investments; it is also about learning how to do a better job achieving the goals you share with grantees and other partners.
2. ***It's about contribution, not attribution.*** Evaluation is a way to learn about the range of factors that can affect progress on complex issues and to consider how a specific intervention may or may not contribute to change.
3. ***It's about learning with others, not alone.*** Evaluation means embracing attitudes and practices that ensure grantmakers are working with others to gather information and data and to draw lessons from their work.
4. ***It's about going beyond the individual grant.*** Evaluation is a tool for improving foundation wide performance and for clarifying (and adjusting, if necessary) a grantmaker's mission, goals and objectives.
5. ***It's about embracing failure.*** Evaluation can help grantmakers learn from their mistakes by capturing lessons about what happened and why and how the grantmaker and its partners can achieve better results in the future.

Evaluation in Philanthropy is available at www.geofunders.org.

EVALUATION IN ACTION

The following is a list of the grantmakers featured in this publication and how they demonstrate evaluation in action:

- **Northwest Area Foundation** prioritizes regular input from grantees and applicants through satisfaction surveys and is working to build board and staff members' understanding of evaluation through training opportunities, working sessions and periodic convenings. (page 10)
- **Mary Reynolds Babcock Foundation** regularly involves grantees in learning activities to inform field research and develop foundation strategy. (page 10)
- **Firelight Foundation,** a responsive grantmaker, has developed a five-question learning agenda to discern patterns, trends and lessons across all its grantmaking. (page 14)
- **United Way Toronto** uses a staff wide intranet to share resources and host discussions across teams and regularly convenes staff, grantees and community leaders for the express purpose of reflection and learning. (page 14)
- **Bruner Foundation** builds the capacity of grantmakers and grantees to learn to "think evaluatively" together by offering training and resources. (page 19)
- **Hartford Foundation for Public Giving** offers grantees a two-year capacity-building program to help them learn while developing and conducting evaluations and build evaluative thinking into their organization's work. (page 19)
- **The Colorado Health Foundation** built a system for shared measures across grants that doesn't place undue burden on grantees, and they did so by engaging grantees in developing the approach. (page 19)
- **The Cameron Foundation** intentionally asks staff to focus on "teachable moments" that can inform future work and regularly incorporates a learning focus into staff and board meetings. (page 20)
- **Marin Community Foundation** engages grantees in identifying applicable common metrics for different grants, convenes grantee cohorts to discuss findings and offers technical assistance to help grantees refine their data collection systems. (page 21)
- **Lancaster County Community Foundation** convenes grantee cohorts within funding initiatives to foster exchange of experiences and ideas and track impact over time. (page 25)
- Through the **Strive Partnership**, multiple funders and partners come together around common evaluation goals and use shared data to drive continuous improvement. (page 26)
- **KDK-Harman Foundation** is working with other grantmakers to develop a set of shared indicators and establish common application and reporting procedures. (page 27)
- **The David and Lucile Packard Foundation** developed an online "see-through filing cabinet" to be transparent about what the grantmaker and its partners are learning and doing through its organizational effectiveness program. (page 27)

LEAD

HOW TO CREATE A CULTURE WHERE EVALUATION IS AN EVERYDAY PRIORITY AND WHERE IT SUPPORTS AND ADVANCES CONTINUOUS LEARNING

Talking with other grantmakers reaffirmed for Ted and Tia that if Anytown Foundation was to become a true learning organization, with evaluation practices as a central part of its operations, it would require a culture where everyone was aligned and invested. It would not work if Ted and Tia charged ahead without bringing along their board, fellow staff members, grantees and community partners.

They decided to start at the top, knowing how important leadership was for getting everyone on the same page. At the next board meeting, they presented the five learning breakthroughs highlighted in GEO's 2009 publication *Evaluation in Philanthropy*, along with examples of how other grantmakers had successfully used those principles in their work.

After lively discussions that spanned a couple board meetings, board members agreed that Anytown Foundation would adopt the principles in the GEO guide. They would seek to use evaluation for improvement rather than just proof, focus more on understanding their contribution rather than the precise use of their grant dollars, involve grantees and others in the learning, take a broader view than one grant and become more open to taking risks and learning from failure.

With that important tone set, Ted and Tia began working to establish learning and evaluation as more of a priority in the foundation's day-to-day work.

Thankfully, the Executive Director had begun leading that culture shift by directly and personally asking all staff members to contribute to learning. And she was making a point of referring to learning and evaluation as often as she could. It was becoming more common to hear in meetings and team conversations, "let's learn more about …" and "what if we knew …"

Ted and Tia figured that if they kept the dialogue going and asked people directly about the challenges and opportunities they saw in evaluating their work more deeply, it would spur openness and new ideas for how to learn on a daily basis. Over the course of several weeks they held one-on-one and informal conversations with staff and board members. They called grantees to engage in conversation about how those nonprofits were evaluating and learning. They listened carefully and asked questions like, "What would you like to know more about related to your work?" and "What decisions do you wish were better informed?"

A clear picture began to emerge of how and where they could use evaluation to make better decisions and where the foundation status quo was falling short.

Ted also made an extra effort to reach out to each of the "skeptics" on staff with information on how other grantmakers were evaluating and making decisions based on what they were learning. By engaging them in conversation, he hoped they would begin to envision how evaluation could drive improvements in their own work.

The entire process took a couple months, but as time went on, almost everyone was starting to see how better evaluation could improve their work. The space had opened for a shift in the foundation's culture toward evaluation for learning.

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Successful evaluation for learning happens in organizations that create a culture where the strategies and practices outlined in this guide become the norm and where they are embedded in the day-to-day work of the entire organization.

Why is culture important? The culture of an organization drives the capacity and the willingness of its people to engage in activities (such as evaluation for learning) that can contribute to its success over time. The organizational development theorist Edgar H. Schein defined "culture" as "a pattern of shared basic assumptions invented, developed, or discovered by a given group, as it learns to cope with its problems."[2]

An organizational culture that supports evaluation for learning is founded on a shared belief that evaluation has the potential to strengthen philanthropic effectiveness. Such a culture is the climate that allows effective evaluation and learning practices to take root and grow.

And why is leadership important? Over the years, GEO's work has returned again and again to the importance of leadership in building organizational cultures that contribute to foundation and nonprofit effectiveness. Building a culture that supports evaluation for learning is no different. It requires a commitment to evaluation for learning on the part of the grantmaking organization's board and staff leaders, plus a pledge to create time and space for staff members and grantees to assess and learn from their work.

"Unless evaluation and learning are made a priority and supported by organization leadership, they won't be prioritized throughout the organization," said Jane Mosley, chief evaluation officer with the Health Care Foundation of Greater Kansas City.

A 2007 report from FSG reinforced the connections among leadership, culture and evaluation and learning: "Foundation leaders must … create a culture where learning is rewarded and staff have the time and resources to monitor current initiatives and make midcourse corrections."[3]

This means, in part, creating a culture where failures aren't swept under the rug but are viewed as opportunities for learning. "We're in a field that fears failure. We feel that we always need to be the experts," said Kathy Reich, director of organizational effectiveness with the David and Lucile Packard Foundation. "But it is empowering to others when we, as foundations, can publicly acknowledge that we didn't do as well as we could have and that we will do something differently next time. If we can't model this approach, then we can't expect our grantees to do the same."

[2] Edgar H. Schein, "What Is Culture?," *Sociology of Organizations*, ed. Mary Godwyn and Jody Hoffer Gittell (Los Angeles: Sage, 2011), 311.
[3] FSG, "From Insight to Action: New Directions in Foundation Evaluation," 2007. Available at http://bit.ly/IYN2c6.

Anchor it.

As important as leadership is in a grantmaker's success in advancing evaluation for learning, creating a place within the organization where this work is anchored is just as critical to success. Although many grantmakers have created staff positions (such as chief learning officer) to manage this function, this is not an essential step. At many foundations, CEOs work with staff members who are charged with the human resources, communications or IT functions to build evaluation and learning into the formal structure of the organization.

The staff members responsible for these functions can develop an array of tools and strategies for advancing evaluation for learning, such as the following:

- Create and maintain an intranet where staff and board members share evaluation results and other information, raise questions for others to consider and engage in online discussions on various issues.
- Create recurring opportunities for staff members to discuss what they're learning in the course of their work during staff and board meetings, "brown bag" seminars or other events.
- Develop streamlined systems for grant applications and reporting that help the staff and board develop a better understanding of grantee results (without placing new burdens on applicants and grantees).
- Evaluate program officers' performance based at least in part on how they are contributing to the organization's knowledge and understanding of how to grow its impact over time.
- Build relationships based on reflection and honest sharing.

THE CORE COMPONENTS OF FOUNDATIONS THAT LEARN

Building a culture within an organization that supports evaluation for learning requires leaders and staff members to embed these activities in day-to-day practices across the board. Researchers at Chapin Hall at the University of Chicago identified seven core components of "foundations that learn," as follows:

1. ***A clear and concrete value proposition.*** Foundations need to know what it means to learn and how learning will contribute to their work and the achievement of their goals.
2. ***A compelling internal structure.*** Foundations need to create organizational structures that promote and encourage learning.
3. ***Leadership committed to learning.*** Board, executive and staff leaders need to embrace learning.
4. ***A learning partnership with grantees and communities.*** Foundations need to create the conditions for learning and sharing with grantees and community partners.
5. ***A learning partnership with foundation peers.*** Foundations need to form partnerships and networks for learning, while exploring other opportunities to learn from (and with) each other through collaboration.
6. ***A commitment to share with the broader field.*** Foundations that learn need to share what they learn so that others can apply their lessons.
7. ***An investment in a broad and usable knowledge base.*** Foundations need to produce learning that is accessible, that answers common questions and that can be applied by practitioners in the field.

Source: Ralph Hamilton et al., "Learning for Community Change: Core Components of Foundations that Learn," Chapin Hall at the University of Chicago, 2005. Available at http://bit.ly/K9fnjr.

Show that evaluation leads to greater impact.

Evaluation for learning will take hold as an organization wide priority when people see a clear connection to results — that is, when they understand that it can help the organization and its grantees boost their impact on priority issues. This means grantmakers should position evaluation as an integral part of their mission, helping board and staff members see the connection between evaluation and learning and between learning and impact.

One grantmaker that has been leveraging evaluation to improve its day-to-day processes and culture is the Northwest Area Foundation. As part of a broader effort to change its strategic direction, the St. Paul, Minn., grantmaker adopted new practices for evaluating the effectiveness of its support for grantees.

The foundation has commissioned a Grantee Perception Report® from the Center for Effective Philanthropy, in addition to conducting its own independent surveys of applicants and grantees. "It's like a customer satisfaction survey that provides us with information we can use to do a better job for these organizations," said Joanna Ramirez Barrett, director of program operations and evaluation with the foundation.

The grantmaker convenes program staff and board members on a regular basis to review the results of grantee surveys and other evaluations.

"We want to make sure we're actually using this information in a way that makes a real difference for our grantees and what they do," Ramirez Barrett said. One example of a change the foundation made in response to what it was learning from grantee surveys is a quicker process for communicating grant decisions. This was based on complaints that nonprofits were waiting for too long to hear whether they would receive funding.

The Northwest Area Foundation also is determined to build board and staff members' understanding of evaluation so they can make effective use of it in their work. Ramirez Barrett said the foundation brought in consultants to lead a series of working sessions with program staff members on key evaluation concepts and techniques.

The Native American Youth and Family Center in Portland, Ore., has received grants from the Northwest Area Foundation for several years. Nichole Maher, executive director of the nonprofit, said she believes the grantmaker is "on the leading edge" when it comes to "collecting evaluation information in thoughtful and efficient ways."

"They are sensitive about doing their evaluation work in ways that don't place an added burden on grantees, and time and again I have seen them take our feedback and our information and implement significant changes to improve how they do their work," Maher said.

Open things up.

Evaluation for learning cannot happen inside the walls of an organization only. True learning organizations are open to others' ideas and create opportunities for "outsiders" to share their insights and perspectives. These organizations and their people tend to ask a lot of questions (more than they answer) as they seek to engage with others about improving their processes and strengthening their impact looking forward.

Grantmakers have a wide array of options available for learning alongside grantees and others — from informal conversations about evaluation findings to regular learning-focused meetings to ongoing peer learning circles. Engaging with stakeholders in learning on an ongoing basis can enhance grantmakers' and their partners' impact. It can result in more open, honest conversations with grantees and communities about their progress, challenges and needs.

In 2010, the North Carolina–based Mary Reynolds Babcock Foundation, which invests in antipoverty efforts throughout the Southeast, undertook a review of its progress toward a set of 10-year outcomes it had defined for itself and its grantees in 2005. As part of the "midcourse review," the grantmaker engaged with its grantees to help assess the validity of the strategies and the assumptions behind its work and investments.

According to Babcock Foundation Executive Director Gayle Williams, this engagement took the form of conversations between program staff members and "anchor grantees," plus intensive staff review of grantee reports. The result was a document, "Helping People and Places Move Out of Poverty: Progress and Learning 2010," that serves as a guide to the Babcock Foundation's strategies for the years ahead. The document identifies key lessons from five years of work along with new questions for the grantmaker and its grantees to consider as they continue their work together.[4]

As part of a more formal effort to engage grantees and other nonprofits as active participants in its learning activities, in 2011 the Babcock Foundation hired a consultant to interview 13 leaders of community development financial institutions in the region. The interviews, together with other research, formed the basis for a report identifying how Babcock and others can do a better job supporting the work of these institutions as they help low-wealth people build and preserve their financial assets.[5]

"Whenever a topic is on the decision table at the foundation, we want to make sure we are engaging groups of grantees in helping us identify what we're learning, what we know and what we don't," Williams said. "This helps to ground us in the reality of what it takes to achieve the goals that we share with our grantees for the communities we serve."

MAKING IT WORK

LEAD

THE KEY QUESTIONS

1. To what extent do our board and staff leaders recognize and uphold evaluation as an organizational priority?
2. How can the foundation's culture and processes be strengthened to better support and sustain evaluation for learning?
3. To what extent is evaluation a driver of changes in our practice and priorities? How is it integrated into the day-to-day work?

THE KEY GUIDELINES

Anchor it.

- Designate and empower those responsible for evaluation in our organization.
- Visibly and actively reinforce top leaders' support for evaluation for learning.

Show that evaluation leads to greater impact.

- Position evaluation as a critical element of achieving our mission.
- Make evaluation for learning a part of everyone's job.
- Make sure evaluation results don't sit on a shelf; use them to strengthen impact.

Open things up.

- Create opportunities for grantees and communities to share what they are learning.
- Don't evaluate our work without asking others how we're doing.

4 Mary Reynolds Babcock Foundation, "Helping People and Places Move Out of Poverty: Progress and Learning 2010," 2010. Available at http://bit.ly/Ihsakc.

5 Mary Reynolds Babcock Foundation, "Community Development Financial Institutions: A Study on Growth and Sustainability," 2011. Available at http://bit.ly/IwcEvR.

PLAN

HOW TO DEVELOP AN APPROACH TO ENSURE YOU AND YOUR GRANTEES ARE "EVALUATING WITH A PURPOSE"

As they began to focus more on evaluation for learning, the staff members at Anytown Foundation were realizing that the evaluation activities they were used to doing didn't really stack up. The questions they had been asking in their grant reports weren't providing information they could use in enhancing their own and their grantees' work. And, even though the team had taken to more regularly asking probing questions and reviewing grant reports together, it seemed they were still taking shots in the dark.

Part of the problem was that they still didn't share a common understanding of what they needed to know in order to make better decisions. It was time to start building an evaluation framework for the foundation's work.

Ted and Tia didn't know exactly what would go into the framework and they recognized that the best approach would be to ask their stakeholders. They could see that part of why things weren't working was that they had designed their current evaluation activities behind closed doors, without input from grantees and others.

The first thing they did was host three separate visioning meetings with the board, staff and grantees to get at what each of these groups was interested in learning. It was no small feat pulling these meetings together. They required good preparation and facilitation. The process also required dedicated time to analyze and make sense of the input received.

But Ted and Tia were determined to set a solid basis for the foundation's evaluation framework. And thankfully their Executive Director had done this before with a previous organization, so she became a source of knowledge and support for them. Their determination, along with a temporary reshifting of workload priorities, made it so they could have the time to organize and support the effort.

Using insights gleaned from the meetings, Tia set out to converse with grantees about what they currently evaluated using their own systems and what might be needed moving forward.

While Tia was talking with grantees, Ted reviewed the foundation's records to see what they already knew about their past grantmaking and how this information could be put to future use. He found that the information they had was mostly a lot of numbers and some good stories that had never been put together into a cohesive overview.

Anytown Foundation also hired an external consultant to review the different evaluation and learning tools available for foundations like theirs and for nonprofits working in their issue areas. The report produced by the consultant identified some evaluation benchmarks they could use.

With all that information in hand, Ted and Tia sat down together for a two-day working session to draft a starter evaluation framework for Anytown Foundation. It included a theory of change for their work, and it answered the core questions of what they needed to know, why and when they needed to know it. For each of the foundation's program areas they devised a set of top-level questions and a handful of broad indicators they would use to understand impact. They were mindful of balancing the desire for information with the reality of what they needed and were capable of obtaining, especially given grantee and foundation resource constraints.

The next challenge was to share a draft with everyone to receive feedback and refine the plan. Ted and Tia wanted to ensure everyone would have a chance to weigh in, so they scheduled a series of smaller meetings with staff, board, grantees and other partners to hear ideas and get feedback on the draft. This took a lot of back-and-forth, and the next version of the plan looked different from the one they started with. In the end, the process resulted in a clear evaluation plan that all stakeholders, including grantees, knew about and indicated they would support.

The plan was brought to the board about two months later. After hearing about how the plan was formulated and discussing its contents, the board's consensus was that it should become official and go into effect the following calendar year.

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Given the enormous challenges that grantmakers are working to address, evaluation has to be about more than producing reports that few people actually read. Not only is this a waste of time and money, but it's a missed opportunity as well. A lack of practical applications for evaluation and learning can reduce enthusiasm and buy-in for this work among board and staff members, grantees and other stakeholders.

A far better path is to adopt an approach to evaluation that supports learning and that anchors these activities in the organization's mission. The goal is to ensure that you are evaluating and learning with a purpose. This means asking questions like the following: What do your organization and its partners need to know and understand in order to do a better job? How can you ensure that the organization and its people are gaining the knowledge and understanding they need on an ongoing basis?

The Center for Evaluation Innovation defines "strategic learning" as "the integration of evaluation and other feedback into decision making about strategy. Strategic learning occurs when organizations or groups use evaluation and evaluative thinking to learn in real-time and adapt their strategies to the changing circumstances around them. Strategic learning makes evaluation a part of a strategy's development and implementation — embedding it so that it influences the process."[6]

[6] Julia Coffman and Tanya Beer, "Evaluation to Support Learning: Principles and Practices," Center for Evaluation Innovation, 2011. Available at http://bit.ly/KmgM2t.

Ask the right questions.

Becoming a learning organization starts with a thoughtful assessment of what exactly you need to know in order to improve your work. Rather than just asking grantees, "What did you learn?" at the end of grant reports and being underwhelmed with the vague responses, consider what conversations you ought to be having to identify areas for improvement.

Asking the right questions is the focus of the Learning Agenda of Firelight Foundation, which works to improve the well-being of vulnerable children in sub-Saharan Africa. Firelight based its Learning Agenda on five "guiding questions," as follows:

1. What do community-based organizations (CBOs) choose to do to promote child well-being, and why do they do it?
2. How do CBOs do their work?
3. What is the effect of CBOs' work?
4. Based on the responses to the first three questions, what are the optimal partnerships and complementary roles among CBOs, government and other actors?
5. Based on the responses to the first four questions, what are the best ways to support and strengthen CBOs?

Firelight Foundation's Executive Director Peter Laugharn explained that the organization developed its Learning Agenda for the simple reason that solving problems such as poverty and HIV/AIDS is a complex and iterative process. In other words, solutions take shape over time as organizations do their work on the ground.

"We end up funding a wide variety of activities, which in turn means that it is difficult to define outputs and outcomes in advance," Laugharn said. "It requires a degree of skill and insight to discern the patterns, trends and lessons within the grant portfolio. The Learning Agenda helps us develop that skill and insight."

Firelight's Learning Agenda shares many of the same features as the "strategic learning and evaluation system" advocated by FSG. Hallie Preskill, executive director of FSG's Strategic Learning and Evaluation Center, explained that such a system is intended to describe why and how an organization's programs and processes will be evaluated and with what resources. The strategic learning and evaluation system is founded on an "evaluation vision" for the organization and agreed-upon strategies and indicators. The result is a plan of action that can ensure that an organization is "asking the right questions in the right ways and at the right times," Preskill said.[7]

Think collaboratively.

A grantmaker's strategy for learning should be about more than what its staff and board want to know. To have real impact, the strategy also should reflect the learning interests and priorities of people outside the organization — grantees, funding partners, community leaders and more.[8]

United Way Toronto's approach to evaluation has evolved over time to recognize the need to strike a balance between learning and accountability. "We want to create a place where people at all levels of the organization have opportunities to reflect with others about their work and to apply what they're learning so they can do a better job," said Amanuel Melles, director of the grantmaker's programs and capacity building.

[7] FSG, "Developing Strategic Learning and Evaluation Systems." Available at http://bit.ly/IheunE.
[8] In 2010, GEO and the Interaction Institute for Social Change addressed the importance of involving a wider audience of people in developing grantmaker strategies, including strategies for learning. For more information, see *Do Nothing About Me Without Me: An Action Guide for Engaging Stakeholders*, available at www.geofunders.org.

Emblematic of United Way Toronto's inclusive approach to learning is the grantmaker's intranet, which uses the Microsoft SharePoint platform to provide every staff member with a page where they can post documents, links, calendars and other material. Called "Way In," the site enables staff to share information with their teams (each team also has its own page) or with the entire organization and also supports online discussion forums.

United Way Toronto also organizes a "Knowledge Series," where teams have the opportunity to share information and lessons learned with the rest of the staff. "It's a facilitated discussion with people from across the organization," Melles said of the one-hour sessions that occur between six and eight times per year. "The idea is to give people time off from the day-to-day to engage in an enlightening conversation about one aspect of our work that might hold lessons for others."

According to Melles, United Way Toronto also engages in a range of other learning activities, including convenings that bring grantees and others together to explore problems and solutions in the community. A recent United Way sponsored cross-sector "table" attracted close to 100 leaders from government, nonprofits and the private sector. The focus of the dialogue was exploring talent management challenges and solutions in the nonprofit sector and strategies for developing nonprofit leadership.

MAKING IT WORK

PLAN

THE KEY QUESTIONS

1. What do we want and need to know and why?
2. To what extent is that vision shared with our board, staff, grantees and other partners?
3. What can we do to ensure our organization has an up-to-date plan that connects evaluation activities to our broader mission and goals?
4. How can we ensure that our strategy reflects the complexity of the issues we and our grantees are working to address by assessing the full range of factors affecting progress?

THE KEY GUIDELINES

Ask the right questions.

- Determine what we and our partners need to know so we can have a greater impact in the near, medium and longer term.
- Develop an evaluation and learning plan that delivers the answers we need, and that allows for regular reflection and action to improve results.

Think collaboratively.

- Don't develop our plan in a vacuum; invite grantees and other partners to help us think about the right questions and systems.
- Stop asking "What did we learn?" at the end of grant reports. Think about better questions that can yield the information we need.

ORGANIZE

HOW TO ENSURE YOU, YOUR GRANTEES AND OTHER PARTNERS HAVE THE NECESSARY INFRASTRUCTURE AND SYSTEMS TO SUPPORT YOUR STRATEGY

Tia and Ted knew that once the board approved the evaluation plan and the effective date drew nearer, the team would need to be ready to meet the charge. Everyone was strapped for time and resources, so they wanted to find the best way to upgrade their systems to better align with the new framework without driving anyone to the brink. They needed a few manageable changes that everyone could agree to and work on.

One thing Tia thought might help is if they asked people in charge of collecting and managing data at the foundation and at grantee organizations to help identify changes that could be made without too much investment. Ted began combing through existing grant information to map against their new framework and identify gaps. They both agreed that it was imperative to explore with existing and potential grantees what their capacity might be to make improvements moving forward.

Tia also reached out to her colleagues at a couple nearby foundations and asked them to let her take a look at their data collection systems to get ideas for future development at Anytown Foundation.

With all this information in hand, Ted and Tia felt they were ready to make some suggestions and get down to brass tacks with staff. They convened an afternoon working session a couple months later to dig into how their current work could be upgraded without too much investment. With the help of their colleagues, they went through a long list of possibilities, selected a few that were most feasible and divided up the work.

One of the first things they agreed to do was modify a couple questions on their grant report forms to get more information from grantees that could fit the foundation's new evaluation framework. The team thought that in order to make this change, they would need to do a bit more work to flesh out more specific data points that would fit and translate those into report questions. And they had to consider the best ways to ensure what they collected would be consistent and reliable across grantees. This would also involve checking in with grantees to see what was feasible from their perspective.

A couple of other changes the staff members agreed to would take a bit more effort. They agreed to institute one more in-person or phone check-in with grantees at each grant year dedicated solely to discussing learning and results. Ted volunteered to take the lead in drafting a template agenda for staff members to use during those check-ins. The Executive Director agreed to help figure out the work flow of having that many more check-ins with grantees during a year.

The team also decided to use a part of their monthly staff meeting to share real-time information among team members. There was some concern about this idea because staff meetings were already packed, so they agreed to start out small by adding the conversation to the agenda every other month and focusing on one discrete learning question at a time. Then they would see what tweaks could be made to the format and timing of those conversations moving forward.

A more resource-intensive change the team agreed to was building a simple tool in their grants management system that allowed them to roll up some key data points from the final reports of grantees into a few shared indicators. This seemed daunting, but Ted and Tia agreed to lead the charge in finding useful indicators that were shared across their grants past and present and across different types of grants, and figuring out how they would fit with their top-level evaluation framework. They would need to select indicators that were also useful to their grantees. If in the end they weren't able to roll up any useful data points, they would instead suggest improvements that would allow the foundation to build shared indicators into their evaluations moving forward.

Tia figured that some of these changes would be a challenge for grantees to implement, especially if they required new or more information about grants. She used to work for a nonprofit, so she understood all too well the other side of being overwhelmed with different funder requests for information and having limited capacity to respond.

So she was able to share during the staff meeting that the board had been asked and had approved the allocation of a small pool of funds over the next three years for grantees to obtain help in improving their own evaluation systems. It was a recognition that the foundation needed to invest in capacity to go along with the new evaluation approach. Grantees could use this to assess evaluation capacity, hire evaluation and learning consultants, make technology upgrades, improve data management and generally increase organizational capacity for evaluation.

The last upgrade everyone agreed to was hosting a yearly, daylong meeting with all stakeholders to review accomplishments and discuss evaluation plans for the following year. The staff was enthusiastic about the idea of bringing grantees and partners together to learn. Tia and Ted agreed to take on the planning for that meeting, which would happen just over a year after the new evaluation framework went into effect. They realized another shift in workload priorities was needed to be able to dedicate a good amount of time and effort to planning the event. They also committed to hiring an external facilitator to help ensure openness and candor during the meeting and, ultimately, a better result.

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Successful evaluation is founded on strong systems for capturing and disseminating data and information. This means having the people, processes and technology in place to make evaluation for learning an ongoing priority.

In addition to having systems for collecting and analyzing evaluation results, organizations need processes that allow people to reflect and act on what they're learning in a timely fashion.

Most organizations will at some point turn to technology tools to enable them to gather better data and information about their work. But in reality, the technology should follow a foundation's decision on what to measure and how. Grants management systems are typically a foundation's largest, most shared, most well-organized and commonly used information repository. Other technologies can also support evaluation for learning, such as contact management systems, portal sites and more.

Once information is collected and organized, grantmakers can use technology to provide staff, board members, grantees and other partners easier access to evaluation results. Many grantmakers are using intranets, shared platforms, social media and other interactive tools to distribute and promote learning among key stakeholders.

Beyond technology tools, an organization's infrastructure for learning includes everything it does to drive reflective practice among board and staff members and between its people and other partners. This can include board and staff meetings, grantee convenings and a grantmaker's core communications practices, among other activities.

Know your capacity — and your grantees' too.

The infrastructure and the systems that grantmakers employ to advance evaluation for learning will depend on the resources and capacity available to do this work. Capacity, in this case, can mean everything from staff time and in-house evaluation expertise to IT systems and organizational budgets.

"People often ignore the mundane capacity that's needed to collect and use data even on the fundamentals," said Tom Kelly, associate director of evaluation with the Annie E. Casey Foundation. "Managing data and information is a core operating, organizational function, and you better have the basics down first before exploring the more expansive aspects of learning," he added.

A key part of being able to fully embrace evaluation as an organizational priority is ensuring that the right technology is in place to produce useful, actionable information for the board, staff, grantees and other partners. In some instances this may mean making phased improvements to existing systems. In other instances, it may mean starting from scratch to design and implement new ways of evaluating that better fit the desired approach.

Grantmakers also should take steps to assess (and strengthen) their organizational structures that support evaluation for learning — including who is responsible for what, what skills are in place among the staff to support learning and evaluation and what outside support might be needed from consultants and other experts (for more on this, see "Anchor It," page 9).

Last but not least, grantmakers should ensure that grantees have the capacity to capture data and information that will support learning. This can mean taking specific steps to strengthen grantees' evaluation capacity, such as: making professional evaluators available to support grantees as they develop and implement their own evaluation plans; underwriting the costs associated with evaluation, including staffing and technology; and providing support for staff training in evaluation.[9]

[9] For more information, see the briefing paper *How Do We Build the Capacity of Nonprofits to Evaluate, Learn and Improve?*, from Grantmakers for Effective Organizations' *Scaling What Works* initiative (2011). Available at www.scalingwhatworks.org.

The Bruner Foundation has made supporting the evaluation capacity of grantees a priority since 1996. The grantmaker and its partners in the Rochester Effectiveness Partnership set out to build understanding and use of evaluation as a pathway to improved organizational results for nonprofits in Rochester, N.Y. The idea behind the partnership, according to Beth Bruner, director of effectiveness initiatives with the foundation, was that it's not enough to try and make grantees "better" at evaluation; grantmakers and grantees can learn to "think evaluatively" together.

The Rochester Effectiveness Partnership included training and consulting for all participants, coached evaluation projects for nonprofit participants and numerous community wide convenings. Since the conclusion of the project in 2004, the Bruner Foundation has embarked on other efforts to strengthen evaluation capacity in the nonprofit and philanthropic communities and has developed an array of resources on the topic, available at www.evaluativethinking.org.

Another grantmaker that is committed to building evaluation capacity for nonprofits is the Hartford Foundation for Public Giving. Through its Building Evaluation Capacity program, adapted from the Rochester Effectiveness Partnership, the Hartford Foundation enrolls teams from area nonprofit organizations in a multiyear program. Team members learn the basics of evaluation, develop an evaluation design for one of their programs, conduct the selected evaluation, analyze and disseminate findings, and explore how to make evaluative thinking a hallmark of their organization's work.[10]

In another example, Denver-based grantmaker the Colorado Health Foundation recently set out to develop a set of health-related outcome measures that would allow it to do a better job capturing and communicating the aggregate impact of its investments. According to Marisa Allen, director of research and evaluation, a key consideration for the foundation as it developed its evaluation model, referred to as Measurable Results, was weighing the capacity of the grantmaker and its grantees to produce the necessary data.

"Different organizations have different levels of capacity to collect this information. We wanted to be sensitive to that and make sure that the system wasn't overly burdensome for our grantees," Allen said.

Based on this concern, the Colorado Health Foundation established a set of 12 measures across its three program areas (Healthy Living, Health Coverage and Health Care), and it asks grantees to provide just one or two key data points for each grant. Before settling on the 12 measures, the grantmaker gathered input from grantees about whether the measures made sense and, more importantly, whether organizations would be able to report on the measures and what types of technical assistance they might need to do so. The foundation also selected a cohort of grantees to pilot test the model and offer their input on how to improve it.

"That early feedback was essential in helping us refine the model and clarify our reporting expectations," Allen said. The Colorado Health Foundation uses its GIFTS grants administration system to collect and track grantee results, Allen added.

Build on what you already do.

Related to the issue of assessing capacity for evaluation is the importance of balancing a grantmaker's interest in having robust data and information about results with the reality that people and organizations don't always have the time or the inclination to make evaluation for learning an everyday priority.

"I think our biggest challenge in this work is people's 'busyness,'" said Jane Mosley from the Health Care Foundation of Greater Kansas City. "It takes time to be proactive and engage in learning, rather than being reactive. It feels like we're constantly putting out fires."

[10] For more information, see Hartford Foundation's Building Evaluation Capacity Program website at http://bit.ly/IxCbnj.

To ensure that staff and grantees have the time to make evaluation for learning an ongoing priority, grantmakers should try to ground these systems in the way people work today. One of the main barriers to becoming a learning organization for many funders and their grantees is the perception that this is an add-on activity and will take too much time and money. Grantmakers should therefore resist the temptation to add new layers of work or technology to what the staff and board are already doing.

From grants management systems to staff meetings and grantee convenings to foundation intranets, the fact is that grantmakers already have many systems and processes in place that can support evaluation for learning. By identifying these activities and exploring how to enhance their role in advancing evaluation and learning, grantmakers can build broader acceptance for this work while laying the groundwork for a stepped-up commitment among the organization's board and staff.

Established in 2003, the Cameron Foundation in Petersburg, Va., has developed a wide-ranging set of practices to make learning a foundation wide priority. From the beginning, CEO Handy Lindsey said the foundation has been intentional about how it engages its relatively small staff of eight full-time employees in the work of learning.

"We recognize that everyone here has an awful lot of other work to do, and so we try to use every opportunity to bring a learning element into our ongoing work," Lindsey said.

During grant proposal review meetings, for example, staff members are encouraged to identify "teachable moments" that can inform future work. According to Lindsey, these can include questions about everything from possible deficiencies in foundation policy to what strategies are succeeding (or not) as grantees do their work.

Similarly, the Cameron Foundation has incorporated a learning focus into regular staff meetings and its annual board retreat. At the biweekly program staff meetings, for example, program officers (one per meeting) are charged with presenting issues or questions that they are encountering in their work and then leading a discussion among the group. The annual board retreat is structured so the board can review the grantmaker's performance against its strategic plan. Program staff members come to the retreat with presentations about lessons learned in the prior year, and they are encouraged to bring up failures as well as successes.

"As a young foundation, we feel we are learning as we go, and we want to make sure we have every opportunity to check on how we are doing and how we can do better," Lindsey said.

Don't measure what you won't use.

Good evaluation systems depend on clear and reliable indicators. But grantmakers should be careful not to overdo it when it comes to developing metrics to assess their performance and that of their grantees.

"It is absolutely critical to determine the key indicators that measure the most important aspects of your foundation's key strategies. Otherwise, one is simply measuring for the sake of measurement," said Denise San Antonio Zeman of the Saint Luke's Foundation of Cleveland, Ohio.

Mario Morino, co-founder and chairman of Venture Philanthropy Partners, has written a book encouraging grantmakers and others to adopt a more realistic approach to assessment. In the introduction to the book, Lynn Taliento, Jonathan Law and Laura Callanan of McKinsey and Company note that this can be difficult for grantmakers:

> *Funders are notorious for requiring overly rigorous assessments. The result is a misallocation of resources and unnecessary headaches for the nonprofit. We've observed that the right level of rigor is the result of an open dialogue between nonprofits and their funders. By getting clarity on a program's strategic and assessment objectives, they can determine the level of rigor that's required.*[11]

[11] Mario Morino, *Leap of Reason: Managing to Outcomes in an Era of Scarcity* (Washington, DC: Venture Philanthropy Partners, 2011). See http://www.LeapofReason.org.

Find indicators that make sense for everybody.

Developing indicators and metrics should not be a closed-door exercise. Given that grantmakers are working in common cause with grantees, other funders and partners, it only makes sense to engage others in identifying indicators of progress toward shared goals. The Strive Partnership in Cincinnati (see page 26) is one example of how grantmakers have come together with other partners to develop indicators and evaluation strategies that deliver useful results for all involved.

Grantee involvement in the development of metrics is essential in gaining their buy-in and in ensuring that they have the capacity to measure what's needed.

One grantmaker that recently engaged its grantees in an effort to identify key progress indicators is the Marin Community Foundation, headquartered in Novato, Calif. In 2007, the foundation's board concluded a strategic planning process and was determined to develop better systems for measuring its impact over time. The foundation subsequently hired Tim Wilmot to develop logic models and impact metrics for each of the grantmaker's program areas.

Wilmot and his colleagues took a deliberate approach to ensuring that the foundation identifies and collects shared metrics in a way that does not place added burdens on grantees. The grantmaker's program staff works closely with grantees to identify the best outcome metrics for each of their grants, and the foundation convenes grantee cohorts to discuss common metrics they are tracking and to interpret the data across grants. The grantmaker offers technical assistance to grantees to help them develop and refine their data collection systems.

Today, each of the more than 200 discretionary grants that the Marin Community Foundation makes per year is connected to a discrete set of impact metrics. Grantees can submit their outcome data

SAMPLE PROGRESS INDICATORS: MARIN COMMUNITY FOUNDATION

When submitting year-end progress reports, grantees of Marin Community Foundation are asked to select preset indicators related to the foundation's approach at three levels (impact, activities and outputs and outcomes) and to report their targets and accomplishments for each one. For example, a youth health service delivery nonprofit could select and report progress on the following selected indicators for the three levels:

FOR IMPACT:

- Underserved patients receiving health services
- Patients reporting being satisfied with health services received

FOR ACTIVITIES AND OUTPUTS:

- Youth participating in multisession school or community-based health workshops
- Youth or families or both receiving individual or family counseling services
- Youth or families or both in case management linking them with community resources

FOR OUTCOMES:

- Youth with increased knowledge about HIV/sexually transmitted infections and safer-sex practices
- Youth indicating an intention to reduce high-risk behaviors

and lessons learned via the grantmaker's online "Grant Evaluation Center," which in turn allows the foundation to generate summaries of the impact of individual grants and broader programs (see sample indicators on previous page).

> "The board loves that every dollar they approve is associated with some sort of outcome, and they know how we are doing at any given time."
>
> **Tim Wilmot**

Like any other foundation, Marin Community Foundation has to make sure to balance the tendency to want to gather lots of data with what's feasible for the foundation and its grantees. While the grantmaker has 10 discretionary program areas, Wilmot said that it focuses its evaluation activities on three "strategic initiatives," which include grants in the areas of housing, education and poverty reduction. "Those initiatives are specifically about moving the needle for targeted populations and so we're putting more resources into tracking those outcomes over time," Wilmot said.

MAKING IT WORK

ORGANIZE

THE KEY QUESTIONS

1. What are we currently measuring and why? What can we do to identify better outcome measures in ways that do not overburden and are useful?
2. What is the burden we are currently placing on grantees to meet our evaluation requirements and how can we lighten it? How can we strengthen grantees' capacity to do this work?
3. What can we do to make better use of our existing systems and infrastructure for learning?

THE KEY GUIDELINES

Know your capacity — and your grantees' too.

- Make sure we and our grantees have the ability to deliver the evaluation results we want.
- Strengthen grantees' capacity for evaluation by providing general operating support, evaluation consulting and more.

Build on what you already do.

- Think about the systems and practices we have in place to support learning, from grantee reporting to intranets and document management systems to staff and board meetings.
- Don't create new systems if we don't need to — build on (and strengthen) what's working now.

Don't measure what you won't use.

- Focus on those indicators that will deliver the information we need to grow impact.

Find indicators that make sense for everybody.

- Involve grantees and other partners in identifying what measures everyone wants to track — and how.

SHARE

HOW TO COLLABORATE WITH GRANTEES, OTHER GRANTMAKERS AND COMMUNITY PARTNERS TO ENSURE THAT EVALUATION IS PRODUCING MEANINGFUL RESULTS

Tia and Ted began planning for the big learning event several months in advance. They mapped a timeline from the date of the event backward to figure out when the different elements would need to be ready. Their goals for the event were to review and celebrate the successes to date with the new evaluation approach, identify improvements and ensure shared commitment of key stakeholders to the plan moving forward.

Ted and Tia weren't sure exactly how to best structure the meeting to meet their goals, so they sent out a query to their grantmaking colleagues using GEOList for format ideas and sample agendas to use for "a multistakeholder meeting focused on learning." The query received nearly a dozen responses, so they had plenty of ideas to begin defining an agenda for the event.

As a start, they knew that because different groups had participated in the evaluation revamp at numerous points along the way, it would be useful during the meeting to review the process used, as well as the new framework, reporting questions and shared indicators.

Ted also thought it would be useful to produce a summary of the shared impact of the foundation's grants that past year using their new framework, so that during the meeting it could be discussed. Ideally it would demonstrate the outcomes grantees had contributed to. He had begun working on that draft and planned to get feedback from key staff and board members and grantees along the way.

With those key goals defined, and after hiring an external facilitator, Ted and Tia set out to engage everyone in a meaningful way in the preparations. They made a list of who needed to be in the conversation and why, including all grantees, key local partners, staff and board members and key community members. The list was almost 100 people long. They divided up the task of talking with as many of those people as they could about the meeting to make sure they were on the right track.

"I wanted to get your take on this evaluation meeting that we're hosting in a few weeks," Tia said during one of these calls to Sam, the program director at a youth development nonprofit they supported. "Our idea is to get everyone together to spend some time with the new framework and draft report of all of our findings. We're hoping this will give us all a better sense of how we're evaluating and where the gaps might be. What questions would you want to have answered?"

"I guess it depends on who's in the room," Sam said. "For our part, we want to know how our program evaluation is jiving with that of other nonprofits working with the same kids, because if there's anything we're doing that's not meshing, we need to hear that."

Ted and Tia also shared a draft agenda and background documents broadly with invitees, asking for feedback. And they asked a few people from outside the foundation to lead certain parts of the meeting. They hoped that this outreach would help lay the groundwork for a productive and engaging meeting about the foundation's evaluation approach. And that it would help build everyone's ownership for evaluation and learning.

The day of the meeting finally arrived. Participants began arriving, and there was a growing buzz in the air as colleagues were meeting and reconnecting. A few minutes before starting, Tia went over to the registration desk where Ted was reordering meeting packets.

"Almost everyone is here already," he said to her, excitedly pointing to the sign-in sheet.

"I'm particularly happy to see a good number of our board members and directors of nonprofits here. We need their input and support," Tia responded with a smile.

Their board chair kicked off the meeting with a thank-you to everyone for their participation. She shared how this evaluation work was critical to understanding the shared impact of all the organizations represented at the meeting. Ted and Tia could see the energy and interest of people in the room.

For the rest of the morning, the facilitator led the group in discussing the foundation's new evaluation approach, how it was developed and the findings they were able to compile using the new information gathered from everyone in the room. In the afternoon, they turned their attention to figuring out what else they wanted to know and how they might incorporate that into the evaluation approach. Through these conversations, the foundation received some constructive feedback that it would later use to fine-tune its evaluation approach.

As the meeting was closing, a few participants stood up to share how they saw a clear link between their work and the big-picture results presented by the foundation. A few even voiced a commitment to helping refine the shared evaluation work moving forward. It seemed as though key stakeholders could see how they had contributed to the shared sense of accomplishment in the room.

More and more grantmakers are recognizing the value of collaborating with others in their evaluation and learning activities. One of the most important benefits: more (and better) opportunities for learning.

"There has to be a community element to evaluation and learning," said Diana Scearce, director of evaluation with the David and Lucile Packard Foundation. "This is about ensuring that others can have access to what I know and that I can open myself to what others know."

By collaborating with others, grantmakers can do a better job assessing the full range of factors that can affect progress on complex issues. Attributing direct social impact to one grant or one program area is virtually impossible in many if not most of the issue areas grantmakers work in. By collaborating with others to identify and track indicators and outcomes, grantmakers can add up all of the different things that might or might not be making a difference on the issues they care about. This, in turn, can help to advance learning among a broader group of partners about what's working and what's not.

Collaborating for learning means bringing a "network mindset" to an organization's evaluation and learning activities.[12] It also means creating or participating (or both) in "learning communities" to improve the flow of information and learning among a grantmaker and the people and organizations that share its goals.

As defined by Kim Ammann Howard, director of evaluation and organizational learning with BTW informing change, a learning community is "a group of individuals who come together over time in a specific space or environment to build their mutual knowledge and understanding through interactions that add value to their work."

Beyond learning communities, grantmakers also can collaborate for learning in many other formal and informal ways. These include creating a place at the table for grantees and others when the foundation is developing or reviewing program strategies, developing mechanisms to share lessons from the grantmaker's work on an ongoing basis with key audiences, and creating an expectation that program staff members will engage in an open relationship with grantees to support and enhance learning.

The bottom line: Partnerships can advance a grantmaker's learning and evaluation work while at the same time reducing the costs of these activities, as grantmakers and nonprofits develop more efficient and shared systems for gathering data about the social impact of their work.

Learn with (and from) your grantees.

Grantmakers have a wide variety of partners they can choose from as they seek to do a better job learning from their work. In the publication *Do Nothing About Me Without Me*, GEO makes the case for learning with and from grantees and members of the communities that are affected by an organization's grantmaking.

According to Melody Keim, vice president of programs and initiatives with the Lancaster County Community Foundation, the Pennsylvania grantmaker formed a grantee cohort as a way to track the impact of a new funding initiative called the Nonprofit Sustainability Matching Fund. The cohort met several times over the span of a year to exchange experiences and ideas, with the cohort meetings replacing written grantee reports.

"In addition to building partnerships among grantees, this turned into a great opportunity for us to hear firsthand, with multiple partners at the table, how this new funding opportunity was or wasn't working," Keim said. She added that the grantmaker's conversations with grantees were instrumental in helping to shape its funding opportunities for the following year. Based on the success of the cohorts, the Lancaster County Community Foundation is incorporating grantee cohorts into other ongoing initiatives and programs.

[12] For more on networks, see *Catalyzing Networks for Social Change*, a publication by Grantmakers for Effective Organizations and Monitor Institute (2011). Available at www.geofunders.org.

Carol Kuntz is chief operating officer of Compass Mark, a Lancaster County nonprofit that works on substance abuse education, prevention and intervention. She said that participating in one of the community foundation's grantee cohorts was "a wonderful education for everyone in the group. It helps all of the agencies involved to see that our work extends beyond our specific programs to strengthening the whole community, and it provides a forum for learning together about how we can advance everyone's work."

Reach out to other grantmakers.

Many in philanthropy are saying that grantmakers need to do a better job evaluating and learning with each other, based on the understanding that foundations collectively face many of the same challenges and conundrums in their day-to-day work (from accountability pressures to questions of how best to support nonprofit effectiveness).

Working together to evaluate and learn from their work has become a key component of a collaborative of funders and other partners in the Cincinnati area aimed at helping low-income children succeed. The Strive Partnership began after local college and university presidents came together in 2005 to explore how to do a better job helping inner-city youth succeed in college. The Strive Partnership eventually came to involve a wide range of community institutions that were united in supporting "every child, every step of the way, from cradle to career."

Strive partners include local grantmakers, corporations, school systems, colleges and universities, and nonprofits ranging from the Urban League to the YMCA. From the start of the Strive Partnership, an important focus for the Cincinnati partners was using data to drive decision making and continuous improvement in youth outcomes in the region. The partnership releases annual report cards that capture the city's progress according to eight outcome indicators of success (comprised of 34 individual measures).

The Strive Partnership's goals and measures, in turn, became the basis for Cincinnati's application for funding to the federal government's Social Innovation Fund. An important focus for the SIF project is to promote collaboration and shared learning about evaluation. "The goal is to further align funding around what we know is working to improve key and specific outcomes for children and students," said Greg Landsman, executive director of the Strive Partnership.[13]

Get aligned.

A 2011 report from Public/Private Ventures noted that nonprofit programs have been subjected to "myriad data collection systems and reporting processes" in recent years. The fact that grantmakers are imposing disparate systems and requirements on their grantees means that it becomes hard to compare apples to apples or to track broader changes in social outcomes over time.

A better approach, according to P/PV, is for grantmakers to work with grantees and others to develop common measures that can be used across organizations, across programs and even across similar fields of practice:

> *Working with a broad selection of nonprofits and funders in a given field — and armed with past research — it should be possible to reach agreement on some basic elements of program effectiveness and on standard ways for all organizations to measure those elements. This approach, known as "common measurement," makes it possible to compare one organization's progress with that of another, and to create basic benchmarks of quality.*[14]

But developing common goals and common measures is never easy. One possible key to success is the involvement of a strong, third-party facilitator who can play a neutral role to help the group reach consensus and develop the necessary tracking systems.

[13] For more information about the Strive Partnership, see the guide *Collaborative Funding for Greater Impact: A Case Study of the Cincinnati Experience*, from Grantmakers for Effective Organizations' *Scaling What Works* initiative (2012). Available at www.scalingwhatworks.org.
[14] Public/Private Ventures, "Priorities for a New Decade: Making (More) Social Programs Work (Better)," 2011, 6. Available at http://bit.ly/KgV3HF.

As part of Central Texas Education Funders (CTEF), KDK-Harman Foundation has been working with other grantmakers to develop a set of common indicators to measure educational outcomes. According to KDK-Harman Foundation Executive Director Jennifer Esterline, the Common Indicators project marked an attempt by the foundations to "make sure we are all on the same page in terms of what results we are tracking." An additional motivation was to streamline the application and reporting process for nonprofits that are funded by the participating grantmakers.

To date, the CTEF members have reached agreement on common indicators to assess programs aimed at expanding college access and improving workforce readiness. Ultimately, the group wants to develop indicators covering everything from early childhood education to parent engagement in educational programs, with the indicators forming the basis of a common application and a common reporting form that grantees can submit to the participating grantmakers. Development of the indicators was a process that involved extensive consultations among the grantmakers, plus focus groups of grantees, to get their input and to assess their capacity to gather the needed data.

> "The more we can rally around these common indicators, the more we will learn because we will have a shared language and a shared vision."
>
> **Jennifer Esterline**
> Executive Director
> KDK-Harman Foundation

Learn in public.

Most learning-oriented foundations, according to researchers at Chapin Hall at the University of Chicago, "make an investment in producing usable knowledge for the philanthropic field." Their leaders are "willing to work with other funders, practitioners and researchers to pursue common questions, pool resources, test shared hypotheses and find demonstrable answers."[15]

As we noted in the introduction to this guide (see page 2), GEO's research indicates that the majority of foundations continue to view internal audiences as the primary consumers of their evaluation and learning results. But if grantmakers truly view themselves as partners and collaborators in broader networks and social movements (as they should), then it's important to share what they're doing and learning as their work proceeds (and not solely in a final report that comes out months after a project is complete).

Ted Chen, director of learning and innovation with the W.K. Kellogg Foundation, said that transferring knowledge from one person or group to another isn't always as easy as simply writing something down or saying it out loud. Chen advises grantmakers to pay attention to several "principles for knowledge transfer." For example, he pointed out that knowledge products often succeed when they put a new twist on beliefs and messages that people already hold to be true. And, to successfully convey complex knowledge, grantmakers should consider breaking content into manageable "bites" and arranging them logically for the end user.[16]

The David and Lucile Packard Foundation's organizational effectiveness team is experimenting with being transparent about what it's learning and doing. The vehicle for this experiment is a "see-through filing cabinet" — a wiki through which the foundation shares resources (such as helpful capacity-building tools and articles), insights from across its grantmaking and

[15] "Learning for Community Change: Core Components of Foundations that Learn," 51.
[16] For the full list of principles, see Ted Chen's presentation at GEO's 2010 National Conference. Available at http://bit.ly/Kq3fqV.

research in progress. Now, more than a year into the experiment, the foundation is finding that transparency holds it to a "higher level of accountability, quality, learning and vulnerability."[17]

The Packard Foundation wiki is an example of an "external learning" approach advocated by many in philanthropy, including David Colby, vice president of research and evaluation with the Robert Wood Johnson Foundation. "I think of learning as having two aspects: one is internal learning and the other is external learning," Colby said.

"Internal learning involves continuously looking at what we're doing, how we're doing it and figuring out how to do it better. External learning involves sharing lessons from successful and unsuccessful programs with the rest of the world."

David Colby
Vice President of Research and Evaluation
Robert Wood Johnson Foundation

MAKING IT WORK

SHARE

THE KEY QUESTIONS

1. How does our foundation engage grantees and others in evaluation? Whom does it engage? How often? In what ways?
2. To what extent are we aligned with our stakeholders in terms of our evaluation interests and agendas, as well as the measures we use? What can we do to create greater alignment between our organization and other grantmakers, grantees, government, etc.?
3. To what extent are we "learning in public" — that is, deliberately sharing what we are learning in ways that promote more engagement among our stakeholders? What more can we do to engage others as partners in evaluation and learning?

THE KEY GUIDELINES

Learn with (and from) your grantees.

- Use grantee cohorts, learning communities and other strategies to make sure we have our finger on the pulse of what grantees are learning.

Reach out to other grantmakers.

- Bring other funders to the table so we can ask questions and share what we're learning about what works and what doesn't.

Get aligned.

- Work with other grantmakers, grantees and other partners to make sure we're trying to answer some of the same questions and to streamline evaluation and reporting for nonprofits.

Learn in public.

- Don't wait until a final, glossy, post-project report to share what we're learning. Share our lessons along the way.

[17] The David and Lucile Packard Foundation, "Learning about this Wiki," *Organizational Effectiveness Wiki*, July 12, 2011. Available at http://bit.ly/oUoH25.

CONCLUSION

After the big learning event, Anytown Foundation continued to make upgrades and refine its evaluation approach. Both Tia Grant and Ted Fund knew it would be an ongoing and iterative effort and that they would need to negotiate the interests and capacities of all their stakeholders. Not all the upgrades they were working on were easy. But they already had some wins in finding manageable ways to integrate real-time learning into program improvements. Most importantly, they had a long-term view of where their evaluation work was headed and what it would yield. They were glad to have launched the evaluation improvement process at Anytown Foundation when and how they did.

The Anytown Foundation story, while fictional, demonstrates that even though sometimes it seems like a daunting process, grantmakers can make big and small changes to how they and their stakeholders evaluate in the service of furthering everyone's learning and ultimate success. And they are able to do so in a way that doesn't require major investments of time and money. The collaborative way Anytown's changes were devised and implemented made a difference. The fact that their grantees and partners were willing to contribute to their efforts shows that it's possible to shift together toward evaluation for learning.

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Evaluation in philanthropy should have one goal: To improve the results that grantmakers and their grantees achieve as they seek to impact the communities they serve in a positive way. This is both the promise and the challenge of this work: Evaluation for learning can help grantmakers and their grantees improve outcomes on the ground, but only to the extent that philanthropy works with its partners to develop the organizational cultures, the strategies and the systems that facilitate and enable effective learning.

GEO applauds those champions of evaluation for learning who are seeking to kindle new thinking in their organizations and among their networks about how to make sure their work can lead to better results. Our hope is that this publication provides a few new sparks for these conversations, as well as models and ideas for grantmakers to weigh as they determine the best approach for their organizations.

APPENDIX

SELECTING THE RIGHT EVALUATION APPROACH FOR THE JOB

The most difficult part of evaluation can be knowing where to begin. Selecting the right evaluation approach for the job can be overwhelming. Use the matrix on the next page to guide you in thinking through what you want to learn from your evaluation and what tools and methods can support that learning. Start by considering what stage you are at in the learning process, then consider the approaches that best fit you and your grantees' capacity, the level of investment you want to make and what you want to learn.

Before you begin planning your evaluation, consider these key questions:

- **WHY:** What is the purpose of this evaluation?

  Who is your intended audience?

  What are its intended uses?
- **WHAT:** What do you want to learn?

  How much information will you need to collect in order to fulfill the purpose of your evaluation?

  How will you apply this learning?
- **WHO:** How will you involve the appropriate stakeholders in the evaluation?

  Who will you share results with and how?
- **HOW:** Who will collect and analyze the necessary data?

  What is your and your grantees' capacity?

  How can you leverage existing resources, infrastructures and capacity to assist in evaluation?

As you create your evaluation plan, consider information-gathering techniques that will yield data for multiple stages of your learning. For example, interviews, focus groups and surveys can be relatively easy ways to get input on a number of different questions.

Stage	What You Might Need to Know	Approach for the Job
1 Inform Strategy *What do we want to accomplish?*	▹ The problem or need or both ▹ The state of current practice in the field ▹ How to set specific program goals and targets ▹ Link to broader changes sought ▹ Key stakeholders to involve ▹ Potential risks or pitfalls ▹ Existing data and research on the issue	▹ Needs assessment ▹ Literature review ▹ Commissioned research ▹ Baseline measurement ▹ Theory of change ▹ Logic model ▹ Environmental scan ▹ Issue-level research
2 Track Outcomes *Are we doing what we said we would do?*	▹ Number and type of goods and services delivered ▹ People reached, demographics ▹ Timing of goods and services ▹ Progress against goals and targets ▹ Unexpected deviations from plan ▹ Changes in awareness, attitudes, knowledge and conditions	▹ Output measures (as defined in logic model or theory of change) ▹ Outcome measures (as defined in logic model or theory of change) ▹ Dashboard ▹ Interim grant report ▹ Before and after action review ▹ Appreciative inquiry
3 Identify Improvements *How are we doing and what can we do better?*	▹ Quality of services and satisfaction of participants ▹ Lessons learned ▹ Changes needed to improve delivery	▹ Interim and final grant reports ▹ Before and after action review ▹ Appreciative inquiry ▹ Output and outcome measures
4 Understand Impact *What impact are we having?*	▹ The extent to which goals are reached, needs are met, progress is made and problem is solved ▹ Contributions to changes in community or movement of social indicators or both	▹ Portfolio-level assessment ▹ Controlled trial (randomized, etc.) ▹ Longitudinal study ▹ Cluster evaluation ▹ Shared measurement framework ▹ Progress on foundation wide indicators

EVALUATION TERMS

Appreciative inquiry — a focus on collecting data about positive experiences of stakeholders in order to maintain openness while still eliciting information about potential improvements.

Baseline measurement — an analysis describing the situation prior to an intervention, against which progress can be assessed and comparisons made. A baseline study, for example, might assess conditions in a specific neighborhood (e.g., poverty level or truancy) before the launch of a grantmaker-funded initiative aimed at improving those conditions.

Before and after action review — before beginning a task or program, key stakeholders come together to discuss intended outcomes, measures of success and how to incorporate learning. Soon after completing the task, this same group compares actual results to intended results and reviews how lessons can be applied to future actions.

Cluster evaluation — an evaluation that looks across a group of projects or grants to identify patterns and factors that might contribute to variations in outcomes across the sample.

Controlled trial (randomized, etc.) — a study to test or examine the effects of an intervention on individuals or groups by comparing those who have received the intervention and those who have not. The various types of controlled trials differ based on how individuals within a study group are selected.

Dashboard — an easy-to-read tool that allows board members and staff to review key information about the performance of the grantmaker and its grantees. Sometimes called a "balanced scorecard," the dashboard flags key data tracked over time.

Emergent learning — learning that happens in the course of an initiative or project, when goals and outcomes are not easily defined. Using "emergent" or "developmental" evaluation methods, a grantmaker can generate feedback and learning as work unfolds to refine or change strategies over time.

Final grant report — a document submitted by a grantee at the end of the grant period that details the outcomes or predicted results (or both) of the intervention.

Formative evaluation — an assessment carried out while a program is under way to provide timely, continuous feedback as work progresses. Sometimes called "real-time evaluation" or "developmental evaluation."

Interim grant report — a document submitted by a grantee during the course of the grant period that details the progress on the goals.

Indicator — a quantitative or qualitative variable that provides a simple and reliable means to demonstrate changes connected to a specific intervention.

Inputs — the various components of a specific intervention, as measured in financial, human and material resources.

Knowledge management — the processes and strategies that create a culture of knowledge sharing among staff, grantees and colleague organizations, including everything from databases and websites to convenings.

Learning community — a group of grantmakers, grantees or other constituents who come together over time to share learning and identify pathways to better results.

Literature review — an in-depth assessment of previous scholarly work on a particular topic.

Logic model — a conceptual picture or "road map" of how a program or intervention is intended to work, with program activities and strategies linked to specific outcomes and desired results.

Longitudinal study — a study in which a particular beneficiary group is followed over a period of time to discover changes that can be linked or attributed to a particular past intervention.

Needs assessment — an analysis that identifies and explores the human, financial, technical and other types of needs of a specific group or community.

Organizational learning — the process of asking and answering questions to understand how to improve performance and achieve better results.

Outcomes — the broader changes or benefits resulting from a program, as measured against its goals (e.g., an X percent reduction in emergency room visits).

Outputs — the direct products of a program, usually measured in terms of actual work that was done (e.g., meetings held, reports published).

Participatory evaluation — a form of evaluation that engages a range of stakeholders in the process of designing the evaluation and tracking results, to ensure the evaluation is useful and relevant to all involved.

Shared measurement framework — a framework used by different organizations working on the same problem or issue to track the common indicators as a way to better understand field wide progress.

Social return on investment — a measure that captures the economic value of social benefits created by an initiative.

Summative evaluation — an evaluation that assesses the overall impact of a nonprofit project after the fact, often for a funder.

Theory of change — a systematic assessment of what needs to happen in order for a desired outcome to occur, including an organization's hypothesis about how and why change happens, and how the intended work will contribute to progress toward the desired outcome.

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Are you committed to evaluation but unsure about the best approach for your organization?

• • •

Do you want to move evaluation from a one-off accountability exercise to an organization wide priority?

• • •

Are you interested in tapping the power of evaluation to spur new learning and improvements in performance for your organization and grantees?

• • •

Do you want to find more tools and more ideas that will help your organization get smarter about evaluation?

• • •

If you answered "YES" to any of these questions, then this publication is for you.

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