



Designing Effective Foundation Program Strategy

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Whatever their size or specific area of interest, grantmakers seek to increase the impact of their funding. And they do so at a challenging time for philanthropy, with greater need from communities and nonprofits and more scrutiny from both the government and the public.

In such a complex environment, the questions facing foundations can be overwhelming. Are we achieving our mission in the most effective way possible? How do we determine which issue is most pressing? How do we make an impact? Whether funders are developing new initiatives or reshaping current programs, TCC Group can help create strategies that answer these questions.

At TCC, we believe that strategy is an iterative framework that articulates success in terms of desired outcomes, sets priorities, and guides decision making in order to maximize effectiveness.

Mission and Program Strategy: How the Pieces Fit Together

A foundation’s *mission statement* communicates the ultimate impact it aims to achieve. Its *program strategy* details the specifics of *how* that mission will be realized through both grantmaking and non-grantmaking means. TCC Group ensures that our clients develop strong grant programs that reflect their values, balance internal capacities with the external environment, and address their constituents’ needs. Through a rigorous design process, we help funders successfully deploy resources to solve the problems they care about most.

TCC has developed a five-step, program design process for foundations. At first glance, it may seem intuitive, and most funders already engage in aspects of these steps. But they do not always apply the structure and rigor that will ensure that all the pieces fit together logically. Instead, funders ask questions that confirm their assumptions, all too often resulting in strategies that are not linked to real needs.

The Foundation Program Design Process



Step 1: Identify and Frame the Issues



The first step in the process is to identify the key issues to address. Often, foundations determine “fields of interest” based on internal criteria, such as donor intent, geography, or corporate guidelines. Whether these areas have been defined broadly or narrowly, it is important to be explicit about what will – and will *not* – be included.

Framing these areas of interest as either *problems* or *opportunities* can provide further clarity. For example, TCC designed a grantmaking initiative for a family foundation with a keen interest in Asian cultures based on the family’s roots in the region. Through a series of facilitated discussions, we helped the foundation narrow its focus to the plight of low-income Asian immigrants to the U.S. – specifically, the lack of access to tools that enable economic development and advancement. TCC worked with the foundation to design, manage, and evaluate the resulting initiative, which promoted English language, vocational, and citizenship training among Asian refugee communities across the country.

Step 2: Get Smart



Before embarking on a new grantmaking initiative or when reevaluating an existing program, it is critical that a foundation understands the environment in which it operates as well as its own strengths and challenges. The second step in the program planning process, therefore, is to gather data to inform decision making. This includes: 1) an external scan of the operating environment; 2) an internal assessment of the foundation’s capacity to deliver a program; and 3) an evaluation of relevant existing grantmaking initiatives if applicable.

Environmental Scan

A thorough environmental scan helps funders better understand the sectors in which they work, the communities they serve, and other important players and partners. Scans should also take into account the broader philanthropic landscape by examining other grantmakers’ roles and strategies as well as gaps in public and private funding. Scans can incorporate literature reviews, expert interviews, discussions with community members and grantees, and informal input from peers and colleagues.

One community foundation client recognized that its region was rapidly changing, but was unclear about how to address its new challenges. To inform the strategic planning process, TCC interviewed community members, conducted surveys, and reviewed existing regional data. This helped focus the foundation’s grantmaking and leadership strategies. Capitalizing on its role and resources, the foundation then established creative partnerships to spur the region’s economic development.

Internal Assessment

While an external scan identifies the resources necessary to achieve desired outcomes, an internal assessment determines whether those resources are at a funder’s disposal. Candid and thorough assessments help foundations align what is needed with what they can realistically contribute in financial support, as well as in terms of human, intellectual, and social capital.

Philanthropies have far more than money at their disposal, and we can help funders identify opportunities to use their influence to leverage support. For example, a foundation in California asked TCC to recommend skills and characteristics its program staff would need to work successfully in a

diverse community. We highlighted areas where cultural competence was particularly important, and, following our analysis, the foundation partnered with local intermediaries and hired a program officer from the community.

Program Evaluation

For foundations interested in revising existing programs, it is critical to assess how well these programs have been working: whether they have achieved desired outcomes, whether they were effectively implemented, and—most importantly—what lessons funders can apply to future grantmaking initiatives. This can be done through a rigorous program evaluation or through less formal methods.

Recently, TCC helped a national funder evaluate its programs in the area of transportation reform at federal, state, and local levels. While the issue was gaining momentum, our assessment found that the timeline for the foundation’s initiative was challenging, given the slow pace of policy change. The evaluation helped the funder make strategic decisions about how to allocate its resources over longer periods of time and expand collaboration among other philanthropic partners.

Step 3: Turn Knowledge into Strategy



How, specifically, will a grant program achieve its desired results? For instance, how will supporting after-school tutoring result in reduced truancy rates? Why should an investment in a new research center lead to medical breakthroughs? By clearly stating a program’s intended impact, funders can determine points of intervention, recognize flaws in logic, and make ongoing improvements.

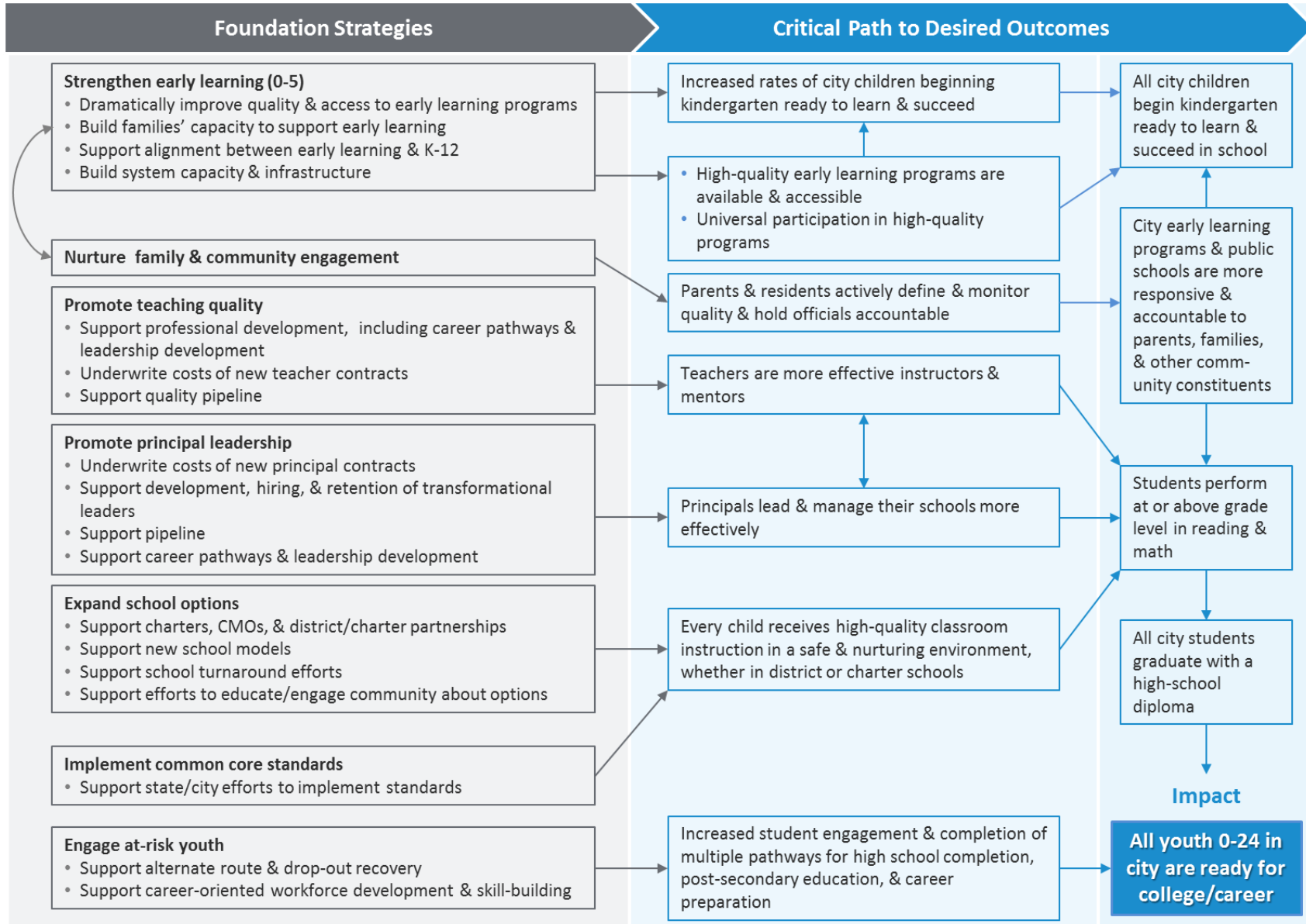
Tools such as logic models help to clarify the connections between strategies, expected outcomes, and necessary resources. While logic models are most commonly used to evaluate grant programs, they can also be valuable planning tools.

When looking at programmatic outcomes within a logic model, foundations often recognize that they cannot tackle vast, systemic problems alone. Increasingly, funders are thinking about how their strategies interact or overlap with others working to solve similar issues.

For one foundation serving an urban school district, this meant recognizing other important education players. TCC mapped the funding environment, which helped the foundation understand its partners’ multiple priorities and clarified its own role in achieving school reform. The final logic model that guided the funder’s program reflected not only its actions and intended outcomes, but also the intersecting activities of others (see the sample logic model on the following page).

This step in the strategy process also provides a unique opportunity to involve others who are knowledgeable about the field and who can provide objective insights and feedback. These might include other funders, outside experts, community members, and grant-seekers. By listening to their voices when designing grant programs, funders can be assured that those with on-the-ground experience have vetted the strategy. Involving these constituents also builds a foundation’s reputation and credibility, leading to improved access to information and potential partnerships.

Sample Logic Model for a Foundation Education Program



Step 4: Develop an Actionable Plan



Once a foundation determines the strategies necessary to achieve its goals, it must next develop a plan to effectively implement them. The work of executing a good program strategy might seem simple, when in fact it requires hard thinking, smart allocation of resources, and difficult choices on the part of foundation leaders. Because aspiration will nearly always exceed capacity, it is also essential to set priorities. A good plan will be specific about what to do, who will do it, when it will be done, and how to measure success.

For example, we helped one client develop a program to improve animal welfare. TCC conducted research into several possible areas of interest, ultimately focusing on two strategies that aligned with the foundation's internal capacity, values, and mission. We then created a detailed plan to launch the program, covering funding criteria, key relationships to build, staff requirements, and a funding timeline.

Step 5: Implement, Evaluate, and Plan Again



Careful planning not only increases the likelihood that programs will achieve their outcomes, but also makes it easier to evaluate impact by providing a framework for measuring success. Logic models, such the one discussed earlier, enable funders to gauge program progress and refine strategies.

Strategies do not exist in a vacuum, nor do the problems they seek to solve. We understand that funders must constantly strike a balance between the needs of the field, on one hand, and the foundation's mission, values, and capacity on the other. During the course of a grantmaking initiative, funders should not be afraid to adapt plans to meet new challenges.

About TCC Group

For over 30 years, we have worked with funders to create program strategies that achieve lasting impact. We provide consulting services to a broad range of grantmaking clients, from small, family foundations to community foundations and large philanthropies. We have worked at all levels of grantmaking, from local to international and grassroots to global. We are skilled analysts and facilitators, gathering and synthesizing data to foster decision making. Our team is versed in a wide range of areas, including community health, education, the environment, and the arts. With our experience and expertise, we ensure that our clients develop focused, results-oriented program strategies.