Examining the Role of Philanthropy in Collective Impact

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Catherine Jennifer Mann

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As administration and faculty of Saint Mary's University of Minnesota, I have evaluated

the <u>FINAL CAPSTONE PAPER:</u>

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and recommended that the degree of Master of Arts be conferred upon the candidate.

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James Ollhoff, Ph.D.   Date
Program Director

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To Susan: A small bite will be removed from the corner of my certificate and framed for you, in recognition of the research you helped with, the ideas you generated, the occasional turn of phrase you came up with—that I'll take complete credit for—and the calming influence you played whenever technology got the better of me.

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Abstract

A new model of effecting large-scale social change, called *collective impact,* emerged in the last decade and is showing promising outcomes. A critical element of the enabling ecology for collective impact is financial sustainability.

In this paper, the role philanthropy plays in the financial sustainability of collective impact—helping to mobilize funding and resources to sustain the momentum, relationships and trust built up over years—is examined. Social change philanthropy is reviewed through the lens of David Snowden's decision-making and analytical framework. A multiple case study with a grounded theory analysis approach is used, studying two cases of collective impact networks engaged in proactive fundraising: the first, East Scarborough Storefront, in Toronto's east end and, the second, Calgary's RESOLVE campaign, anchored in the city's 10 Year Plan to End Homelessness. Furthermore, a review of the literature discussing philanthropy's role of foundations with respect to supporting collective impact is conducted.

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Chapter 1

Introduction

The term collective impact burst into the charitable or non-profit sector in 2011 when John Kania and Mark Kramer published their seminal article in *the Stanford Social Innovation Review*. A common language became available to describe an emerging collaborative approach to complex problems. Based on the notion that "as a society, we can no longer afford to operate in isolation" (Anne Gloger, personal communication, 2012), the collective impact model aims to address an identified problem through the power of collaboration. Whether it is revitalizing at-risk neighborhoods, restoring polluted watersheds, fighting childhood obesity, reducing homelessness, or improving the high school graduation rate, collective impact is an intentional model that convenes actors from across all sectors to bring their shared wisdom to bear on complex, multi-dimensional issues.

Collective impact networks have emerged primarily within the last decade. While their success is concurrently being defined and measured, results appear promising (Hanleybrown, Kania, Kramer, 2012; Wiley, Bierly, Reeve, Smith, 2013; Easterling, 2013; Carlson, Hernandez, Edmond-Verley, Rotondaro, Feliz-Santana, Heynigh, 2011).

As collective impact heads into its adolescence, a new variable has emerged: financial sustainability. The principles of collective impact are dependent upon an enabling ecology, that is, the practices, capacities, and culture required to support them. Sustainable funding is a critical element of an enabling ecology.

It is a time of transition in the charitable sector. Collective impact initiatives emerged at approximately the same time as new revenue generation models such as social enterprise and impact investing. Institutional funders such as foundations, United Ways and community foundations are becoming more strategic about their philanthropic investments and the implications of this shift in the sector are still to be determined. The charitable sector is coming under increasing media and public scrutiny. Donors' reluctance to donate to what is perceived as overhead hinders organizations in their ability to invest in internal capacity such as research, technology, and adequate staffing.

With limited resources, those engaged in collective impact are faced with multiple challenges:

- becoming experts in new revenue generation models;
- navigating the delicate power imbalance inherent in the working relationship with large institutional funders;
- raising money from traditional donors through conventional philanthropic practices;
- co-creating, with donors, new approaches to philanthropy that contribute to an enabling ecology; and
- all the while delivering services and programs to address intractable social issues.

Much is expected of the charitable or non-profit sector, a sector that is largely unstructured and fragmented. The sector's strength lies in its nimbleness, flexibility, and

its ability to react quickly. However, it faces challenges in its ability to scale solutions to large problems, for many reasons.

Notably, we live in an era where people expect short-term solutions to long-standing problems and are impatient to wait for change to take effect. Moreover, many of the problems our sector is tasked with solving are often the result of larger political and economic forces. Yet, our sector has limited means to influence political or economic decisions or outcomes.

Within this broad context, the question posed in this paper is: What role does and can philanthropy play in collective impact, helping to mobilize funding, and resources to sustain the momentum, relationships and trust built up over years? To use the language of collective impact, how does or can philanthropy contribute to an enabling ecology?

Chapter 2

Definition of Terms

Five Key Conditions of Collective Impact

Kania and Kramer (2011) outlined five key conditions that distinguish collective impact from other types of collaboration; namely, they all share the following five conditions:

1. Common agenda. All of the participating actors (charitable/non-profit organizations, community members, government, funders, academia, etc.) have a shared vision and understanding of the issue and the approach to resolve or address it.

2. Shared measurement systems. All actors participate in shared measurement and agree to the processes of evaluation.

3. Mutually reinforcing activities. Each participating actor plays its own role within the larger network and that role contributes to the common agenda.

4. Continuous communication. Communication is critical to ensure all parties continue to share a common agenda, trust the process, and are able to adapt as necessary.

5. Backbone organization. The backbone organization facilitates relationships and the many actors and activities required to ensure the collective is moving toward its common agenda. The role of a backbone organization, by its very nature, is invisible. Facilitating relationships, convening actors, and helping to develop community-wide solutions are activities unseen by the public. Yet, they are the hidden engine propelling the movement forward.

Throughout this paper, the term backbone organization will be used. It is, however, acknowledged that the role of a backbone organization may be carried out not only by a discrete organization but also by other structures or arrangements. For example, in some cases, the activities of a backbone organization may be shared among several of the agencies participating in the collective impact network. The terms backbone and backbone organization throughout this paper can be considered to be one and the same.

Six Activities of the Backbone Organization

Turner, Merchant, Kania & Martin (2012) describe the backbone organization's role as being responsible for the following six activities, highlighting its critical role in the success of a collective impact approach:

1. Guide vision and strategy. As a collective impact initiative begins, the backbone organization helps the partners identify a vision and strategy. As the initiative matures, the backbone organization's role helps identify emergent strategies. New directions or adaptations of the original vision and strategy may be–and usually are–required as new realities inform next steps.

2. Support aligned activities. Similar to guiding the vision and strategy, the backbone organization works with partners to help identify which actions can be aligned and how they can be mutually reinforcing in support of a common agenda.

3. Establish shared measurement practices. Shared measurement helps the participating partners determine whether their collective actions have had an effect on the issue to be addressed. Moreover, in the world of philanthropy, funders increasingly expect metrics to determine the value of their investments. The shared measurement function

of a backbone organization is a critical role.

4. Build public will. Building public support can range from engaging local communities to policy makers and elected officials.

5. Advance policy. The shared measurement practices, as noted above in item #3, can be valuable tools to help take positions on and recommend changes to policymakers.

6. Mobilize funding. The backbone organization can and should help mobilize funding from all sources: various levels of government, philanthropy, and emerging practices such as social enterprise and other hybrid business models. For the purposes of this capstone, the role of the backbone organization in mobilizing philanthropic dollars is the topic.

Philanthropy, Fund Development and Fundraising

While there is much debate within the philanthropy community about the differences between the terms philanthropy, fund development and fundraising, for the purposes of this paper, the three terms will be used interchangeably. The terms are meant to describe activities that secure funding from and build relationships with constituents within the private sector, including individuals, foundations and corporations, and other profit and non-profit groups (e.g. service clubs, faith-based groups). The terms do not include securing funds from government sources.

Donors and Funders

The terms donors and funders are often distinguished from each other, with funders considered large, institutional grantors such as foundations and donors defined as individual donors. For the purposes of this paper, the terms can and will be used interchangeably, unless they are otherwise identified as distinct from each other.

Social Change Philanthropy

Social change consists of a change in behavior, cultural values, and norms. Social change philanthropy, then, is the act of securing support, primarily financial although not exclusively, to effect change in behavior and cultural values and norms. It focuses on the root causes of issues. It invites donors and funders to participate as key partners in community work. It recognizes that donors can be valuable allies, sharing not only money but also skills, credibility, and access.

One of the challenges with this – or any – definition of social change is the fluid and slow moving nature of change, the social and political context in which a movement finds itself, and changing social norms and values. What may start out as traditional philanthropy – for example, a food bank to help stem hunger in a local community – may evolve into a movement for social justice for example, via a fight for income equity.

Chapter 3

Social Change and Philanthropy

Most collective impact initiatives work in the realm of social change in which groups are striving to shift behavior or cultural values or norms. Social change is messy, nuanced, and difficult to measure. Moreover, it is challenging to determine which of the many variables and actors may have led to a particular shift or outcome.

Conventional philanthropy practices have traditionally expected grantees, operating in isolation, to offer solutions to social problems with predefined outcomes and appropriate metrics to qualify for a funded project. This assumes a linear progression from the identification of a problem, to a solution that can be delivered by one organization and, ideally, replicated in other communities or constituencies.

Kania, Kramer and Russell (2014) apply David Snowden's decision-making and analytical framework to different types of causes, affording an interesting complexity lens through which to determine how or whether philanthropy is an appropriate component of a comprehensive revenue mix.

Snowden's (2007) decision-making framework divides issues into five domains that take into consideration their relationship between cause and effect and goes on to suggest that leaders must act in keeping with the context of the situation. The five domains are: simple, complicated, complex, chaotic, and disorder. The fifth domain– disorder – applies when none of the other four contexts are clearly dominant. The first

three–simple, complicated and complex–offer a useful analogy for issues that can be addressed and supported by philanthropy.

The vast majority of philanthropy, referred to as traditional philanthropy, is directed to the first two domains described by Snowden: simple and complicated issues. They are easier to understand and lend themselves to predetermined outcomes, which donors have come to expect from the charitable sector. Philanthropy, by design or default, has tacitly supported and encouraged the traditional paradigm of investments made in return for promised results. Organizations in the sector have obliged, competing with each other for limited resources. The sector has been caught in the approach Kania and Kramer (2011) call *isolated impact* in which solutions are expected to be found within a single organization and subsequently replicated to expand their work more broadly. Until collective impact disrupted the status quo, neither donors nor sector actors had a roadmap to afford them different routes or ways of interacting.

Simple Contexts

Simple contexts have clear cause-and-effect relationships and are distinguished by stability. In the charitable or non-profit sector, building a homeless shelter is an example of a simple domain. While it may not be easy to raise the funds for the project, the project itself is well understood and with appropriate resources, the outcomes can be predicted. In the example of a homeless shelter, one can reliably predict the number of previously homeless people who will be housed once it is built. This kind of linear and predictable cause-and-effect relationship is a common outcome requested by and supported through traditional philanthropy and philanthropists.

Complicated Contexts

In complicated contexts, while a cause-and-effect relationship may exist, it is not necessarily clear to all involved. Moreover, there may appear to be multiple answers to the problem being addressed. A program called Pathways to Education, started in Toronto, is an example of a complicated context. It took many attempts to develop and deliver the program, identifying and providing all of the supports necessary for youth at-risk to help them graduate from high school. In the Pathways to Education model, youth receive four key forms of support:

1. academic support in the form of tutoring;

2. social support to help with social skills, problem solving and career planning;

3. financial support to remove barriers (e.g. funds for bus fare to school) and to provide incentives (e.g. scholarships for higher education); and

4. one-to-one mentoring to provide a role model and help them succeed in school and life.

According to Pathways to Education's website, "High school dropout rates have declined by more than 70%" and "the rate of students going on to college or university has increased by up to 300%." (The Results, n.d.)

Developing the model was complicated. Many variables were tested and analysed and some were abandoned until the program's final four pillars of support were established. Once the model was developed and piloted, evaluation metrics were tracked. Despite the many moving parts within this program, the outcomes of increased high school graduation and post-secondary education involvement are now relatively

predictable in each of the 14 communities across Canada in which Pathways to Education operates. Despite a somewhat complicated path to achieve them, the cause-and-effect metrics related to high school completion appeal to traditional philanthropy donors. Pathways to Education has had tremendous support from donors.

Complex Contexts

In a complex context, there are not necessarily any right answers. Solutions exist in the realm of "unknown unknowns" (Snowden & Boone, 2007) and they emerge and reveal themselves over time. In the case of Calgary's 10 Year Plan to End Homelessness (see Case Study #2), the notion of bringing together hundreds of actors within – and outside of – the traditional homelessness community to develop an approach to end homelessness was new and unknown and the way forward was unclear.

The reasons for homelessness are many, complex, and non-linear. They are influenced by the economy, government policies, individuals' employment skills and employability, education levels, mental health, physical well-being, family situations, and available community support, to name a few. The interaction of these variables is impossible to predict or control. What may work for one individual may not work for another. Moreover, no single organization could possibly address the many different variables leading to homelessness.

Supporting social change, characterized by Snowden's complex domain, requires a new paradigm for both donors and those working in collective impact. In traditional philanthropy, which falls within Snowden's simple and complicated contexts, practitioners have been accustomed to identifying solutions in advance and predicting

outcomes as a condition of donor support. As challenging as it was, social change initiatives operated within this funding paradigm, as it was the only one that existed.

Collective impact affords social change practitioners a new way to address what Snowden characterizes as complex domain issues. However, little funding is dedicated to social change philanthropy. In the United States, according to The Foundation Center's Social Justice Grantmaking II Highlights issued in 2009, only 12% of overall giving from foundations was directed to social justice causes. (pg. 4)

Moreover, in Canada, research demonstrates that traditional funders have shifted away from what they perceive to be administrative or overhead costs, including core operating costs, and are adopting an increasingly targeted approach that is project-based and is being provided for shorter periods of time (Scott, 2003). Backbone organizations, central to the effectiveness of a collective impact approach, are seen as the very overhead costs funders strive to avoid.

What remains to be seen is how or if philanthropy, from both the donor and practitioner perspective, will respond to this new approach. Will the donor community shift its giving practices to embrace this new way of working by investing in initiatives with undetermined outcomes and then patiently waiting for emergent solutions? Can the collective impact approach succeed at enhancing financial sustainability by participating in traditional philanthropy, in essence using old funding approaches to fund new models? Or, will a new solution emerge over time?

Based on a review of available literature and personal outreach, there are few examples of organizations involved in collective impact that have experience operating a

comprehensive philanthropy or fundraising program. Consequently, if they consider philanthropy as part of their enabling ecology – in particular their long-term financial sustainability plan – not only must they navigate the learning curve related to the execution of a new programming model and a culture of strategic collaboration, but they must also experience the learning curve of developing a culture that supports philanthropy.

The balance of this paper will examine the role philanthropy plays in supporting collective impact from two perspectives:

1. the expert narrative which focuses primarily on the role and involvement of foundations and other institutional donors in supporting collective impact; and

2. case studies of proactive philanthropy programs operated by two distinct organizations: East Scarborough Storefront and RESOLVE, anchored in Calgary's 10 Year Plan to End Homelessness.

Chapter 4

Evaluation of the Expert Narrative – Institutional Funders in Collective Impact

Much of the literature related to philanthropy and collective impact has offered insights from the perspective of foundations that have supported collective impact. This is understandable. To date, much of the philanthropic funding for collective impact has come from foundations and other institutional funders, like the United Way, and community foundations. Institutional funders play an important role in introducing new, innovative programs and helping them get established. In the past, once foundations helped transition a program from the idea stage to the execution stage and helped to prove its effectiveness, it was expected that other sources of funding would be found to sustain the program.

Early funding from institutional funders like foundations offers important insights into the impact of traditional philanthropic funding, the role philanthropy can play and the potential limitations of traditional philanthropic support in collective impact.

The following insights about foundation involvement with collective impact have been identified from existing literature:

1. Provide flexible funding, adopt an experimental mindset, and make a long-term commitment. It can take years to fully understand the nature of intractable social, environmental, and health issues and to identify ways of addressing them robustly. "In a world that expects short-term solutions to long-standing problems, it can be difficult to take the time needed to develop the trust that is required between all of

the players. But it's virtually impossible to succeed without it (Mann, 2012, p. 15)."

Flexible and long-term funding allows a backbone organization in support of collective impact to adjust to previously unknown information, changing circumstances, the impact of new relationships, an evolving understanding of needs, and emerging solutions. It permits and encourages experimentation with new approaches to solve old problems and provides the financial stability to build a team with the appropriate skills and to engender the trust required to sustain a collaborative approach.

2. The balancing act: funder, facilitator and desiring results. The motivation of the funder to support collective impact can influence the funding relationship. When funders proactively create networks in support of an identified cause, the vested interest in achieving desired results may lead to the potential for funders to direct activities rather than acting as a facilitator to draw out the collective wisdom among partners. This temptation may serve to undermine the very collaboration required to effect change. So, it's critically important to act as partners in the relationship. Collaboration requires humility and an acknowledgement that everyone involved can and must learn from each other.

3. Encourage candor. In order for this emerging model to make a lasting and meaningful difference, grantees and funders must work together in an environment that permits both parties to candidly share their successes and challenges. Relationships between funders and grantees are, by their very nature, fraught with power imbalances. Funders with money to grant to groups struggling to find funding may not be aware of the degree to which the power dynamic influences candid

communication. Wiley et al. (2013) address a common barrier to candor in grantor/grantee relationships. "Unfortunately, there is a disincentive for grantees to critically evaluate and honestly report project outcomes because, traditionally, future funding has been tied to a track record of 'successful' projects (p. 98)."

4. Think big. Funders, whether they initiate the collaborative approach themselves or fund existing networks, can challenge collective impact networks to think bigger than they had originally anticipated and support the notion of thinking big by bringing additional resources to bear, in the form of relationships, skills, and introductions to additional funders (Wiley et al., 2013; Carlson et al., 2011; Easterling, 2013).

Foundations and institutional funders have had a meaningful impact on the emerging collective impact model. They have funded nascent initiatives, prodded and supported networks, and studied the movement itself. Like any relationship, funders and grant recipients are learning how to be in relationship with each other – and the lessons continue.

Chapter 5

Case Study #1: East Scarborough Storefront

Interviewee: Anne Gloger, Director, East Scarborough Storefront (The Storefront)

and personal insight from five years of working with The Storefront as its fundraising

consultant and researching and writing a book on its collective impact model.

The Storefront is located in the inner suburbs east of Toronto, in a community

called Kingston Galloway/Orton Park. It was designated as a Priority Neighborhood by

the city of Toronto, a designation applied to approximately one dozen communities that

are identified as particularly at-risk. Despite the need for support services in this

community, it has been dramatically underserved.

The Storefront was conceived of in response to this identified need. The hub

model supports and facilitates the delivery of services of 35 partner agencies under one

roof. As a one-stop shop, community members can walk into The Storefront and become

connected to the resources they need, either directly or through referrals to other agencies.

It works with partner agencies, each of which is a subject matter expert, offering services

as wide ranging as employment support, after-school programming, settlement services

for newcomers, seniors yoga, and legal advice. A support group for people living with

Multiple Sclerosis is also available.

After a decade of working in the community, The Storefront has become more

than a community resource and an innovative mechanism for service delivery. The

Storefront has trust of the residents, credibility with funders and politicians, and has

demonstrated its ability to facilitate collaboration between many actors within and outside of the community. Its trusted role in the community led naturally into community building activities. Along with residents, volunteers and staff co-created platforms and forums for residents to act as community leaders and participate in decision-making impacting their lives and community. As The Storefront became more engaged in building relationships and networks, linking people, groups and institutions, it found itself in a position to facilitate collaborative solutions to complex community issues. Over time, The Storefront adapted a term common in the collective impact lexicon for the unique role it plays in the community: Community Backbone Organization.

This community-building work has evolved into The Storefront's Connected Community Approach, working across boundaries and sectors to ensure "people are connected to the systems that support them and those systems are better connected to the people they support. People and organizations are encouraged and supported to collaborate and co-create initiatives. (East Scarborough Storefront, 2015). Moreover, The Storefront facilitates interactions between and among three key audiences to promote change and ensure the needs of the inner suburban community of Kingston Galloway/OrtonPark (KGO) are met:

1. people living and working in KGO;

2. local change makers, including everyone who is intentionally working to make KGO a better place; and

3. people involved in policy and the sector, including the larger systems that are influenced by and influence The Storefront's work.

Through the newly developed framework of The Storefront's Connected Community approach, the goal is that "people and organizations in and outside the community can develop new ways of thinking about and working in communities (East Scarborough Storefront, 2015)."

The Storefront has the five key conditions that distinguish collective impact from other types of collaboration, as defined by Kania and Kramer (2011):

1. Common agenda. The common agenda for this community was identified by residents and local change-makers as creating a prosperous, safe, and well-educated community where everyone can play, learn, work, thrive, and grow.

2. Shared measurement systems. The community identified Developmental Evaluation as the tool for shared measurement systems, with the understanding this will be an on-going journey.

3. Mutually reinforcing activities. Distinct yet inter-related relationships are designed to meet the resident-defined common vision of a prosperous, safe, and well-educated community.

4. Continuous communication. Multiple opportunities exist for various actors to come together throughout the year. Partner agencies have regularly scheduled meetings and written communication. Residents have regular events called Community Speaks where they are invited to identify and discuss topics of importance to the community. Community groups have frequent meetings with The Storefront staff and are also invited to attend Community Speak events.

5. The Storefront holds the role as the self-coined Community Backbone. Organization offering ongoing support, facilitating relationships, and identifying new actors to

invite to participate in community solutions. The Storefront does not run programs itself. Its biggest contribution is the process it engages in to ensure the community has the services, programs and community-wide solutions it needs to achieve its goals. In short, *The Storefront delivers process, not projects.*

For example, in 2012, gun violence rocked the local community. Within18 hours, The Storefront brought together representatives from 75 local organizations and facilitated a community-wide plan that helped residents address their fear, anger, and grief, in addition to engaging them in identifying solutions. The focus was, appropriately, on the community, residents, and agencies offering on-the-ground support. The Storefront's role – facilitation and process – in this incident was invisible, despite contributing profoundly during a time of crisis.

Background of East Scarborough Storefront's Fundraising

East Scarborough Storefront had few of the foundational elements one expects as predictors of fundraising success. While it had long-standing, strong, relationships with a handful of larger, institutional donors, its fund development program was underdeveloped. It had fewer than a dozen individual donors, no dedicated fundraising staff, virtually no fundraising infrastructure, and had yet to develop a succinct way of explaining their new model of working in community.

Despite these challenges, a capital campaign was launched to renovate and re-imagine The Storefront's home – a dis-spiriting 1960s police substation – into a vibrant community gathering space. This was no ordinary renovation project. All construction, renovation and design decisions were made by local youth, with support from a group of

young architects, planners and designers who were mentoring youth through a program called *Community. Design. Initiative*. Everyone involved, including community members, were excited about the project and the potential it had in helping revitalize the community.

Over two million dollars was raised in the space of four years in the *Building. Community. Together. Campaign*. It resulted in numerous developments: a commercial-grade kitchen used by community groups and as an incubator for local new businesses; a community resource center/computer lab for use by local residents; additional offices for partner agencies, allowing for expansion of services; and an outdoor, multi-sport court for community youth, including a youth-designed, innovative shade structure with a green roof and water filtration system. For an organization that had previously little experience raising funds outside of grant writing, securing over $2 million was cause for celebration.

Lessons learned from Building. Community. Together. Capital Campaign.

1. Dedicated staff required. Staff and volunteers added the fundraising responsibility to their already heavy workload. It became evident that in order to reach the ambitious goal, dedicated staff resources were required.

2. Reaching new donors was a challenge. Analyzing the sources of revenue from the capital campaign revealed that most of the donors were larger institutional donors or the funds were from governmental or quasi-governmental sources with whom the agency had existing relationships. The Storefront faced challenges identifying and soliciting new donors and meaningfully broadening its reach into new donor constituencies, such as individuals or corporations. Each of the existing donors already understood and supported collective impact or The Storefront. Furthermore,

the capital projects presented a tangible and concrete way to support this emerging

approach. There was no need to reframe its process-focused work as project-based.

The case for support was clear: a renovation of the dispiriting building, led by youth

and offering attractive new resources such as a commercial grade community-kitchen

and an outdoor multi-sport surface.

3. Annual operating needs trumped capital. Further complicating the challenges of

   raising funds for capital projects, The Storefront found itself facing a crisis in on-

   going, operating funding and had to turn its attention to raising funds in support of

   the backbone organization for on-going, annual expenses. This meant further effort

   on the capital campaign was suspended.

The lessons learned as a result of the capital campaign helped The Storefront embark on

its annual fundraising campaign with more knowledge of the fundraising process, with a

more developed infrastructure and a greater appreciation for the challenges facing a small,

community-based group operating in the emerging and relatively little known collective

impact approach.

Lessons Learned from Raising Annual Funding in Support of the Backbone Organization

1. Relationship building is key. The Storefront's greatest asset is its ability to build and maintain relationships. One could argue those are also key elements of donor stewardship. Consequently, The Storefront is well positioned in a key element of the fundraising process: it is culturally predisposed to steward donors well. While it is impossible to know if a strong stewardship process is the cause, some donors have renewed their contributions despite receiving no formal requests for support.

   Furthermore, The Storefront has relationships with many people who will likely be prepared to help make introductions to identified prospective donors once the agency has the appropriate resources to conduct appropriate follow up.

2. Foundations have been key supporters. The Storefront has had and continues to have success with foundation grant writing, however, the number of grants submitted is limited to a small group of foundation funders that have a history of supporting innovative, game-changing initiatives. The Storefront's success has been primarily in response to opportunities that are presented to them: responding to requests for proposals or calls for submissions. The lack of dedicated human resources to dedicate to fundraising is a barrier to The Storefront's attempts to reach out to a broader base of foundation funders.

3. A sense of urgency is necessary. The Storefront has slowly and deliberately inched toward the development of a more proactive fundraising approach since 2009. For many years, when its stable funding was guaranteed, there was little sense of urgency to engage in fundraising. When funding challenges presented themselves a few years

after its inception, a group of funders sought out The Storefront and became engaged collectively, as funding partners. This early funding success may have contributed to a slower journey into the development of a proactive fundraising program. Once on-going, annual funding became more precarious, a greater sense of urgency developed.

4. Take a donor centered approach. The biggest paradigm shift The Storefront had to make as it began to experiment with proactively reaching out to prospective donors was the practice of donor-centered principles. Learning to frame the work of collective impact in language that resonates with donors was a significant shift. Donors typically want outcomes and solutions. Translating work that is complex, nuanced, and emergent into pre-defined results is antithetical to the foundations of collective impact. Moreover, it sometimes feels retrograde now that a new lexicon has developed to describe this emerging practice.

   While the language that has developed around collective impact resonates with those working within the movement, it is not helpful for fundraising purposes if it does not resonate with donors. The Storefront is making an effort to clearly articulate various elements of its Connected Community approach in more concrete language in order to align its work with donors' interests. For instance, rather than referring to resident engagement, The Storefront has named this work the more self-explanatory Neighbours Helping Neighbours Strategy.

5. Larger donations tend to be project-based. Appreciating donor-centered principles reinforced a related lesson: as The Storefront sought out larger donation amounts from a broader base of donors, it discovered that donors of larger sums preferred to support discrete programs or projects. The Storefront discovered that the very

advantage of backbone organizations – their ability to leverage and facilitate relationships – can feel like a liability when seeking out major donations. In essence, The Storefront is asking donors to invest in process instead of projects. While many in the world of collective impact are excited about process, it is a shift for donors who have traditionally donated in the isolated impact model where a more direct cause and effect connection between their funding and project outcomes is expected.

6. Increased outreach leads to an increase in refusals. As The Storefront began to identify new prospective donors and requested support, it received more refusals than they had when they primarily responded to requests for submissions. This was a difficult lesson and one initially characterized as a failure. Accepting that a lower success rate was merely a function of moving beyond its circle of well-known or familiar donors, combined with the increase in fundraising revenue generated, helped The Storefront reframe this phenomenon.

7. Best practices in fundraising have merit. As practitioners addressing old problems in new ways, there was a belief that The Storefront could also practice fundraising in a new way, different from what conventional wisdom dictated. Because early funders had sought out The Storefront and became engaged as partners, there was confidence that this phenomenon would continue. Moreover, this early success bolstered The Storefront's confidence that it could also influence how philanthropy was practiced. Over time, it became evident that some best practices of fundraising should be heeded in order to begin the process of raising funds proactively. Notwithstanding, to the degree that it can, The Storefront strives to engage donors in a different

donor/beneficiary relationship and persuade them to invest in process instead of projects.

Areas of Future Learning/Barriers to Fundraising Success

As The Storefront continues on its fundraising journey, it recognizes there are areas in which it may continue to grow, learn and improve and that certain barriers will continue to stand in the way.

1. Process–focused in a project-based world. The biggest challenge faced by The Storefront is that it is attempting to fit its work of process and facilitation–a square peg–into the round hole of philanthropy with its emphasis on projects or programs. The Storefront's biggest contributions to the community it serves are the processes it delivers and the relationships it facilitates. In the project-based world of philanthropy, it is a continuous challenge to reposition the work of process and facilitating relationships into projects or distinct programs that resonate with donors.

2. Increase comfort level with soliciting support. Notably, the organization can improve in its comfort level with asking for funds. Staff and volunteers are incredibly proud of what they have accomplished and co-created in the community. Consequently, when The Storefront's representatives cite its many achievements, they sometimes neglect to mention the funding challenges that continue to exist. Prospective donors and interested parties are often left feeling like the organization has all of the resources it needs.

3. Lack of resources to invest in capacity and risk aversion. The biggest barrier to engaging in a more proactive fundraising program in support of the backbone

organization is, ironically, the lack of resources to invest in fundraising. For an organization that has operated on a tiny budget, the investment required to develop a robust fundraising program has felt overwhelming.

The Storefront has progressively taken steps to engage in and learn about fundraising through its capital campaign and subsequently through its annual fundraising program. It has enhanced and developed its fundraising infrastructure and culture of philanthropy over the course of five years. As an agency that understands the importance of taking the time up front to develop relationships, structure and processes, it is also taking time to introduce a more robust and proactive philanthropy program. It wants to ensure that an investment in fundraising will provide a reasonable return when a more significant investment is made.

The Storefront is accustomed to punching above its weight or exceeding expectations in its impact on the community, in the influence it has with other agencies and in other communities. It wants to position itself to also be able to exceed expectations with its fundraising aspirations.

Summary: East Scarborough Storefront

Purpose. Since 2009, East Scarborough Storefront has raised over $2 million for capital projects related to the renovation of the dispirited 1960s police station out of which The Storefront operates. In 2013, more focus was placed on raising funds for the annual costs of operating the Community Backbone Organization, since its funding had become precarious.

Staffing Dedicated to Fund Development. No full time staff is dedicated to fundraising and the Director carries the bulk of the responsibilities. Grant writing is shared among program staff. Administrative duties, such as the donor database, are one of many responsibilities of an administrative staff person. A fundraising consultant provides overall guidance and directly executes some fundraising initiatives.

Chapter 6

Case Study #2: Calgary's 10 Year Plan to End Homelessness and the RESOLVE

$120 Million Capital Campaign

Interviewees: Sheryl Barlage, Executive Director, RESOLVE; Andrea McManus, Strategic Counsel, The Development Group; Kim O'Brien, Executive Director, Horizon Housing Society

Calgary's 10 Year Plan to End Homelessness (the Plan) was first published in January 2008 with a goal of ending homelessness. The definition of ending homelessness was defined as follows: "By January 29, 2018, an individual or family will stay in an emergency shelter or sleep outside for no longer than one week before moving into a safe, decent, affordable home with the support needed to sustain it." (Calgary Homeless Foundation, n.d., p. 1)

Despite not using the language of collective impact in its literature, the Plan meets the five conditions of collective impact.

Conditions of the 10 Year Plan to End Homelessness

1. Common agenda. Quite simply, the end game is to end homelessness through five main efforts.

    i. developing and coordinating a previously uncoordinated system of care within which all actors have and play a role

    ii.   overseeing shared measurement though the Homeless Management

Information System (HMIS) which collects information about the homeless

population

    iii.   funding programs through public funds made available to local agencies

working in prevention and re-housing

    iv.   conducting research to understand trends and anticipate next steps to meet the

goals of the 10 year plan

    v.   supporting front line agencies through training, scholarships and resources

2. Shared measurement. Both through the Homeless Management Information System

(HMIS) and other research, shared measurement is relied upon to evaluate progress

towards the Plan as well as informing new courses of action that must be considered

3. Mutually reinforcing activities. Each of the 140 + organizations participating in the

Plan have a role within the larger plan.

4. Constant communication. Partner agencies are in constant communication through

frequent meetings, through results of published research and the HMIS system.

5. Backbone organization. Calgary Homeless Foundation acts as the backbone

organization, coordinating systems and partners.

Nested within the 10 year plan, another collective impact initiative is taking place:

the $120 million RESOLVE capital campaign shared among nine partner agencies. No

other collective campaign of this magnitude has been identified in the literature or in canvassing philanthropy professionals or collective impact practitioners.

Conditions of the RESOLVE Campaign

Like the Plan it supports, RESOLVE does not formally use the language of collective impact, yet it also meets the five collective impact conditions.

1. Common agenda. Raise $120 million to build low rent housing units and maintain the low rent status in perpetuity to house 3,000 people in a Housing First model. Each of the nine partner agencies involved in the campaign has its own respective financial goals within the $120 million campaign.

2. Shared measurement. Financial results are measured regularly and reported upon at regular meetings of stakeholders' representatives. Other measurements are also reported, such as actions taken place designed to reach the stated financial goals: meetings held, proposals written and submitted, follow-up information shared, and new prospective donors identified with an interest in the issue.

3. Mutually reinforcing activities. Each of the nine agencies involved in the campaign participate in coordinated ways: identifying prospective donors; participating in information, solicitation, and stewardship meetings; providing oversight; planning; and ensuring the collaborative approach is following the spirit of the terms set out in the Memorandum of Understanding and following the established strategy.

4. Constant communication. Steering committee meetings bring together representatives of each of the nine participating agencies.

5. Backbone organization. Fifteen full-time RESOLVE campaign staff play the role of the backbone organization, facilitating partner relationships as well as working with representatives from each of the partner agencies to raise funds and keep the campaign on track.

Background of RESOLVE

With the 10 Year Plan to End Homelessness came a funding commitment from the province of Alberta to build new housing units. In order to access this funding, agencies had to commit to raising a matching amount.

The Calgary Homeless Foundation was interested in launching its own capital campaign in order to leverage available government funds to build new housing stock. They hired Andrea McManus of The Development Group to engage with prospective donors to discuss the interest in and feasibility of a capital campaign. While in conversation with donors, it became evident many were concerned about the potential for multiple homelessness groups simultaneously competing for funds toward the same goal. This feedback led to a recommendation to consider a collaborative campaign.

Four agencies came together to conduct a full-fledged feasibility study to test the notion of a collaborative campaign. Donors were enthusiastic and the concept of crafting a strategy to collaboratively raise funds was borne.

However, donors found the issue of homelessness and how to end it difficult to understand. The Plan is complex, layered and many variables must come to together to make an impact on homelessness. It was not clear how a shared campaign supporting the overall Plan would make a difference in a concrete and understandable way, largely

because each agency was playing a different role in the overall solution. It was at this stage that the partners identified what they had in common: they all planned to purchase or build units to increase the housing stock for the homeless population. As a campaign focus, it was concrete, understandable and critical to The Plan's success.

The next step for the partners was an investment of time in discussing shared values and philosophical guidelines. With a commitment to honesty and transparency, the partners signed a letter of intent, which formed the foundation for their subsequent discussions related to the memorandum of understanding.

By the time the agencies were ready to draft the memorandum of understanding, one of the partners regrettably withdrew because it was too far along in its own campaign process. The three remaining partners collaborated in a spirit of transparency and good will to create an agreement that would work for all of the partner agencies.

Once the memorandum of understanding was drafted, the original three parties more fully appreciated the potential a shared campaign could have on what was once thought to be an intractable issue: homelessness. They felt strongly that other groups in the city considering raising funds for new housing units should be invited to participate in the collaborative capital campaign, within the parameters set out in the existing memorandum of understanding. An invitation was issued and ultimately, nine agencies formed RESOLVE.

Lessons Learned from the Memorandum of Understanding

1. Take the necessary time. The critical learning derived from the 18 month-long

    process of drafting the memorandum of understanding was the importance of taking

time. When operating from a place of truly wanting everyone involved to succeed, all details possible must be anticipated and discussed and concerns addressed fully. Taking the time early on gave the partners an opportunity to get to know each other, to develop trust, to consider many possibilities, and to anticipate solutions to both best and worst-case scenarios.

2. Codify a spirit of collaboration. Another element of the memorandum of understanding of which the partners are proud and which captures the spirit of collaboration that was sought from the outset is the 80% rule. Once an agency reaches 80% of its goal, the remaining agencies will be given more focus to help them achieve their goals. In keeping with donor centered principles, however, a donor's interest can supersede the 80% rule. So, if a donor is highly motivated to support an agency that has reached its 80% goal, the donor's desire will be honored.

3. Governance. The governance structure is also an interesting element of the memorandum of understanding. RESOLVE operates as a separate entity, acting independently of any one agency and with Calgary Homeless Foundation (CHF) acting as the fiscal agent. The Executive Director of RESOLVE reports to a steering committee constituted with representatives of each of the nine partner agencies. This group is primarily tasked with a similar role to that of a board of directors: overseeing the campaign within the guidelines of the memorandum of understanding and all applicable regulations, ensuring fiscal responsibility and good governance. Additionally, the campaign cabinet has volunteers whose role is to actively participate in the fundraising process.

Lessons Learned To-Date From Raising Funds

1. Learning curve for fundraising is steep. Of the nine partner agencies collaborating in this collective approach to fundraising, only one had a relatively well-developed philanthropy program, focused primarily on direct mail and other smaller donations. Not only are the partners learning about and developing their capacity with respect to fundraising, they are doing so while navigating the complexity of a collaborative approach in an ambitious, unprecedented and transformative campaign.

   Capacity building and coaching with respect to fundraising for the partner agencies has been critical. Orientation has necessarily been iterative since most of the agencies are starting as novices to fundraising. As volunteers have begun meeting with prospective donors, both they and the philanthropy professionals involved are deepening their learning about what a collective approach to a campaign truly means.

2. We are them and they are us. RESOLVE is an adaptation of the original concept of the backbone organization within collective impact, playing both the facilitating and relationship management role, as well as carrying out the activities – in conjunction with the partner agencies – to accomplish the common agenda of raising $120 million. Acting in this complex and nuanced capacity has led to a nuanced and complex insight: RESOLVE is both a distinct entity, operating distinctly from the nine partner agencies and concurrently, the nine partner agencies *are* RESOLVE. The concept that *we are them and they are us* sums up the dichotomy. This insight is one that continues to deepen over time, and to varying degrees, among the partners and philanthropy professionals involved.

3. The backbone organization role is key and requires time. With no precedent in a fundraising context from which to learn, another notable lesson learned is the amount of time required to support the relationships between the nine partner agencies. The backbone role of RESOLVE has taken more time than anticipated, yet has been critical to the on-going success of the campaign.

4. Each is part of the whole: The *we are them and they are us* notion of the connectivity of each of the partners within RESOLVE has been reinforced as team members meet with prospective donors. As part of a collective campaign, each individual agency representative must simultaneously act as an agent for his or her respective organization as well as for the collective when meeting with donors. In keeping with donor-centered principles and the values established in the memorandum of understanding, the donor's interests take precedence over individual agency's financial targets.

5. Strategy development is critical. While the process of soliciting funds (research, cultivation, solicitation, and stewardship) is the same in this campaign as in any other, non-collaborative campaign, the strategy development has taken on greater importance. Determining how to represent nine agencies when meeting with donors requires simplifying a complex and layered initiative while simultaneously explaining the new concept of a collaborative fundraising approach.

6. RESOLVE's success is anchored in the Plan. The RESOLVE campaign's success is deeply anchored in a much larger solution, offered by the Plan, to a pressing issue in Calgary. First meetings with donors generally involve an overview of the broader

Plan that includes coordination between homelessness-serving agencies, research, increasing the housing stock, the Housing First model (i.e. first, provide stable housing and follow up with services designed to support the tenant and enhance success of staying housed), and the business case for the collective approach to ending homelessness. Once the donor understands how RESOLVE is part of the solution to ending homelessness, the donor's particular interests can then be identified.

7. Larger donations have been designated to distinct agencies or projects. RESOLVE is in the early stages of the campaign and to date, has primarily engaged donors who have capacity and desire to make contributions in the seven-figure range. Donors contemplating these very large donations have been drawn to distinct agencies or projects. As the campaign progresses and the donor community reached has broadened, other donors are demonstrating an interest in supporting the collaboration in general rather than a specific project or agency.

8. Stewardship. With RESOLVE being a time-limited campaign, an important element which has been given a great deal of attention has been the on-going relationship with donors, both during and beyond RESOLVE's tenure. RESOLVE has anticipated the on-going stewardship needs related to donors and has crafted a plan to ensure donors continue to feel engaged, involved in, and proud of their investment long after RESOLVE has ended.

RESOLVE as a launching pad for individual agency campaigns. The notion of on-going stewardship to be provided by partner agencies and the lessons learned to date

has provided a launching pad for them to consider developing a more proactive

fundraising program beyond RESOLVE within their own organizations. They recognize

that by virtue of participating in this campaign, they are building capacity and developing

a culture of philanthropy. Not capitalizing on the momentum generated, lessons learned,

and capacity built would be to squander an important opportunity. As the campaign

progresses, many of the partner agencies are considering the future of fundraising within

their organizations.

Summary: RESOLVE

Purpose. A collaborative capital campaign with nine partner agencies raising $120 million to build 3,000 new housing units for homeless people, as part of Calgary's 10 – Year Plan to End Homelessness. The nine agencies have the following campaign targets:

- Accessible Housing Society - $7.5 million

- Bishop O'Byrne Housing for Seniors Association - $5 million

- Calgary Alpha House Society - $3.5 million

- Calgary Homeless Foundation - $45 million

- Calgary John Howard Society - $5 million

- Horizon Housing Society - $10 million

- Silvera for Seniors - $11 million

- The Mustard Seed Society - $22 million

- Trinity Place Foundation of Alberta - $11 million

Staffing dedicated to fund development. Fifteen full-time development professionals are dedicated to development and relationship management between the nine partner agencies.

Chapter 7

Application

As leaders with a vision of effecting long-term social change, it's not enough to create a more effective model. It must also be determined how to support change in the long-term. Common lessons from the two case study organizations and conclusions from foundation funders to guide collective impact networks with respect to fundraising will be shared in this chapter.

A Commitment to Time and Patience is Necessary

Both East Scarborough Storefront and the RESOLVE campaign identified the need for time to build relationships and trust and to establish how the partners will work together. Foundation funders cited the need to make long-term commitments, both to wait long enough to see results from the investments, but also to learn how to be in relationship with each other.

Start with Progressive, Change-Making Foundation Donors

Starting with the path of least resistance can lead to momentum that builds confidence and success. Since we know from the conclusions of foundation funders that there is an interest, those funders with previous commitments to collective impact should be high on the list of prospective funders early in the journey of a proactive, fundraising program for a collective impact network.

Adopt Best Practices of Fundraising

While some may claim that best practices are past practices, there are some fundamentals that must be put into place if a group wishes to support a fundraising program. Some of the lessons learned by the case study organizations include:

1. Dedicated staff and appropriate resources are required to support a fundraising program. It takes time, money, and people to build the appropriate infrastructure and culture to support a fundraising program. The learning curve is steep for groups new to fundraising and time and practice are required for some to develop a comfort with the process of asking for support and money.

2. Stewardship is key. Keeping donors informed and engaged is an important element of a good fundraising program. Since most actors involved in collective impact are skilled at relationship building, this element of fundraising aligns with the values and skills of many in the movement.

3. Larger donations tend to be designated thus donor-centered principles are critical. Both groups identified the pattern that larger donations tend to be designated to specific projects or programs. This means it is important to use language that will resonate with donors. This may require describing some of the work of the collective impact initiative into discrete projects to satisfy the wishes of donors. This may be seen as perpetuating the project-based approach that philanthropy currently favors. However, in pragmatic terms, it is better to engage a donor on her terms, build a relationship and begin a conversation that may lead to different support in the future than to have no relationship and therefore no hope of ever engaging that donor.

Chapter 8

Extension of Knowledge

A number of insights and lessons have been identified throughout this paper. What follows are two suggested applications that may enhance the collective impact movement in its fundraising journey.

Elevate Sustainability From a Key Activity to a Condition

Consider elevating sustainability from one of the six key activities of a backbone organization, mobilizing funding, and add it as a sixth condition of a collective impact initiative. Like the other five conditions (i.e. common agenda, mutually reinforcing activities, shared measurement, constant communication, and a backbone organization), financial sustainability is critical for the collective impact initiative to succeed. As a critical element of an enabling ecology, financial sustainability should be on par with the cause related elements of collective impact. Doing so will increase the visibility of the need for long-term funding and may encourage discussion and planning for sustainability early in the collective impact network's journey.

Philanthropy is not the only way to achieve financial sustainability. However, regardless of what forms of revenue generation are anticipated, they must be planned and have enough time to develop the structures and cultures required for success. Thus, ensuring fundraising planning is done sooner in the development of a collective impact initiative may help prevent the urgency that can occur when major donors eventually change their funding priorities.

Acknowledge Cross-Cultural Differences

Collective Impact works in an environment of emergence. It is fluid, messy and collaborative. Contrast this to fundraising practices that can be perceived as being structured and relationships with donors that may feel like they include a power dynamic.

Furthermore, philanthropy has historically been a risk averse sector, with expectations of pre-determined outcomes in exchange for funding. Compare this to collective impact's approach which expects that solutions, if identified at all, will emerge over time.

At first glance, the emergent nature of collective impact may be considered incongruent with the more buttoned-down approach of fundraising. Collective impact's focus on process bumps up against philanthropy's project-based approach. Collective impact is like an explorer, creating maps leading, possibly and eventually, to new solutions whereas philanthropy expects the map, route, destination, and time estimates to be provided in advance.

Notwithstanding, philanthropy has the potential to contribute to social change and to the sustainability of individual collective impact networks, *if donors can be engaged.*

Giving is voluntary and donors have a seemingly endless source of causes where they may invest their philanthropy. Therefore, it is incumbent upon collective impact to reach out to the donor community to engage prospective, sympathetic donors. Better to engage donors on their terms – for instance, by breaking down process work into projects that resonate with donors (i.e. practicing donor-centered fundraising) – and then

deepening the relationship over time. The deepening relationship may – or may not – lead to a greater understanding of the need for and willingness to invest in process.

By building relationships, collective impact practitioners may identify cultural differences and similarities between the world of social change and philanthropists. This may better position practitioners to change or influence the world of philanthropy with a goal to create a culture where a broad base of donors and funders are embraced as key partners in the complex work of collective impact.

Chapter 9

Questions for Consideration

In the process of examining the role of philanthropy in collective impact, a number of questions emerged for future consideration and research that were beyond the scope of this document.

- Can collective impact be a catalyst to shift traditional philanthropy into supporting social change by transitioning from investment in projects to the support of process?

- How does one engage and invite donors to invest in the invisible? That is, to what degree does the invisible nature of the collective impact backbone organization impinge upon its ability to generate revenue through traditional philanthropic means?

- What is the role of a backbone organization in raising funds: to support itself, to support partner agencies, or both?

- How does a backbone organization raising funds to support its facilitating role in a collective impact network address the inherent conflicts of interest in which it may find itself? For example, a backbone organization may be in competition with its partner agencies, which are themselves raising funds to support their programming, while soliciting funds from shared prospective donors.

Chapter 10

Knowledge Obsolescence

A great deal of research and documentation on collective impact has taken place since 2011, when the term collective impact was coined. The shared understanding of the processes and infrastructure needed to support a sustainable collective impact network continues to grow and evolve.

What has received significantly less attention is the role of a proactive philanthropy program in supporting an enabling ecology and contributing to financial sustainability. As more collective impact organizations undertake proactive philanthropy programs, new practices and insights will likely emerge. A welcome development will be the emergence of new best practices in philanthropy for collective impact.

Moreover, many donors are still unfamiliar with the practice of collective impact. Thus, there is room for lessons and new insights into engaging donors in this new approach. As the approach becomes more and more understood both among donors and within the charitable or non-profit sector, what remains to be seen is if raising funds for collective impact will shift from the realm of social change philanthropy into the realm of traditional philanthropy. That is, if collective impact becomes ubiquitous and turns into the norm, will the challenges of raising funds for this approach lessen?

Another element which may render some of the information in this paper obsolete is the understanding, or lack thereof, of the role of social change philanthropy. To the degree that new information and research emerges with respect to social change

philanthropy, it may well lead to new insights and practices in philanthropy in support of collective impact.

As philanthropy's role grows in importance in collective impact and as collective impact itself continues to shift and change, research and insights will evolve.

Chapter 11

Summary and Conclusions

The question that was set out to be answered at the outset of this paper was: What role does philanthropy play in collective impact, helping to mobilize funding and resources to sustain the momentum, relationships, and trust built up over years? To use the language of collective impact, how does or can philanthropy contribute to an enabling ecology?

Collective impact approaches have demonstrated early successes in making meaningful change to intractable social challenges. While much research and writing has been directed at the collective impact movement as a whole, the role of philanthropy in collective impact has primarily been studied from the perspective of institutional funders that have invested in the movement. However, the world of philanthropy includes many other constituent groups, including corporations, other groups and individuals, all of which may have a role to play in supporting the financial sustainability of the movement.

Collective impact works primarily in the realm of social change which, according to David Snowden's decision-making and analytic framework, falls under the complex domain. In complex contexts, there are not necessarily any right answers. Solutions exist in the realm of *unknown unknowns* and emerge and reveal themselves over time.

The vast majority of philanthropy, referred to as traditional philanthropy, is directed to simple and complicated issues that are easier to understand and lend themselves to predetermined outcomes. Philanthropy, by design or default, has tacitly

supported and encouraged the traditional paradigm of investments made in return for promised results. Until collective impact disrupted the status quo, neither donors nor sector actors had a roadmap to offer different routes or ways of interacting.

From the world of foundation support, many lessons have been learned. In order to enhance the chance that collective impact will succeed, long-term financial commitments are required, funding must be flexible, and the funding relationship must be candid enough to permit participants to share both successes and failures. Funders are in a position to both challenge and support collective impact networks to think big while being mindful of the power imbalance that exists between funders and grantees. Furthermore, learning is multi-directional: both funders and network participants have much to learn from each other. Everyone involved in these networks must approach the work with humility and openness.

The two key suggestions to extend the knowledge gained from the research conducted for this paper include:

1. acknowledging and addressing cross-cultural differences between the world of collective impact and the world of philanthropy in order to co-create a culture where a broad base of donors and funders are embraced as key partners in the complex work of collective impact; and

2. elevating sustainability from one of the six key activities of a backbone organization, mobilizing funding, and adding it as a sixth condition of a collective impact initiative. It is a fundamental factor of an enabling ecology, and adding it as a sixth condition will increase the visibility of the need for long-term funding

and may encourage discussion and planning for sustainability earlier in a

collective impact's journey.

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