

# PHILANTHROPY

## How Foundations Can Help Small Groups Do More Good

BY LISSETTE RODRIGUEZ AND DANIELLE SCATURRO

Six years ago, when the leaders of 24 youth-development organizations from across the country gathered in Boston, we were thrilled. More than 100 had applied, demonstrating how hungry non-profit leaders were to join us as we tested a new effort to build the management and leadership skills of the organizations.

As we interviewed the leaders over three days in February 2012 and selected a final 15 to participate in the program's first year, we were impressed by the passion they brought to their work and by how much they had accomplished on behalf of economically disadvantaged young people.

But we were also apprehensive about PropelNext, a three-year program to provide expert coaching, peer advice, and group learning sessions to small, young nonprofits.

Our institution, the Edna McConnell Clark Foundation, had a long track record of supporting the growth of nonprofits that had already reached a fairly advanced stage of organizational development and had rigorously tested their programs' effectiveness. But we knew that many more youth-development groups in the United States have limited resources and experience, so we needed to find ways to help them if we hoped to have a real impact on improving the quality of programs for our nation's young people.

### Would Young People Do Better?

Deciding where we could add the greatest value to these organizations was a challenge. We decided it was wisest to help nonprofits use data to refine their programs, measure and manage their performance, inform their decisions, and foster an organizational culture of learning and continuous improvement.

But could these high-minded goals translate into real results and deliver quantifiably better and enduring outcomes for the young people these nonprofits serve?

We are thrilled and relieved to report, six years later, that the answer is yes.

We know that because we commissioned a study that



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Support and coaching from the Edna McConnell Clark Foundation's PropelNext program allowed UTEC to improve its work helping families with young adults at high risk of incarceration. One such UTEC program is a woodworking social enterprise.

asked tough questions about whether we had truly made a difference. Those findings may be useful as foundations working on a range of causes think about how best to build the skills of small nonprofits.

Our study found that the grantees we selected at that 2012 meeting in Boston had achieved significant results within two years of completing the program. They absorbed data and learning into their organizational DNA, leading to effects that benefited everyone from frontline staff to boards of directors.

It pleased us to discover that the alumni of PropelNext are clearly meeting the goals of our investment by demonstrating greater ability in their collection and use of data and by delivering programs in which data has led to improved quality. On top of that, we found that the groups are growing more rapidly than we dared to expect. Since entering the program, they have increased the number of youths they serve by a median of 53 percent and their budgets by a median of 36 percent.

Generalizations and medians, however, cannot convey the value added by PropelNext as compellingly as concrete examples:

- New Pathways, a Maryland nonprofit providing transitional services to young people as they leave foster care, learned from the data it collected that 23,000 high-school graduates in its service area were underemployed or unemployed. As a result, its board and executive leaders revised the organization's mission, expanded its target population to include young adults ages 18 to 24, and redesigned its program to concentrate on job training and career development.
- New Door Ventures, which works with youths in San Francisco who are out of school and out of work, used skills learned in the PropelNext program to modify its program delivery and add complementary services. The group has also forged new partnerships with other nonprofits, leading to a much broader reach in the Bay Area.
- Thanks to coaching and support from PropelNext, UTEC, based in Lowell, Mass., improved its program and gained the help of other national grant makers, including the Kresge and Robert Wood Johnson foundations, in serving families with young adults at high risk of incarceration.

When PropelNext announced its first participants, Nancy Roob, president of Clark, said: "We look forward to learning as much from these grantees as they will learn from us."

We learned a lot from PropelNext's first participants that will help us enhance the experience for grantees in our next rounds.

Their efforts have left us humbled in reminding us of how hard it is to lead a nonprofit successfully and how challenging it is to build and sustain strong management and performance.

There are no easy answers, and we came to realize that the best solution we can provide is to help organizations and their leaders ask the right questions. We also learned — and the evaluation confirms — that the comprehensive nature of our program, which combines financial resources, accessible tools, peer learning, and coaching, enables deep and sustained organizational change.

### **Acknowledging Limits**

What we have learned from grantees, our own experience, the evaluation, and our continuous assessment has enabled us to practice what we preach by steadily improv-

ing PropelNext.

When we started out, we planned to focus on grantees' business practices as part of the program. We discovered, however, that program refinement and improving skills in the collection and use of data were as much as they (and we) could handle. Recognizing that a strenuous three-year program makes extraordinary demands on a nonprofit's leadership, we are now easing up during the third year and requiring less of grantees.

Another practice we are adopting is to organize our groups of participants regionally, rather than nationally, to reduce travel time and costs while strengthening ties among youth-development leaders in a concentrated area.

Proximity allows them to discover what they have in common, provides more opportunities to collaborate, and helps create a critical mass of leaders who support one another.

A second group of 15 grantees, from Southern and Northern California, has just completed the program, with additional support from four foundations in that state: Hewlett, Packard, and Weingart as well as the Sobrato Family Foundation. Early indications suggest that this group is on a path to achieve results similar to those of our first participants.

Three supporters of the California effort are so excited by the results of their investments that they, with additional help from the Heising-Simons Foundation, have committed to supporting an additional group of youth-development leaders and shouldering more of the costs. We are currently selecting another group of participants limited to the San Francisco Bay Area, and we expect to form a Southern California group next year.

As we enter the next phase of our work, we look forward to continuing our learning and evaluation efforts and to delving more deeply into the key skills that nonprofit leaders must develop to drive the process of change, with the ultimate goal of improving the lives of the young people they serve.

In light of the results PropelNext is achieving, we hope other grant makers will consider adapting this approach to give leaders of burgeoning groups working on all kinds of causes the help they need to make a real difference.

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