

ARE WE TALKING *About the Weather?*

Starting Real Conversations Between Funders and Grantees

Marshall H. Ginn, CFRE
Arlington, VA • July 2017

Ever been in an awkward situation? Ever run into to a potential romantic interest at a coffee shop? Ever been seated right across the table from a senior executive at a corporate dinner at a conference? You probably weren't entirely sure how to handle the conversation, were you? What, if anything, did you talk about? The food or the coffee? The latest sports news? The weather?

The next day, was your mind filled with all those things that you wish you had said? The clever conversation starters, the insightful observations, the handy language that can draw them in? Are you worried that it was an opportunity lost, when all you could say was, "Whew, sure has been hot this week, hasn't it!"

The conversation between grantmakers and their nonprofit partners can be just as awkward.

Increasingly, funders, as well as the nonprofits they support, are being told that they need to transform that conversation. Philanthropy is about relationship building; it's not merely a paper exchange. And good relationships require personal interaction. And that means we need to talk to each other! But if we're not paying attention and neglect these important conversations, we run the risk of missing opportunities to strengthen those relationships, drive impact and make a difference in our communities.

Fortunately, along with that advice to transform those conversations, leaders in the field are offering tools and tactics that can help get those conversations going in the right direction. They are providing us ways to avoid talking about the weather and address real issues and opportunities.

The "Grantmaking Pyramid" was described by Michael Etzel and Hilary

Pennington in their June 27, 2017 Stanford Social Innovation Review article "Time to Reboot Grantmaking."¹ It provides a framework through which funders and grantees can think about organizational growth in new ways. By focusing first on "foundational capabilities" and then "organizational resilience," funders and their nonprofit partners can more effectively talk about essential elements that must be addressed to increase impact. It creates a space for mutual learning as organizations openly discuss what it takes to achieve their mission.

The Performance Imperative Organizational Self Assessment (PIOSA) is another tool that's receiving a lot of attention. Developed by the Leap of Reason Ambassadors Community, the PIOSA provides an in-depth and thought-provoking structure for organizational discernment.² It enables leaders to explore how their organization can achieve high performance and make a meaningful difference in the causes and communities they serve.

In a report from last fall prepared by Leap of Reason "Funding Performance – How Donors Can Do More Good," we see what nonprofits committed to this practice can achieve, especially when they partner with creative funders.³ The PIOSA establishes a way through which nonprofits, as well as grantmakers, can exchange ideas, openly discuss the

essentials of performance, and foster continuous learning.

Ask for it

If you are a nonprofit and you long to have such frank, engaging conversations with your donors and funders, ask for it. Don't sit back and wait for them to make the first move. Tell them you are eager to strengthen your relationship, and you are interested in exploring how the two of you can truly move the needle and impact your cause or issue. And keep in mind, you're just asking for a conversation.

Funders, you understand what it's like when nonprofits treat you like a partner, and not just an ATM. Make sure you're not accidentally acting like an ATM with an approach that's less personal and more transactional. Step out of your comfort zone - perhaps out of your old procedures - and go talk to your grantees. You'll likely find you are equally eager to strengthen the relationship. And keep in mind, you're just committing to a conversation.

Don't be shy, be strategic

To make those conversations fruitful, however, you need to be prepared. Whether you're the nonprofit or the funder, you should go into such encounters with a strategy, or at least an outline of how you wish to approach the discussion. You can use the Grantmaking Pyramid or the PIOSA as a way to start, framing the conversation around common language. You could also lay out a few big-picture ideas on how supporting each other's objectives can lead to a better, more productive partnership.

Avoid complexity, keep it simple

Go into such conversation with a clear sense of what the other can learn about you, your work or your process. If you're a funder, help the nonprofit to clearly understand what you essentially

Most of the problems and issues between grantmakers and grantees can be addressed through conversation and relationship building.

ARE WE TALKING *About the Weather?*

need to know in order to make the best giving decision possible. In a conversation like this, don't get mired down in complex minutia that can distract everyone from what really needs to be said. What's at the core of your philanthropic objectives? What drives your decisions?

For nonprofits, are there fundamental components of your work that you want your funding partners to understand? Have there been some important shifts in the field or the issue, and you need to share perspective on how that might necessitate a new approach? You might feel driven to discuss the changing costs of occupancy, office supplies or credit card fees, but don't. Keep this conversation simple and focused on the big picture.

Explore issues of timing and time frame

The issues and causes we address in philanthropy are typically not small. They often address topics that seem almost impossible to solve, confronting profound social wrongs and problems. Addressing these issues is not going to happen overnight, some are going to take years. In many cases, they require a broad, system-wide approach that targets the very conditions out of which the problems arose. It's no easy task.

Whether you're the funder or the funded, take the time to explore this reality. What you're doing takes time, and what you're hoping to achieve is going to take a lot of work over the long haul. Funders have big visions, and so do nonprofits. But those visions should be grounded in the practical reality of what has to be done and in what order.

Discuss how timing plays into this. If a nonprofit is taking on system-wide change, perhaps multi-year funding is a more effective response, as compared to one-year grants that must be constantly renewed. Funders and nonprofits both have their own operating rhythms and cycles. So even if they have the same fiscal year, their yearly calendars can be quite different, and understanding this can help to avoid confusion or frustration



when waiting for a giving decision or seeing service delivery outcomes.

Understand and own what it takes

There is still much for funders to understand regarding what it takes to effectively operate and manage a nonprofit organization. And nonprofits have been pressured by the public to avoid talking about the basic costs of getting the job done day after day. As stated above, nonprofits are addressing complex and difficult issues. And they are being forced to transform the world on a shoestring budget or by leading communities to think that their work springs out of thin air, costing nothing.

Funders and grantees need to have honest conversations about what it really takes to achieve impact today. They need to own and be upfront that entire organizations – not just discrete programs – need sustained investment. We need to explore how to articulate outcomes and measurements that are indicative of a successful nonprofit, not just the metrics of successful projects. These conversations are a chance to learn and strategize in ways that will strengthen the funder/grantee relationship.

Don't make life harder, help each other out

Earlier this month, global philanthropy advisor Kris Putnam-Walkerly shared some valuable perspective in a Forbes magazine piece, "How Grantmakers Unwittingly Make Life Harder for Nonprofits."⁴ She talks about the unintended consequences when funders don't pay attention to how their practices and approaches might actually hinder - rather than facilitate - effective philanthropy. (In fact her article inspired me to write this piece!) Solving social problems is challenging enough without funders and nonprofits getting in each

other's way and making it that much more difficult.

Most of the problems and issues between grantmakers and grantees can be addressed through conversation and relationship building. Each has so much to learn from the other. And each has valuable lessons that can be shared as well. There's no reason that such conversations should be awkward or painful. Make a move and reach out to your partners. Start from a shared goal of achieving greater impact and talk about your needs as well as your aspirations. Talk about how by working even more closely you can make big changes.

Don't just talk about the weather.

References

- 1 Etzel, Michael and Hilary Pennington, "[Time to Reboot Grantmaking.](#)" Stanford Social Innovation Review. June 2017.
- 2 [Performance Imperative Organizational Self Assessment](#)—Leap of Reason Ambassadors Community.
- 3 "[Funding Performance—How Donors Can Do More Good.](#)" Leap of Reason Ambassadors Community. 2016.
- 4 Putnam-Walkerly, Kris, "[How Grantmakers Unwittingly Make Life Harder For Nonprofits.](#)" Forbes. 2017

Marshall H. Ginn, CFRE is a consultant, trainer and volunteer leader with 30 years of experience working in the nonprofit sector. He is the Founder of Capital Development Strategies LLC in Arlington, VA. Mr. Ginn is an Associate Member of the National Network of Consultants to Grantmakers.

To learn more about how your nonprofit or foundation can increase your impact, contact Marshall by email at marshall@capdevstrat.com, follow him on Twitter [@MarshallGinn](https://twitter.com/MarshallGinn) or visit his website at www.capdevstrat.com.