



Engage Donors to Increase Impact

by Daniel Widome

INTRODUCTION

Among the many ways a foundation may leverage external resources to increase its impact on the issues it cares about, investing in collaborative donor partnerships is likely to achieve the greatest results. In its work with numerous private funders, Arabella Advisors has found that nurturing donor partnerships that jointly prioritize problems, determine fundable solutions, and implement a range of activities to achieve those solutions can most effectively amplify a foundation's expertise, brand, and resources.

In order to implement effective donor partnerships, it is valuable first to understand some of the more common donor engagement approaches:

Raising visibility. This approach includes donor-focused collateral that explains issues and the foundation's prioritized solutions, supporting convenings and other events focused on key issues, and encouraging donor networks to highlight these issues in their own work. Although often costly, raising the visibility of a set of issues carries little downside. Raising visibility on its own, however, rarely raises significant money.

Raising money. This approach presents a significant risk to a foundation's grant-making brand. Soliciting donations to a foundation's preferred organizations—no matter how strong of a case can be made for those organizations—shifts the foundation's brand from an unbiased outcome-oriented donor to a fundraising-driven organization that straddles the fence between donor and grantee. This role puts the foundation in competition with the many other causes and organizations from which donors are solicited regularly. Moreover, being seen as a fundraiser is increasingly unappealing to a new generation of donors who want to help find solutions rather than merely write checks to make up the funding gap in someone else's cause.

Developing partnerships. Arabella defines partnerships as collaborative efforts that jointly prioritize problems, determine fundable solutions, and implement activities to achieve those solutions. Cultivating partnerships is a time-consuming and sometimes intensive process, but true partnerships can

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leverage the investments a donor makes many times over, dramatically changing the resource landscape and the scale of the impact. Developing partnerships, however, requires a realignment of internal resources and staff roles.

These approaches to engaging donors are not mutually exclusive, and each can be effective in the right context. But Arabella believes that true partnerships are one of the best ways to engage like-minded donors to achieve greater impact. Partnerships can help a foundation better coordinate funding activity according to the greatest areas of need. Partnerships can also expand a foundation's network of smart, committed allies, giving it greater clout when promoting its grantees' impact and providing support when confronted with unforeseen challenges. They also allow a funder to attract the skills, talents, and experiences of a pool of contributors who can engage with program staff to identify methods to achieve greater impact. Partners can serve a "reconnaissance" role, as well—helping the funder identify potential grantees, promising new approaches, or innovative thinking that it otherwise would not have found on its own. That said, developing partnerships as part of a strategic effort to achieve better outcomes requires a deep commitment at an institutional level, along with a significant investment of time, energy, and resources and a willingness to compromise on priorities with other partners.

RECOMMENDATIONS

By looking at a range of partnership efforts, a number of best practices for successful partnership development clearly emerge. Building effective partnerships requires close consideration of three distinct elements: the *partners* themselves, the *discourse* with which a foundation hopes to engage partners, and the *process* by which it does so.

Element 1: The Partners

Allow partners to be part of the solution: One of the biggest differences between raising visibility and developing partnerships is the nature of the flow of communications and ideas. Raising visibility promotes an institution's own work, and its own ideas about how to address a problem. Successful partnerships, on the other hand, require a much greater degree of collaboration and communication between the institution and the partner. A foundation should bring

to its partners the intelligence and insight of its staff, and it should engage them in a collaborative process to identify the best ways to achieve meaningful impact. It should not come to partners with answers already fully formed, and it should expect partners to contribute their own ideas and insights.

Element 2: The Discourse

Understand your audience: Foundations need to engage partners with material that is useful and relevant to all parties, and that serves as a basis for collaboration and joint problem solving. Strong partnerships are built upon common interests, and a foundation can play an important role in sharing knowledge with its partners. But fundamentally, building partnerships is about relationships. The data, information, and insight that a foundation uses to engage its partners need to be tailored to serve those relationships. It must be timely, accessible, and presented in way that engages partners in collaborative efforts to solve problems.

Element 3: The Process

Make a long-term investment: Developing effective partnerships requires a strategic commitment across all levels of a foundation. It also requires the foundation to establish clear goals and invest organizational attention and capacity to reach those goals, including a concrete investment in the staff necessary to sustain effective partnerships and in monitoring and evaluation systems to learn the partnerships' impact. Potential partners will be more open to engagement if it is clear that the foundation is making a committed effort to involve them in a collaborative process. That commitment, sustained over time, can help to build trust among potential partners, who are already accustomed to solicitation of their time and money. Such commitment needs to come from all corners of the foundation—from program and administrative staff, to the leadership, to the board.

Raising visibility around the issues of greatest concern—and raising money to address such issues—are both valuable tools to broaden impact. But approaches that do just that, and nothing else, do not take full advantage of a funder's expertise and resources. Through effective partnership development, a foundation can use its assets to dramatically scale its impact on the issues that fuel its mission.