Foundation Openness
Cohort Report

A review of two years of research, analysis and learnings as Iowa funders explored foundation openness and transparency through user experience.

IOWA COUNCIL OF FOUNDATIONS

See What I Mean

Using New Tools In Our Field

Over two years, the Iowa Council of Foundations (ICoF) engaged 23 funders in a journey to improve openness and transparency with grantseekers and our communities. While we joined funders across the country pursuing this shared goal, our cohort set out to try new methodologies.

Our cohort imported user experience (UX) techniques from the high-tech and human-centered design world. UX demands we focus on the experience of users (grantseekers) and discipline ourselves to put grantseekers in the center of our foundations' design, strategy, and culture. UX also implores us to prototype with users, rather than building alone and unveiling products to our partners. The cohort provided accountability for deep exploration and change as our participants and organizations worked to become more open.

What We Set Out to Accomplish

1. Use new mindsets to make a series of technical and adaptive changes to promote transparency and openness.

2. Disrupt and change funder mindsets by encouraging deep empathy for grantseekers.

3. Practice failing fast by prototyping with grantseekers.

4. Test the usefulness of UX for social change.

5. Build deeper connections among funders across our state.

Partners Who Made it Possible

Strategic openness has become a national philanthropic priority. We've followed the lead of the Fund for Shared Insight (FSI) as they have pushed the field to explore feedback loops, openness and failure.

In January 2017, the ICoF received a $20,000 grant from the United Philanthropy Forum (Forum) and the Fund for Shared Insight to launch our cohort. We received an additional $10,000 grant in 2018 and leveraged local matching funds from Alliant Energy Foundation and the Martha-Ellen Tye Foundation.

Our regional association colleagues in Colorado, Illinois, West Virginia and at Philanthropy Northwest also convened cohorts, while other regional associations hosted one-time convenings centered around FSI's priorities. We've benefited from learning about the work of these partners through the Forum network and have also started to share our progress outside of Iowa at the 2018 United Philanthropy Forum Conference and the 2018 Grantmakers for Effective Organizations (GEO) National Conference (along with Maya Thornell-Sandifor from Philanthropy Northwest). We trust this report will be a tool to further share our process and learnings with the broader field.

COHORT COMPOSITION:

- **community foundations** — 5
- **organizations with re-granting programs** — 2
- **private foundations** — 7
- **corporate foundations** — 3
- **17** participating organizations

9 | CEOs

14 | Programs Officers/Staff

Research and Facilitation:
A Unique Partnership

Like the methodology for the project, the partners who led the cohort were also unusual for our industry. These Iowans with varied skill sets supported the project research, analysis and facilitation.

STACY VAN GORP
Dr. Stacy Van Gorp was the project lead. Stacy's research expertise in organizational trust and innovation grounded the project. During the project, Stacy was also Executive Director of an Iowa foundation. As a peer, her familiarity with colleagues and the practical and political dynamics of openness helped accelerate the vulnerability needed to dive into the topic.

SEE WHAT I MEAN
Stacy now leads See What I Mean with colleague Stephanie Clohesy, a pioneer in adaptive leadership who has consulted with hundreds of social change organizations and foundations across the world. Stephanie supported the project's facilitation, research and analysis.

VISUAL LOGIC GROUP
This Iowa-based user experience (UX) design firm is comprised of designers and thinkers who believe it's not a matter of finding what's right or pretty, but finding what's going to work for the people who use it. Visual Logic's core business is working to make technology easy to use. This project was one of their first opportunities to bring their techniques to the social good sector.

JORDAN VERNOY
Managing Director of Network Development at Feeding America and a Commissioner for the Iowa Commission on Volunteer Service, Jordan provided facilitation, research assistance and a consistent voice for grantseekers within the consulting team.
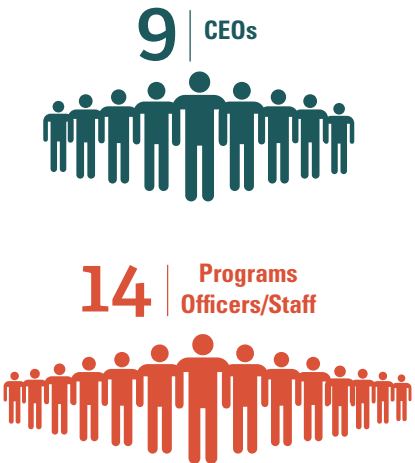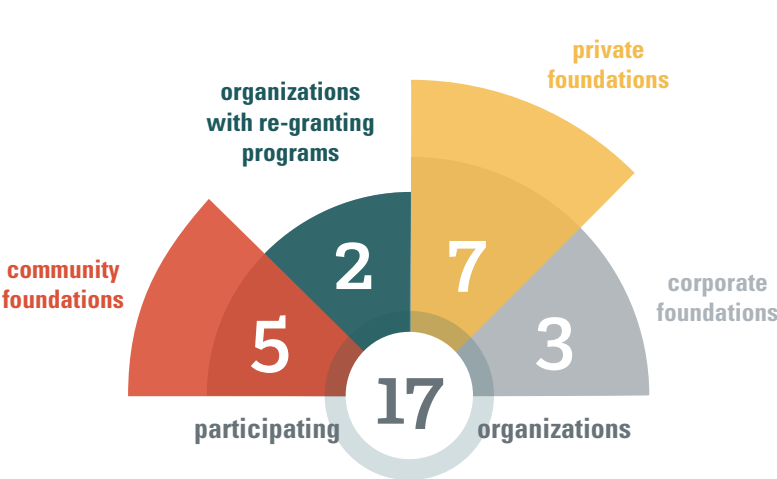
WHY IOWA?

Our membership is modest in size compared to some regional associations. We have the advantage of established, close ties between many members which helped funders lean into sharing their challenges, needs and goals.

Our exploration of foundation openness included a rural perspective. Iowa is not home to a significant number of foundations, but our grassroots approach allows philanthropy to make a significant impact. We have a robust community foundation network and our state benefits from community-driven philanthropy which allows all Iowans to engage.

Why Openness?

As funders we believed openness was key to success. This was affirmed in the words of grantseekers we spoke with. Grantseekers noted:

"If funders practice more openness they have a pulse on society and what the greatest needs are in the community. If they don't, they miss out on **understanding the true needs** of people in their communities."

Dr. Mickye Johnson
Director, University of Northern Iowa Upward Bound

"The biggest gain in practicing openness is **cost effectiveness and efficiency**. Grantseekers are more productive in submitting strong proposals to the right funders. Funders are more successful in getting proposals that meet their foundation's mission and the community's needs."

Mike Knapp
Retired Executive Director

"Philanthropy gains **impact and trust** with grantseekers when funders practice openness. Grantseekers are able to get a stronger sense of the priorities of the funder when there is openness in the relationship."

Gina Weekley
At-Risk Student Supports Coordinator, Waterloo Community School District

"Everybody wins when funders practice openness, especially the people nonprofits are serving. We risk continuing to do the same things the same way without openness. **Not practicing openness is a big risk.**"

Annie VanderWerff
Executive Director, Community Health Initiative, Haiti

Why Now?

While working on transparency and openness does not ensure an equitable grantseeking process or an inclusive organization, it is an important ingredient in confronting bias. Now, more than ever, philanthropy is recognizing inequities in our procedures, policies and practice. By examining and changing the processes which are not leading to equitable results for the communities we serve, we create space for strategic openness in inviting grantees to help us strengthen our approach. We have learned that strategic openness is one part of the pathway to transform philanthropy and lead to equitable solutions for all.

WHY UX?

An Effective Tool for Exploring Foundation Openness

The last few decades of organizational development in philanthropy have helped our organizations develop more sophisticated strategy and design. We talk about logic models, theories of change and ROI. While helpful, these methods may have turned our attention away from deeply understanding the needs of our grantseekers and those in our communities who do not yet feel invited to participate in philanthropy. UX is a methodology that holds our attention with the persons and organizations we seek to help.

Coming to Terms with Terms

What is User Experience (UX)?

1. a design process to build deep empathy for users and help us understand the overall experience someone has when using a product or service, not just the final transaction.

2. a discipline of the digital world often used to make sure the screens and websites we use are useful, usable and desirable.

3. a research process which employs human-centered design practices, ethnography, data analysis and observation to understand the mental models behind the words, behaviors and context of the users.

UX provides room for understanding variation among our users. In our case, variation among grantseekers. UX also provided us with tools to understand for whom our current practices work, and, more importantly, for whom they do not work. This understanding is what led our cohort participants to make changes in their practices and processes.

Transparency and Openness

As the project began, we used the words transparency and openness interchangeably. Over time, we discovered that transparency and openness were not synonyms and we started to refer to two discrete sets of behaviors that support one another, and occasionally conflict.
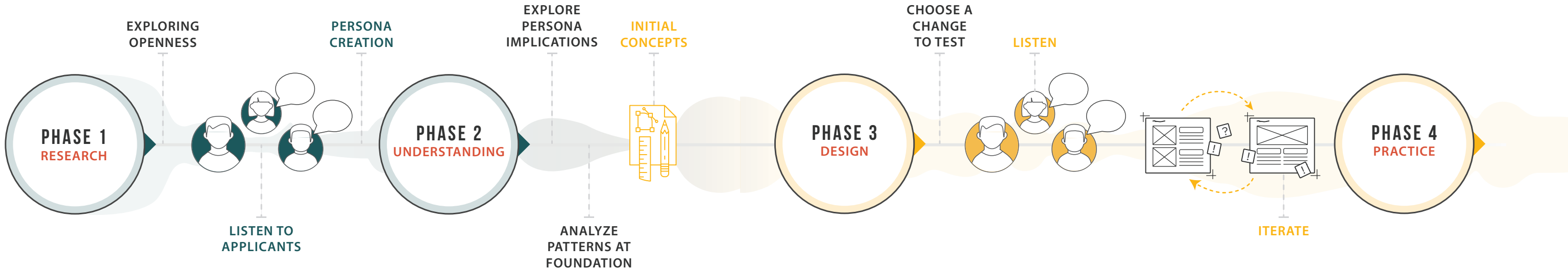
TRANSPARENCY
Funders share information about their foundation with grantees.

OPENNESS
Funders are actively influenced by the needs and ideas of grantees, applicants and the community.

ORGANIZATIONAL TRUST

GRANTEE-CENTRIC

OPENNESS

FUNDER

The opportunity for greater impact lies in funders closing this gap.

GRANTSEEKER

POWER-SHARING

TRANSPARENCY

DIVERSITY, EQUITY AND INCLUSION

Using UX to Explore Funder Openness:

EXPLORING OPENNESS

PERSONA CREATION

EXPLORE PERSONA IMPLICATIONS

INITIAL CONCEPTS

CHOOSE A CHANGE TO TEST

LISTEN

PHASE 1 RESEARCH

PHASE 2 UNDERSTANDING

PHASE 3 DESIGN

PHASE 4 PRACTICE

LISTEN TO APPLICANTS

ANALYZE PATTERNS AT FOUNDATION

ITERATE

UX PHASE 1

RESEARCH

Walk in the user's shoes – empathize with them. Find the difference between what users are saying and doing; they are usually different. Without this extensive phase of discovery, we will misalign our strategies with intended outcomes.

OUR COHORT:
UX surveys, interviews and human-centered design techniques.

ACTIVITIES:
12 interviews, 165 survey responses from grantseekers, openness assessments, Deal Maker/Deal Breaker Game and UX presentation.

UX PHASE 2

UNDERSTANDING

Tell the user's stories in usable forms, like personas and context scenarios. Personas are not stereotypes or demographic categories. Instead, they are compelling profiles of the way people think and experience our organizations/services.

OUR COHORT:
Created personas of grantseekers, looked

for personas in our work and recognized the differences (and tension) between transparency and openness.

ACTIVITIES:
Personas, survey analysis, persona analysis of calendar and grantee success analysis by persona.

UX PHASE 3

DESIGN

Prototype action based on your understanding of personas as quickly as possible. Don't expect to be 100% right. Fail fast (and then try again).

OUR COHORT:
Funders assessed the openness of their communications (websites, applications, etc.) for different applicant personas and explored how foundation transparency efforts are interpreted by different personas.

ACTIVITIES:
Peer review, named the walls between grantseekers and funders and practical prototyping.

UX PHASE 4

PRACTICE

Design changes and test design with users. Is your solution actually useful, usable and desirable to them?

OUR COHORT:
Cohort members tested small changes to openness practices and engaged in ongoing listening with grantseekers.

ACTIVITIES:
Grantseeker panel, test/report/share, Unicorns Unite convening, statewide sharing and GEO and Forum conference presentations.

LEARN MORE

To access tools, techniques and tactics to explore foundation openness through user experience in your work, please visit:

www.IowaCouncilOfFoundations.org | **www.SeeWhatIMean.com**

What We Learned

1 — Many grantseekers miss funder openness cues.

Cohort participants started the work with a strong sense that funders should be relational and open. They shared a willingness to meet with grantseekers and most are happy to share advice in advance of a proposal. A review of funder calendars shows they follow through on this commitment with multiple meetings with grantees and grantseekers.

However, our research showed that this most basic principle of openness, "I'm happy to meet" wasn't well known or acted upon by grantseekers across our state. As we reviewed the data we were surprised our relational orientation did not translate to an explicit invitation to connect. We recognized funders are using many practices and behaviors as signals and cues for applicants which are not always received or interpreted as we wish.

21%
of grantseekers did **NOT** reach out to a grantmaker by phone or email in the last year.

38%
of grantseekers did **NOT** have a face-to-face meeting with a grantmaker in the last year.

*Based on the results of a 2017 survey conducted by *Visual Logic Group* and *See What I Mean*. 165 responses from Iowa grantseekers.

A FUNDER'S RESPONSE: "After seeing this data, we implemented **'Getting to Know our Foundation'** in a workshop format. The invitation to attend the workshop is available to everyone and publicized through our website. Grantseekers register online. This is one way to make the invitation to connect more explicit."

2 — Different grantseekers need different openness cues.

Four grantseeker personas emerged from our research. Their goals, strengths and frustrations varied from one another. Their mindsets and behaviors about seeking funding varied in several dimensions:

CONFIDENCE in sector knowledge *(from low to high, independent of tenure)*

TRUST in funders *(from low to high)*

ACCEPTANCE of institutional philanthropy *(from embracing to cynical of the industry)*

FREQUENCY of interaction with funders *(from multiple times per day to a few times per year)*

Personas are:
- a snapshot of user goals, behaviors, motivations and workflow **NOT** a list of tasks, demographics or market segments;
- a specific example, **NOT** an average;
- a tool for understanding and communicating the user's voice throughout the project, **NOT** something to cross off and leave behind;
- a dynamic concept that changes with context, **NOT** a static stereotype;
- and a tool for empathy to change our own behavior, **NOT** a fix it list.

A FUNDER'S RESPONSE: "Our personas exercise provided concrete examples to help me visualize various perspectives when approaching communications, site visits and grant processes."

3 — Funder openness practices create patterns which benefit and inhibit groups of grantseekers.

When it comes to openness, one size doesn't fit all. Grantseeker personas helped us recognize that a behavior might work well to promote openness with one grantseeker but not for everyone.

Let's take a practice we hear a lot about in openness: spending more time with grantseekers, one-on-one to build relationships. To be more open, you decide to invite a grantseeker to coffee to share some updates about the foundation:

GRANTSEEKER PERSONA S: Strength in collaboration, high trust in funders, sees philanthropy as a relationship.

Reaction to invitation: "Awesome, can we clear two hours? I'd love to hear what you're thinking about."

(Thought bubble) I hope we have time for brainstorming. Because they work with a lot of grantees they always have good ideas for us.

GRANTSEEKER PERSONA M: Strength of implementation, low trust in funders, sees philanthropy as a transaction.

Reaction to invitation: "Sure, happy to meet"

(Thought bubble) Why do you want to go for coffee at that fancy place by your office? Why don't you come here and see what we do?

A FUNDER'S RESPONSE: "Learning about the different ways that grantees may interpret expectations and/or feedback as welcoming or punishing has affected the way we provide information."

4 — Foundations are often inadvertently designed to serve one or two personas better than the rest. That's unfair and ineffective.

Going out for coffee is a small example, but the mindsets we see in the coffee example extend to our practices, systems, relationships and communications.

When we reviewed calendars, grant applications and grant approval lists we could see that one or two personas often fared better in each of our systems. The default design does not work equally well for all personas. Sometimes, those favored personas didn't match a funder's stated strategies.

GRANTSEEKER PERSONA E:
Take for example, a funder who wants to support innovation. We found one grantseeker persona, "Persona E", who often brought an unconventional approach to social change, making them a good candidate for innovation. However, coupled with this strength, we noticed "Persona E" didn't have much trust in foundations and didn't understand funder cues. What happens when "Persona E" confronts an application system that uses industry jargon and asks for applicants to fit inside the funder's box?

Persona E often fails in the system. The struggle isn't their approach to social change, it's a mismatch with the funder. They fail because standard funder processes often don't give them space to share their strengths, or the cues to help them see their alignment. Sometimes Persona E is seen as "unsophisticated" rather than "innovative".

A FUNDER'S RESPONSE: A new funder moved from a technical RFP (with lots of insider language) to a friendly Q&A format. Instead of focusing the guidelines on 'scope of work, distribution of grant monies, and specification of resources and allocations' they rewrote the invitation to apply answering questions like, 'Who can apply? How much can I request? What kind of projects can I propose?' The funder was looking for unconventional approaches. These clear, but friendly and flexible, guidelines provided the right front door to welcome grantee personas who don't speak funder language, but have great ideas. The guidelines were transparent and signaled their strategic openness.

5 Funders should rethink their websites to close the transparency gap.

When funders assessed their organization's transparency, they frequently pointed to their website as the location where the information was transmitted. This is a good approach to sharing, especially when coupled with relational and face-to-face communication. However, we found:

Only 28% of grantseekers can always understand what a grantmaker wants through their websites.

Only 49% of grantseekers responded positively about website usefulness.

*Based on the results of a 2017 survey conducted by *Visual Logic Group* and *See What I Mean*. 165 responses from Iowa grantseekers.

This leaves funders *plenty of room to improve* websites as an essential component of transparency.

A FUNDER'S RESPONSE: When designing a new website, one funder provided the web designer with the grantseeker personas and asked for a design which would appeal to two personas for whom the current website likely didn't work well. The designer created a mock up and then invited grantseekers to provide feedback about what worked and what didn't. Significant changes occurred once the users of the system weighed in on what they needed.

6 It's difficult to identify the ways our foundations are not open and transparent.

When asked what was most surprising during the cohort, one member responded, "How much I had to learn about a more true, open approach to working in the community. I thought we were quite 'open', but learned new ways to view our work."

From the start of the cohort we knew participants wanted to be open and transparent. Even with these good intentions, finding ways to help us increase vulnerability and identify our own blind spots was challenging.

See What I Mean consultants designed Deal Makers/Deal Breakers, a serious card game to help funders explore how they relate to a range of grantseekers. Gamification sweeps people into the experience and they respond more authentically. The behaviors on the game cards depict the research from surveys, observations and interviews to understand how grantseekers see the world. This research is core to personas and personas are the backbone of the game.

The game helps funders to see the personas to which they are more and less open, providing insights into our own biases towards grantseeker behaviors. The game encourages funders to use empathy as the guiding force which changes our organizations to work better for grantseekers and, in turn, our communities. While the game describes grantee behaviors, it is not about stereotyping or intended to poke fun. The game helps funders understand how to change to better partner with all grantseekers.

DEAL BREAKER
Connecting, connecting, connecting.
When the applicant schedules coffee, you block a half day.
DEAL BREAKER S

DEAL BREAKER
Oh no!
A denial conversation last round turned into tears.
DEAL BREAKER E

DEAL BREAKER
The new CEO has been on the job for 15 months.
You thought the position was still open.
DEAL BREAKER M

DEAL BREAKER
The applicant called your board chair at home to convince her of the merits of the proposal.
DEAL BREAKER D

7 It's about trust. Grantseekers who indicated higher levels of trust were more likely to perceive funders as open.

In philanthropy, we've been embracing the idea of trust. And, for good reason. Research shows trust increases efficiency, knowledge sharing and willingness to persist through difficulty. We found trust in a funder increases the likelihood a grantseeker will recognize and respond positively to the transparency and openness cues funders are using.

Trust | While valuing trust is noble, the challenge for funders is making it actionable. Trust includes six components that apply to the grantseeker and funder relationships:

1. **BENEVOLENCE:** Does this funder have my best interests at heart? And, the best interests of my constituents?

2. **RELIABILITY:** Does this funder do what they say they'll do? Can I count on them?

3. **OPENNESS:** Is this funder willing to be influenced by my needs and ideas?

4. **HONESTY:** Does this funder tell me the truth and give me complete information?

5. **FAIRNESS:** Does this funder treat and serve me in a way that is fair and equitable when compared with others?

6. **COMPETENCE:** Does this funder have the knowledge, expertise and skills needed to fulfill their role as a funder and help our community?

8 We learned the discipline of prototyping is difficult.

A cornerstone of user experience methodology is prototyping changes. Prototyping means getting input and feedback from users (in our case grantseekers) as we make changes. In the best case scenario, we use mock-ups or simulations so we can respond to feedback before we have much time or money invested.

We learned through the project that the discipline of prototyping is difficult. WHY?

• Willingness to change was not the stumbling block. Funders make changes all the time. What was harder was the practice of making changes based on grantseeker feedback throughout the process, rather than just at the beginning or end of change cycles.

• Foundations have many stakeholders, including board members and staff. Often we use our feedback muscle with internal audiences, rather than our external audiences.

• We feel like we need to move quickly and making mock-ups and asking for feedback feels slow.

• The toolbox for prototyping, and seeing the outcomes of good prototyping is still emerging

Our cohort engaged in prototyping. Here is what helped us:

• Don't call it prototyping. The word tripped us up. Instead we might call it "action based learning" or "putting grantseeker feedback into action."

• Prototyping is the habit of deep reflection on how we do our work, and how our actions work for the people whom we partner with. The Giving Practice offers an excellent guide on this approach: www.reflectivepractices.org.

• Shift from a checkbox mindset to an always-adapting mindset.

• Do it together. Accountability from peers helps to fulfill our commitment to listen and change.

A FUNDER'S RESPONSE: "Understanding the specific needs of each persona has allowed us to tailor our coaching and support for grantseekers over the last 18 months. This resulted in a new applicant receiving funding from us for the first time. We really adapted to make our process work for their organization."

9 **20 years later and grantseekers are still shouting for straightforward changes that would better serve them.**

At the beginning of the project we created a list of practices which could lead to openness and transparency with grantseekers. This formed the basis of our Openness Assessment. When we asked grantseekers about the practices they most wished funders would undertake, many were the grantee-centric practices organizations like GEO and others have recommended for years.

Grantseekers reported these as the **TOP 5** funder practices to improve effectiveness of grantees and foundations:

1 Provide helpful feedback after grant decision (positive or negative) has been made.

2 Share information about how the grant selection process works.

3 Provide candid feedback to grant writers before applications are submitted.

4 Provide flexibility in the type of funding available.

5 Meet face-to-face with new applicants and organizations (outside of groups already receiving funding).

10 **More to learn. Next we explore connections to diversity, equity and inclusion.**

"During the two years of our Foundation Openness Cohort work, I participated alongside members as we challenged our thinking, took ownership of some practices that do not serve our grantees well, practiced vulnerability, and engaged in open, honest dialogue about our sector – both together as funders and also in partnership with grantees. Some natural themes began to emerge as part of these conversations: trust-building, power-sharing and equity. At the same time, the field nationally has been engaged in parallel work. As a result of the essential learning and change which transpired throughout the cohort, I am confident our network is ready to continue our learning in this space. I look forward to leading the organization as we prioritize equity in our learning agenda and push even deeper into racial equity conversations."

— Kari McCann Boutell, *President, Iowa Council of Foundations*

"As our organization has sought to embed an emphasis on equity, we have struggled with concrete ways to change our practices. This cohort made connections for us between equity and openness that have provided a path forward for real change."

— Emily Shields, *Executive Director, Iowa Campus Compact*

"The cohort gave me the opportunity to think about how we as funders need to challenge our long-standing practices and thinking. Building and strengthening relationships with grantees requires a level of vulnerability and openness that may seem unnatural as we examine existing power dynamics and historical inequities that have not yet been confronted. It was reassuring to participate in a cohort that was brutally honest about the need for change. The tools and sessions provided by ICoF were a strong first step in understanding how we should challenge ourselves to better serve the grantees we work with." — Jenny Becker, *Director of Grant Programs, Greater Cedar Rapids Community Foundation*

See What I Mean