



Prepare for the Expected

5 Grantmaking Challenges You Will Experience, and How to Avoid Them

We have been told to prepare for the unexpected for most of our lives — save for a rainy day, have a Plan B, and apply to some “safety schools” in case you don’t get accepted to your top-choice university. But I think foundations could do a better job preparing for the expected. Here are five things you can expect as a grantmaker, and what you can do to prepare for them:

1. Pressure will be on to make grants while you are still planning.

Your team is designing a new grant program. Your trustees are on board, your staff is enthusiastic, and planning efforts are underway. But guess what? You will be asked to fly this plane while you are building it. I guarantee you, no matter how much your board agreed about the importance of taking the time to plan, design your theory of change, and assemble the right partners, they will want to see grantmaking activity before you’ve finalized your goals. Prepare early by identifying some “low-hanging fruit.” Make a few grants to pilot some of your ideas. You can learn from these initial grants while also meeting your board’s need to “do something.”

2. You will need data to inform decision making.

It’s year four of your five-year funding initiative, and you’re starting to think about what’s next. You didn’t design evaluation into your overall project, you haven’t been collecting data, and now that you think about it, the objectives of all your grantees aren’t exactly aligned. But -- big shocker -- your board wants to know what the impact was in order to determine whether another five years of funding is warranted. For now, you can conduct a retrospective evaluation to learn what you can to inform your next phase. But the next time you invest a significant amount of multiyear resources, be sure to plan your evaluation strategy in advance.

3. You will face risk.

Every project has some risk: risk of failure, risk to your foundation’s reputation, risk that resources will be spent on a project that doesn’t meet its goals. Better to accept that reality now than be surprised by it later. A terrific and simple tactic is to create a “Risk List.” Together with your colleagues (your team, partners, stakeholders), brainstorm all the potential risks associated with what you are about to do. Write them on easel paper and discuss them. Discuss ways to mitigate them, and incorporate your ideas into your work plan. At your next meeting, pull out the Risk List, cross off any risks you’ve handled, and add any new ones you’ve thought of. You’ll take the fear out of risk and increase your likelihood of success.

4. Everyone wants to be informed.

One of the best pieces of advice I ever received was that “communication begins the moment you open your mouth and start talking about your new idea.” It’s true, and it means you need to develop a communications plan immediately, even as your new initiative is just a gleam in your foundation’s eye. As things begin to take shape, your communications plan should expand to make sure that all key stakeholders are informed, that your partners are communicating and coordinating with each other, and that external audiences -- the media, business, other foundations, etc. -- are aware of your project and are supportive. If your key partners, allies, and champions don’t know what is going on, they can’t help you, they won’t be able to work together, and your initiative will start to unravel. It’s never too late to develop a communications plan, but earlier is always better.



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5. Garbage out, garbage in. When you issue a request for proposals or write up your funding guidelines, make sure you are crystal clear about what you're trying to accomplish, what your goals and objectives are, the type of organizations you want to fund, your expectations and assumptions, the range of grant amounts, how funds can be used, what grantees can expect in terms of reporting and participation, etc. Do a little ad hoc market research and ask colleagues and nonprofit leaders to review your guidelines before you publicize them to make sure your meaning is clear. If you don't, you're more likely to receive poorly written, inappropriate proposals from organizations you will never fund. This wastes everyone's time and slows down your ability to reach your goals.

The good news is, it's never too late to start preparing for the expected. Try this: Choose one initiative or program and take fifteen minutes to talk through the five points above with a colleague. Find out what's missing and incorporate a plan to address it going forward -- then watch how much better your outcomes can be!

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