

Inspired by the best-selling book *Forces for Good*

DO MORE THAN GIVE

The Six Practices of Donors
Who Change the World

LESLIE R. CRUTCHFIELD

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MARK R. KRAMER

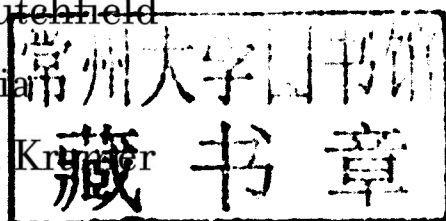
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For Caleigh and Quinn
For Nate, Lucy, and Mia
For Toby, Elizabeth, and Benjamin

PREFACE

When the three of us joined together to coauthor this book, we each brought different life experiences and professional training to the project. What has united us is our urgency to find ways to make faster progress toward solving the pressing social and environmental problems that persist in the world and our shared belief that philanthropy has much to contribute to those solutions. Although countless books have been written about the difference donors and nonprofits have made in causes both local and global—advancements in understanding that we applaud and from which we have learned—we believe that donors can do even more.

For Mark, growing up in a family with a small private foundation awakened him to the idea that philanthropy could do more. He saw how isolated most family foundations were. He observed that much money could be given to hard-working nonprofits year after year with the very best of intentions but without changing much of anything. He often saw foundations that were convinced of their uniqueness and unable to learn from others' experiences. He observed family foundations that were determined to avoid overhead expense and as a result were perpetually short staffed. And he saw foundations that struggled to meet their 5 percent pay-out requirement—in an era when real-world needs were growing and problems were crying out for answers.

This irony—that in the face of such vast need some foundations could barely find ways to make the minimum contribution required to maintain their tax-exempt status—persuaded Mark that the system just wasn't working. These experiences formed the basis for his lifelong commitment to understanding how philanthropy's performance could be improved. In 1999, he and his

friend Michael Porter established the Center for Effective Philanthropy to help define and advance foundation effectiveness, and at the same time they cofounded the consulting firm Foundation Strategy Group (FSG) to work in depth with leaders of foundations to develop and pursue effective strategies for social change. (At its founding in 1999, the consulting firm was called “Foundation Strategy Group [FSG].” The firm later officially changed its name to “FSG,” so later in the book, we refer to it as FSG.) In 2009, Mark crystallized many of the lessons he had learned from his decade of work at FSG in “Catalytic Philanthropy,” an article published in the *Stanford Social Innovation Review (SSIR)*.¹

When that edition of *SSIR* landed in her mailbox, Leslie was preparing to write her next book. Her first book, *Forces for Good: The Six Practices of High-Impact Nonprofits*, coauthored with Heather McLeod Grant, had been released in 2007. During the subsequent three years Leslie had been traveling across the United States and Canada, speaking to groups of nonprofit and philanthropic leaders about how they could achieve better outcomes if they focused on advancing larger causes and leveraging change through each sector of society—government, business, nonprofit organizations, and individuals—rather than just shoring up their own institutions. She also was advising family foundations on how to increase the impact of their giving. The more Leslie interacted with foundation leaders, the more intrigued she became with the role that philanthropy plays in creating—and sometimes holding back—social change. So she decided to write a book about applying the practices in *Forces for Good* to philanthropy.

At first, Leslie thought the best advice she could give donors was to use the six practices of high-impact nonprofits as a screen to guide their giving. If foundations channeled more of their funds to nonprofits that employed cross-sector approaches such as advocating for policy change or partnering with private enterprise to advance social objectives, she reasoned, they could get more bang for their charitable dollar. But she soon realized that just picking great grantees wasn’t enough. She knew that donors could do more. They could fund groups that advocate, but donors were also uniquely qualified to *engage in advocacy* and to raise their voices on behalf of causes. Donors could support nonprofits that

partner with business, but they could also *leverage their business connections and know-how* to advance causes.

Initially, Leslie didn't know of many good examples of this kind of giving. Then she read Mark's article on catalytic philanthropy. "This is it!" Leslie thought, "this is what high-impact philanthropy looks like." Catalytic donors do the same things that the social entrepreneurs in *Forces for Good* do, they just start with a concentration of wealth rather than raising funds from scratch. So she asked Mark and also FSG managing director John Kania if they would like to team up and collaborate on this book.

John brought a final critical perspective to round out the premises in this book. He had worked for two decades in the private sector consulting to businesses. But helping companies compete for more market share wasn't fulfilling John's desire to make a meaningful difference. So shortly after the terrorist attacks on the United States on September 11, 2001, he had joined FSG to apply his strategy and organizational development background to solving social sector problems. John quickly learned just how hard it was to effect change in the social sector. Executives in business typically have much more control over the outcomes they seek to achieve than leaders in the social sector do. Making change happen in the private sector is about developing the right strategy and lining up the people *inside* the company to make it happen. Whereas in the social sector, change requires not only lining up the people inside an organization but also influencing the mind-set and behavior of a whole set of stakeholders *outside* the organization's four walls. Achieving success in the social sector requires a special type of leadership.

Recalling a divinity school course on spirituality and leadership in which he had learned about Ron Heifetz's notion of *adaptive leadership*, John realized that Heifetz's framework was especially applicable to addressing social and environmental challenges because social sector problems typically require adaptive rather than technical solutions. This requires leaders who can mount responses that take an organic view and that focus on system change. John coauthored (with Ron Heifetz and Mark Kramer) an article titled "Leading Boldly" that discussed how adaptive leadership ideas apply to social change,² and he has continued

to emphasize the need for this type of leadership in FSG's work with clients.

Eventually we found that the theme of leading adaptively was the common thread that bound together all of the best practices we write about in *Do More Than Give*. Being a catalytic donor is, at the end of the day, an act of leadership—but not the linear, command-and-control variety that most funders are used to. The best nonprofit leaders understand this, and donors who want to be equally effective agents of change embrace it as well.

This book, then, is the culmination of our attempt to codify what each of us has learned through a decade of advising donors and researching, thinking about, and experiencing philanthropy as a vehicle for social change. As you will see in the pages to come, we focus on the six highly leveraged practices that catalytic philanthropists employ to achieve systems-level change. Although we acknowledge that the concept of catalytic philanthropy itself is not new—social entrepreneurs and high-impact donors alike have been achieving wide-scale societal change for centuries—we also know that catalytic philanthropy is rare. We hope that as a result of reading this book, you will make it less so.

January 2011

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John Kania

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This book is stronger because of the combined contributions of our esteemed colleagues, trusted advisors, close friends, and family members who supported us at each step and encouraged us to complete this work.

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We extend our deep respect and gratitude to Heather McLeod Grant, who coauthored *Forces for Good* with Leslie. Without Heather's contributions to the development of the original six practices framework that makes up the basis for *Do More Than Give*, this book would not exist. Soon after the publication of *Forces for Good*, Heather joined Monitor Institute, where she is a senior

consultant. We also extend our deep appreciation to Heather and Leslie's research partners at Duke University's Center for the Advancement of Social Entrepreneurship (C.A.S.E.) at the Fuqua School of Business, J. Gregory Dees and Beth Anderson (Beth has since moved on to work with Teach for America). And we extend our sincere thanks to Jenny Shilling Stein of the Draper Richards Foundation and to Jane Wales and Alan Abramson of the Aspen Institute.

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We owe very special thanks to our research advisors, who included national and global philanthropy experts who collectively devoted hundreds of hours to reviewing our online peer survey results, advising us on which examples might best illustrate catalytic approaches, and reading and commenting on manuscript drafts. These advisors were Kathy Calvin, Paula Ellis, Peter Goldmark, Jacob Harold, Darin McKeever, Tom Reis, Edward Skloot, and Diana Wells, as well as Brian Byrnes, Jack

Hopkins, Dori Kreiger, Laura McKnight, and Susan Price. The ideas and the cases in this book are stronger because of each of their contributions, and we are honored to have them as our thought partners in this work.

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On a personal note, we express our appreciation for and love of our spouses, Holly Kania and Anthony Macintyre, and for our extended families for giving us moral support and the scheduling flexibility to get this book done. We recognize that precious vacation days, sabbatical time, and more than one travel adventure were sacrificed in order to complete this work, and we are grateful to our loved ones for their patience with us. (They will not soon let us forget that Leslie awakened before dawn to write on her family's beach vacation, John e-mailed comments between jeep rides in Malawi, and Mark filed chapters from a sick bed in India.)

Finally, we have dedicated this book to our children: to Nate, Lucy, and Mia and to Caleigh and Quinn in the hope that they will be so fortunate as to one day be in a position to *do more than give*, and to Toby, Elizabeth, and Benjamin in recognition of their having already demonstrated the commitment and ability to do so.

THE AUTHORS

Leslie R. Crutchfield is an author, speaker, philanthropic and nonprofit advisor, and leading authority on scaling social innovation and high-impact philanthropy. She is a senior advisor with FSG, and coauthor with Heather McLeod Grant of the critically acclaimed book, *Forces for Good: The Six Practices of High-Impact Nonprofits*, recognized by the *Economist* on its best business books of 2007 list. Leslie guides nonprofit and philanthropic organizations in the United States and abroad on how to increase their impact. She has served as managing director and director at Ashoka, and she cofounded and ran a nonprofit social enterprise that published a national magazine for social entrepreneurs and growing nonprofits. Leslie is frequently invited to lecture at domestic and international events and to conduct workshops and private training sessions for nonprofit and philanthropic leaders. She is an active media contributor whose work has been featured in the *Washington Post*, *Fast Company*, the *Chronicle of Philanthropy*, and the *Stanford Social Innovation Review*, and she has appeared on such networks as ABC, NPR (National Public Radio), and PBS. She serves on the boards of the SEED Foundation and Kiva, and she has volunteered with Crossroads Africa. Leslie holds MBA and BA degrees from Harvard University.

John V. Kania is a managing director at FSG and brings twenty-five years' experience in advising senior management on issues of strategy, leadership, organization development, and change management. At FSG, John leads strategic planning and evaluation efforts for foundations, nonprofits, and corporate philanthropy, on issues ranging from international health, U.S. health care, and U.S. education to the environment, community development, and nonprofit capacity building. He has developed numerous

applications of FSG's strategy and problem-solving tools for the social sector. Prior to joining FSG, John was a partner at both Mercer Management Consulting and Corporate Decisions, Inc. He has been published in the *Stanford Social Innovation Review*, the *Wall Street Journal*, and the *Journal of Business Strategy* and is a featured author of *Learning from the Future*. John speaks frequently on improving the impact of philanthropy and corporate social responsibility. He has an MBA degree from Northwestern University's Kellogg Graduate School of Management and a BA degree from Dartmouth College.

Mark R. Kramer is cofounder and a managing director at FSG and a Senior Fellow in the Corporate Social Responsibility Initiative at the Mossavar-Rahmani Center for Business in Government at Harvard University's Kennedy School of Government. Together with Harvard Business School Professor Michael Porter, he cofounded the Center for Effective Philanthropy and served as the center's initial board chair from 2000 to 2004. Mark has spoken and published extensively on topics in catalytic philanthropy, corporate social responsibility, evaluation, social entrepreneurship, venture philanthropy, and impact investing. He is the coauthor, with Michael Porter, of several influential *Harvard Business Review* articles, and has published extensively in the *Stanford Social Innovation Review* and in the *Chronicle of Philanthropy* and has been quoted by the *Financial Times*, the *Economist*, and NPR. Prior to founding FSG, Mark served for twelve years as president of Kramer Capital Management, a venture capital firm, and before that he was an associate at the law firm of Ropes & Gray in Boston. He received a BA degree from Brandeis University, an MBA degree from The Wharton School, and a JD degree from the University of Pennsylvania Law School.

About FSG. FSG is a nonprofit social impact consulting firm founded by Harvard Business School Professor Michael Porter and Mark Kramer specializing in research, strategy, and evaluation, originally founded in 2000 as Foundation Strategy Group. Today FSG works across sectors in every region of the globe—partnering with foundations, corporations, nonprofits, and governments—to develop more effective solutions to the world's most challenging

issues. The FSG team is passionate about finding better ways to solve social problems by leveraging the power of philanthropy, government, and private enterprise to build a more effective social sector. With offices in Boston, Geneva, San Francisco, Seattle, and Washington, D.C., FSG has completed more than 400 consulting engagements, published articles in the *Harvard Business Review* and the *Stanford Social Innovation Review*, and produced dozens of research reports designed to advance social sector thinking and practice. Its work has been featured in the *New York Times*, the *Wall Street Journal*, the *Economist*, and the *Financial Times* and on NPR, among other media. Learn more about FSG at www.fsg.org.

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