

*Lessons
Learned about
Collaborative
Grantmaking*

Women and Economic
Development
Consortium

WEDC

Lessons Learned about Collaborative Grantmaking

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*This paper describes the experiences of Canadian Women's Foundation (CWF) in bringing together a group of donor partners to collaboratively make grants supporting economic development work with low-income women. The Women and Economic Development Consortium made nine multi-year grants for periods of two to five years. In all, over \$2 million dollars was invested nationally to increase the participation of women in the economy, and a total of almost 600 women were directly involved in Consortium funded businesses or training programs. (For more details on the projects, fund recipients, and lessons learned about economic development work, visit the CWF web site www.cdnwomen.org and click on *Sharing Our Learning*.)*

Background to the Consortium

CWF is a public foundation that makes grants to women's organizations working to address poverty and violence — two of the greatest issues affecting women and girls in Canada and around the world. These are issues requiring complex solutions and considerable resources.

CWF began working in 1991 to find and support ways to help poor women to improve their economic situations. We focused on an economic development strategy emphasizing micro-enterprise development, as a way of helping women to create income-generating work.

As a public foundation with a very small endowment, CWF must raise the money it grants each year. Typically we make annual grants of \$5,000 to \$15,000. However, in order to achieve significant progress, economic development initiatives benefit from larger grants and the security of multi-year commitments. CWF alone did not have the resources to provide this, but we did have experience in strategic alliances, and made the decision to recruit other funders to work in partnership to make collaborative grants.

Visit the Canadian Women's Foundation web site at www.cdnwomen.org and click *Sharing our Learning*

The Funded Projects

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Overview of the Consortium

Recruitment of our Partners

Over the course of almost two years, building on previous relationships and developing new ones, CWF established the Women and Economic Development Consortium. This was an innovative grant-making partnership of seven partners, with CWF holding the dual role of being both a donor, and the managing partner. The partners committed to total contributions of \$2.2 million over a five-year period (1997 to 2002).

The Consortium brought together two public foundations, a bank, three private foundations, and a corporation. The partners came from different sectors of the economy, with different mandates, approaches, ideas, perspectives, and organizational cultures. For example, while the bank partner had thousands of employees, one of the private foundation partners consisted of essentially one person. Each partner brought assets, beyond their financial contribution, to the relationship. These assets included knowledge, credibility, the value of their name, visibility, and leadership. The partners were all required to sign a Memorandum of Agreement setting out their respective contributions and roles.

Building Cohesion among our Donor Partners

Once the group was complete, the partners worked together for about seven months before making the first grants. Investing this time helped to establish relationships, developing a sense of shared purpose and ownership. For example, one of the first exercises we engaged in was a discussion of our respective goals for the work. We developed a set of formal goals to guide us, and then discussed our own ideas about what success would look like. Keep in mind that these ideas can change. Two years after we started, we revisited the original goals and revised them to better reflect our experience of the work. This also illustrates the importance of flexibility, which is critical to an undertaking that is geared to learning.

Change is inevitable over a multi-year term, so it is important to plan for turnover and succession. In the case of the Consortium, several partner representatives changed as board volunteers and staff left, or moved within, their organizations. For example, after three years of involvement, our corporate partner repositioned globally and stopped participating in the Consortium, and one of the private foundations withdrew to pursue other interests.

Lessons Learned...

Recruitment

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The Consortium Partners

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Lessons Learned...

Building Cohesion

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Be prepared for the amount of time required for relationship management. In our case, seven partners did not produce only seven relationships. Over several years, during which we met eight to ten times a year, partner representatives formed other, separate, relationships with each other. Relationship management requires managing multiple relationships among partners.

Satisfaction with the Collaborative Model – the Review

The Consortium model was evaluated in a Partner and Grantee Satisfaction Review. In the review, both the partners and grantees agreed that the Consortium has been a positive experience with good initial results.

Partner Comments

Many partners spoke of the eye opening effects of their involvement in the Consortium, particularly in proposal review and grantmaking.

- Participation in Consortium decision-making about economic development projects enhanced the partners' understanding and knowledge in the field. They now have a more practical view of the needs of marginalized women, contributing to a more compassionate perspective.
- This collaborative approach to grantmaking encourages the development of relationships among the partners, giving them the opportunity to learn more about each other's needs and perspectives. This relationship building leverages the diversity of the group. Additionally, these relationships have extended into other areas. For example, some partner representatives contact each other for support in their own grantmaking practices.
- A number of partners commented that the networks developed through the Consortium were useful in their day-to-day work. For many, the Consortium experience influenced their other work, affecting their regard for partnerships and new approaches.
- There was agreement that a diversity of partners and organizations is critical to the success of the model, bringing a broad spectrum of ideas and perspectives to the grantmaking process.

Lessons Learned...

Stumbling Blocks to Effective Colaboration

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Partner Comments

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Grantee Comments

Grantees spoke of their unique relationship with the Consortium, noting five key aspects that distinguished it from experiences with other funders:

- Grantees found it rare to work in such a collegial environment, anchored by mutual respect and trust.
- There was a high level of understanding and support exhibited by the Consortium so that dialogue between grantees and donors usually started at a more advanced stage and less donor education was required than would typically be the case. For example, grantees did not have to explain feminism, the reasons for their holistic approach, the complexity of working with women, or any of their other operating principles.
- The Consortium expected a high level of participation from grantees in the Consortium's overall mission. At the same time, the Consortium had realistic expectations in terms of project outcomes. Grantees described the relationship as intense, often demanding, and difficult but, in retrospect, positive and productive. There was an expectation on the part of the Consortium of transparency and consultation in the day-to-day operations of the program: Grantees were required to provide extensive reporting and documentation, host several on-site visits, and have regular contact with staff. In addition, there were requirements for grantee staff to participate in learning activities on-line and in national workshops.
- The Consortium insisted on a relationship between accountability and learning. Grantees understood, and ultimately internalized, the focus on "results." They also recognized the Consortium's interest in documenting effective practices and learning about economic development work with marginalized women.

- All grantees commented on their appreciation of the honest and supportive relationship developed with the Consortium to deal with the contradictions created by combining an emphasis on “results” with a learning approach.
- Grantees appreciated the Consortium’s holistic, capacity-building approach to grantmaking, demonstrated by offering advice, support, and contacts to contribute to project-level problem solving. Both the investments in technical assistance and support for policy work were seen as highly unusual and welcome features of the initiative.

The Future

New collaborative models like the Consortium are critical for the future of philanthropy, especially if philanthropic work is to produce real learning and real results.

The Canadian Women’s Foundation is moving forward to create its next multi-year collaboration — The CWF Economic Development Collaborative Fund. This fund will benefit greatly from, and build upon, the lessons of our first Consortium.

Lessons Learned...

Tips for Making Grantmaking Consortiums Work

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Lessons we can Share

Recruiting your Partners

- Recruit donor partners from a variety of sectors. This brings a broader spectrum of ideas and perspectives to the partnership.
- Spend the time needed to get to know prospective partners. Look for a common interest they may share with other prospective partners. We initially did a group meeting of potential partners to get their input into the design of the partnership, thinking this would add to their feeling of “ownership.” But, primarily because of time constraints, we found that they preferred us to propose a structure and goals to which they could respond. We did this and used it as the basis of individual follow-up meetings with prospects.
- Look at the range of assets that partners can bring, including knowledge, credibility, the value of their name, visibility, leadership, distribution channels and networks, and potential employee/volunteer involvement. Work to establish a relationship in which there is equal power among all partners and respect for what each partner brings.
- Understand the internal decision-making process and timelines, structure, organizational culture, and reporting needs of each partner, to ensure you build these into the partnership processes.
- Have a written agreement signed by all partners, with built-in flexibility for partners to determine their degree of participation.

Lessons we can Share

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Building Cohesion among your Donor Partners

It bears repeating that you need to be prepared to spend a lot of time on relationship management, both with donor partners and grantees. Additionally:

- Ensure that you have strong leadership, but leadership that encourages participation by partners.
- Invest significant time at the beginning of the partnership to develop trust and to ensure clear expectations of participation. This includes:
 - building a common value base
 - reaching a clear understanding of the shared objectives and common interests shared by all partners
 - agreeing on how “success” will be defined and measured. Although your definition of success will likely change as you learn, it’s important to have a clear starting point
 - agreeing to principles about how to negotiate differences
 - planning for turnover and succession, including how each partner representative will keep his/her organization informed, especially in the event that a representative leaves that organization

Stumbling Blocks to Effective Collaboration

- Personality problems and values differences
- Personnel changes, changes in business conditions, or other factors affecting partner organizations
- Unrealistic or unstated expectations
- Not caring about the objectives of others
- Not understanding the business or situation of others (a challenge particular to partnerships involving many players)
- Under resourcing
- Bad press about, or public crisis involving, a partner
- Failure to measure or celebrate success

Tips for Making Grantmaking Consortiums Work

- Recognize and enjoy mutual respect for each other's full range of assets
- Agree to a positive reason to work together
- Enlist compatible people, values and organizational cultures
- Develop a clear understanding of what each partner is “investing”
- Ensure realistic expectations and clarity of each other's measurements of success
- Develop skill in collaborating and negotiating; a commitment to win/win
- Acquire openness and commitment to learning, evaluation and evolution – flexibility and adaptability
- Foster patience and personal appreciation. Making meetings fun and interesting, while being respectful of time commitments
- Produce strong leadership, orientation and succession planning
- Celebrate success

The Partners

The Atkinson Charitable Foundation

\$250,000 over five years

Bank of Montreal

\$450,000 over five years

Canadian Women's Foundation

\$250,000 over five years

The Kahanoff Foundation

\$250,000 over five years

The Ontario Trillium Foundation

\$750,000 over five years

Levi Strauss & Co. (Canada)

(1996 to 1999) \$150,000

Nancy's Very Own Foundation

(1996 to 1999) \$150,000

The Funded Projects

Alice Works: *Dartmouth, Nova Scotia (1997-2000)*

Developing Enterprising Women's Initiatives: *Toronto, Ontario (1997-2000)*

Niagara Presents: *Jordan, Ontario (1997-2000)*

Regina Women's Construction Co-operative: *Regina, Saskatchewan (1997-2002)*

Rural Alliance Project: *Stratford, Ontario (1997-1999)*

Two Bears Self-Employment Ventures: *M'chigeeng, Ontario (1997-2001)*

Women's Trades Centre: *Calgary, Alberta (1997-2002)*

Building a Dream: *Thunder Bay, Ontario (2000-2003)*

Self-Employment Assessment and Business Development Program:

Victoria, British Columbia (2000-2003)



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