



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Board of Supervisors



DATE: September 18, 2011
BOARD MEETING DATE: September 27, 2011
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Board President Carole Groom
Supervisor Don Horsley

SUBJECT: Accept the CompassPoint Final Report and Recommendations

RECOMMENDATION:

Accept the CompassPoint final report with recommendations: *Strengthening the County – Nonprofit Partnership in San Mateo County: A Community Conversation*

BACKGROUND:

San Mateo County sponsored a nonprofit workshop on July 20, 2011. The purpose of the workshop was to identify ways to strengthen the County's relationship with our nonprofit partner organizations. The meeting was held at the Silicon Valley Community Foundation Conference Center in San Mateo and had 55 participants, with strong representation from our core service agencies. CompassPoint, a respected leader of nonprofit leadership development and capacity building, facilitated the meeting and prepared the final report, ***Strengthening the County – Nonprofit Partnership in San Mateo County: A Community Conversation***.

The County is increasingly reliant upon nonprofit partners to deliver front-line health, social and criminal justice services. Therefore it is important that we identify areas for improvement as we work together to deliver efficient and effective services to our community.

The final report with recommendations is attached for your review.

DISCUSSION:

Working together, our nonprofit partners identified a number of areas that need improvement to enhance efficiencies and strengthen our relationship:

- Audit County contract process to streamline and simplify;
- Establish Service Mapping Workgroup to better inform service priorities;
- Explore group health insurance purchase;
- Identify shared service opportunities;

- Transit sharing;
- Improve coordination of City/County-CDBG funding and process;
- Maximize the use of lead contractor relationships;
- Shared technology or case management system(s) to better serve clients across providers; and most importantly
- Formalize partnership expectations between nonprofit organizations and the County.

One recommendation, to provide electronic payments, has already been acted upon by the Controller. Work groups are being formed to initiate the mapping process, to identify opportunities for group purchase of health insurance and to audit the nonprofit agency contract process.

FISCAL IMPACT:

Unknown; anticipate savings through efficiencies.

Strengthening the County—Nonprofit Partnership in San Mateo County: A Community Conversation

Submitted by:
Jeanne Bell, CEO
Sheva Diagne, Project Coordinator

July 29, 2011

Introduction

In June of 2011, Mary McMillan, Deputy County Manager for San Mateo County approached CompassPoint Nonprofit Services to explore facilitating a conversation between the County Manager's Office and San Mateo's core services agencies. A recent report from the Stanford Alumni Consulting Team, a pro-bono management consulting project of the Stanford Graduate School of Business, recommended that the County begin applying performance budgeting standards to the nonprofits it contracts with. Before implementing these standards, the County Manager's Office first sought to understand how it could leverage its relationship with core service providers to do more and increase the ease with which they work together. The ensuing meeting on July 20, 2011 resulted in ten concrete recommendations for improving this partnership. This report is an account of those recommendations and other themes that emerged.

Attachments to this report include a list of meeting attendees, the meeting agenda, and an article from the *Stanford Social Innovation Review*, "Collective Impact," by John Kania and Mark Kramer, which was distributed at the meeting.

Partnership Strengths

It is worth noting from the onset that the partnership between the County and core service providers is one based in trust and collaboration. Service providers reported a great degree of support from the County's leadership in the form of open communication, resource sharing, and emergency funds. Only from this foundation of strength are the County and service providers able to envision an even deeper partnership.

Recommendations

The following recommendations include both technical fixes to the more transactional aspects of the relationship between the County and service providers, as well as proposed long-term adaptive changes which would support greater impacts for nonprofits in the county.

A. Contracting Procedures and Reporting

The most frequently proposed changes to the relationship between the County and nonprofits related to protocols for contracting and reporting. These recommendations were made with the understanding that they would apply to money under the County's discretion, such as the general fund, and not to State or Federal pass-through dollars unless feasible. The providers suggested that the County:

- Reduce the frequency of reporting
- Move from single-year to multi-year contracts, where possible
- Implement a tiered reporting system in which smaller contracts—for example, those worth under \$50,000—come with less stringent reporting requirements. This level of oversight would be particularly appropriate for renewed contracts with trusted agencies.
- Centralize forms and contract attachments required by multiple County departments, such as finger printing, insurance, etc.

- Maximize the use of lead contractor relationships. This would give the County fewer contracts to manage, relieve smaller-sized organizations from the administrative burden of contract management, and leverage the community knowledge of lead agencies in identifying appropriate organizations with whom to partner/sub-contract.
- Institute electronic payments and pre-payments. While electronic payments from the County are currently in progress, the timing of payments is also critical. Nonprofits would benefit from the ability to electronically draw-down payments on approved contracts rather than relying on reimbursements, which make cash flow challenging.
- Assign to each grantee organization a County “case manager” whose function extends beyond ensuring contract compliance to deepening the strategic partnership and jointly identifying opportunities for greater community impact.

B. Contracting Process Audit

The County could consider partnering with core services agencies to perform a comprehensive audit of the contracting process to identify more opportunities for streamlining.

C. Mapping Service Providers

The County could consider working with core service providers to map the breadth of services available in the county. This would allow the County and nonprofits to understand the county’s service infrastructure, how services link together. It would also be a useful tool to clients seeking a continuum of services.

D. Innovation Fund

Much like the special Safety Net Grants distributed by the County and Silicon Valley Community Foundation in 2009, the same parties could establish an Innovation Fund. Nonprofits could apply for special, one-time funding that allows them to initiate new programs and systems that will attract diversified funding, increase community impact, and/or create new efficiencies through mergers or shared back-office operations with other providers.

E. Advocacy

Another opportunity for partnership between the County and nonprofit organizations is in policy and budget development and advocacy. In one sense, nonprofit leaders could do more to engage the Board of Supervisors around their budget priorities. On their part, the County could support service providers by:

- Advocating for a Federal poverty calculation reflective of the state or county median income rather than a national standard;
- Working with service agencies to ensure information and access to client benefits;
- Developing strategies to address vulnerable populations.

F. Data and Technology

As a County at the heart of Silicon Valley, San Mateo could tap into local technological innovation by investing in a core services database accessible to service providers and County staff. This database would:

- Hold information on all of the organizations the County contracts with, enabling providers to refer clients to other community resources as the need arises
- Track program outcomes and shared success metrics, giving the County access to live data on grant compliance and impact
- Lay the groundwork for a geographic analysis of services and usage in the region, in concert with the map of service providers proposed above

G. Initiatives on Homelessness and Immigration

The increase in demand for safety net services brought on by the current economic recession has forced shelter programs to turn needy individuals and families away. Though there is already an existing cross-sector initiative on homelessness in San Mateo County (see **Partnerships to Learn From** below), service providers expressed a great interest in doing more. Their core areas of concern included:

- Senior homelessness and senior crisis services
- Strategies for helping homeless families holistically
- An alternative for homeless individuals that shelters can't or won't house

Similarly, a strategy must be developed for addressing the challenges faced by undocumented immigrants and the agencies which serve them.

H. Evaluation of Shared Outcomes

Evaluation of program outcomes is not only important to agencies measuring their own impact, but will be a key determinant in contracting as the County shifts away from unit of service metrics. To the end of identifying shared outcomes and metrics, the County and core service agencies could form an evaluation task force. The task force would create a set of concise outcomes that roll-up to the goals of the County's Shared Vision 2025—specifically, 2-3 outcomes per goal, with around ten outcomes in total.

Core services agencies identified the following needs around program evaluation, any of which could be the charge of the evaluation task force:

- Tools for evaluation and resources to help report on less “tangible” outcomes
- Universal, inter-agency client assessment that is broader and more holistic
- Program assessment based on a more authentic definition of poverty

I. Formalize and Grow the Partnership with Thrive

Among the existing examples of cross-sector collaboration in San Mateo County is Thrive, The Alliance of Nonprofits for San Mateo County. As such, Thrive is well-positioned to be a cross-sector convener and sponsor of joint task forces and initiatives.

J. Individual Specific Ideas

Other specific ideas proposed by the group of core service providers included:

- Nonprofit agency acquisition of foreclosed homes, brokered by the County
- Coordination across cities of Community Development Block Grant money
- Similar to the shared car program underway for County departments, a shared transportation program that nonprofit agencies could use for client services
- A group health insurance purchasing scheme for nonprofits
- Working with local internet service providers to broaden internet access in the County

K. Partnerships to Learn From

John Kania and Mark Kramer's article on "Collective Impact" (enclosed) outlines the conditions of success for collaborative social change initiatives. The type of cross-sector collaboration the authors advocate for are already taking place in San Mateo County. The following are a few initiatives identified by core service providers:

- **HOPE:**

HOPE (Housing Our People Effectively) is a ten-year action plan that brings together the business, nonprofit, and public sector communities to address the challenging issue of homelessness at its core, rather than manage it at the margins. This plan reflects the Board of Supervisors' goal that housing should exist in our community for people at all income levels and all generations of families -- including those who are extremely low-income or who are homeless. HOPE is based on a belief that we can achieve this goal through proactive, coordinated action and investments in cost-effective initiatives that solve homelessness. Homelessness can be ended, if we can build relationships, consensus, and commitment among key stakeholders to enact a common agenda to house those in greatest need.

(The County of San Mateo Human Services Agency,
<http://www.co.sanmateo.ca.us/portal/site/humanservices/>)

- **PPLC**

The Peninsula Partnership Leadership Council is a group of influential leaders from multiple disciplines whose mission is to formulate policies that effectively address the

needs and foster the healthy development of children, youth and families in San Mateo County. Silicon Valley Community Foundation, the County of San Mateo, and the San Mateo County Office of Education, are the three main funders supporting the council.

(Silicon Valley Community Foundation,
http://www.siliconvalleycf.org/initiatives_ppcyf_leadershipCouncil.html)

- **SHHP**

This innovative, multifaceted program is designed to bridge the gap between a patient's discharge from the hospital and a strong recovery. The program has effectively served more than 50 seniors in the community, enabling them to recuperate successfully and independently at home. The goal is to help recovering seniors avoid the use of a skilled nursing facility or readmission to the hospital.

(Sequoia Hospital, A Member of CHW,
http://www.sequoiahospital.org/Who_We_Are/Press_Center/213180)

Nonprofit Partnership Meeting Attendees

Anita Rees
Pacifica Resource Center

Doren Martin
North Peninsula Neighborhood Services

Fatima Soares
Coastside Hope

Gloria Flores Garcia
El Concilio

Kitty Lopez
Samartian House

Silvia L. Flores
El Concilio

Teri Chin
Human Services Manager
City of Redwood City
Fair Oaks Community Center

Kerry Lobel
Puente de la Costa Sur

Ortensia Lopez
El Concilio of San Mateo County

Sheryl Young
Community Gatepath

Wanda Nalls
Daly City Community Service Center

Michael Garb
StarVista

Melissa Lutkin
CORA

Bruce Hamilton
HIP Housing

Joshua Cantwell
Sozo Consulting

Jeff Mori
Asian-American Recovery Services

Sarah Kinahan
Child Care Coordinating Council

Falope Fatumise
Edgewood Center for Children and Families

Sharon Williams
JobTrain

Kathryn Jackson
Second Harvest Food Bank

Erica Wood
Silicon Valley Community Foundation

Emmitt Carson
Silicon Valley Community Foundation

Beverly Johnson
San Mateo County Human Services Agency

Bob Adler
Office of San Mateo County Controller

Donna Vaillancourt
San Mateo County Department of Human
Resources

Gina Wilson
San Mateo County Health System

Sara Rosendahl
Office of San Mateo County Supervisor Don
Horsley

Steve Kaplan
Behavioral Health and Recovery Services

Joanne Ward
San Mateo County Manager's Office

Nonprofit Partnership Meeting Agenda

July 20th 2011

Silicon Valley Community Foundation Conference Room

CONVERSATION FORMAT

- | | |
|---|-------|
| A. What's Working Now: Review Current Partnership Strengths | 10:00 |
| B. Improving on the Current Partnership: Where is the Low-hanging Fruit? | 10:20 |
| C. Imagining New Partnership Dimensions: What More Could We Do? | 11:15 |
| D. Lunch Break – Informal Discussion of 'Collective Impact' Examples | 12:00 |
| E. Small Group Generative Conversations: Where Can We Explore Shared Metrics? | 12:30 |
| F. Report Back/Discussion: Favorite Ideas for Shared Community Metrics | 1:00 |
| G. Next Steps: Bringing Your Best Ideas to Fruition | 1:30 |
| F. Adjourn | 2:00 |

Stanford SOCIAL INNOVATION REVIEW

Collective Impact By John Kania & Mark Kramer

Stanford Social Innovation Review
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Collective Impact

LARGE-SCALE SOCIAL CHANGE REQUIRES BROAD CROSS-SECTOR COORDINATION, YET THE SOCIAL SECTOR REMAINS FOCUSED ON THE ISOLATED INTERVENTION OF INDIVIDUAL ORGANIZATIONS.

BY JOHN KANIA & MARK KRAMER

Illustration by Martin Jarrie

The scale and complexity of the U.S. public education system has thwarted attempted reforms for decades. Major funders, such as the Annenberg Foundation, Ford Foundation, and Pew Charitable Trusts have abandoned many of their efforts in frustration after acknowledging their lack of progress. Once the global leader—after World War II the United States had the highest high school graduation rate in the world—the country now ranks 18th among the top 24 industrialized nations, with more than 1 million secondary school students dropping out every year. The heroic efforts of countless teachers, administrators, and nonprofits, together with billions of dollars in charitable contributions, may have led to important improvements in individual schools and classrooms, yet system-wide progress has seemed virtually unobtainable.

Against these daunting odds, a remarkable exception seems to be emerging in Cincinnati. Strive, a nonprofit subsidiary of KnowledgeWorks, has brought together local leaders to tackle the student achievement crisis and improve education throughout greater Cincinnati and northern Kentucky. In the four years since the group was launched, Strive partners have improved student success in dozens of key areas across three large public school districts. Despite the recession and budget cuts, 34 of the 53 success indicators that Strive tracks have shown positive trends, including high school graduation rates, fourth-grade reading and math scores, and the number of preschool children prepared for kindergarten.

Why has Strive made progress when so many other efforts have failed? It is because a core group of community leaders decided to abandon their individual agendas in favor of a collective approach to improving student achievement. More than

300 leaders of local organizations agreed to participate, including the heads of influential private and corporate foundations, city government officials, school district representatives, the presidents of eight universities and community colleges, and the executive directors of hundreds of education-related nonprofit and advocacy groups.

These leaders realized that fixing one point on the educational continuum—such as better after-school programs—wouldn't make much difference unless all parts of the continuum im-

proved at the same time. No single organization, however innovative or powerful, could accomplish this alone. Instead, their ambitious mission became to coordinate improvements at every stage of a young person's life, from "cradle to career."

Strive didn't try to create a new educational program or attempt to convince donors to spend more money. Instead,

through a carefully structured process, Strive focused the entire educational community on a single set of goals, measured in the same way. Participating organizations are grouped into 15 different Student Success Networks (SSNs) by type of activity, such as early childhood education or tutoring. Each SSN has been meeting with coaches and facilitators for two hours every two weeks for the past three years, developing shared performance indicators, discussing their progress, and most important, learning from each other and aligning their efforts to support each other.

Strive, both the organization and the process it helps facilitate, is an example of *collective impact*, the commitment of a group of important actors from different sectors to a common agenda for solving a specific social problem. Collaboration is nothing new. The social sector is filled with examples of partnerships, networks, and other types of joint efforts. But collective impact initiatives are distinctly different. Unlike most



collaborations, collective impact initiatives involve a centralized infrastructure, a dedicated staff, and a structured process that leads to a common agenda, shared measurement, continuous communication, and mutually reinforcing activities among all participants. (See “Types of Collaborations” on page 39.)

Although rare, other successful examples of collective impact are addressing social issues that, like education, require many different players to change their behavior in order to solve a complex problem. In 1993, Marjorie Mayfield Jackson helped found the Elizabeth River Project with a mission of cleaning up the Elizabeth River in southeastern Virginia, which for decades had been a dumping ground for industrial waste. They engaged more than 100 stakeholders, including the city governments of Chesapeake, Norfolk, Portsmouth, and Virginia Beach, Va., the Virginia Department of Environmental Quality, the U.S. Environmental Protection Agency (EPA), the U.S. Navy, and dozens of local businesses, schools, community groups, environmental organizations, and universities, in developing an 18-point plan to restore the watershed. Fifteen years later, more than 1,000 acres of watershed land have been conserved or restored, pollution has been reduced by more than 215 million pounds, concentrations of the most severe carcinogen have been cut sixfold, and water quality has significantly improved. Much remains to be done before the river is fully restored, but already 27 species of fish and oysters are thriving in the restored wetlands, and bald eagles have returned to nest on the shores.

Or consider Shape up Somerville, a citywide effort to reduce and prevent childhood obesity in elementary school children in Somerville, Mass. Led by Christina Economos, an associate professor at Tufts University’s Gerald J. and Dorothy R. Friedman School of Nutrition Science and Policy, and funded by the Centers for Disease Control and Prevention, the Robert Wood Johnson Foundation, Blue Cross Blue Shield of Massachusetts, and United Way of Massachusetts Bay and Merrimack Valley, the program engaged government officials, educators, businesses, nonprofits, and citizens in collectively defining wellness and weight gain prevention practices. Schools agreed to offer healthier foods, teach nutrition, and promote physical activity. Local restaurants received a certification if they served low-fat, high nutritional food. The city organized a farmers’ market and provided healthy lifestyle incentives such as reduced-price gym memberships for city employees. Even sidewalks were modified and crosswalks repainted to encourage more children to walk to school. The result was a statistically significant decrease in body mass index among the community’s young children between 2002 and 2005.

Even companies are beginning to explore collective impact to tackle social problems. Mars, a manufacturer of chocolate brands such as M&M’s, Snickers, and Dove, is working with NGOs, local governments, and even direct competitors to improve the lives of more than 500,000 impoverished cocoa farmers in Cote d’Ivoire, where Mars sources a large portion of its cocoa. Research suggests

that better farming practices and improved plant stocks could triple the yield per hectare, dramatically increasing farmer incomes and improving the sustainability of Mars’s supply chain. To accomplish this, Mars must enlist the coordinated efforts of multiple organizations: the Cote d’Ivoire government needs to provide more agricultural extension workers, the World Bank needs to finance new roads, and bilateral donors need to support NGOs in improving health care, nutrition, and education in cocoa growing communities. And Mars must find ways to work with its direct competitors on pre-competitive issues to reach farmers outside its supply chain.

These varied examples all have a common theme: that large-scale social change comes from better cross-sector coordination rather than from the isolated intervention of individual organizations. Evidence of the effectiveness of this approach is still limited, but these examples suggest that substantially greater progress could be made in alleviating many of our most serious and complex social problems if nonprofits, governments, businesses, and the public were brought together around a common agenda to create collective impact. It doesn’t happen often, not because it is impossible, but because it is so rarely attempted. Funders and nonprofits alike overlook the potential for collective impact because they are used to focusing on independent action as the primary vehicle for social change.

ISOLATED IMPACT

Most funders, faced with the task of choosing a few grantees from many applicants, try to ascertain which organizations make the greatest contribution toward solving a social problem. Grantees, in turn, compete to be chosen by emphasizing how their individual activities produce the greatest effect. Each organization is judged on its own potential to achieve impact, independent of the numerous other organizations that may also influence the issue. And when a grantee is asked to evaluate the impact of its work, every attempt is made to isolate that grantee’s individual influence from all other variables.

In short, the nonprofit sector most frequently operates using an approach that we call *isolated impact*. It is an approach oriented toward finding and funding a solution embodied within a single organization, combined with the hope that the most effective organizations will grow or replicate to extend their impact more widely. Funders search for more effective interventions as if there were a cure for failing schools that only needs to be discovered, in the way that medical cures are discovered in laboratories. As a result of this process, nearly 1.4 million nonprofits try to invent independent solutions to major social problems, often working at odds with each other and exponentially increasing the perceived resources required to make meaningful progress. Recent trends have only reinforced this perspective. The growing interest in venture philanthropy and social entrepreneurship, for example, has greatly benefited the social sector by identifying and accelerating the growth of many high-performing nonprofits, yet it has also accentuated an emphasis on scaling up a few select organizations as the key to social progress.

Despite the dominance of this approach, there is scant evidence that isolated initiatives are the best way to solve many social problems in today’s complex and interdependent world. No single organization is responsible for any major social problem, nor can any single

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MARK KRAMER is the co-founder and a managing director of FSG. He is also the co-founder and the initial board chair of the Center for Effective Philanthropy, and a senior fellow at Harvard University’s John F. Kennedy School of Government. This is Kramer’s fifth article for the *Stanford Social Innovation Review*.

TYPES OF COLLABORATIONS

Organizations have attempted to solve social problems by collaboration for decades without producing many results. The vast majority of these efforts lack the elements of success that enable collective impact initiatives to achieve a sustained alignment of efforts.

Funder Collaboratives are groups of funders interested in supporting the same issue who pool their resources. Generally, participants do not adopt an overarching evidence-based plan of action or a shared measurement system, nor do they engage in differentiated activities beyond check writing or engage stakeholders from other sectors.

Public-Private Partnerships are partnerships formed between government and private sector organizations to deliver specific services or benefits. They are often targeted narrowly, such as developing a particular drug to fight a single disease, and usually don't engage the full set of stakeholders that affect the issue, such as the potential drug's distribution system.

Multi-Stakeholder Initiatives are voluntary activities by stakeholders from different sectors around a common theme. Typically, these initiatives lack any shared measurement of impact and the supporting infrastructure to forge any true alignment of efforts or accountability for results.

Social Sector Networks are groups of individuals or organizations fluidly connected through purposeful relationships, whether formal or informal. Collaboration is generally ad hoc, and most often the emphasis is placed on information sharing and targeted short-term actions, rather than a sustained and structured initiative.

Collective Impact Initiatives are long-term commitments by a group of important actors from different sectors to a common agenda for solving a specific social problem. Their actions are supported by a shared measurement system, mutually reinforcing activities, and ongoing communication, and are staffed by an independent backbone organization.

organization cure it. In the field of education, even the most highly respected nonprofits—such as the Harlem Children's Zone, Teach for America, and the Knowledge Is Power Program (KIPP)—have taken decades to reach tens of thousands of children, a remarkable achievement that deserves praise, but one that is three orders of magnitude short of the tens of millions of U.S. children that need help.

The problem with relying on the isolated impact of individual organizations is further compounded by the isolation of the nonprofit sector. Social problems arise from the interplay of governmental and commercial activities, not only from the behavior of social sector organizations. As a result, complex problems can be solved only by cross-sector coalitions that engage those outside the nonprofit sector.

We don't want to imply that all social problems require collective impact. In fact, some problems are best solved by individual organizations. In "Leading Boldly," an article we wrote with Ron Heifetz for the winter 2004 issue of the *Stanford Social Innovation Review*, we described the difference between *technical problems* and *adaptive problems*. Some social problems are technical in that the problem is well defined, the answer is known in advance, and one or a few organizations have the ability to implement the solution. Examples include funding college scholarships, building a hospital, or installing inventory controls in a food bank. Adaptive problems, by contrast, are complex, the answer is not known, and even if it were, no single entity has the resources or authority to bring about the necessary change. Reforming public education, restoring wetland environments, and improving community health are all adaptive problems. In these cases, reaching an effective solution requires learning by the stakeholders involved in the problem, who must then change their own behavior in order to create a solution.

vision for change, one that includes a common understanding of the problem and a joint approach to solving it through agreed upon actions. Take a close look at any group of funders and nonprofits that believe they are working on the same social issue, and you quickly find that it is often not the same issue at all. Each organization often has a slightly different definition of the problem and the ultimate goal. These differences are easily ignored when organizations work independently on isolated initiatives, yet these differences splinter the efforts and undermine the impact of the field as a whole. Collective impact requires that these differences be discussed and resolved. Every participant need not agree with every other participant on all dimensions of the problem. In fact, disagreements continue to divide participants in all of our examples of collective impact. All participants must agree, however, on the primary goals for the collective impact initiative as a whole. The Elizabeth River Project, for example, had to find common ground among the different objectives of corporations, governments, community groups, and local citizens in order to establish workable cross-sector initiatives.

Funders can play an important role in getting organizations to act in concert. In the case of Strive, rather than fueling hundreds of strategies and nonprofits, many funders have aligned to support Strive's central goals. The Greater Cincinnati Foundation realigned its education goals to be more compatible with Strive, adopting Strive's annual report card as the foundation's own measures for progress in education. Every time an organization applied to Duke Energy for a grant, Duke asked, "Are you part of the [Strive] network?" And when a new funder, the Carol Ann and Ralph V. Haile Jr./U.S. Bank Foundation, expressed interest in education, they were encouraged by virtually every major education leader in Cincinnati to join Strive if they wanted to have an impact in local education.¹

Shifting from isolated impact to collective impact is not merely a matter of encouraging more collaboration or public-private partnerships. It requires a systemic approach to social impact that focuses on the relationships between organizations and the progress toward shared objectives. And it requires the creation of a new set of nonprofit management organizations that have the skills and resources to assemble and coordinate the specific elements necessary for collective action to succeed.

THE FIVE CONDITIONS OF COLLECTIVE SUCCESS

Our research shows that successful collective impact initiatives typically have five conditions that together produce true alignment and lead to powerful results: a common agenda, shared measurement systems, mutually reinforcing activities, continuous communication, and backbone support organizations.

Common Agenda | Collective impact requires all participants to have a shared

Shared Measurement Systems | Developing a shared measurement system is essential to collective impact. Agreement on a common agenda is illusory without agreement on the ways success will be measured and reported. Collecting data and measuring results consistently on a short list of indicators at the community level and across all participating organizations not only ensures that all efforts remain aligned, it also enables the participants to hold each other accountable and learn from each other's successes and failures.

It may seem impossible to evaluate hundreds of different organizations on the same set of measures. Yet recent advances in Web-based technologies have enabled common systems for reporting performance and measuring outcomes. These systems increase efficiency and reduce cost. They can also improve the quality and credibility of the data collected, increase effectiveness by enabling grantees to learn from each other's performance, and document the progress of the field as a whole.²

All of the preschool programs in Strive, for example, have agreed to measure their results on the same criteria and use only evidence-based decision making. Each type of activity requires a different set of measures, but all organizations engaged in the same type of activity report on the same measures. Looking at results across multiple organizations enables the participants to spot patterns, find solutions, and implement them rapidly. The preschool programs discovered that children regress during the summer break before kindergarten. By launching an innovative "summer bridge" session, a technique more often used in middle school, and implementing it simultaneously in all preschool programs, they increased the average kindergarten readiness scores throughout the region by an average of 10 percent in a single year.³

Mutually Reinforcing Activities | Collective impact initiatives depend on a diverse group of stakeholders working together, not by requiring that all participants do the same thing, but by encouraging each participant to undertake the specific set of activities at which it excels in a way that supports and is coordinated with the actions of others.

The power of collective action comes not from the sheer number of participants or the uniformity of their efforts, but from the coordination of their differentiated activities through a mutually reinforcing plan of action. Each stakeholder's efforts must fit into an overarching plan if their combined efforts are to succeed. The multiple causes of social problems, and the components of their solutions, are interdependent. They cannot be addressed by uncoordinated actions among isolated organizations.

All participants in the Elizabeth River Project, for example, agreed on the 18-point watershed restoration plan, but each is playing a different role based on its particular capabilities. One group of organizations works on creating grassroots support and engagement among citizens, a second provides peer review and recruitment for industrial participants who voluntarily reduce pollution, and a third coordinates and reviews scientific research.

The 15 SSNs in Strive each undertake different types of activities at different stages of the educational continuum. Strive does not prescribe what practices each of the 300 participating organizations should pursue. Each organization and network is free to chart its own course consistent with the common agenda, and informed by the shared measurement of results.

Continuous Communication | Developing trust among nonprofits, corporations, and government agencies is a monumental challenge. Participants need several years of regular meetings to build up enough experience with each other to recognize and appreciate the common motivation behind their different efforts. They need time to see that their own interests will be treated fairly, and that decisions will be made on the basis of objective evidence and the best possible solution to the problem, not to favor the priorities of one organization over another.

Even the process of creating a common vocabulary takes time, and it is an essential prerequisite to developing shared measurement systems. All the collective impact initiatives we have studied held monthly or even biweekly in-person meetings among the organizations' CEO-level leaders. Skipping meetings or sending lower-level delegates was not acceptable. Most of the meetings were supported by external facilitators and followed a structured agenda.

The Strive networks, for example, have been meeting regularly for more than three years. Communication happens between meetings too: Strive uses Web-based tools, such as Google Groups, to keep communication flowing among and within the networks. At first, many of the leaders showed up because they hoped that their participation would bring their organizations additional funding, but they soon learned that was not the meetings' purpose. What they discovered instead were the rewards of learning and solving problems together with others who shared their same deep knowledge and passion about the issue.

Backbone Support Organizations | Creating and managing collective impact requires a separate organization and staff with a very specific set of skills to serve as the backbone for the entire initiative. Coordination takes time, and none of the participating organizations has any to spare. The expectation that collaboration can occur without a supporting infrastructure is one of the most frequent reasons why it fails.

The backbone organization requires a dedicated staff separate from the participating organizations who can plan, manage, and support the initiative through ongoing facilitation, technology and communications support, data collection and reporting, and handling the myriad logistical and administrative details needed for the initiative to function smoothly. Strive has simplified the initial staffing requirements for a backbone organization to three roles: project manager, data manager, and facilitator.

Collective impact also requires a highly structured process that leads to effective decision making. In the case of Strive, staff worked with General Electric (GE) to adapt for the social sector the Six Sigma process that GE uses for its own continuous quality improvement. The Strive Six Sigma process includes training, tools, and resources that each SSN uses to define its common agenda, shared measures, and plan of action, supported by Strive facilitators to guide the process.

In the best of circumstances, these backbone organizations embody the principles of adaptive leadership: the ability to focus people's attention and create a sense of urgency, the skill to apply pressure to stakeholders without overwhelming them, the competence to frame issues in a way that presents opportunities as well as difficulties, and the strength to mediate conflict among stakeholders.

FUNDING COLLECTIVE IMPACT

Creating a successful collective impact initiative requires a significant financial investment: the time participating organizations must dedicate to the work, the development and monitoring of shared measurement systems, and the staff of the backbone organization needed to lead and support the initiative's ongoing work.

As successful as Strive has been, it has struggled to raise money, confronting funders' reluctance to pay for infrastructure and preference for short-term solutions. Collective impact requires instead that funders support a long-term process of social change without identifying any particular solution in advance. They must be willing to let grantees steer the work and have the patience to stay with an initiative for years, recognizing that social change can come from the gradual improvement of an entire system over time, not just from a single breakthrough by an individual organization.

This requires a fundamental change in how funders see their role, from funding organizations to leading a long-term process of social change. It is no longer enough to fund an innovative solution created by a single nonprofit or to build that organization's capacity. Instead, funders must help create and sustain the collective processes, measurement reporting systems, and community leadership that enable cross-sector coalitions to arise and thrive.

This is a shift that we foreshadowed in both "Leading Boldly" and our more recent article, "Catalytic Philanthropy," in the fall 2009 issue of the *Stanford Social Innovation Review*. In the former, we suggested that the most powerful role for funders to play in addressing adaptive problems is to focus attention on the issue and help to create a process that mobilizes the organizations involved to find a solution themselves. In "Catalytic Philanthropy," we wrote: "Mobilizing and coordinating stakeholders is far messier and slower work than funding a compelling grant request from a single organization. Systemic change, however, ultimately depends on a sustained campaign to increase the capacity and coordination of an entire field." We recommended that funders who want to create large-scale change follow four practices: take responsibility for assembling the elements of a solution; create a movement for change; include solutions from outside the nonprofit sector; and use actionable knowledge to influence behavior and improve performance.

These same four principles are embodied in collective impact initiatives. The organizers of Strive abandoned the conventional approach of funding specific programs at education nonprofits and took responsibility for advancing education reform themselves. They built a movement, engaging hundreds of organizations in a drive toward shared goals. They used tools outside the nonprofit sector, adapting GE's Six Sigma planning process for the social sector. And through the community report card and the biweekly meetings of the SSNs they created actionable knowledge that motivated the community and improved performance among the participants.

Funding collective impact initiatives costs money, but it can be a highly leveraged investment. A backbone organization with a modest annual budget can support a collective impact initiative of several hundred organizations, magnifying the impact of millions or even billions of dollars in existing funding. Strive, for example, has a \$1.5 million annual budget but is coordinating the efforts and

increasing the effectiveness of organizations with combined budgets of \$7 billion. The social sector, however, has not yet changed its funding practices to enable the shift to collective impact. Until funders are willing to embrace this new approach and invest sufficient resources in the necessary facilitation, coordination, and measurement that enable organizations to work in concert, the requisite infrastructure will not evolve.

FUTURE SHOCK

What might social change look like if funders, nonprofits, government officials, civic leaders, and business executives embraced collective impact? Recent events at Strive provide an exciting indication of what might be possible.

Strive has begun to codify what it has learned so that other communities can achieve collective impact more rapidly. The organization is working with nine other communities to establish similar cradle to career initiatives.⁴ Importantly, although Strive is broadening its impact to a national level, the organization is not scaling up its own operations by opening branches in other cities. Instead, Strive is promulgating a flexible process for change, offering each community a set of tools for collective impact, drawn from Strive's experience but adaptable to the community's own needs and resources. As a result, the new communities take true ownership of their own collective impact initiatives, but they don't need to start the process from scratch. Activities such as developing a collective educational reform mission and vision or creating specific community-level educational indicators are expedited through the use of Strive materials and assistance from Strive staff. Processes that took Strive several years to develop are being adapted and modified by other communities in significantly less time.

These nine communities plus Cincinnati have formed a community of practice in which representatives from each effort connect regularly to share what they are learning. Because of the number and diversity of the communities, Strive and its partners can quickly determine what processes are universal and which require adaptation to a local context. As learning accumulates, Strive staff will incorporate new findings into an Internet-based knowledge portal that will be available to any community wishing to create a collective impact initiative based on Strive's model.

This exciting evolution of the Strive collective impact initiative is far removed from the isolated impact approach that now dominates the social sector and that inhibits any major effort at comprehensive, large-scale change. If successful, it presages the spread of a new approach that will enable us to solve today's most serious social problems with the resources we already have at our disposal. It would be a shock to the system. But it's a form of shock therapy that's badly needed. ■

Notes

- 1 Interview with Kathy Merchant, CEO of the Greater Cincinnati Foundation, April 10, 2010.
- 2 See Mark Kramer, Marcie Parkhurst, and Lalitha Vaidyanathan, *Breakthroughs in Shared Measurement and Social Impact*, FSG Social Impact Advisors, 2009.
- 3 "Successful Starts," United Way of Greater Cincinnati, second edition, fall 2009.
- 4 Indianapolis, Houston, Richmond, Va., and Hayward, Calif., are the first four communities to implement Strive's process for educational reform. Portland, Ore., Fresno, Calif., Mesa, Ariz., Albuquerque, and Memphis are just beginning their efforts.