The GIVING PRACTICE

DIY Strategy Improvements

10 Activities for Foundations

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PHILANTHROPY NORTHWEST

PART A

Good Strategy Takes Practice (Not Just Planning)

Why A Guide Like This?

What comes after “strategic...?” If you said, “planning,” you’re not alone. And for many foundation staff and boards, dread is the feeling that follows. If that’s the case, this guide is for you.

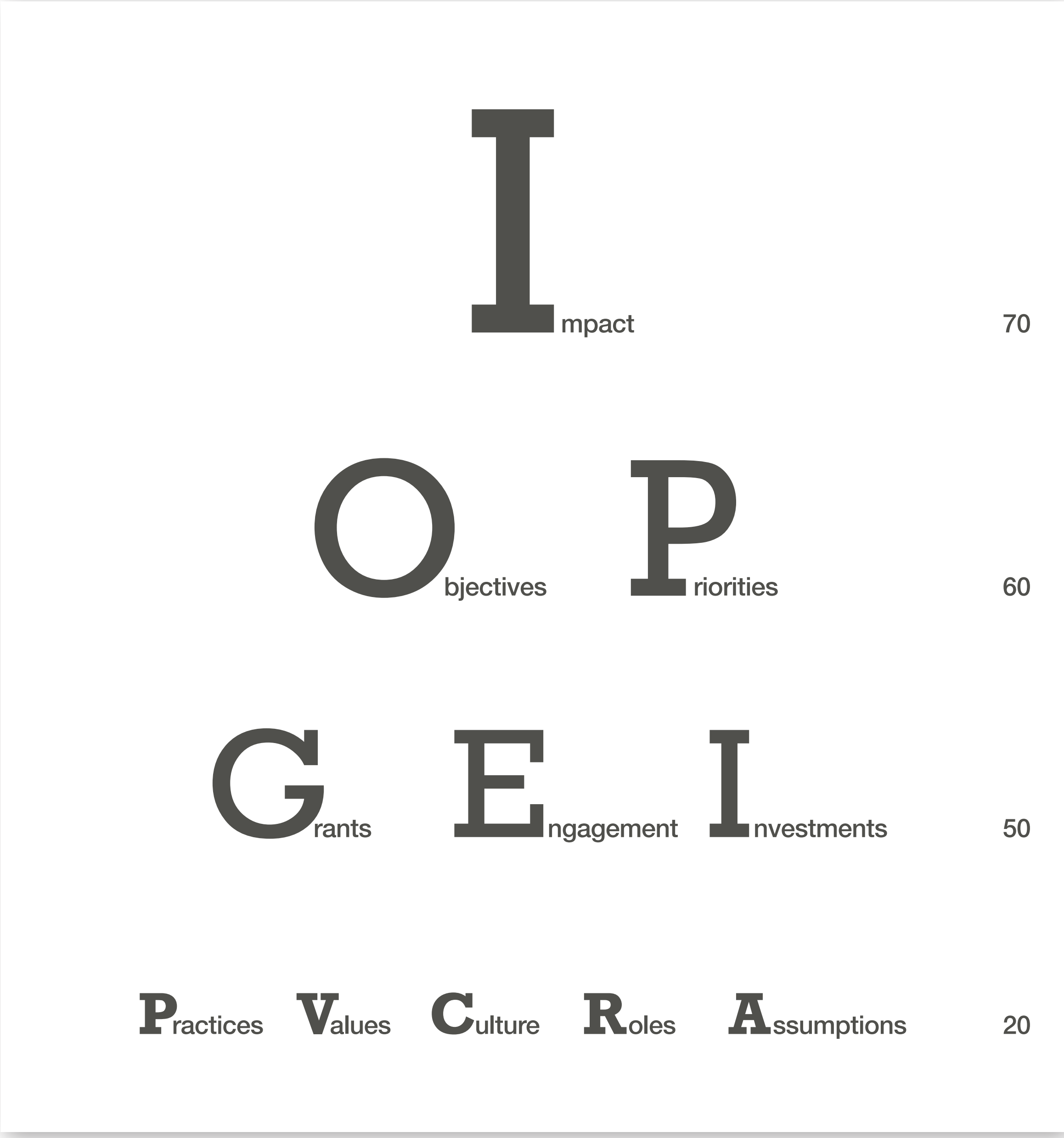
It invites you to **test-drive activities** to bring your current grant programs, operations and field or place-based engagement strategies into focus. It helps you name current strategic practices and decide whether to keep them or not. If you already have done a strategic plan, and it is languishing on a shelf, this guide will help you refresh it. If you don’t have an explicit plan in place, this is the pre-work that will help you save time and money on a more formal process.

First, the good news: your organization is already **living its strategy.** No organization is strategy-less. What your foundation is doing may or may not have been the result of a planning process, and your strategy-in-action may be in conflict with what staff, board or other stakeholders describe as your goals or aspirations. It helps to begin with an inquiry into what strategy your organization is living right now based on its practices. We all need that reality check.

This guide was designed to help you reflect on **your foundation’s strategy-as-is,** understand what is happening, adjust what you are doing, and probably most important, discover a few simple ways to stay aware of strategy as you live it. It can also be used as a precursor to a more formal strategic planning process to help everyone related to the foundation strengthen the way they view current realities and potential opportunities with all the resources—program, operations, endowment and engagement—serving mission.

Now, the challenge: The only way to have a shared and effective strategy is to **talk about it—** frequently**—**to check what you (staff, board and field or community) say against what you do and adjust one or the other. You can think of this as using a variety of lenses through which you see your work. It’s not a science; it’s a craft. We invite you to join those who think that strategy is more in continuous learning from practice than the occasional “going by the book” exercise.

Can you see all aspects of your strategy—even the fine print?



And since perfect vision is hard to achieve, at least without surgery, and we are in a DIY mode, which aspects do you most want to see more clearly?

What Is in The Guide?

We've put together a set of **10 activities** that The Giving Practice has used with all types and sizes of foundations. Our clients have used these activities to support an ongoing strategy practice, as much as integrating them into a discrete strategic planning process. Some activities we created with our clients. Others we've adapted from the field. You can customize each for use during routine meetings or even informal conversations as well as designated learning opportunities like retreats and strategy reviews.

Most of what you'll find here is for **everyday use,** when there is no consultant and not a lot of time for preparation or write-ups.

That doesn't mean there is no work involved! But because your organization is already living its strategy, your staff, board and other stakeholders already know a lot more than has been expressed about the foundation's goals and objectives and how it's doing in relationship to them—without a single retreat, report or slide deck.

Imagine what you'll find when you start talking about strategy as practice!

Why you might feel resistant to strategic planning

For most of us, signing up to do strategic planning is about as compelling as getting your teeth cleaned after a bout of neglected self-care. There's the tedious probing for problems, the dutiful scraping away of accumulated junk and the occasional jolt from an exposed nerve that no one had noticed. It has the oppressive quality of someone doing something to you rather than being in charge of your own well-being.

We all know that flossing and brushing our teeth daily makes the check-ups much less painful, and yet we often submit to the mind-numbing pain of deep cleaning in lieu of a regular self-administered routine. That is true at work as well. This guide provides some practical activities that are the strategic equivalent of daily dental hygiene, though we hope they're more intellectually productive and enjoyable!

What Is Strategy and Why Does It Matter?

Start with this simple question: **Where do we want to go, and how do we get there?** A good shorthand definition of strategy is figuring out how to get from your current reality to your envisioned future. Goals are a critical ingredient, of course.

But you don't plan a strategy as much as live it, and we have found with clients that it often can be more useful to **start with what you're doing now,** and what that tells you about both your current reality and envisioned future, than doing a discrete process of setting goals and executing them.

Most strategic plans remain tomes on a shelf, only to be read before the next planning cycle. In order to read your strategy accurately and make any plan a living document, your organization must engage multiple perspectives and craft "progressive lenses" for looking at action from a near, far and mid-point range. How can you get the sharpest look at what you're doing, with enough precision to guide your organization? How can you learn from stakeholders to see your work with a fresh view?

We think sharpening strategy involves at least five elements:

1. **Strengthening the relationship** between espoused goals and values on one hand and actual activities on the other

2. **Practicing strategy review** on an ongoing basis instead of as a periodic ordeal

3. **Uncovering hidden assumptions** among stakeholders about "how we work"

4. **Creating an environment** of authentic conversations with and among stakeholders

5. **Learning to manage** the inherent tensions between competing strategies

Assembling Your Team

We recommend doing any of these activities with a small team of colleagues. They could be staff, board or key grantees and advisors. Doing them collaboratively takes more time and effort, but it provides depth to the analysis and richness to the experience. In inviting others to join your team, it can help to clarify the time commitment, the process and the roles team members are expected to play.

Once your team is assembled, encourage the ingredients of good collaboration from the get-go. We recommend the following:

- **offering a clear vision** for the effort and getting commitment to that vision;
- **spending time** to ensure a sense of shared trust and candor;
- **signaling openness** to a diversity of perspectives;
- **calibrating readiness** to explore, experiment and learn together.

It also helps to address questions that team members might have going in, including about their roles within the team, whether they're expected to represent stakeholder groups of which they're a part or only their own views, if there's one team member who is the leader or they're all peers, and how the work of the team could be communicated to those outside it.

We've found it helps to build in occasional "weather reports" about how participants are experiencing the collaboration. Does it feel like influence and agency are shared among the group? As conclusions are made, does the team have a shared commitment to them and a willingness to speak for the group about those conclusions even if going-in viewpoints were divergent?

PART B

Don’t Skip Discovery

We’ve learned that the best strategy experiences often start with what we call Discovery. It is amazing how helpful this is to do, though many hesitate to build time for it into the process. We recommend that you try it.

What’s involved? There is a lot about your foundation that can be discovered by asking stakeholders essential questions about its program, engagement style, operations and investments, or some other topic tied to its mission. Discovery usually focuses on **creating structured conversations** to learn from internal and external stakeholders about goals and gaps in current strategy, a process that will enable you to think about your strategy from multiple perspectives. These activities can be done in groups or one-on-one interviews. Some of you may want to engage a consultant to help with the interview process, but it is not essential. Nor do you need to do all of these discovery activities to be effective. (However, if you eliminate one, try to give yourselves an honest answer about why you choose not to do it to make sure that you are not avoiding something that needs to be done!)

> “*If I had an hour to solve a problem I’d spend 55 minutes thinking about the problem and 5 minutes thinking about solutions.*”
>
> —Albert Einstein

ACTIVITY 1

Find Your Focus: Where Do You Want to Improve?

We've found that it's more useful to think first in terms of domains of your work that you want to explore than to jump straight to specific questions. There are many potential areas of discovery, but here are the 10 hardy perennials that always pop up:

- Clarifying mission and vision
- Examining core values
- Defining impact
- Scanning the landscape for issues and solutions
- Exploring field or community engagement strategies
- Exploring grantmaking approaches
- Assessing capabilities
- Allocating resources
- Shaping a dynamic strategy process

Choosing which area of discovery to focus on is itself a strategic activity. Here is a way to go about it:

- Using the above list or one you modify based on a group discussion, ask your core team to rank the areas of inquiry in the order of what is most important for your foundation right now.
- Discuss why the top three to five were chosen and explore explanation for any outliers.

This prioritizing can help identify questions to ask as part of the discovery activities described below and generate additional areas of inquiry to explore. It will take your team's temperature on where the urgency is for them. A note about the last of the hardy perennials: you may find that asking your discovery team what kind of strategy processes have worked well in the past opens up useful ideas for the future.

ACTIVITY 2

Forensic Discovery: What Strategy Is Already In Place?

Imagine these scenarios:

- Your foundation just interviewed candidates for new staff positions
- You just interviewed as a candidate
- You talked to a newcomer to the foundation
- You talked at a board meeting about what your foundation is looking for in new staff

One of these may have actually happened recently and you don't have to imagine. Either way, ask each team member to choose a scenario—real or imagined—and jot down what they would say about the foundation in those circumstances. Even better, role play the conversations in pairs or trios. Have people team up by similar scenarios. As an observer listening in on these conversations—imaginary or real—what did you hear? Answer the following questions together in pairs and then discuss as a whole group. This activity will help your team get a new perspective on the strategy you have in place.

- What did you hear that seemed most important to say about your foundation as an organization, what it values and how that influences its strategy?
- Are there any beliefs or statements about your foundation that you shared or heard as part of that process that, on reflection, might be worth examining?
- In what ways do you see your foundation's grantmaking, its field or community engagement approaches, or its operation and investments aligned with its values? Where do you think it might not be aligned with its values?

As everyone reports their responses to the whole group, have a recorder take notes on core important values or principles.

ACTIVITY 3

List 100: Who Do We Want to Talk To?

This activity will help you identify key stakeholders to consult as part of your Discovery.

The idea is to build toward a list of the 100 most important stakeholders for your foundation, a group that you can continually update, engage and consult as partners in your evolving strategy. Begin by asking members of your team to each identify one stakeholder whose support for and engagement with the foundation is especially important. For each person, identify the name, the organization (if applicable), the group/s that person represents (e.g. constituencies and sectors) and why that person is considered an important stakeholder.

Note that you might pick stakeholders who can be considered "internal," such as board members. That's fine. In fact, we would suggest doing away with the internal/external distinction and instead to think of your stakeholders in terms of a series of concentric circles with your foundation's mission in the center. Staff and board would be in circles closer to the center, then, grantees, organizational partners, critical leaders, issue experts and so on.

Share and reflect on your team's list. Then do another round, focusing on adding key groups that might have been missing from the first round and/or other people who might belong in groups named during the first round.

Ask yourselves whether any groups are missing from your list in terms of race/ethnicity, age, relationship to the community, leadership that is not just because of title and other categories of people who go beyond the usual suspects. Don't forget to address the "why" for this round of names as well. Decide when you have generated enough names for the purpose of coming up with a good list of people to interview as part of your Discovery. It doesn't have to be 100! It should be an ambitious but manageable list that helps you consult whom you need to consult. (You can continue to add to this list and use it for your foundation's ongoing communications efforts as well.)

ACTIVITY 4

Ask Good Questions: What Do We Really Want To Know?

Once you have your areas of inquiry and the key stakeholders to consult identified, the next step is for you to come up with questions to ask them. We'd suggest three steps to do this:

1. **Suggesting Questions:** Have the team review the areas of inquiry and brainstorm questions for each area. (See Appendix A for possible questions generated by dozens of foundations we've worked with.)

2. **Making Choices:** Rank the top 10 questions to ask or the top question in each area of inquiry. Sometimes this step will lead you to merge previous questions or distill broad questions down to their essence.

3. **Anticipating Answers:** Take the key questions you're going to ask and have your team come up with hunches about how stakeholders will answer them. This can help you focus the exchange with stakeholders, get the most out of the conversations and make Discovery findings actionable and memorable.

Now it's time to discover. Picture a continuum. An online survey tool is at the left end and group conversations are at the right end. The best Discovery activities tend to be toward the right side of the continuum—structured, collaborative inquiry in which stakeholders discuss and build on ideas with each other (though supplementing group conversations with a broader quantitative survey of stakeholders can be effective).

If it's feasible to do these structured conversations, start with a core group of stakeholders in a room and use a Liberating Structures[1] method called "1-2-4-All" to generate a compiled survey response:

- Everyone writes down his or her response to the questions.
- 2: Have people pair up to talk about their responses.
- 4: Each pair finds another pair and discusses their responses.
- All: Then the quartets report out what they learned from each other.

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1 Thanks to Liberating Structures for this exercise. Please see www.liberatingstructures.com.

ACTIVITY 4

Be sure to have people designated as recorders to capture what the quartets learned from each other.

Give participants a worksheet to fill out their individual responses and ask them to give those to the recorders as well.

If it's not feasible to undertake these structured conversations with stakeholders in the room, we suggest you do the next best thing and divide and conquer:

1. **Ask your core group to create and divide up a list** of people in different categories who have a variety of experiences with the foundation. As part of this process be sure to discuss "what categories are meaningful to us." That data alone becomes part of a strategy discussion!

2. **Narrow the list** so that no one has more than three to five people to interview.

3. **Sort the people** on lists by relationship to foundation, diversity factors important to the foundation (age, race/ethnicity, gender, intensity of relationship, etc.)

4. **Interviewers agree** to a time limit for interviews and to share responses to questions in writing, using the same template or other format.

Once the interviews are done, you can organize a 1-2-4-All exercise among the team to download the information. Take time to discuss the results that you want to put into your strategy narrative that is described in the next section.

PART C

Before A Plan, Develop A Strategy Narrative

Over the years we've learned and (relearned!) an old traveler's trick: Begin with the end in mind. In this case, we don't mean that you know what a new strategy will be right at the start. We mean that you'll begin drafting your strategy right at the start.

You'll craft a document that contains your strategy as-is, your strategy as you would like it to be, and ideas about how to narrow the gap between them. Consider the document an expanding container for what you know and don't know, for your ongoing discoveries, for your half-baked ideas, for your assumptions and your challenges to them and for your questions and thoughts about how you're going to answer them. **Make it as simple and accessible as possible.** Think of it as thinking out loud. Treat it as a container for the results of any the activities that you do from this guide. Get ready to do many drafts over time.

We call this document the Strategy Narrative, but you could call it anything you like. We think it's important because it provides a simple tool for you and your team to reflect on and draft a strategy before you put together a concrete plan. It's a place to prototype and test your strategic thinking. On your first pass, **remember that you don't have to have all the answers up front,** but you do want to get as many questions down as you can as well as your preliminary hypotheses about the answers. The Strategy Narrative should be a collaborative and evolving document, owned and operated by the group of people who are working together on the foundation's strategy. (You might try an online document-sharing platform so that all participants can work together on one version.)

We've found that including these five sections in your Strategy Narrative can be helpful:

- Core Values
- Areas of Impact Throughout Your Foundation
- Foundation Niche
- Impact Practices
- Key Assumptions

We encourage you to add, subtract and reframe these sections to make the document your own. On the next pages we describe each of these sections and provide activities to generate ideas.

Core Values

Values shape strategy. Some call them "principles," others "commitments." Whatever you call them, the idea is to—in the words of Richard Barrett, author of Building a Values-Driven Organization—describe "what is important to us individually or collectively" as a way of distilling the essence of our identity and, more practically, laying guiderails to help us make choices. We've observed how clarifying the process of identifying core principles can be. We've also seen pragmatic people move past their skepticism about "values clarification" as they see how it can suggest a filter that does the most practical thing a good strategy can do: help you decide what opportunities you will say "yes" and "no" to, as well as shape the way you act on the 'yes' opportunities.[2]

Here are a few activities that will help you figure out what your foundation's values are and how you might apply them.

ACTIVITY 5

Mind the Values-Strategy Gap: What Do We Espouse But Not Live?

All organizations—not to mention people—face gaps between the values they espouse and their actual behavior. Identifying these gaps and exploring how to close them can be a clarifying and constructive process.

Here's one way to do that.

First, write a list of all the values your foundation has generated or you think represent your organization. Ask each strategy team member to separately prioritize them by rank in order of importance. Then compare the results, exploring similarities and differences, unpacking how each person determined "importance," determining how related values might be merged or distinguished, deciding what ways of framing the values resonate with your organization and its stakeholders. Work together to get the list down to half a dozen core espoused values.

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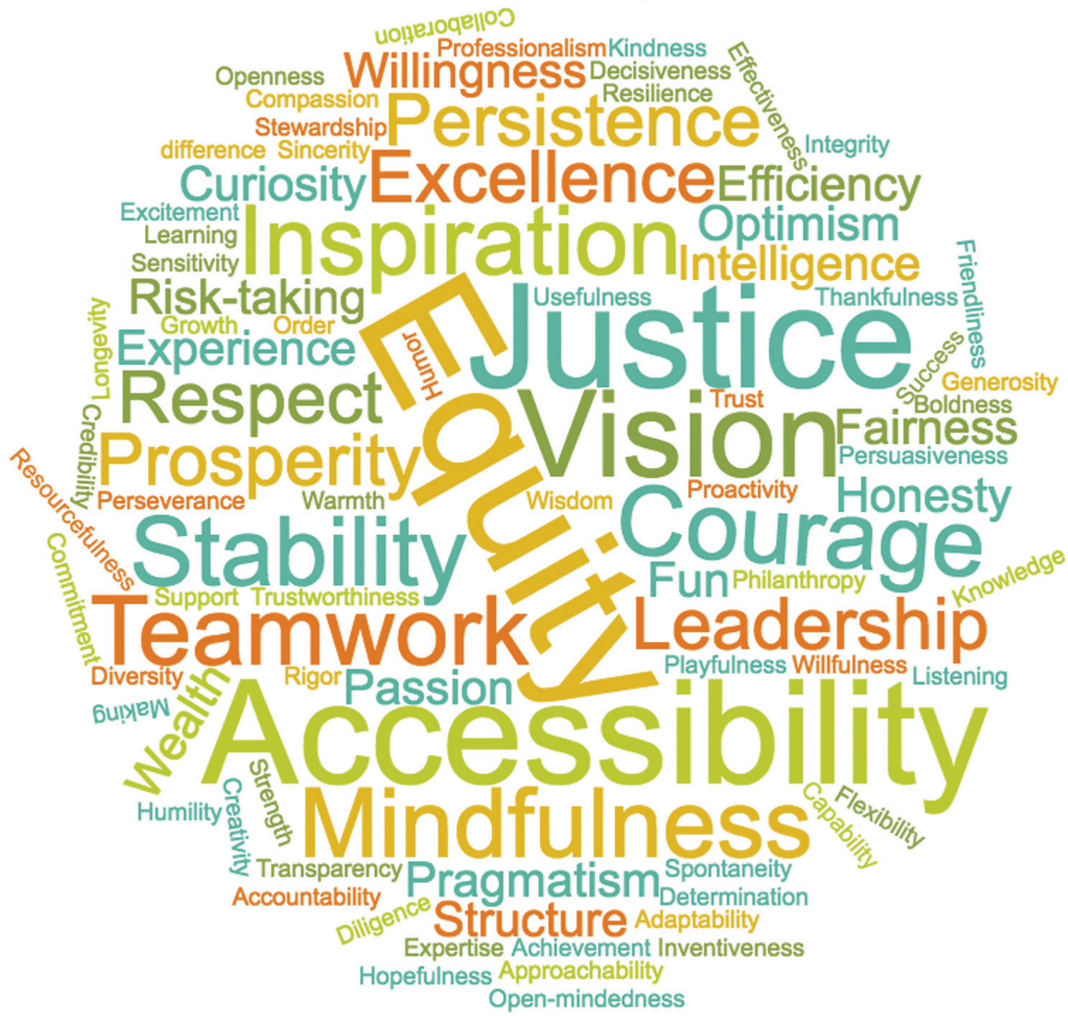
2 We've noted an emerging interest among philanthropy practitioners in looking at how values shape strategy. While the connection seems clear to us there is not a lot of academic literature on this topic. We want to thank Sharna Goldseker of 21/64 for introducing us to a paper that has sparked some of these ideas: "Measuring social values in philanthropic organizations," by John R. Whitman in Nonprofit Management & Leadership, March 19, 2009.

ACTIVITY 5

Here are some values that might spark ideas for your foundation. We don't suggest going to the list first; more authentic words and suggestions will come by starting with a blank slate based on what individuals already know about a foundation's work and ways of working.



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ACTIVITY 5

Using the table below, list your espoused values in Column A. Then identify one example of how your foundation tries to live each value internally (Column B) and one example of how your foundation tries to live each value externally (Column C). Looking over these examples, reflect on where it has been challenging to live each value and why that might be the case (Column D). This will generate important data about where the gaps are between espoused and lived. Finally, in light of all that reflection, rank all the values in terms of how well your foundation is living them, from living them "best" to "least" (Column E).

A. Espoused Values	B. One Example of How We Try to Live This *Internally*	C. One Example of How We Try to Live This Value *Externally*	D. How Is It Challenging to Live This Value and Why?	E. Rank How Well We're Living The Values (from best to least)
Value				
Value				
Value				

To make sense of what you generate through this activity, we suggest you take three passes: What? So what? Now what? In other words, what did you come up with, what are the implications, and what are ideas about how you might proceed? Then take what you've come up with—ideas, questions, steps, etc.—and record it in your Strategy Narrative.

Areas of Impact Throughout Your Foundation

Where do you want to make an impact, what impact do you want to make and how can you make it?

We've found that one useful step to answer these fundamental questions of strategy is to spend time reflecting on your past capabilities and activities in three areas of work: Program Areas or Grantmaking; Community and Field Engagement, (e.g. convening, communicating, collaborating and any other methods you use of engaging stakeholders in your work) and Operations and Investments. The unique value of a foundation comes in part from understanding, mastering and applying this mix of capabilities. Some find their best strategy in the places where these domains overlap, providing synergy across activities and opportunities for people to add extra value and fresh perspectives.

ACTIVITY 6

Bits and Pieces of the Future: What's a Signal from Past Behaviors?

This activity is a powerful way to get to the essence of the impact you want to achieve and the organizational strengths you can bring to bear to achieve it. We've identified three domains to explore: Program Areas including grantmaking, Community and Field Engagement (beyond grantmaking) and the foundation's operations and investment activities. The first two may feel more familiar to explore with regard to strategy as it relates to mission but, increasingly, we see foundations looking at all their resources through this lens. It's worth a try to see what you learn from it. We suggest you use the Liberating Structures 1-2-4-All method to get the most out of this activity, as follows:

1 Each member of the team individually identifies in writing what your foundation has done in the past that you are most proud of, in each of the three domains of Program Areas, Community and Field Engagement, and Operations and Investments. Try to be as concrete about the outcome as possible, illustrating with a grant, activity, event, investments, policy, etc.

2 With a partner, probe why you both made the choices you did. What impacts did it have that you're proud of? Why is that? What practices were used that you're proud of? Why do they make you proud? What impact might it have going forward with more money, time or other resources devoted to it, if any? Why do you think that?

4 With three others, share what you've seen in the past that suggests bits and pieces of the impact you want to achieve in the future. Discuss with your partners what practices—emergent or new—could help bring this to the fore-front? "Key practices" are promising approaches that contributed to making something good enough to be proud of it.

All List, review and reflect on the ideas generated about identified impacts and practices. Put your findings into the Strategy Narrative.

Foundation Niche

Your work of course takes place in a particular context. The freedom and flexibility given to philanthropic organizations to choose issues and approaches can make it easy to forget to ask, "How does our foundation fit in?"

We find that thinking about niche—your foundation's particular fit in the ecosystem of fields or communities in which you aim to make an impact—can be a useful way to think about strategy that reflects the full complexity of a foundation's work. Despite freedom of choice, no foundation is really a soloist. Your strategy needs to harmonize with a diverse set of partners and changing circumstances.

ACTIVITY 7

Name Our Niche: How Do We Show Up in the Larger Ecosystem?

What is your foundation's niche in your field or community? Naming a niche is an orienting and strategic statement. It invites conversation about expectations of organizational role in a larger ecosystem. It requires looking outward to see who is doing what and how that relates to your work. You can uncover this information in a number of ways, including:

- Scan by requesting maps of types of grants by place and field through the Foundation Center
- Reverse engineer information by asking your grantees who is funding them for what purposes
- Learn by reading trend reports from affinity groups and regional associations
- Make this question of niche one of your discovery questions for stakeholders

Be sure to give the gift of data back to your stakeholders. Map what you learn about other funders' roles as well as gaps in funding and share it with grantees and others for feedback. This exercise, when done with Many Paths to Impact (Activity 8), can help strengthen strategic practices and roles.

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ACTIVITY 7

For this activity, we would suggest these four steps:

1. **Map your ecosystem.** What are the big issues? What are the big trends? Who is funding what grantees, for what purposes? For this step you can consult the results of your review of the sources listed above. You likely work in more than one ecosystem. We would suggest doing this activity for each particular ecosystem.

2. **Identify other funders' roles based on your mapping.** How are other funders influencing the ecosystem? What are their particular strengths? Where are the gaps?

3. **Assess your fit.** What are your strengths as a foundation? What are your weaknesses? What is your particular leverage? What are the opportunities for partnership?

4. **Name your niche.** Draft a description of your fit with the ecosystem in light of what you discovered through the prior steps. Then try to name and describe the behavior that a grant seeker might expect from your foundation. For example, you might say: "We are Capacity Builders in your field. We offer general operating support. Our staff is trained to help you think through what operating gaps need filling and to help you figure out how to get what you need to advance." Or: "We are Opportunity Funders in your field. Come to us for funds when new opportunities arise. We are organized to respond rapidly and help you meet a need in the field."

Impact Practices

You're on a game show called "Let's Make an Impact."

Your host presents you with two final options. Behind Door #1 is a thoroughly articulated definition of the impact your foundation plans to achieve, complete with concrete objectives, indicators and timeline (in short, the holy grail of traditional strategic planning). Behind Door #2 is a package of practices essential to achieving impact, and they are developed enough that you can begin using them today—practices such as strategic grantmaking, community or field engagement, convening, highlighting local issues, evaluation and so on. Plans or practices: Which door do you choose?

We would choose the practices door every time.

In real life, fortunately, this isn't an either/or choice. But in our experience most organizations think of strategy in terms of Door #1, and they tend not to think of it in terms of Door #2. Plans are vital, to be sure. But what practices will get you there? The following activity can help you open that second door.

ACTIVITY 8

Many Paths to Impact: How To Choose Our Best Route?

The purpose of this activity is to identify the most critical impact practices that your foundation needs to invest time, energy and resources into mastering.

Steps to take:

- Start by working with your team to list the various practices you think are essential to achieving impact for your foundation. A good way to start is by reflecting on the practices that were identified through the "Proud of" activity. Look for examples in Program Areas, different ways you've done Community and Field Engagement, as well as activities in Operations and Investments. Try to identify around 10 practices.

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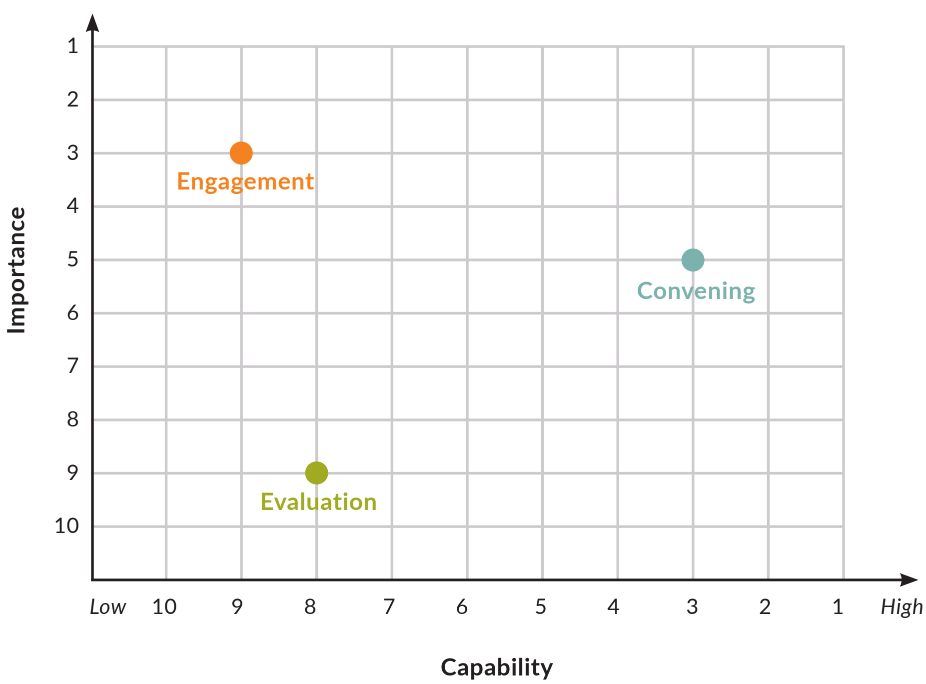
ACTIVITY 8

- Have each member of the team rank the practices, 1 through 10 (assuming you come up with a list of ten practices), based on two criteria: (a) importance to impact, where 1 = most important and 10 = least important and (b) how capable your foundation is at this practice, where 1 = most capable and 10 = least capable.
- Review your individual rankings and see if you can come to consensus. If you can't, then have team members do the next step individually rather than as a group.
- Array those practices on a chart like the one pictured below. In this hypothetical example, "Convening" has been ranked fifth among 10 practices in terms of importance and third in terms of capability—i.e. the foundation sees it as an important practice that they're also good at doing. "Evaluation" is considered low in importance and capability. "Engagement" is a practice considered important—ranked third—but also something the foundation doesn't do very well right now.
- As a team, reflect on the rankings, and discuss which impact practices you want to focus on going forward and how you plan to do so.



Key Assumptions

Think of your foundation's strategy as an iceberg, with most of its mass unseen and below the surface. **Not knowing what assumptions and beliefs** are supporting the behaviors that are visible at the surface can make navigating strategy very problematic. Remember the Titanic!

Your organization's directions and approaches over time are based on all kinds of assumptions about the right way to perceive, think, and feel about solving problems, made by all kinds of people in all kinds of circumstances, and many of them are taken for granted and never examined.

The great opportunity in doing your discovery and reflecting on your strategy is to bring those assumptions to the surface, make sense of them, and revise as needed. What assumptions do you make about your work that go unspoken and unchallenged? Are there mistaken or competing assumptions behind trouble spots? What about your work do you not want to see?

Once you've done this sense-making, we encourage you to name and explain your foundation's most important assumptions in your strategy narrative.

> *"We tend to think we can separate strategy from culture, but we fail to notice that in most organizations strategic thinking is deeply coloured by tacit assumptions about who they are and what their mission is."*
>
> —Edgar Schein

ACTIVITY 9

Dig Into Dilemmas: How Do We Explore Difficult Issues?

Exploring dilemmas can be illuminating because, as dilemmas, they don't have right on just one side. They will come up in your Discovery process and need to be named and recognized as you go—not so much to be solved as to be explored to figure out how to manage.

We find that the best way to engage with a dilemma is to frame one side of the dilemma in simple, black-and-white terms. For example, in the area of community or field engagement, you could frame one dilemma as "It is better to take a stand around a controversial issue tied to our mission than to remain neutral." Again, dilemmas have right on both sides—otherwise they wouldn't be a dilemma—and this framing pushes one side of the choice as a way to provoke discussion. Some might agree with this idea about taking a stand, some might take the other side, and it's in the back-and-forth and the exploration of the grey area in the middle that can yield the most useful understanding and ideas.

> The list of dilemmas is usually at the fingertips of all involved in the work. But as part of your Discovery work you can ask your core team and everyone you interview in this process, "What keeps you up at night that involves our program areas, our community and field engagement and our operations and investments?" Appendix B has some dilemmas that have come up at other foundations.

Start with your core team. Pick the three dilemmas most frequently cited and ask participants to line up according to where they stand with regard to managing the dilemma. Have people talk to each other first as they are clustered and then across the continuum to better understand the dilemma. Why are they standing where they are? What might make them move to another position on the continuum? If participants hear an opinion that changes their views, by all means have them move to another position. This is a very useful "rinse and repeat" activity to do with different stakeholders, from staff and board to community leaders.

Use the strategy narrative to track the dilemmas raised, and the conclusions you reached, from actively listening to the diversity of opinions about the dilemmas and ideas for managing them.

PART D

Document Your Decisions

By now you've generated a range of ideas, reflections, and key issues that will help you improve your strategy practice. It's critical to capture that content in your Strategy Narrative as an ongoing, evolving document. It will likely be a lengthy and messy document with rich, complex content. How do you get to simplicity on the right side of all that complexity?

ACTIVITY 10

Design a Strategy Map: How Will We Distill Our Key Ideas?

We recommend you create a simple map of your strategy. This is a one-page visual that distills the key ideas—the ones that are most critical to your future action as a foundation—in the different areas of your Strategy Narrative.

This is a tool to be used by anyone who cares about your foundation's strategic direction, so the test is what do internal and external stakeholders need to make quick sense of all your strategic thinking. It can take a few tries to get the map simple enough. Once you do, put it at the front of your Strategy Narrative document and use it as an ongoing touchstone.

See the sample map on the next page. We recommend two guidelines to draft your map:

1. **Push for simplicity.** Let's say one of the key impact practices you identify for your foundation is using evaluative thinking to better design your grantmaking and community or field engagement approaches, assess their progress, and figure out what you can learn from the assessment. To represent that practice on your map you could put something like "Evaluating for Learning Purposes."

continued on next page >

ACTIVITY 10

2. **Find the most useful level of detail.** Consider the section of the sample map on “Impact Practices.” Your team might decide that the most useful elements to put there, in order to represent the target areas of impact in your strategy, are simply “Program Areas and Grantmaking,” “Community and Field Engagement,” and “Operations and Investments.” That’s as detailed as you need to get as a distillation of your strategy. Or your team might have identified key sub-areas within those three areas—for example, under “Program Areas” you may have decided to focus on opportunities that build on integration among several fields. So you may use the label, “Cross Silos.” Under “Community and Field Engagement” you may have decided to explore an online feedback survey for grantees and constituencies and call it “Ongoing Online Feedback.” Under “Operations and Investments,” you might focus your efforts on increasing the racial and gender diversity of vendors and/or try engaging your investors in opportunities in several program areas. So on the map you might put, under “Operations and Investment Impact,” labels such as “Diverse Vendors,” or “Targeted Mission Investing.” In general, you know you have too much detail when the full strategy map doesn’t fit on one page! The Meyer Memorial Trust offered to share its Strategy Map as an example that you can find in Appendix C.

Here's a possible framework for your strategy map. To see a specific example, look at Appendix C.

Vision

Our vision is to...

Values

Value A | Value B | Value C | Value D | Value E

Areas of Impact + Work

Community and Field Engagement | Program Areas or Grantmaking | Operations and Investments

Impact Practices

Practice A | Practice B | Practice C | Practice D | Practice E

Key Assumptions

Assumptions A | Assumptions B | Assumptions C | Assumptions D | Assumptions E

Other Categories

PART E

Looking To What's Next

Congratulations. You've done your Discovery. You've jumpstarted your Strategy Narrative, including exploring your values, naming your strategy, mapping your activities, and identifying your impact practices. And you've drafted a shorthand map of your strategy.

You've now done exploratory, reflective work that is crucial to a successful strategy—and that is often bypassed in the rush to write a plan and "solve the problem." This deep dig is **essential to build an ongoing strategy practice,** which in turn is essential to having the impact you want to have. Without it, any plan you write will be far less likely to be a "living" tool that keeps your work sharp and successful on a day-to-day basis. Having a plan without a practice is like having an itinerary without the vehicle. You won't get far.

Of course, once you've done this deep work, having a plan for going forward is a helpful next step. There are lots of resources on traditional strategic planning that can help you figure out the right plan format and content for you. Here we provide a template you can use. It's based on work we've done with clients. Just one warning: you might look at the template, like it, and figure your team can skip the 10 activities and go right to filling it out and drafting your plan. Time is short, daily demands are on the front burner and many a weary foundation leader has thought the same. Resist this temptation! It is a surefire way to quickly produce a plan that no one looks at again and leaves you without the strategy you need to make a difference.

"Having a plan without a practice is like having an itinerary without the vehicle. You won't get far."

Big Picture

	Grantmaking/ Program Areas	Community and Field Engagement	Operations and Investments
Context	What are the key elements of our current reality in this area?	What are the key elements of our current reality in this area? What are the key elements of the current reality of those we serve in this area?	What are the key elements of the current reality of fields/ places we serve?
Importance	Why is this area important to our mission?	Why is this area important to our mission?	Why is this area/these areas important to our mission?
Vision	What is our picture of success in this area?	What is our picture of success in this area?	What is our picture of success in this area?
Past	Where have we been in this area?	Where have we been in this area?	Where have we been in this area?
Future	Where are we headed in this area?	Where are we headed in this area?	Where are we headed in this area?

Next Three Years

	Objectives What are 3-5 main things you're trying to accomplish in each area?	**Activities** What are 3-5 main things you're trying to accomplish in each area?	**Success Metrics** What are 3-5 main things you're trying to accomplish in each area?
Grantmaking/ Program Areas	Objective 1	Key activities	Success metrics
	Objective 2	Key activities	Success metrics
	Objective 3	Key activities	Success metrics
Community and Field Engagement	Objective 1	Key activities	Success metrics
	Objective 2	Key activities	Success metrics
	Objective 3	Key activities	Success metrics
Operations and Investments	Objective 1	Key activities	Success metrics
	Objective 2	Key activities	Success metrics
	Objective 3	Key activities	Success metrics

APPENDIX A

Sample Discovery Questions from many different types and sized foundations

Clarifying Mission & Vision

1. How would you describe the mission of the foundation?
2. How would you describe the vision of the foundation?
3. How do you think the foundation measures its success?

Examining Core Values

Imagine you are being interviewed by a good friend who has been invited to be a potential new board member at this foundation and is trying to decide whether to join or not and has asked you the following questions:

4. What is most important to say about the foundation as an organization, what it values, and how that influences its strategy?
5. Are there any beliefs or statements about the foundation that you would share or have heard that upon reflection might be worth examining?
6. In what ways do you see the foundation's program areas, community or field engagement and operating and investment strategy aligned with its values? Where do you think it might not be aligned with its values?

Defining Impact

7. What are you most proud of when you talk about what the foundation does and how it does it? Try to be as concrete as possible, illustrating with a grant, initiative, program or investment.
8. What impact did it have from your perspective? What impact might it have going forward with more money, time or other resources devoted to it, if any?
9. Five years from now what headline or article about the foundation would you like to read?

Scanning the Landscape

10. How, and from whom, do you learn about what is going on in the program areas that you support—formally and informally?
11. What do you see going on in the region that you think poses the greatest hope for achieving the foundation's mission? What roles could it play in accelerating that activity?
12. What have you seen changing in the fields you support that the foundation might not be paying enough attention to?
13. What have you seen elsewhere that makes you wonder "why we don't do that in our program areas?"
14. What has the foundation done in the past that might be emulated and adapted in a new, future form?
15. What issues and opportunities are facing our field(s) or communities right now? (Who writes about this now—journalists, academics, nonprofit intermediaries, etc.)? How do you see people addressing these issues or opportunities?
16. What would you like from a foundation with regard to these issues and opportunities?
17. Sometimes we learn best by looking with a new lens at events in the past. What has happened in the last five years where you can imagine that an organization playing a convener or catalyst role might have made a difference in the outcome?
18. What data is available to help us understand our communities and fields? How do people use that data?

Exploring Community Leadership Strategies

19. What engagement and leadership practices do you think are the foundation's strong suits? Where are there shortcomings with regard to impact or any other important outcome?
20. What untapped engagement or leadership opportunities do you think the foundation could/should take advantage of?
21. What do you think are the most important elements of engagement and leadership for the foundation to focus on?

Exploring Grantmaking Strategies/Program Areas

22. What do you think is working and not working in these programs?
23. If the foundation stopped any type of grantmaking, would it have an impact and how?
24. What could make its grantmaking program have greater impact?

Assessing Capabilities

25. What staff or board capabilities already exist that might be tapped differently for greater impact?
26. Are there capacity skill gaps, shortcomings or other barriers to address for greater impact?

Allocating Resources

27. Are there financial or capital assets that already exist that could be tapped differently for greater impact?

Shaping the Process

28. What other questions do you think we should be exploring during this project?
29. What feedback and/or advice would you like to share with the foundation?
30. What are your hunches about where this process might end up?

APPENDIX B

Sample Dilemmas for Activity 9

Program Areas and Grantmaking

- Whose strategy is it? A foundation needs a program strategy with metrics for success even if the actual work is being done by its grantees with their own strategic plans.
- Reactive philanthropy is not strategic philanthropy.
- If you have $500,000 to give away in grants, it is better to give away 10 $50,000 grants than 2 $250,000 grants.
- Our program staff should be generalists with knowledge about nonprofit capacity and not focused on a particular issue.
- Building capacity, community connectivity and agency is more important than solving a particular problem.
- Outside experts are the best source of information to decide programmatic priorities.

Community and Field Engagement

- It is better to take a stand around a controversial issue tied to your mission than to remain neutral.
- Investing in communicating on our website about the issues we support contributes to the field.
- Program staff should spend most of their time in the field speaking on behalf of the issues we support and helping our grantees do their best work.
- Convening grantees adds value to the field.

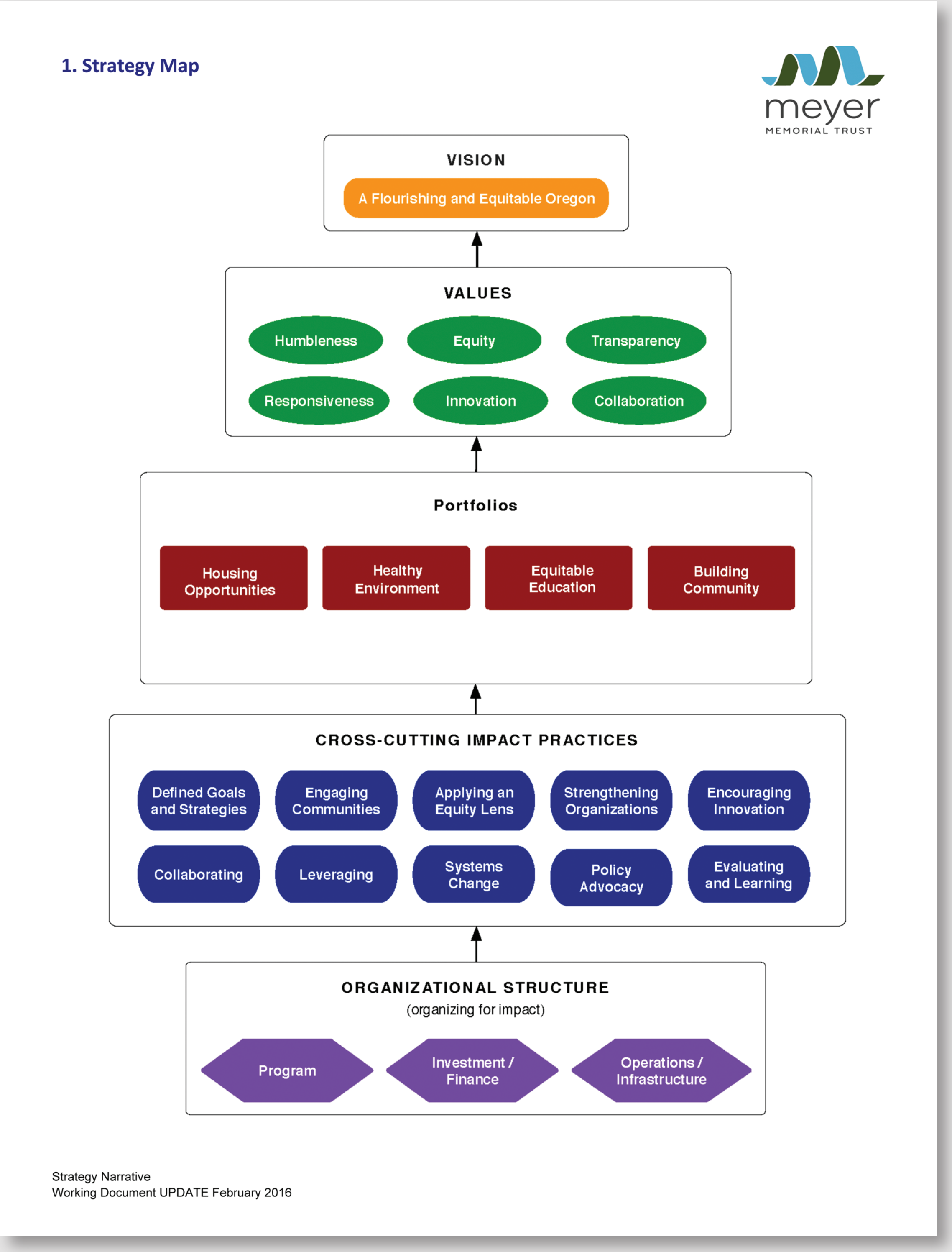
Operations and Investments

- The foundation should do a social audit of all of its operations to ensure they are optimizing potential contributions to mission.
- The foundation's endowment could become a significant resource for mission related programming.

APPENDIX C

Sample Strategy Map

Special thanks to the Meyer Memorial Trust for sharing their most recent strategy map.



We'd Like To Hear From You

We want to walk our talk when it comes to this guide, approaching it as a tool that evolves as we go and adapts to feedback and changing opportunities—i.e. a living document like your Strategy Narrative. To help us do that, we would love to hear what you think of the guide, how you're using it, what impact it's having on your work and what thoughts you might have for making it better. We would also love to hear any ideas you have for helping foundations sharpen their strategy more generally.

Enjoy your strategy practice!

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The Giving Practice works with foundations and philanthropy-serving organizations to sharpen their strategy. Our work with clients, and our consultants' experience as philanthropy practitioners themselves, has led to three core assumptions in our approach:

Effective strategy is about collaborative inquiry.
We've learned how important it is to lead with questions, devote sufficient time to discovery, and make the process as collaborative as possible. We use facilitation, reflection and collaboration to surface expertise, uncover assumptions, leverage energy, manage tensions and synthesize diverse perspectives.

Effective strategy is about practice more than plans.
Strategy isn't planned as much as lived, and it's always in process, in ways that can't be captured in static plans. It requires understanding your strategy already in place, taking a hard look at gaps between espoused goals and actual activities, and reflecting on and improving the practices you have found essential to having an impact.

Effective strategy work is about iteration, testing and learning.
Our experience has shown that strategies, like products, are best developed through a prototyping rather than spec-driven process. We apply this lesson by using what we call a "strategy narrative" —a working document that serves as an expanding container for emerging ideas, working assumptions, burning questions and difficult dilemmas.

The Giving Practice: A national consulting team of Philanthropy Northwest