

# Theory of the Foundation Initiative:

## *Key Findings and Questions*

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# Inspired by Drucker article, “The Theory of the Business”

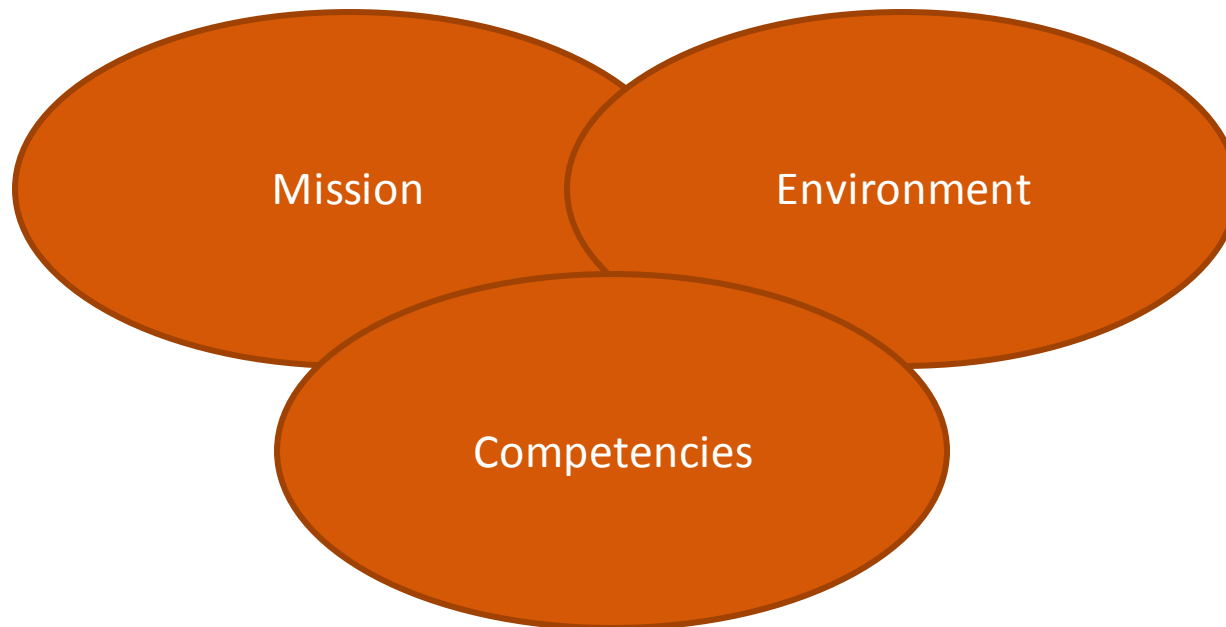
- Major changes in foundation landscape, approach and activity in last 10-15 years
- Leaders are looking for new frameworks and models to align resources and achieve impact
- Collaborative research model: 18 participating foundation in first phase; 25 in second phase

*Thesis: Of course there's more than one “theory” for foundations, but there must be some patterns, and these patterns will be useful*



# DEVELOPING A “THEORY” FOR A FOUNDATION

# Drucker's Model:



# For Foundations, interesting ideas from:



Corporate Sector

Especially for foundations with:

- Freedom to evolve their playing field
- Strong CEOs/Management teams and fiduciary-focused boards



Public Sector

Especially for foundations with:

- Established mandates
- Location in region where foundations' role defined more narrowly by public and public sector

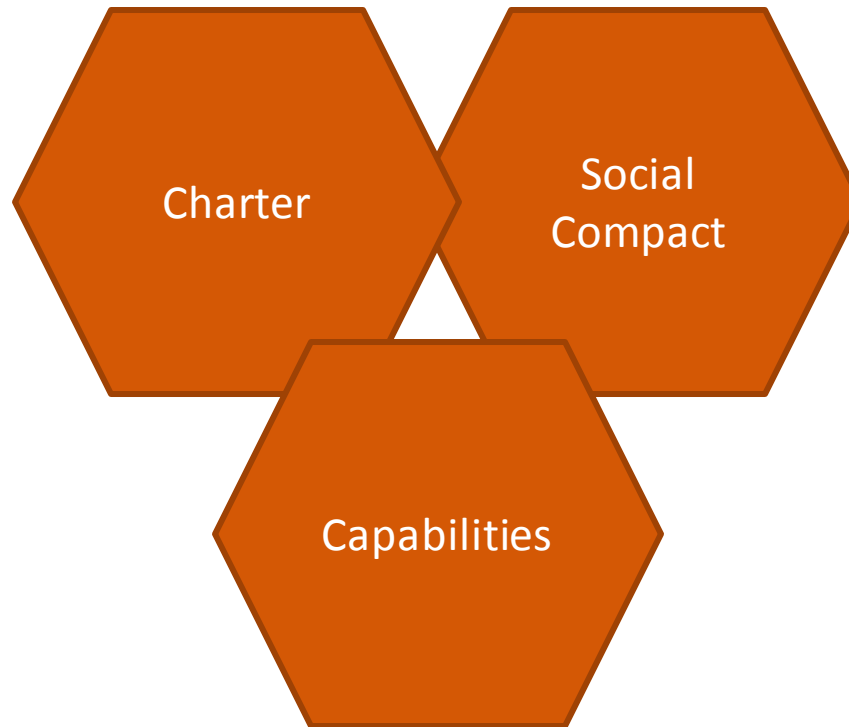


Family Enterprise

Especially for foundations with:

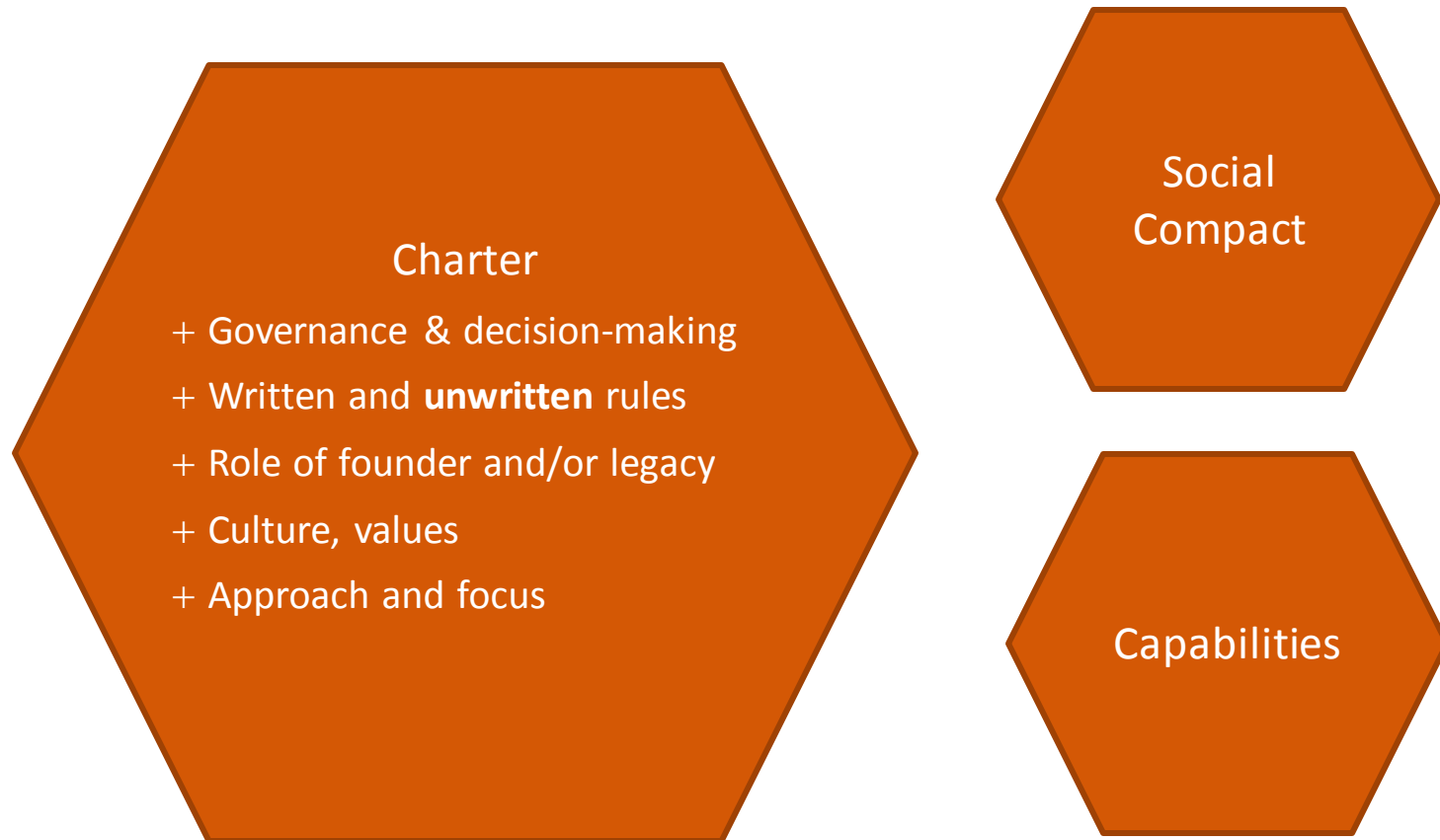
- Living donor
- Highly engaged (family) board

RPA's Model: Each foundation should develop its own “Theory” based on:

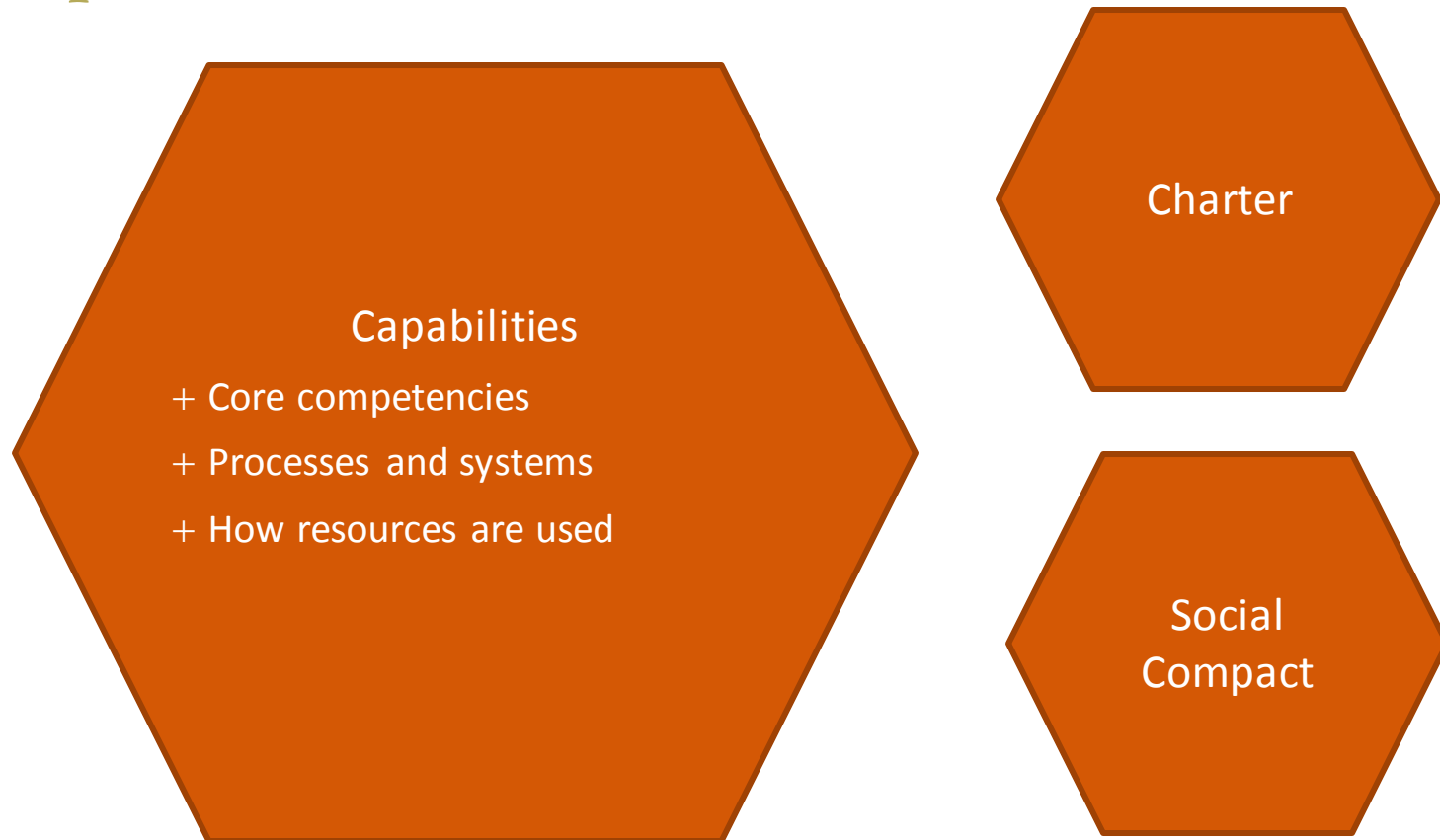


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## A. Charter



## B. Capabilities





## C. Compact





# FOUNDATION OPERATING MODELS

# Foundation leaders are thinking about whether to be:

1. Centralized vs. decentralized;
2. Internally vs. externally resourced;
3. Creative vs. disciplined;
4. Broad vs. deep; and
5. Independent vs. networked

*But traditional operating models don't really help with these issues.*

# The Business Model Canvas Adapted for Foundations:

<i>Who will help you?</i> Co-creators, co-funders and Supporters	<i>How do you do it?</i> Key Activities	<i>What do you do and why?</i> Charter, Social Compact, Capabilities (start here)	<i>How do you interact?</i> Relationships	<i>Where is the change?</i> People, Species, Organizations and/or Places
	<i>What do you need?</i> Key Resources		<i>How do you distribute or disseminate?</i> Channels	
<i>What will it cost?</i> Budget and opportunity cost			<i>How will you fund it?</i> Capital, income and/or co-funders	

*Adapted by Rockefeller Philanthropy Advisors from Osterwalder & Pigneur, 2010*

# Foundation Operating Canvas: Variants we've observed

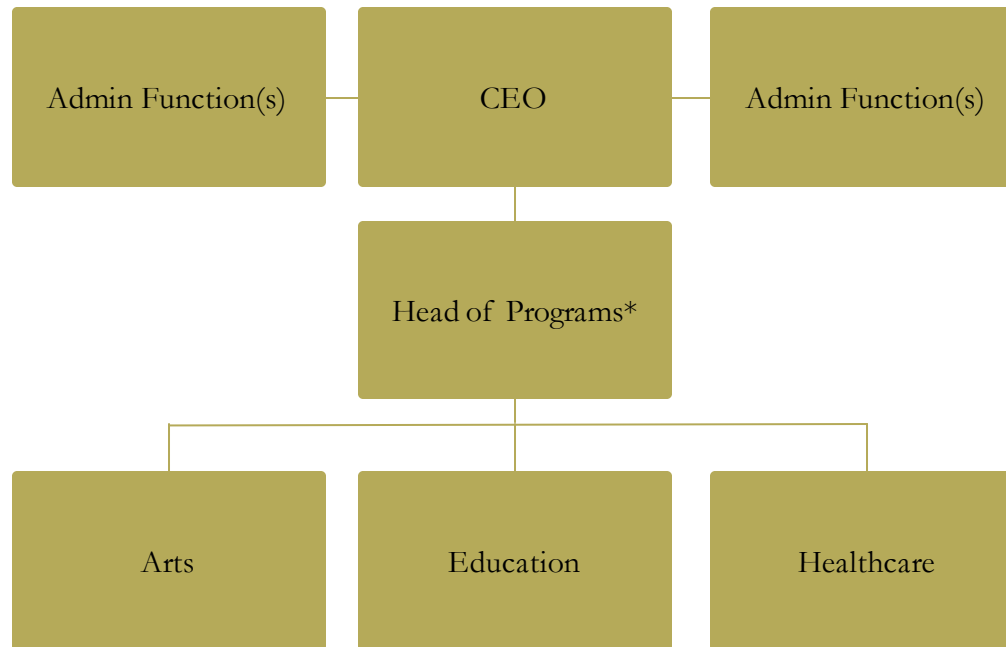
1. Talent Agency
2. Think Tank
3. Developer
4. Campaign Manager
5. Field Builder
6. Discovery



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# ORGANIZATION DESIGN AND LEADERSHIP TEAMS

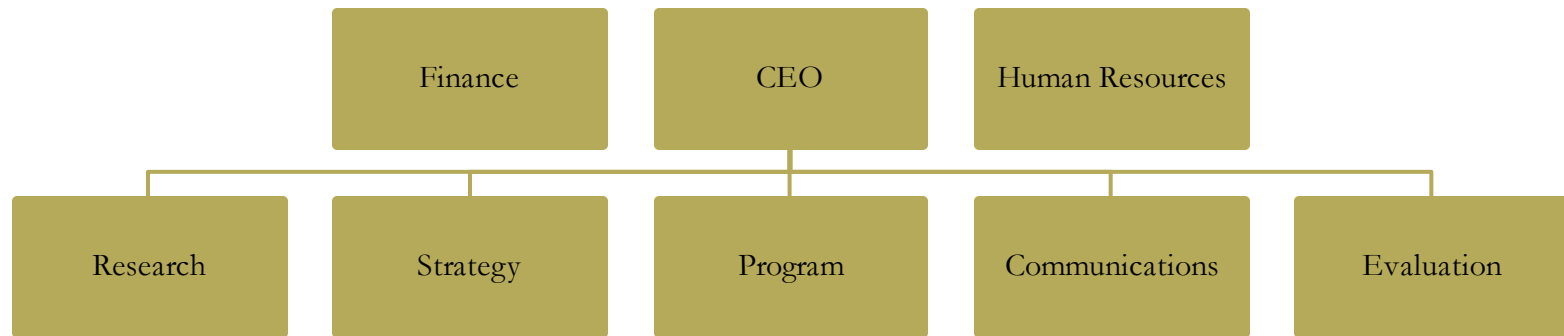
## Most large foundations look like this:



*\* about half the foundations have this position*

This design was created for manufacturing companies ....

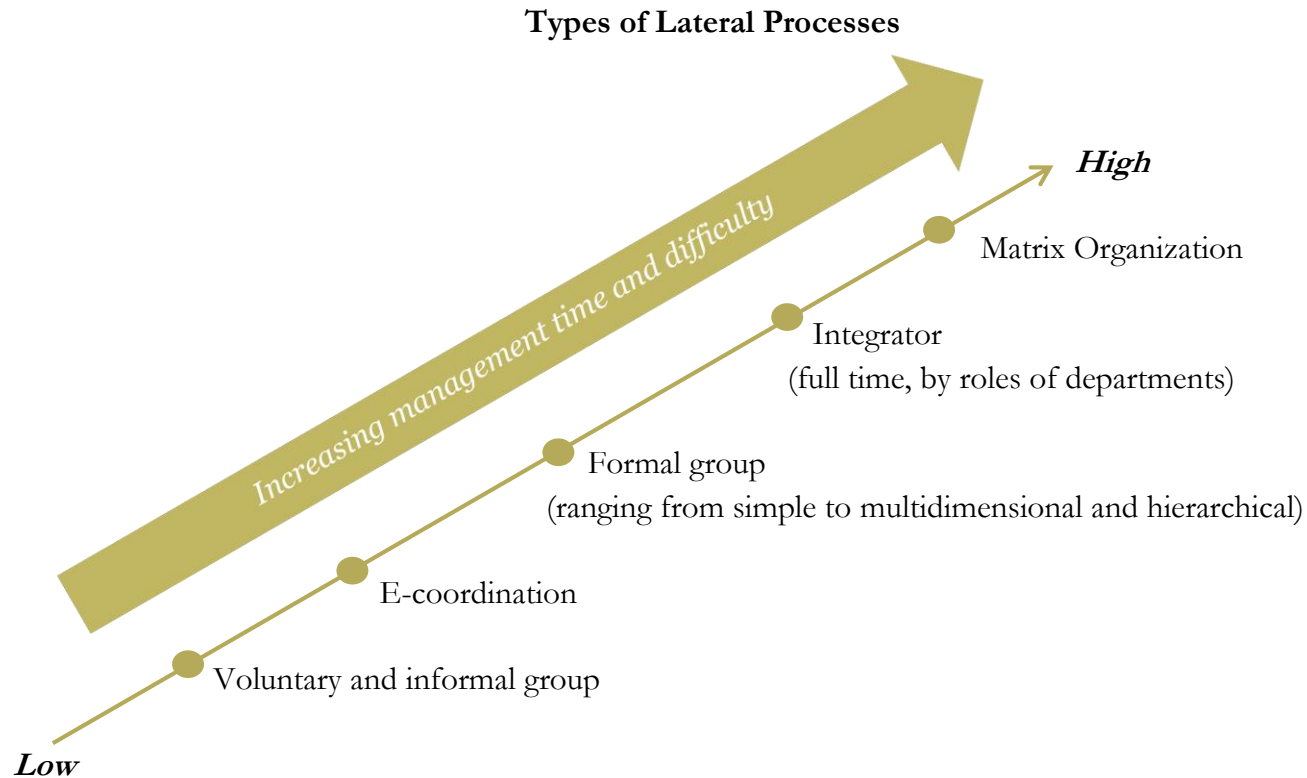
Some foundations are evolving toward this design:



This is a more top-down approach ....



# Or using other methods to improve integration:



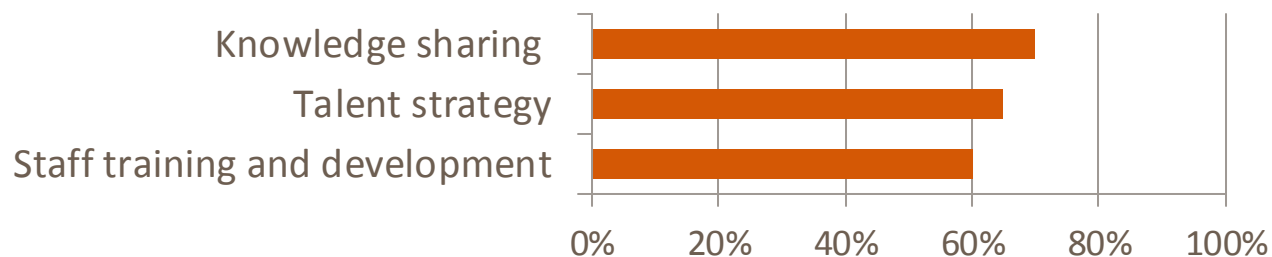
*Galbraith, 2014*

# Senior Leadership Teams

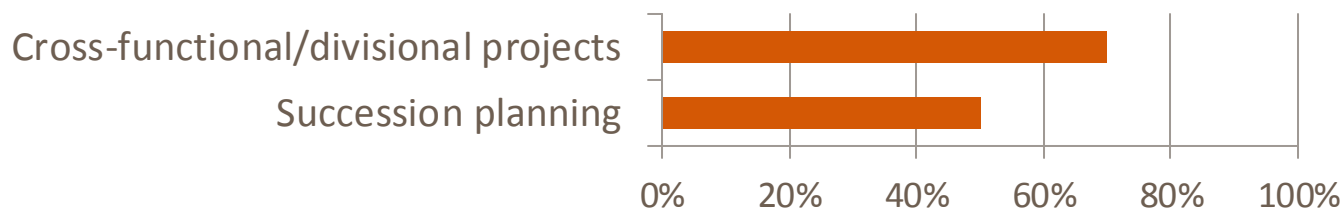
- Most teams are advisory not decision-making
- Size and composition of individual teams varied widely
- 85% of participants have made changes to team in the past few years

# Senior Leadership Team: Responsibilities

## Coordinates:



## Coordinates in part:



## Less likely to coordinate:

- Cross-functional/divisional planning
- Cross-functional/divisional partnerships

## Key Questions for Phase II:

- How can organization design improve integration?
- How can foundations identify, engage and develop the capabilities and talent they need?
- How can foundations approach knowledge management?
- How can foundations identify optimal operating models ?