

CEP's Definition of Foundation Effectiveness

[**foundation effectiveness** | \foun-dey-shuh n • i-'fek-tiv-ness\]

Foundations can take on pressing challenges that other actors in society cannot, or will not. They are entrusted by the public to utilize tax-privileged funds that are intended to benefit society. Given this unique opportunity, foundations have a moral imperative to maximize their effectiveness. Though foundations' missions vary dramatically, CEP believes that foundation effectiveness – and impact – requires these mutually reinforcing elements.

1. CLEAR GOALS

Specific and ambitious – addressing significant challenges

Clearly communicated and well-understood at all levels of the foundation and by key external audiences, especially current and prospective grantees

Approved and monitored by the board



2. COHERENT STRATEGIES TO ACHIEVE THOSE GOALS



Based on an analysis of the problem or issue, the social/historical context in which the problem or issue exists, the capacity of organizations working to address the problem or issue, costs and benefits of alternate strategies, and the potential pace of change

Informed by input from organizations and individuals closest to the problem

Rooted in a well-conceived theory of how the foundation's efforts can lead to the desired change, why it is the best option, and, when possible, evidence that the strategy has worked elsewhere

Grounded in knowledge of what others are doing to address the problem and how the strategy relates to those other efforts

Aligned with mission, foundation staff and board capabilities

Clearly communicated and well understood at all levels of the foundation and by key external audiences

Drawn from all the potentially relevant resources available to the foundation, including the use of tools beyond grantmaking

Revised, as appropriate, based on what is learned through the monitoring of relevant performance indicators and data

Shared across relevant funders, grantee organizations, and other actors – rooted in an understanding that if a strategy is a foundation's alone, it will fail

3. DISCIPLINED IMPLEMENTATION OF THOSE STRATEGIES

Driven by strong executive leadership and board governance that inspires the highest levels of performance and is committed to continuous improvement informed by data over time

Managed and staffed by people with capabilities matched to the chosen strategies, which requires careful and continuous attention to professional credentials/experience as well as racial and cultural backgrounds and professional development

Built on clear expectations, appropriate resources and support, solid processes, and constructive feedback for staff and board

Rooted in intentional efforts to build high-quality relationships with those the foundation chooses as its primary partners in pursuing change (often, but not exclusively, grantees)

Mindful of what other actors are doing and open to opportunities for collaboration

Pursued over time with an understanding that, while a sense of urgency is crucial, results when working on the toughest challenges may not always come easily or quickly



4. RELEVANT PERFORMANCE INDICATORS TO ASSESS PROGRESS



Help leadership assess short-term and long-term progress relative to goals and strategies

Enable leadership to assess the organization's overall performance — and to compare performance with that of peer funders, whenever possible

Help leadership learn from their implementation of strategies and improve these strategies over time based on continuous learning about what works and what does not

Facilitate the assessment of performance of grantees and support grantees' efforts to assess themselves

Help assess the performance of the board, CEO, and staff members — to motivate them and improve their performance

Shared, when relevant, with other organizations and funders to inform their efforts and contribute to a greater understanding of what works and what doesn't

