

Strategy and Evaluation: The Twin Engines of Effective Philanthropy

The language, tools, processes, and practices of philanthropy have evolved steadily and dramatically across four decades. Two elements have emerged as vital.

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This essay is based on a blog by the author titled "[Five Things Strategy Isn't](#)," originally published by *Stanford Social Innovation Review* on March 14, 2014.

Philanthropy in motion: A four-decade tour

In the 1980s, long-range planning was a novel concept in the nonprofit sector. At that time, a facilitator typically designed a retreat, helped folks in the room have a conversation, and documented what they came up with. Flip charts and grape-scented markers were the 80s version of high-tech planning tools. Foundations, if they had plans, didn't share them; mostly they had issue areas and guidelines for grantseekers (who *were* expected to have plans). The logic model was slowly growing in popularity among nonprofits and foundations. Evaluation lingo was *inputs*, *outputs*, and *outcomes*; assessment data were quantitative and qualitative; and the approaches to measurement were formative and summative.

Then came the 90s – a time of tremendous wealth creation and growth in philanthropy. For good or ill, the concepts of competitive positioning, entrepreneurship, and venture capital were ported over from business, along with energetic, living donors who questioned the traditional practices of philanthropy. We also saw the rise of organizational effectiveness, with funders increasingly providing resources to help grantees build strong organizations. No surprise, all this affected the supply of services, catalyzing the birth of consulting firms dedicated to helping mission-driven organizations with strategy, evaluation, and everything in between. These experts-for-hire changed the game.

Toward the end of the decade, newly minted philanthropy infrastructure organizations turned the lens on the funder: *Don't foundations need to be effective too? Doesn't the effectiveness of the funder affect the success of the grantee?* [Strategic philanthropy](#) took flight. A drive for focus, niche, brand equity, and impact among the growing number of foundations that self-identified as "strategic" turned up the heat on evaluation too, and there was a scramble. There were efforts to define and measure [social return on investment](#) (SROI). [Utilization-focused evaluation](#), a concept and practice pioneered by Michael Quinn Patton, gained special resonance in philanthropy, which was beginning to demand more than a report card after the end of a program or an initiative. New conversations sprouted up about *attribution* versus *contribution*, and *improving* rather than *proving*, as we wrestled with the frequent mismatch between what we were trying to accomplish and the measurement tools at hand.

Snapshot: Evolving tools for an expanding field



The first decade of the new millennium had its own breakthroughs. Strategy again flexed to embrace the concepts and new tools of scenario thinking, systems theory, and [human-centered design](#), as leading thinkers and practitioners pushed to address the complexity and intractability of problems, and the dynamism of the times. Evaluation again worked to keep pace.

Today, evaluation is sometimes developmental or increasingly real-time, offering rapid feedback to support iteration. There are passionate proponents of stakeholder involvement in evaluation as with [participatory evaluation](#) and [beneficiary voice](#), as well as those committed to the randomized controlled trial. Recently, developmental evaluation has taken hold as the field grapples with the challenges of measuring impact in a rapidly changing and persistently unstable context. In addition, the emergence of equitable evaluation is helping us all face up to the real challenges of bias in gathering and interpreting evaluative data. And there are those who appreciate the whole buffet and look for the right tool for the job, understanding that evaluation may not have it all but that it can serve different needs. We even have a [Center for Evaluation Innovation](#), and big data is on our lips and in our pockets, along with our iPhones.

Wow.

Forgive the oversimplifications (and historical anomalies) of this brief tour. There is much more to this story, but the point is that our language, tools, processes, and practices – in fact, the very profession of philanthropy – have evolved steadily and dramatically. The field is maturing even as wicked problems become both more intractable (due to the oleo of pressures on natural resources, the ineffectiveness of institutions founded for different times, and fragmentation of efforts) AND more solvable, because of new actors, new models, and the ubiquity and affordability of powerful tools and technologies.

In my view, the dynamic duo of strategy and evaluation belong very close to the heart of our journey onward.

Let's rescue the meaning of strategy before it's too late

The debate about the value of strategic philanthropy is healthy. In fact, “strategic” is now such a ubiquitous term for describing anything good or worth doing that it has nearly lost meaning and needs rescuing.

FIVE THINGS STRATEGY ISN'T

Strategy just isn't strategic...

...when it's inflexible. A good strategy is much more than a map or compass. Those tools orient you in only two dimensions against fixed landmarks. Strategy requires more. We need a suite of tools more like gyroscopes, sextants, and barometers to help us steer through the multi-dimensional and inherently uncertain future. In the words of Rosabeth Moss Kantor, “Strategy is a lot like improvisation – setting themes, destinations, directions, and then improvising around those themes.” Our tools and experts need to help us do that.

...when it's insulated. The actions and investments of others affect our work daily. Targets are shifting constantly, and the drive to make sense of things can lead to oversimplification. Context is (nearly) everything when it comes to strategy, meaning strategy needs to consider the facts AND the people affected. The echo chamber of dialogue that only engages those we know or are comfortable with won't easily birth breakthrough strategy. The discipline of evaluative thinking and engagement with stakeholders is inherently strategic. In fact, if we don't marry evaluation and strategy, both are underpowered, and a rational way forward can quickly turn into mere rationalization.

...when it doesn't consider the people who will implement the plan. It may be comforting to plan the work and work the plan, but that approach just isn't realistic. Strategy needs to help us think and act flexibly to achieve a goal. Plans or models, however elegant, will always stand or fall against the human system, its culture, and its norms. Organizations are nothing more or less than collections of people who are more or less resistant to change. The best strategies are well researched, clearly and crisply communicated, focused, and elegant; they aspire, and they should inspire. Organizations and communities are messy. Strategy and evaluation are means to a greater end. Real leaders use them to galvanize collective action, and guide learning and adaptation.

...when it's old, hidden, or boring. Things get old really, really fast in our networked and technological world. Five- or even three-year plans are almost quaint these days. Tome-like documents may seem serious, but they are rarely alive, inspiring, or truly influential. When a strategy is current, compelling, and shared, others can understand it. Other organizations can consider our work as they make their own plans, and vice versa. We don't have to go all the way down the path to collaboration to get some reciprocal benefits across diverse efforts. To influence and be influenced is strategic.

...when we are too attached to it. In 1996, during my first months as a program officer for management assistance at the Packard Foundation, I went to visit John Gardner, founder of Independent Sector and former head of the Carnegie Corporation. I was sobered by my new responsibilities and craved some wisdom. I went to the right place. He told me that he was concerned about a trend he was seeing in philanthropy, which put too much weight on the ideas of foundation staff, and said, “Philanthropy is the only source of truly flexible capital for the social good.” He went on to say that he thought the most important thing he did in his days at Carnegie was to listen to and support good ideas from the field. He was strategic, but he also understood the danger of falling too much in love with one's own ideas.

Creating the Future

I am both a proponent and a practitioner of strategy and evaluation. I'm also an optimist. (Pessimism is, after all, the quintessential short-term strategy.) Here are my predictions for the next chapter in the unfolding story of strategy and evaluation, put forward when this blog was originally posted in 2014:

Strategy will be put in its place as we continue to refine our thinking and practice. We will still be able to practice it well or poorly, but the current debate will knock it off its pedestal. When we look strategy and evaluation in the eye, we will see a useful and evolving suite of tools – no more, no less. Practiced well, and in tandem, they will continue to be powerful aids for decision-making but never substitutes for judgment.

We simply won't settle for blunt instruments. Nonprofit leaders, philanthropists, and consultants will continue to demand and invent better tools and practices in strategy and evaluation, and will routinely share the results of their experiments with new tools and approaches so that we accelerate the progress of the whole sector.

We will cultivate smart followership in our approach to strategy and evaluation. This will help counter the last two decades of drive to find a niche, to lead, to differentiate, and to build a brand. None of us are solo actors; that thinking has run its course. We need to aggregate more than data. We need to get together in the interests of making big changes that matter. And we will.

And now, as we embark on the decade of the 2020s, I can add a prediction to my aspirational future:

Practitioners will be both more sophisticated and more inclusive. Strategy and evaluation in philanthropy will make great strides in developing a cadre of practitioners that is inclusive and prepared to build new strategies linked to appropriate and equitable evaluation.

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