

# Transformation in the Social Sector?

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David Sawyer  
Executive Director, Social Venture Partners Portland

**The year is 2005.** Most of the foundation community in Oregon is involved in a remarkable collaboration unlike any other in the nation. Individual foundations continue to have their own program areas and officers, but each partner foundation in the new Foundation Consortium (FC) has also committed a percentage of its resources to joint knowledge creation, sharing of best practices, and most importantly, collaborative efforts aimed strategically at systemic issues affecting the state and its citizens. A trustee from each foundation sits on a separate board, along with social sector, business, and government leaders—some of the brightest and most principled from each sector. This year—after listening to a number of policy makers and ordinary citizens present relevant data, the Consortium has decided to tackle domestic violence as an issue area, adding it to high school education reform, the first issue chosen by the FC.

The Consortium's first responsibility is to gather more data on the issue from a systemic perspective—analyzing root causes, critical needs, existing services, gaps in service, nonprofit providers and capacity, and best practices. Research is also done on the most innovative approaches to the issues around the country. After several months of consideration and study, a series of white papers outline two or three possible scenarios to address the problem, complete with costs, risk, and success factors.

The most promising and feasible scenario is approved by the larger board. The FC brings together the community of nonprofit providers in the field of domestic violence in a collegial environment, lays out the study and the recommendations and gathers further input from field thinkers and providers on the best way forward. And then begins the process of choosing nonprofit partners for the enterprise. The nonprofits are nervous, although a similar initiative in Portland around homelessness some years back did yield promising outcomes.

The partner nonprofit organizations are all used to competing with each other for limited funds. All have their own boards and turf, their own strategies and contacts with foundations, and so remain uncertain about this new partnership. But the incentive to get involved is powerful. The FC will guarantee funding for the Domestic Violence project and its collaborating organizations for up to 10 years, depending on the viability of the project and right timing of the exit strategy.

As the project develops the FC plans to formalize partnerships with organizations like Social Venture Partners Portland, TACS, N-Power, and Net Impact to provide consulting services to each nonprofit to help build organizational capacity and infrastructure and increase overall effectiveness and efficiency. It is hoped that this will dramatically leverage dollars with consulting time and also strengthen the overall probability of success.

**The year is 2006.** The Domestic Violence project is up and going, and with some help from SVP and others, the organizations in Oregon that are part of the effort are beginning to think strategically and well together. As the implementation progresses, it becomes clear that some organizations will need to beef up areas where they are already strong and completely cut out program areas that are redundant and/or where other organizations have a better program model. Each nonprofit has been encouraged to specialize in a particular area that is dealing with a specific aspect of the problem or population, even though all will collaborate to make sure that no one falls through the cracks.

The Foundation Consortium begins to appeal to business and government leaders as well as private philanthropists and starts to leverage other financial resources. Most are interested in endorsing a well conceived and structured project where the success and leverage factors are both high, and where such due diligence in planning precedes the investment of money.

**The year is 2010.** Five years into the project the entire spectrum of those whose lives are affected by domestic violence has changed significantly, and rates of domestic violence have declined dramatically in key areas. New program areas devoted more to prevention have emerged. A large chunk of the civic infrastructure (public, private, and social) has made a commitment to the issue, and PR raises the visibility of the effort considerably, further improving outcomes and bringing new donors to the effort.

The nonprofit organizations that have been working with the FC have also been meeting regularly and have decided on their own that they are going to do something radical—to create a new network style community wide nonprofit that effectively addresses domestic violence and prevention. Each organization retains a degree of autonomy, board oversight, and free standing program areas, but collaborating on the "back room" business required to run a nonprofit has become a relief for beleaguered staff who would much rather focus on direct service provision anyway. Synergies and savings are significant, resulting in even better service to the target population.

The project is becoming a national example of how the foundation and nonprofit sectors can work together to address complex issues innovatively. Donors from across the nation interested in the issue but tired of investing in organizations and efforts that do not produce substantive change begin to "invest" in the project so that significant resources continue to flow. Other states are asking Oregon for advice on how to implement similar efforts. The group begins to consider various scenarios for replication and scaling.

The nonprofit collaborative—with the help of SVP and other pro bono and paid consultants--develops strategic plans for long term financial sustainability, including social enterprise efforts to create earned income streams that directly serve both the target population and the new organization itself. Micro-enterprise, loan funds, and other innovations begin to emerge spontaneously. Increased economic stability begins to create a virtuous cycle that further strengthens families and neighborhoods where domestic violence has been endemic.

**The year is 2015.** Private investors and new income streams have supplanted the need for Foundation Consortiums funds. The Consortium, now much larger and managing three other big change efforts, has spawned similar efforts across the nation. The model has achieved such success that national PR has been extensive. Although the foundation community had the foresight to take the lead and drive innovation, the entire paradigm of the social sector itself has evolved as a result. In particular the way that foundations, nonprofits and the public sector work together has changed dramatically, becoming much more collegial and effective in addressing issues strategically and systemically. Children, women, families, and fathers are safer, happier. All of those who worked to establish this new model of citizen leadership and public problem solving in Oregon are proud that our state has taken the lead in such an important way. Oregon has set an incredible example for the rest of the nation. And most importantly, our streets and homes are safer, our children and families are happier, and the citizens of our state are deeply engaged in the necessary and ongoing work of building and sustaining our democracy.

*"Thanks for including me as a reader of your provocative essay on foundation collaboration. It is great, and provides a vision for entire communities to work together on addressing key issues. I really like it and hope we can build on it. With your guidance, this vision could very likely become reality."*

*Greg Chaille, President of the Oregon Community Foundation*