

The Standards | A Guide for Subprogram Strategies

1 2 3 4 5

the overview

**The Standards** | A Guide for Subprogram Strategies

# welcome

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Whether you're starting a new subprogram, or fine-tuning an already existing one, this practical guide for developing and implementing strategies will inform your journey. We hope you'll find the information, resources, and tools collected here to be a valuable resource no matter what stage of the subprogram lifecycle you're in.

The Standards pulls together in one place many of the approaches, tools, and guidelines that have been developed at the Packard Foundation in our decade-long commitment to building effectiveness. This guide includes:

- The Overview - This booklet provides an introduction and background for The Standards. It also features At a Glance summaries of each phase and graphics that lay out the paths to developing and implementing a subprogram strategy.
- The Workbook - The workbook section includes enhanced "At a Glance" summaries of each phase, descriptions and tools for each required product, and worksheets for each phase and product.
- The Resources – This section includes additional materials and references that will help you to dig deeper into the phases, products, and philosophies for developing and implementing subprogram strategies.

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Much of the material and many of the tools—such as theories of change and logic models—are not new; but rather we have tried to make them accessible in one place. Other material simply commits to paper many of the practices that have developed informally at the Foundation but had not yet been integrated into an overall approach.

It also attempts to clarify some ambiguities and provide a practical guide to involving others in designing and gaining approval for plans to create a uniform approach within the Foundation. Within this commitment to rationalizing and systematizing a process, we have left open many avenues and opportunities for individual creativity and expression.

The Standards is a working document. As such, we encourage your active feedback. It is through your engagement with it, your thoughts and opinions about how to make it as useful as possible to you and those whom you work with, that it can become a truly useful, living document. The complete documentation (and latest version) can also be found at: <http://projects.packard.org/Work-Groups/ProgramStrategy/default.aspx>. Check this site regularly for additions and/or modifications to The Standards.

We also encourage the Packard Foundation staff to share this document with strategy and evaluation consultants with whom we actively engage, strategic partners, grantees, or peers in the sector. We have found that having this common vocabulary helps all of us to better understand each other and our approaches, and opens new channels for rich discussion.

*For further information, please send an email to [thestandards@packard.org](mailto:thestandards@packard.org).*

Thank you in advance for engaging with us on this important work. These are all important steps toward developing a culture of grantmaking excellence at the Packard Foundation.



# table of contents

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Background	6
Introduction	8
Five Phases of Subprogram Strategy Development	10
Phase 1: At a Glance	12
Phase 2: At a Glance	14
Phase 3: At a Glance	16
Phase 4: At a Glance	18
Phase 5: At a Glance	20
Journey Overview Map	22

# background

## HOW THE STANDARDS WERE DEVELOPED

These subprogram strategy standards were created in the spring of 2007 as part of the Packard Foundation's response to an increase in funding. It builds on prior strategy-development work at the Foundation and reflects Foundation values, philosophy, and policies. This manual also incorporates contributions from many stakeholders in Packard's success, including program officers (Sono Aibe, Bernd Cordes, Arron Jiron, Denny Kelso, Sergio Knaebel, Gene Lewit, Stephanie McAuliffe, Lisa Monzón, Kathy Toner, Liane Wong), evaluation staff (Gale Berkowitz, Bernadette Sangalang), vice president (Chris DeCardy), and Bridgespan consultants (Geoff Chapin, Caitrin Moran). **Many thanks to Ruth Brousseau for her masterful coordination of this manual, taking our many voices and ideas and weaving them into this single, rich resource.**

For this most recent version of the workbook, we worked with Central, a creative design consultancy based in the Bay Area, to re-invent The Standards. The Central team crafted a collaborative approach to thinking about what the Foundation needed, and what to design. That process involved studying how Foundation staff used and referenced the original workbook (a kind of observation called design ethnography), a workshop with the Packard Evaluation Support Team, and review of a draft version (or prototype) before designing this final piece. The outcome of this project was a new way of organizing the information, a new look and feel for the binder, and key insights and principles on how to design for the future based on feedback from Gale Berkowitz, Bernadette Sangalang, Bill Bacon, Lindsey Kampmeinert, Bernd Cordes, Heather Ludemann, Gene Lewitt, Jeff Sunshine, Sandra Bass and Audrey Struve on how they would like to see the tool evolve. We'd also like to thank interview participants Sono Aibe, Kai Lee, Stephanie McAuliffe, Arron Jiron, Bill Bacon, Jeff Sunshine, Lisa Monzón and Chris DeCardy.

The overarching goal for this project was to identify and pull together the best practices in strategy development both for the immediate need of allocating unexpected funding and to leave as a resource for others at the Foundation as they develop, implement, and evaluate new or expanded subprograms.

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## **VALUES**

The underlying goal of attempting to codify and refine the process of subprogram strategy is to ensure that the core processes of the Foundation support its broader values. Values that aren't backed by intention and activity remain merely theories. The Standards is a tangible expression of what we believe in at the Packard Foundation:

- Integrity
- Respect for all people
- Individual leadership
- Commitment to effectiveness
- Capacity for thinking big

The full-length version of our values statement may be found at [www.packard.org](http://www.packard.org).

## **PHILOSOPHY**

This workbook also reflects the Foundation's philosophy of how it wants to make a difference in the world. The specific practices in The Standards tether this vision to a roadmap of how we intend to achieve it. Specifically, our aim is to create programs that:

- Are highly focused on a limited set of big outcomes.
- Deploy the diverse strategies needed to achieve those outcomes.
- Make intentional decisions about the mix of place-based local, state, national, and global approaches to achieving program outcomes.

For the full Philosophy Statement on Making Strategic Decisions adopted by the Board of Trustees, go to Phase 5, page 22.

## **POLICY**

Finally, The Standards puts flesh on the bones of the basics outlined in the Policy for Strategic Decision Making within the Foundation adopted by the Board of Trustees in March 2005. That policy outlines:

- How strategic decisions are framed.
- How subprogram strategies are defined.
- Parameters for grantmaking outside approved subprograms.
- How programs are reviewed.

For the full Strategic Decision Making policy statement adopted by the Board of Trustees, go to Phase 5, page 18.

# introduction

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The Standards will take you through the journey of developing and implementing subprogram strategies from conception through implementation and evaluation. The Standards provides benchmarks and requirements for your subprogram strategy, as well as tools and resources for constructing and implementing it. Together, the elements and practices reflected in The Standards constitute the Foundation’s standards of excellence for subprogram strategies.

The workbook consists of five phases of activity. There is a sequential, step-by-step guide for developing and implementing a subprogram strategy. The Standards have also been developed so that phases and tools within The Standards are stand-alone guides that can be used when and where they are useful to you. This may be, for example, when you are fine-tuning subprograms or preparing for a program review, when significant changes are affecting your program, such as major increases or decreases in funding, when your evaluation provides information calling for re-turning, or when you are looking for tools and resources for working with grantees.

## WHAT WE MEAN BY “STRATEGY”

The dictionary defines strategy as “a detailed plan for achieving success in situations.” Often strategy development is thought of as a first phase of work, followed by an implementation period. Here we use strategy to include both program development and implementation. In this sense, strategy becomes a dynamic and ongoing process important throughout the full lifespan of programs and initiatives, as useful in implementation as in development. Tools described in The Standards will help you think strategically about your subprogram at all points in its lifespan.

A potential point of confusion is that sometimes the term strategy refers to a particular intervention, such as a public education campaign to teach the public about carbon emissions or a direct service program to make contraception available to young mothers. To be clear, here we will use strategy to refer broadly to the entire spectrum of thinking and activity that go into program development and implementation—the full subprogram strategy. We will use the term “intervention,” to refer to specific approaches and activities (such as a public education campaign or provision of direct services) undertaken to address a problem.

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As part of a general orientation to strategy development, you might wish to read more about the discipline of strategy development. The book *Strategy Safari: A Guided Tour Through the Wilds of Strategic Management*, by strategy guru Henry Mintzberg with Bruce Ahlstand and Joseph Lampel, is a somewhat academic but useful overview of approaches to strategy in the corporate sector. Chapter 7, *Strategy Formation as an Emergent Process*, is particularly relevant, and a three-page graphic titled Strategic Thinking as Seeing, (pp. 126-128) is alone worth the price of the book.

The Packard Foundation (along with others) funded David La Piana and Associates to develop strategy tools for the nonprofit sector. The La Piana website ([www.LaPiana.org](http://www.LaPiana.org)) has several articles on strategy aimed toward the nonprofit sector.

The Center for Effective Philanthropy's report, *Beyond the Rhetoric: Foundation Strategy*, by Kevin Bolduc, Ellie Buteau, Greg Laughlin, Ron Ragin, and Judith Ross, examines the current state of decisionmaking at large, private U.S. foundations. Through in-depth interviews with CEOs and program officers, the study examines foundation leaders' view and use of strategy in making decisions. Analysis of their responses reveals four categories of decision makers, ranging from intuitive to strategic. This document may be found at [www.effectivephilanthropy.org](http://www.effectivephilanthropy.org).

*The Foundation: A Great American Secret: How Private Wealth Is Changing the World*, by Joel Fleishman (2007), also contains several useful chapters on foundation strategy.

Strategy is an important discipline for all foundations. Although the literature is currently sparse, keep your eyes open, as it promises to be a hot topic in the next several years. Please let us know when you find good resources.

# 5 Phases

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## THE 5 PHASES OF SUBPROGRAM STRATEGY DEVELOPMENT

We have organized each strategic phase similarly. Each phase includes:

- The process, products, and approval requirements for the transition to the next phase.

- Guidelines for fulfilling products and requirements.

- Where appropriate, worksheets to help you refine your thinking.

- Resources relevant to each phase.

Keep in mind that these are guidelines and not strict rules for meeting the standards for each phase. Early and regular communication is key throughout engagement in The Standards. The Program Officer should be in regular communication with the Program Director regarding direction and intensity of effort. Also, the Program Director should engage early and regularly with the CEO and Board about expectations, timing, and formality of engagement. Some time at regular Program Director check-ins with the CEO could be used for these purposes.

Flexibility and adaptability are essential in order for these guidelines to remain relevant to our work. As such, we have not indicated how long each phase should take to complete. The timing will necessarily vary according to many factors, including urgency of the problem, compatibility with current strategies and tactics, amount of investment, and duration of investment.

1 2 3 4 5



AT A GLANCE

# idea collection

Phase 1 is the time to think broadly and creatively about your **subprogram strategy**. In this phase you'll **scan the environment** to generate many potential ideas to incorporate. You'll get to know **experts and organizations** in the field and learn about new aspects of the issue you explored before.

Connections and relationships you develop in Phase 1 will be valuable to you throughout the process of designing and implementing your subprogram strategy.

While you're scanning broadly, **keep in mind the questions** you ultimately will have to answer: Why now? Why the Packard Foundation? Is the proposed investment supported by a complete and compelling logic model? Is this a high-impact use of scarce Foundation resources?

As you **reach out** to request input and advice from many people, be sure to **manage the expectations** and perceptions that you create to avoid winding up with disappointed stakeholders down the road.

## PHASE HIGHLIGHTS

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Be creative. This is the phase in which to explore.

Keep the four core questions in mind from the beginning.

The contacts you build now will be a resource throughout your strategic planning.

Don't let your research conversations with organizations create false expectations of future funding.

Only modest grant investments will be made.

A minimum of staff time will be devoted.

The launch meeting is key to setting strategy as you move forward.

The Board will review your launch memo and survey summary.

## PHASE 1 PRODUCTS

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One-Page Environmental Scan & Summary  
Post Launch Meeting Memo

## THE PROCESS

At the beginning of Phase 1, the program director will convene a group for a launch meeting including representatives from the core teams (PRI, OE, Communications, Evaluation, and Legal). The more representatives who are involved at this stage in this process, the better.

### DETAILS

The purpose of this launch meeting is to obtain preliminary information from everyone about a variety of issues and input that should be considered as the strategy development process moves forward. Questions to ask include:

Are any legal issues involved in this potential strategy?

At what points should Communications be consulted?

Does this strategy have possible program-related investment opportunities?

How could evaluation be used in this potential strategy?

Program staff will also identify a Strategy Buddy, a critical friend from within the Foundation (but outside your Program) as a guide to include in this meeting and turn to for consultation throughout the process. A Strategy Buddy plays the roles of unbiased colleague, nag, and trusted advisor.

The product of this meeting will be a memo describing the process for developing a subprogram strategy as it will move forward, stating when different functions will be brought back into the picture or consulted, and presenting additional information that may be needed.

### APPROVAL REQUIREMENTS

The summary of your environmental scan should be signed off by all participants in the launch meeting and kept on file by Program Director and Vice President. You'll advance to Phase 2 after a sign-off from both the CEO and Board.

### RESOURCES

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#### LINKS

**Grantcraft**

[www.grantcraft.org](http://www.grantcraft.org)

#### ARTICLES

**Pitfalls to avoid: Building a strategy without false expectations**

Page 12

**Strategy Buddy guide: How to get help when you need it**

Page 13

# 2

AT A GLANCE

## idea development

In Phase 2, you'll prioritize the list of ideas you've generated and narrow them to a smaller number that will become the focus of your **subprogram strategy**. In this phase, you'll start devising your subprogram strategy, developing specific and concrete responses to these four essential questions:

**Why now?**

**Why the Packard Foundation?**

**Is the proposed investment supported by a complete and compelling logic model?**

**Is this a high-impact use of scarce Foundation resources?**

Also in this phase, you'll do informal thinking about your **initial theory of change and logic model**. Finally, you should begin to outline a preliminary estimate of the cost of your concept. A **budget scenario** will be developed in Phase 3, and a more formal funding plan will be developed in Phase 4. But cost is such an important feasibility question that it should become part of the conversation as early as possible.

### PHASE 2 PRODUCT

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Response to Four Questions

### PHASE HIGHLIGHTS

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Start a back-of-the-envelope budget for what you think your strategy will cost to implement.

Start thinking about your theory of change.

Dive deep into the four core questions as a way to narrow your focus.

## THE PROCESS

When you begin Phase 2, a brief meeting between the Program Officer, Program Director, Vice President, and Evaluation will be held to discuss and clarify next steps, activities for this phase, and appropriate timeline.

### DETAILS

The staff lead will write a brief memo documenting the decisions made at this meeting, roles and responsibilities, and timeline for moving forward.

You'll formulate responses to the four core questions, using the guide in this section, as well as input from your Strategy Buddy, program staff, and a couple of respected outside authorities.

During this phase you'll want to check in with a couple of interested board members who could be close advisers or champions for you. You'll engage with the board more formally around your four questions document. You might also interact with a small group of grantees and possibly plan a small-scale grant.

### APPROVAL REQUIREMENTS

Sign-off by Program Director and Vice President on four questions

Sign-off by CEO and Board

### RESOURCES

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#### **A Conceptual Map**

Page 12

#### **The Feasibility Funnel**

Page 13

# 3

AT A GLANCE

## preliminary strategy

In Phase 3 you'll hone the strongest ideas for **subprogram strategy** that have emerged from your work so far, continuing to narrow, focus, and document your thinking.

In this phase you'll begin work on your logic model, theory of change and statement of outcomes. The **theory of change** is a narrative that describes the road map to achieving desired results, and identifies the preconditions, pathways, and interventions necessary for a strategy's success. It describes where you want to go and how you're going to get there. It leads directly to a **logic model**, which outlines relationships between actions and results. Finally, your **statement of outcomes** articulates exactly what you intend for those results to be.

These products do not need to be finalized until Phase 4 for review and approval. You'll also begin to develop **preliminary budget scenarios** for the subprogram strategy. A final Funding Plan will be required in the next phase. The relationships between these strategy elements are illustrated in the key relationships diagram on page 22.

### PHASE 3 PRODUCTS.

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Completed Responses to the Four Core Questions  
Draft Theory of Change  
Draft Logic Model(s)  
Statement of Outcomes  
Preliminary Budget Scenario

### PHASE HIGHLIGHTS

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- Craft your initial theory of change.
- Begin work on your logic model.
- Design with the end you intend to achieve in mind.
- Refine your budget scenarios.

### RESOURCES

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#### LINKS

**Mapping Change: Using a Theory of Change to Guide Planning and Evaluation**

Found on: [www.grantcraft.org](http://www.grantcraft.org)

**Making Measures Work for You: Outcomes and Evaluation**

Found on: [www.grantcraft.org](http://www.grantcraft.org)

**Outcome Measurement Resource Network**

Found on: [www.unitedway.org](http://www.unitedway.org)

**Logic Model Development Guide**

Found on: [www.wkkf.org](http://www.wkkf.org)

**Outcome Measurement in Nonprofit Organizations: Current Practices and Recommendations**

Found on:  
[www.independentsector.org](http://www.independentsector.org)

## THE PROCESS

The most important milestone for Phase 3 occurs after the products for a preliminary strategy have been developed. Through a series of reviews, the decision will be made as to whether to take the strategy to the CEO and Board, who in turn will decide whether the strategy should go to Phase 4 for full development.

### The steps are:

#### 1) Phase 3 initial meeting:

A brief meeting between the Program Officer, Program Director, Vice President, and Evaluation will be held to discuss and clarify the next steps, products for this phase, and appropriate timeline.

The staff lead will write a short memo documenting the decisions made at this meeting, roles and responsibilities assigned, and the timeline for moving forward.

#### 2) The products for Phase 3 will first be reviewed and either approved or rejected by your Program Director and Evaluation.

3) If they are approved, the Program Officer(s) and Program Director will meet with the Vice President for discussion and approval of preliminary strategy.

4) When a preliminary strategy is approved by the Vice President, it goes to Program Executives for discussion and approval or rejection.

5) If the preliminary strategy passes review with Program Executives and CEO, then it goes to the Board.

6) The Board determines as to whether the strategy will proceed to Phase 4 for full development.

## APPROVAL REQUIREMENTS

Meet with Program Director and Evaluation for approval of preliminary strategy.

Meet with Vice President regarding expectations and timeline for deliverables and Board engagement.

Review and approval by Program Executives prior to Board engagement.

Sign-off by Board.

[continued]

### DIAGRAM

**Key Relationships between Strategy Elements**

page 22

### ARTICLE

**Getting specific: The difference between a theory of change and a logic model**

page 23

### TOOL

**Logic Model Template**

page 24

# 4

AT A GLANCE

## full strategy

In Phase 4 you'll continue to get more specific about several subprogram strategy elements. Specifically, in this phase you'll finalize your **theory of change** and **logic model(s)** and use them as the basis for developing the following three additional components to the subprogram strategy:

- (1) A **funding plan** that identifies the Packard Foundation resources that you will need for the duration of your subprogram strategy;
- (2) A **draft evaluation plan** that describes how you will learn from and assess the work that will be accomplished through implementation of your subprogram strategy. The draft, which will be finalized in Phase 5, should include an estimate of costs for evaluation.
- (3) An **exit plan** that articulates your thinking about the length of time over which your subprogram strategy will be implemented and how and under what circumstances you will recommend withdrawing Packard support.

### PHASE 4 PRODUCTS

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Final Theory of Change  
Final Logic Model(s)  
Outcome  
Funding Plan  
Draft Evaluation Plan  
Exit Plan

### PHASE HIGHLIGHTS

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Early in this phase, the Board will formally discuss your strategy.

You'll go through program budget allocation.

You'll present your strategy to the Trustees.

### RESOURCES

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#### LINKS

**The Effective Exit: Managing the End of a Funding Relationship**  
Found on Grantcraft  
[www.grantcraft.org](http://www.grantcraft.org)

#### BOOKS

**Foundations and Evaluation: Contexts and Practices for Effective Philanthropy**, by Marc Braverman, Norman Constantine, and Jana Kay Slater

**Utilization Focused Evaluation: The New Century Text**, by Michael Quinn Patton

## THE PROCESS

At the conclusion of Phase 4, the decision will be made as to whether the strategy will go to the Board. If so, the process will be capped by a Board decision determining whether the strategy is funded for implementation and Phase 5.

### DETAILS

The steps for advancing toward the Board are as follows:

1. Phase 4 initial meeting:
  - a. After approval to enter this phase, a brief meeting between the Program Officer, Program Director, Vice President, and Evaluation will be held for discussing and clarifying the next steps, products for this phase, and appropriate timeline.
  - b. The staff lead will write a brief memo documenting the decisions made at this meeting, roles and responsibilities assigned, and timeline for moving forward.
2. Review and approval of the full strategy starts with your Program Director and Evaluation.
3. Once approved, the Program Officer(s) and Program Director will meet with the Vice President to discuss of the full strategy and decision on when the strategy goes to the Program Executives.
4. After the Program Executives have reviewed and approved the full strategy, the CEO determines whether it will go to the Board.
5. The Board ultimately determines whether and with how much funding the subprogram strategy will move into Phase 5 for implementation.

### APPROVAL REQUIREMENTS

Review by Program Executives

Sign-off by Board

[continued]

**Reframing Evaluation through Appreciative Inquiry**, by Hallie Preskill and Tessie Tzavaras Catsambas

**Level Best: How Small and Grassroots Nonprofits Can Tackle Evaluation and Talk Results**, by Marcia Festen and Marianne Philbin

# 5

AT A GLANCE

## full implementation

**Congratulations!** You've made it through the intricacies of subprogram strategy design and have been able to communicate your ideas effectively. Phase 5 focuses on **implementation**. The focus of this phase is on monitoring, evaluating, and learning (ME&L) about strategy implementation. It is a way to build our effectiveness and to identify ways to improve our work as it unfolds. Phase 5 currently does not include best practices and guidance on the actual craft of grantmaking.

Through **ME&L** (among other types of data gathering) you'll learn where your original subprogram design might be changed or improved, where changes in your theory of change or logic models might more accurately reflect your subprogram, and how your assumptions test out. In addition, we will guide you on ways to translate the information from monitoring and evaluation into learning for continuous improvement and program impact.

As you implement your subprogram strategy, stay focused on information that you gather and how to use it. Some information will be required by the Foundation for updates and reviews. Other information will be useful to you in building and strengthening a field. Early in the implementation phase you will identify the different types of information you'll be gathering and consider how you'll use it.

### PHASE 5 PRODUCTS

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Finalized Learning Plan  
Finalized Monitoring Plan  
Finalized Evaluation Plan and Budget  
Subprogram Dashboard  
Midcourse Review  
Annual Learning Update  
End of Strategy Review

### PHASE HIGHLIGHTS

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Begin full strategy implementation.

Finalize and begin implementation of ME&L plans.

Review and update your subprogram dashboard twice a year.

Conduct a midcourse review.

Annually carry out a learning update.

Conduct an end of strategy review.

It is important to obtain the kinds of information that are useful to you and your subprogram, to use that information well, and to continue to focus on outcomes as well as the process that leads there.

## THE PROCESS

In Phase 5, grants are made and implementation begins. The ME&L plans are finalized and the subprogram strategy proceeds into an annual review process, described below.

### DETAILS

1. After final approval of your subprogram by the Board, a brief meeting between the Program Officer, Program Director, Vice President, and Evaluation will be held to discuss and clarify next steps.
2. The launch team that met in Phase 1 will be reconvened to determine what role, if any, members of this group will play in the implementation phase.
3. As you begin to implement your strategy, you will finalize your ME&L plan (with an evaluation budget) for tracking the progress and eventual impact of your subprogram.
4. Develop your subprogram dashboard and formally update it twice a year at first quarter and third quarter.
5. Develop a learning plan for your subprogram, and provide a learning update with program staff annually.
6. Review and update your logic model and evaluation plan once a year.

### APPROVAL REQUIREMENTS

ME&L Plan

Biannual update of subprogram dashboard

Annual review and update of logic models and evaluation plans

Midcourse Review

Final review of program (at the end of funding commitment)

### RESOURCES

#### LINKS

**Learning Together: Collaborative Inquiry Among Grant Makers and Grantees**

Found on: [www.grantcraft.org](http://www.grantcraft.org)

#### BOOKS

**Cultivating Communities of Practice: A Guide to Managing Knowledge**, by Etienne Wenger, Richard McDermott, and William Snyder

**The Fifth Discipline**, by Peter Senge

[continued]

7. Conduct a midcourse review of your subprogram. This involves a formal presentation to the Board in which you update them about the subprogram's progress and important developments in the field and present potential new directions or changes in strategy. After the midcourse review, the subprogram returns to Phase 3 of the Standards.

8. At the end of the funding commitment, you'll have a final review of subprogram with the Board. During the final year of the approved commitment to the subprogram, the subprogram returns to Phase 2 of the Standards. This is also a significant period of learning and engagement with the Board, in which it is assessed whether the commitment to the subprogram should end or be modified.

[continued]

**EXAMPLES**

For examples of subprogram dashboards, go to the Dashboards Sharepoint site.

**REFERENCES**

Life cycle Illustration  
Page 12

Policy for Strategic Decision  
Making Within the Foundation  
Page 59

Philosophy Statement on Making  
Strategic Decisions  
Page 63

# 1

## idea collection

### ACTIVITIES

- Scan the environment for ideas.
- Develop relationships with experts.
- Hold a launch team meeting.
- Commission white papers.
- Convene forums.
- Think about the 4 Core Questions.
- Modest grant funds invested.



### WHO SIGNS OFF

The launch meeting team signs off on your scan summary, which then proceeds to the CEO & Board.



### PRODUCTS

- One-Page Environmental Scan & Summary
- Post Launch Meeting Memo

# 2

## idea development

### ACTIVITIES

- Begin drafting a theory of change.
- Begin drafting a logic model.
- Complete responses to 4 Core Questions.
- Start rough budget estimates.
- Prioritize ideas you've gathered.
- Check in with board members who could be champions.
- Engage with small groups of grantees.



### WHO SIGNS OFF

Program Director & Vice President  
CEO & Board



### PRODUCTS

- Response to Four Core Questions: (below)

- Why now?
- Why the Packard Foundation?
- Is the proposed investment supported by a complete and compelling logic model?
- Is this a high-impact use of scarce Foundation resources?

# 3

## preliminary

### ACTIVITIES

- Finalize
- Question
- Convene
- meeting
- Draft y
- Draft a
- Draft a
- Refine



### WHO SIGNS OFF

Program Director  
Evaluation Team, Vice President  
Executive



### PRODUCTS

- Complete
- Four C
- Statem
- Draft T
- Draft L
- Prelimi



## KEY PRODUCTS OVER TIME



### FUNDING PLAN

Drafted in Phase 2  
Finalized in Phase 4

Approved by Program Director, Evaluation Team, then discussed with CEO and/or Program Executives. Possible presentation to Trustees. Should be submitted with draft of Theory of Change, Logic Model, Statement of Outcomes and Exit Plan.



### THEORY OF CHANGE

Drafted in Phase 3  
Finalized in Phase 4

Approved by Program Director, Evaluation Team, then discussed with CEO and/or Program Executives. Possible presentation to Trustees.



### LOGIC MODEL(S)

Drafted in Phase 3  
Finalized in Phase 4

Approved by Program Director, Evaluation Team, then discussed with CEO and/or Program Executives. Possible presentation to Trustees.



### OUTCOMES PLAN

Drafted in Phase 3  
Finalized in Phase 4

Approved by Program Director, Evaluation Team, then discussed with CEO and/or Program Executives. Possible presentation to Trustees.

## Phase 3: Drafting Strategy

**ACTIVITIES**

- Draft responses to 4 Core Questions.
- Convene an initial phase meeting.
- Draft your Logic Model(s).
- Draft a Theory of Change.
- Draft a Statement of Outcomes.
- Draft your budget scenarios.

**WHO SIGNS OFF**

Program Director, Evaluation Team, Vice President, Program Executives, CEO & Board

**PRODUCTS**

- Drafted Responses to the Core Questions
- Draft Statement of Outcomes
- Draft Theory of Change
- Draft Logic Model(s)
- Draft Primary Budget Scenario

# 4

## Phase 4: Finalizing Strategy

**ACTIVITIES**

- Convene an initial phase meeting.
- Hone your subprogram strategies.
- Finalize a Theory of Change, Logic Model(s) and Statement of Outcomes.
- Draft a Funding Plan.
- Draft an Exit Plan.
- Draft an Evaluation Plan.
- Board formally discusses your strategy.
- Go through program budget allocation.



**WHO SIGNS OFF**

Program Director, Evaluation Team, Vice President, Program Executives, CEO & Board



**PRODUCTS**

- Final Theory of Change
- Final Logic Model(s)
- Outcome
- Funding Plan
- Draft Evaluation Plan
- Exit Plan

# 5

## Phase 5: Implementation

**ACTIVITIES**

- Phase 1 launch team meets.
- Finalize evaluation plan.
- Develop Subprogram Dashboard(s).
- Update Subprogram Dashboard 2X per year.
- Review & Update Logic Models annually.
- Review your subprogram at midcourse with the Board.
- Develop a Learning Agenda.
- Present the Learning Agenda to staff.
- Go through a final review (at the end of funding).



**WHO SIGNS OFF**

Program Director, Evaluation Team, Vice President, Program Executives, Board



**PRODUCTS**

- Final Evaluation Plan and Budget
- Final Learning Agenda
- Subprogram Dashboard
- Midcourse Review
- Final Review

FEEDBACK LOOP

## PHASE 4: DRAFT & FINALIZE.



### EVALUATION PLAN

Drafted in Phase 3  
Finalized in Phase 4

Reviewed by Program Director, Evaluation Team, then Vice President, CEO and/or Program Executives. Possible review by Trustees.



### EVALUATION PLAN

Drafted in Phase 4  
Finalized in Phase 5

Draft evaluation plan due along with draft of Theory of Change, Logic Model, Statement of Outcomes and Exit Plan. Plan is reviewed by Evaluation Team, followed by allocation of funding in program budget.



### EXIT PLAN

Drafted in Phase 4  
Finalized in Phase 5

Draft evaluation plan due along with draft of Theory of Change, Logic Model, Statement of Outcomes and Evaluation Plan.



### LEARNING PLAN

Drafted in Phase 5  
Finalized in Phase 5

Reviewed by Program Director and Evaluation Team.

The Standards | A Guide for Subprogram Strategies

# idea collection



AT A GLANCE

# idea collection

Phase 1 is the time to think broadly and creatively about your **subprogram strategy**. In this phase you'll **scan the environment** to generate many potential ideas to incorporate. You'll get to know **experts and organizations** in the field and learn about new aspects of the issue you explored before.

Connections and relationships you develop in Phase 1 will be valuable to you throughout the process of designing and implementing your subprogram strategy.

While you're scanning broadly, **keep in mind the questions** you ultimately will have to answer: Why now? Why the Packard Foundation? Is the proposed investment supported by a complete and compelling logic model? Is this a high-impact use of scarce Foundation resources?

As you **reach out** to request input and advice from many people, be sure to **manage the expectations** and perceptions that you create to avoid winding up with disappointed stakeholders down the road.

## PHASE HIGHLIGHTS

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Be creative. This is the phase in which to explore.

Keep the four core questions in mind from the beginning.

The contacts you build now will be a resource throughout your strategic planning.

Don't let your research conversations with organizations create false expectations of future funding.

Only modest grant investments will be made.

A minimum of staff time will be devoted.

The launch meeting is key to setting strategy as you move forward.

The Board will review your launch memo and survey summary.

## PHASE 1 PRODUCTS

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One-Page Environmental Scan & Summary  
Post Launch Meeting Memo

## THE PROCESS

At the beginning of Phase 1, the program director will convene a group for a launch meeting including representatives from the core teams (PRI, OE, Communications, Evaluation, and Legal). The more representatives who are involved at this stage in this process, the better.

### DETAILS

The purpose of this launch meeting is to obtain preliminary information from everyone about a variety of issues and input that should be considered as the strategy development process moves forward. Questions to ask include:

Are any legal issues involved in this potential strategy?

At what points should Communications be consulted?

Does this strategy have possible program-related investment opportunities?

How could evaluation be used in this potential strategy?

Program staff will also identify a Strategy Buddy, a critical friend from within the Foundation (but outside your Program) as a guide to include in this meeting and turn to for consultation throughout the process. A Strategy Buddy plays the roles of unbiased colleague, nag, and trusted advisor.

The product of this meeting will be a memo describing the process for developing a subprogram strategy as it will move forward, stating when different functions will be brought back into the picture or consulted, and presenting additional information that may be needed.

### APPROVAL REQUIREMENTS

The summary of your environmental scan should be signed off by all participants in the launch meeting and kept on file by Program Director and Vice President. You'll advance to Phase 2 after a sign-off from both the CEO and Board.

### RESOURCES

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#### LINKS

**Grantcraft**

[www.grantcraft.org](http://www.grantcraft.org)

#### ARTICLES

**Pitfalls to avoid: Building a strategy without false expectations**

Page 12

**Strategy Buddy guide: How to get help when you need it**

Page 13



## PRODUCT DEVELOPMENT

# environmental scan

This exploratory phase of strategy development benefits from a wide-angle lens for assessing the state of the field, collecting ideas, and thinking broadly about different possibilities where you might wish to eventually focus your subprogram strategy. You might consider some of the approaches listed below for gathering information:

### LOCATE WISDOM IN THE FOUNDATION

It's very likely that other people within the Foundation have given some thought to your area and could provide some guidelines or touch points that would be more helpful for you to know about sooner than later. Sometimes people from programs unrelated to your issues can provide very clear thinking that can be helpful, so don't feel constrained to talk only with people who share your content knowledge.

### CONTACT EXPERTS

Talk with people who have different kinds of expertise in the areas that you are interested in, and ask each of them who else you should be talking with if you want to work in this area. You're beginning to informally conduct a network analysis of this issue by identifying people whose names will come up repeatedly and who would appear at the center of a network analysis, as well as people with specialized or limited expertise who would appear more at the outer edges of a network.

### REACH BEYOND THE USUAL SUSPECTS

Some of the most creative thinking about issues can come from people who are not at the center of fields of practice. As you build a network of experts and informants in a field, think about experts outside your field, those who explicitly hold different views (about policies or solutions), and creative agitators who can provide a different lens.

### OTHER HELPFUL TIPS

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**Review prior work.** Go back to some of the original documentation from related grants and program strategies to review what's already known.

**Get help with interviews.** Hire someone to help conduct interviews with key experts and stakeholders. You'll increase your capacity and possibly blunt the bias that the introduction of your role as a grantmaker can bring.

**Go to the source.** It's crucial that you talk directly with those most affected by the problem rather than relying solely on others who claim to speak for them.

**Ask your experts for a reading list.** A short annotated bibliography of 5 to 10 reports, articles, or books will help communicate your focus to others.

## **CREATE RESEARCH REPORTS OR WHITE PAPERS**

Ask key people to think longer and deeper about a topic than a conversation alone may allow. Commissioning a report is a useful method of getting a deeper level of thinking, as well as getting some of the literature identified for you.

## **CONVENE FORUMS**

People are sometimes more creative and productive thinkers in a group setting than in one-on-one conversations and interviews. You could bring people together in a two-hour focus group with specific questions, or a multi-day conference to consider ideas and questions that you deem important. Meeting planners and skilled facilitators can be an important resource for helping you use people's time well, as it is important to avoid missteps at this early stage of subprogram strategy development.

## **CONDUCT A SURVEY**

A strength of surveys is that they can reach larger numbers than personal interviews and thereby bank against the possibility of being overly swayed by opinions that may be persuasive but ultimately not representative. For example, if you are considering working in the area of teen-pregnancy prevention, you may wish to survey organizations working with teens so that you may obtain a perspective on what they identify as critical gaps in knowledge and services for which foundation funding could make a difference. A weakness is that surveys do not provide the richness of thinking that individual interviews provide. It is ideal to combine surveys with personal conversations.

## **ONLINE COLLABORATION TOOLS**

Foundations regularly use grantmaking strategies to orient their philanthropic investments. These strategies are typically developed by foundation staff, by "philanthropic intermediaries," or by consulting firms. We are concerned that the existing models for strategy development cast far too narrow a net in their search for creative solutions. They are unable to benefit from the wisdom, experience, and expertise present within civil society, private sector, and academic institutions. They lack the transparency and opportunity for critical review that could aid in their development and that could help grantees to determine whether they might play a role in implementing the strategy. And, they tend to reinforce networks involving individuals and institutions with existing relationships to the foundation without providing opportunities for the creation of new networks and partnerships between donors and possible grant recipients.

In response, we would also like to encourage online and network collaborative practices to inform strategy development. Interactive tools such as social media and Web 2.0 technologies can enable people to connect in new ways and make those connections more visible than they had been before.

Our working hypothesis is that engaging online tools and networks can help philanthropies become more transparent, share information and ideas with greater immediacy, and create opportunities for leadership to emerge in new places. For more information on the Philanthropy and Networks Exploration, See: <http://www.packard.org/genericDetails.aspx?RootCatID=3&CategoryID=162&ItemID=3739&isFromModule=1>.



# organize information

## QUESTIONS TO HELP ELICIT AND ORGANIZE INFORMATION

The following questions will help you think through various aspects of the problem, potential solutions, and other features of possible subprogram strategy elements that are important considerations. The list is not exhaustive, but suggests dimensions that are important in many funding strategies.

THE PROBLEM
What is the problem or issue that would be the focus of funding?
Whom does it affect?
Why is this problem important?
What is the magnitude of the problem?
How much is known about the problem?
What are root causes of the problem?

FIT FOR PACKARD FOUNDATION
Does this issue and its potential solutions fit with mission, values, and ways of working generally used by the Packard Foundation?
Do they fit within the program area?
Do they fit within the broad parameters of what you know about Foundation resources that will be available for the subprogram?

POTENTIAL SOLUTIONS
What are potential philanthropic solutions to this problem?
Are any solutions through policy change?
Are there leadership-development solutions?
Is there a direct service or direct-action component?
Is there a capacity-building component?
Is there an organizational effectiveness component?
Do potential solutions get to root causes?
Is there evidence that one or more approaches might be particularly effective?

POTENTIAL IMPACT (with an eye on resources)
What degree of impact might philanthropic dollars make on this problem?
How much funding, in very broad brush strokes, would it take to make a difference?
Will Packard funds be sufficient, or part of an overall funding picture or package?
Do potential solutions suggest different types of grantmaking approaches?
Would core operating support grants be useful?
How about PRIs?
Do matching grants make sense?
How much time, in very broad terms, might it take to make a difference?
Is the potential impact significant enough to warrant the time and funding it would take to solve the problem?

## THE CONTEXT

Social and political context. What social and political circumstances and events could create a threat to or an opportunity for philanthropic funding's making a difference?

Infrastructure context. Are there potential grantees to receive grants and work on solutions to this problem? What are the strengths and weaknesses of the potential applicant pool?

Funding context. Who else is working on this issue? Are funding partnerships important to addressing this problem, and, if so, who are potential allies?

Assumptions. Are there any important assumptions about the context that you are making as you assess potential impact? What are they?

## TIMING

Is timing important?

Is the timing important in terms of the problem?

Is timing important in terms of the social and political contexts?

Is timing important in terms of potential funding from other sources?

## SUSTAINABILITY

Is sustaining an impact important for this potential investment?

If a sustained impact is important, how can it be achieved?

What kinds of partnerships, engagement, technical assistance, organizational-effectiveness support, etc. will help achieve sustainability if this is a goal?

What is the likelihood of attaining resources important for sustainability?

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# the resources

# diving deeper



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## **PITFALLS TO AVOID: BUILDING A STRATEGY WITHOUT FALSE EXPECTATIONS**

Be aware of potential traps for grant-makers at this early stage of idea collection and development. Even now, your interests, comments, and questions—however innocently put forward—will generate hopes, desires, and expectations on the part of potential funding recipients. Remind yourself of how easily people hear what they want to hear and of how disruptive dashed expectations can be to what you are trying to achieve.

### **Account for Self-Interest**

Skilled listening is very important at this phase of grantmaking, as the potential resources that you represent can influence the input you receive. This is why it is particularly important to include the perceptions and ideas of multiple stakeholders and points of view to allow you to see and understand the potential bias of individual respondents.

### **Provide Context, Over and Over Again**

It's extremely important to be transparent about the fact that you are at a very early stage. You're casting a wide net. You're one person in a Foundation process in which many people are involved in developing recommendations. It's ultimately the Board's role to decide whether ideas become subprogram strategies. As much as you explain, some people still won't hear you. But at least you will have done everything you can do to bank against unrealistic expectations.

### **Don't Ask Too Much**

The more people are asked for advice, the more prone they are for big letdowns. If you're asking for considerable amounts of time from people, you should think about finding a way to compensate them so that they will not feel that they have given so much that they deserve to be awarded funding. Even if you tell them otherwise, an internal quid pro quo equation often gets activated: "If I donate two days of my time helping to design a program, I surely deserve a grant, or my point of view should prevail."



RESOURCE

# diving deeper

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## STRATEGY BUDDY GUIDE: HOW TO GET HELP WHEN YOU NEED IT

### What Is a Strategy Buddy?

A Strategy Buddy is someone who works with you from the early stages of strategy development through the duration of your firm commitment. A Strategy Buddy plays the roles of unbiased colleague, critical friend, nag, and trusted adviser. A Strategy Buddy is someone from within the Foundation who is not in your program. You should consult with your Program Director about choices. Your Evaluation Director is available as well to consult on the choice.

### What Are the Qualities of a Strategy Buddy?

A Strategy Buddy is someone who can contribute to your own programmatic strategic development, either because a) s/he has experience in your content area; b) s/he has experience in one or more of your strategic approaches; c) s/he has experience with The Standards process; d) s/he would benefit from working with you because of what you would bring to the table; or e) other! Ideally, the relationship is mutually beneficial.

### Why Do We Promote Strategy Buddies?

We believe that there is rich learning to be derived from our colleagues. We believe the Strategy Buddy is a good mechanism for promoting diversity of thinking as well as cross-program learning.

### How Do I Get a Strategy Buddy?

When you have a candidate for your Strategy Buddy, please ask that person! No one is required to accept your request. Your candidate may have good reasons for not being available at the time.

Having a Strategy Buddy is not a mandate but is highly recommended. The key to all of this working is flexibility. We hope you'll give it a try and provide feedback on how it's working.



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# idea development

# 2

AT A GLANCE

## idea development

In Phase 2, you'll prioritize the list of ideas you've generated and narrow them to a smaller number that will become the focus of your **subprogram strategy**. In this phase, you'll start devising your subprogram strategy, developing specific and concrete responses to these four essential questions:

**Why now?**

**Why the Packard Foundation?**

**Is the proposed investment supported by a complete and compelling logic model?**

**Is this a high-impact use of scarce Foundation resources?**

Also in this phase, you'll do informal thinking about your **initial theory of change and logic model**. Finally, you should begin to outline a preliminary estimate of the cost of your concept. A **budget scenario** will be developed in Phase 3, and a more formal funding plan will be developed in Phase 4. But cost is such an important feasibility question that it should become part of the conversation as early as possible.

### PHASE 2 PRODUCT

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Response to Four Questions

### PHASE HIGHLIGHTS

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Start a back-of-the-envelope budget for what you think your strategy will cost to implement.

Start thinking about your theory of change.

Dive deep into the four core questions as a way to narrow your focus.

## THE PROCESS

When you begin Phase 2, a brief meeting between the Program Officer, Program Director, Vice President, and Evaluation will be held to discuss and clarify next steps, activities for this phase, and appropriate timeline.

### DETAILS

The staff lead will write a brief memo documenting the decisions made at this meeting, roles and responsibilities, and timeline for moving forward.

You'll formulate responses to the four core questions, using the guide in this section, as well as input from your Strategy Buddy, program staff, and a couple of respected outside authorities.

During this phase you'll want to check in with a couple of interested board members who could be close advisers or champions for you. You'll engage with the board more formally around your four questions document. You might also interact with a small group of grantees and possibly plan a small-scale grant.

### APPROVAL REQUIREMENTS

Sign-off by Program Director and Vice President on four questions

Sign-off by CEO and Board

### RESOURCES

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#### A Conceptual Map

Page 12

#### The Feasibility Funnel

Page 13

# 2

## PRODUCT DEVELOPMENT

# answering the four core questions

There are four key questions and supporting criteria that each proposal for deeper or new investment should specifically address. Program staff should do so in a way that is appropriate to each proposal. That said, their treatment should enable broader discussion and feedback on how well the proposal answers the questions and aligns with the criteria. Please note that the additional criteria of trustee interest and fit with mission will be confirmed by the Board during its sessions.

### 1) WHY NOW?

In light of the range of options for deeper or new investment, a compelling rationale is needed for why the proposed initiative should be funded. Toward this end, proposals should describe, based on developments in policy, civil society, earth's natural systems, or the private sector, why a time-bound window of opportunity exists for Packard Foundation grantmaking to reach the proposed goal(s). This description should convey:

- a. **The event, change, or trend in the external environment** that has created a window of opportunity, as well as an estimate of how long the window will remain open.
- b. How the **goal will be positively impacted** now by the proposed grantmaking.

### 2) WHY THE PACKARD FOUNDATION?

In addition to this being a unique moment in time, the Packard Foundation should be in an advantaged position to support realization of the goals of the proposed initiative. Proposals should specify how and why one or more of the following circumstances support this judgment:

The Packard Foundation has differentiated **staff institutional knowledge** based on past grantmaking and evaluations that informs the current strategy.

### OTHER HELPFUL TIPS

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**Why this timing?** Explain why now is the right moment to invest. What are the conditions around the issue and who are the players that signal the appropriate time?

**What does Packard bring to the issue?** Describe how the Foundation is uniquely positioned to contribute. Explain what justifies any risk on a particular strategy.

**Can it be measured?** Suggest the indicators that could be used to measure progress. Craft an idea of what an exit strategy might look like.

**Who else is at the table?** Spell out whether this is a leveraging strategy that will attract other funders. Predict what will happen if Packard doesn't invest.

The Packard Foundation staff/Trustees have **effective working relationships** with key leaders or organizations critical to the success of the program.

**Other Foundation resources will be especially valuable** in achieving the goal (e.g., PRI, OE grantmaking, Evaluation, or Communications know-how).

The Foundation **is willing to make a controversial or risky investment** in support of an important goal that other funders are shying away from.

### **3) IS THE PROPOSED INVESTMENT SUPPORTED BY A COMPLETE AND COMPELLING LOGIC MODEL?**

Proposals for deeper or new investment by the Foundation must be undertaken in the context of a clear logic model. This is a threshold consideration. A proposal's logic model will be considered complete and compelling when it:

Establishes **clear, concrete, and measurable outcomes** for the initiative.

Assesses the **relative importance** of the reallocation proposed with respect to realizing the overall program and or subprogram goals.

Plausibly maps the theory of change, i.e., the **cause-and-effect relationships** through which the activities of the Foundation and other essential partners and grantees ultimately lead to these outcomes.

Anticipates the **indicators and methods for evaluation**, as the program is under way (and can be refined) and after it has been completed.

Includes an **exit strategy** that describes the time frame in which the Foundation can stop its investment and why it will be able to do so without sacrificing the proposed goals.

### **4) IS THIS A HIGH-IMPACT USE OF SCARCE FOUNDATION RESOURCES?**

The final consideration is an assessment of whether the funding levels proposed are geared for maximum impact. A few considerations need to be addressed:

**How much funding** is being proposed? Over what **time period**?

How do the proposed Packard Foundation investment levels and time horizon **compare with an estimate of the total resources and time required** to solve the problem?

Is a **strategic approach to funding** being used? For example:

Is a leverage strategy being pursued?

If so, who else is funding or is prepared to fund the work?

What would happen if Packard did not invest?

Is an independent strategy being pursued, based on a need for boldness in the face of controversy or risk? If so, what would happen if Packard did not invest?

# answering the four core questions

## 1) WHY NOW?

Describe the event, change, or trend in the external environment that has created a window of opportunity, as well as an estimate of how long the window will remain open.

Describe how the goal will be positively impacted at this time by the proposed grantmaking (versus at some point in the future).

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## 2) WHY THE PACKARD FOUNDATION?

Specify how and why one or more of the following circumstances support your rationale for why Packard should be in an advantaged position for the proposed investment:

The Packard Foundation has differentiated staff institutional knowledge that informs the current strategy;

The Packard Foundation staff/Trustees have effective working relationships with key leaders or organizations that are critical to the success of the program;

Other Foundation resources will be especially valuable in achieving the goal (e.g., PRI, OE grantmaking, Evaluation, or Communications know how); and /or

The Foundation is willing to make a controversial or risky investment in support of an important goal that other funders are shying away from.

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**3) IS THE PROPOSED INVESTMENT SUPPORTED BY A COMPLETE AND COMPELLING LOGIC MODEL?**

Establishes **clear, concrete, and measurable outcomes** for the initiative;

Assesses the **relative importance** of the reallocation proposed with respect to realizing the overall program and / or subprogram goals;

Plausibly maps the theory of change, i.e., the **cause-and-effect relationships** through which the activities of the Foundation and other essential partners and grantees ultimately lead to these outcomes;

Anticipates the **indicators and methods for evaluation**, as the program is under way (and can be refined) and after it has been completed;

Includes an **exit strategy** that describes the time frame in which the Foundation can stop its investment and why it will be able to do so without sacrificing the proposed goals.

**4) IS THIS A HIGH-IMPACT USE OF SCARCE FOUNDATION RESOURCES?**

How much funding is being proposed? Over what time period?

How do the proposed Packard Foundation investment levels and time horizon compare with an estimate of the total resources and time required to solve the problem?

Is a strategic approach to funding being used? For example: Is a leverage strategy being pursued? If so, who else is funding or is prepared to fund the work? What would happen if Packard did not invest?

Is an independent strategy being pursued based on a need for boldness in the face of controversy or risk? If so, what would happen if Packard did not invest?



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the resources

# a conceptual map

# 2

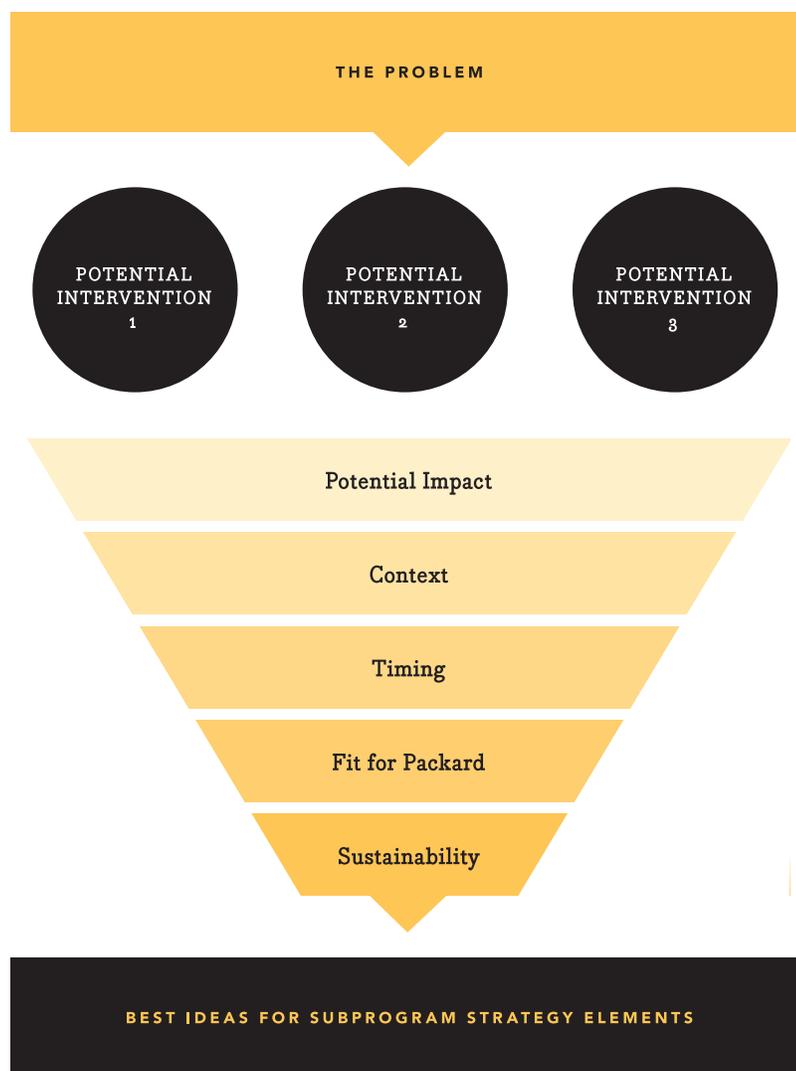
As a method of organizing the information that you collected in Phase 1, it may be useful to categorize and map what you learn about the problem and possible interventions. There are many approaches to developing conceptual maps. One is presented here that suggests four primary categories of information, each with sub-categories within it. Many of these categories will help answer the four essential questions: **“Why now?”** **“Why the Packard Foundation?”** **“Is the proposed investment supported by a complete and compelling logic model?”** and **“Is this a high-impact use of scarce Foundation resources?”**

CONTEXT	PROBLEM	RESOURCES	INTERVENTIONS
Social and Political Context	Duration	Sources of Expertise	Potential Impact
Economic Context	Severity	Potential Allies	Fit for Packard
Trend Lines	Acuity	Potential Grantees	Potential Change Boosters
	Trend Lines	Potential Packard Funding	Potential Change Barriers
		Other Potential Funding	

RESOURCE

# feasibility funnel

Not all ideas about interventions as solutions for social problems are created equal. This graphic presents an approach to narrowing down potential interventions to those that most effectively meet the criteria in the sides of the funnel.



The Standards | A Guide for Subprogram Strategies

# preliminary strategy

# 3

AT A GLANCE

## preliminary strategy

In Phase 3 you'll hone the strongest ideas for **subprogram strategy** that have emerged from your work so far, continuing to narrow, focus, and document your thinking.

In this phase you'll begin work on your logic model, theory of change and statement of outcomes. The **theory of change** is a narrative that describes the road map to achieving desired results, and identifies the preconditions, pathways, and interventions necessary for a strategy's success. It describes where you want to go and how you're going to get there. It leads directly to a **logic model**, which outlines relationships between actions and results. Finally, your **statement of outcomes** articulates exactly what you intend for those results to be.

These products do not need to be finalized until Phase 4 for review and approval. You'll also begin to develop **preliminary budget scenarios** for the subprogram strategy. A final Funding Plan will be required in the next phase. The relationships between these strategy elements are illustrated in the key relationships diagram on page 22.

### PHASE 3 PRODUCTS.

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Completed Responses to the Four Core Questions  
Draft Theory of Change  
Draft Logic Model(s)  
Statement of Outcomes  
Preliminary Budget Scenario

### PHASE HIGHLIGHTS

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Craft your initial theory of change.

Begin work on your logic model.

Design with the end you intend to achieve in mind.

Refine your budget scenarios.

### RESOURCES

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#### LINKS

**Mapping Change: Using a Theory of Change to Guide Planning and Evaluation**

Found on: [www.grantcraft.org](http://www.grantcraft.org)

**Making Measures Work for You: Outcomes and Evaluation**

Found on: [www.grantcraft.org](http://www.grantcraft.org)

**Outcome Measurement Resource Network**

Found on: [www.unitedway.org](http://www.unitedway.org)

**Logic Model Development Guide**

Found on: [www.wkkf.org](http://www.wkkf.org)

**Outcome Measurement in Nonprofit Organizations: Current Practices and Recommendations**

Found on:  
[www.independentsector.org](http://www.independentsector.org)

## THE PROCESS

The most important milestone for Phase 3 occurs after the products for a preliminary strategy have been developed. Through a series of reviews, the decision will be made as to whether to take the strategy to the CEO and Board, who in turn will decide whether the strategy should go to Phase 4 for full development.

### The steps are:

#### 1) Phase 3 initial meeting:

A brief meeting between the Program Officer, Program Director, Vice President, and Evaluation will be held to discuss and clarify the next steps, products for this phase, and appropriate timeline.

The staff lead will write a short memo documenting the decisions made at this meeting, roles and responsibilities assigned, and the timeline for moving forward.

#### 2) The products for Phase 3 will first be reviewed and either approved or rejected by your Program Director and Evaluation.

3) If they are approved, the Program Officer(s) and Program Director will meet with the Vice President for discussion and approval of preliminary strategy.

4) When a preliminary strategy is approved by the Vice President, it goes to Program Executives for discussion and approval or rejection.

5) If the preliminary strategy passes review with Program Executives and CEO, then it goes to the Board.

6) The Board determines as to whether the strategy will proceed to Phase 4 for full development.

## APPROVAL REQUIREMENTS

Meet with Program Director and Evaluation for approval of preliminary strategy.

Meet with Vice President regarding expectations and timeline for deliverables and Board engagement.

Review and approval by Program Executives prior to Board engagement.

Sign-off by Board.

[continued]

**DIAGRAM**  
**Key Relationships between Strategy Elements**  
page 22

**ARTICLE**  
**Getting specific: The difference between a theory of change and a logic model**  
page 23

**TOOL**  
**Logic Model Template**  
page 24

# theory of change

Creating a theory of change distills the ideas that you have considered in Phases 1 and 2 into those most central to your subprogram strategy. The product of a theory of change process is an easy-to-grasp graphic representation of these essential components of your thinking—a *road map* that identifies the changes that you are attempting to create and your assumptions about what it will take to achieve them. The process of creating a theory of change can be very useful for clarifying and communicating your strategy. A theory of change will lead directly to a *logic model*.

## WHAT IS A THEORY OF CHANGE?

A theory of change is a narrative that describes the road map to achieving desired results and identifies the conditions, pathways, and interventions necessary for a strategy's success. It describes where you want to go and how you're going to get there. The theory of change creates links between who is being served, the strategies or activities that are being implemented, and the desired outcomes. There are various formats for a theory of change. Several examples of theories of change can be found in the Program Strategy workgroup on Sharepoint.

## WHY DEVELOP A THEORY OF CHANGE?

A theory of change is a tool with three purposes: planning, communication, and monitoring.

**Planning.** Developing a theory of change encourages strategic thinking by clarifying the connections between desired outcomes and the activities and interventions designed to achieve them. The finished product illuminates underlying assumptions, explores the larger system in which the change will take place, and highlights relevant evidence or experience in support of the assumptions.

## OTHER HELPFUL TIPS

### ? Expect these questions from the Program Executives:

How did you develop the theory of change? What sources of information did you consult?

What are the most critical assumptions behind your theory of change, and how did you make them?

What factors in the external environment are most influential on your theory of change and what would be the implication of any major changes to those factors?

When you presented your theory of change to other stakeholders, what feedback did they provide, and how did you apply it?

**Communication.** By making the desired outcomes, strategic pathways, and underlying assumptions explicit, a theory of change provides a transparent platform for engagement with stakeholders, including grantees. It addresses the critical four questions. A good theory of change will be readily understood by stakeholders and will provide clear connections to their work. A theory of change can also help to clarify roles and expectations.

**Monitoring.** Finally, the theory of change serves as a basis for implementing a program monitoring or evaluation approach appropriate to the program you design. Since the theory of change requires that you articulate assumptions about what the program requires to be successful (as well as the outcomes you believe it will achieve), you will already have defined important areas of focus for monitoring and evaluation.

## WHAT ARE THE STEPS FOR CONSTRUCTING A THEORY OF CHANGE?

For those of you who are using The Standards sequentially, you will already have taken many of the steps below for incorporating input and engagement in the theory of change.

For those of you jumping into The Standards to use the theory of change as a stand-alone component, the process for constructing a theory of change includes:

- Engaging stakeholders, experts, and grantees early in the development stage.
- Conducting an environmental scan to identify major forces or players relevant to the change.
- Defining the long-term change that is sought, and identifying the key assumptions about how this change is achieved in the current context.
- Developing strategies and activities to achieve desired outcomes.

### Know your audience:

The primary audience for a theory of change is the program staff in charge of managing the grantmaking. At a minimum, that team consists of the staff lead and the Program Director. The CEO, Program Executives, and Trustees are the secondary audience. The next most important audience is the grantees and other stakeholders (e.g., donor partners). A third category is other Foundation staff.

## **WHO SHOULD PARTICIPATE IN DEVELOPING A THEORY OF CHANGE?**

The subprogram staff lead is the primary architect of the theory of change. The staff lead, in conjunction with the Program Director, will convene a cross-program peer team that supports and advises the staff lead. At a minimum, this peer review team will include one staff person from the same program, one staff person from another program (for example, a Strategy Buddy), and one person from outside the Foundation (a thought leader, expert, or key stakeholder). If regional advisors are being used, they should be included as well.

## **WHAT ARE BEST PRACTICES FOR CREATING A THEORY OF CHANGE?**

An excellent theory of change does the following:

- Addresses the questions: “Why now?” “Why the Packard Foundation?” and, “Is this a high-impact use of scarce Foundation resources?”
- Clarifies how the program’s intended impact will be achieved and articulates the most effective pathways for creating this change. (This quality of excellence gets to the point that “Everything isn’t equally worth doing” or, stated somewhat differently, “Possible courses of action yield different levels of impact.”)
- Draws explicit relationships between activities and outcomes.
- Includes specific, measurable indicators.
- Includes evidence or experience-based testable hypotheses to make a plausible case for achieving change.
- Clarifies roles and expectations for grantees and other stakeholders.
- Articulates the Foundation’s role and contributions within the broader system.
- Identifies factors that will accelerate, inhibit, or compete with the change process identified.
- Includes feedback loops for monitoring, learning, and evaluation.

# theory of change

# 3

All theories of change identify a problem or issue, one or more interventions for addressing the problem or issue, and the change that is anticipated to result from the intervention(s). The theory of change, in essence, makes a case for how you think a particular kind of social change will occur. Beyond the three elements of PROBLEM, INTERVENTION, OUTCOME, there is no set formula for what is included in a theory of change, and there is room for your creativity in how best to present your thoughts about this developing subprogram strategy. The three basic ingredients of a theory of change are described below, followed by examples of other theory of change ingredients that may be helpful in making your thinking transparent.

- **Problem Statement:** The various kinds of information gathering and research you conducted in Phases 1 and 2 will help you write a problem statement for the theory of change.

A narrative explanation of the problem statement would address some or all of the following questions:

- Why did you focus on this particular issue or problem?
- What is the magnitude of this problem and its degree of acuity?
- What do you think are the root causes?
- Why is it important?
- Whom does it affect?
- Why is this an important time to address this problem?
- What is the fit between this problem and the Packard Foundation?

- **Interventions:** What activities (interventions) do you propose for addressing the problem or issue that you have identified? Do you propose one primary activity, or are there different types of interventions?

Narrative information about interventions might include answers to the following questions:

- Why have you selected this intervention?
- What makes you think it will work?
- Are there best practices that have influenced your selection of interventions?

- 
- What tools, processes, or activities would you need to influence the identified groups/structures?
  - What are your assumptions about how the intervention(s) should work?
  - Under what circumstances would you expect that the intervention(s) would not work?
  - How do the intended strategies and activities logically connect to achieve the desired change?

**NOTE:** Your thinking about interventions may benefit from creating a logic model that focuses specifically on each intervention you propose.

**□ Outcomes:**

- How do you define progress or success on this problem or issue?
- How will you know when you have succeeded?
- Are there indicators for measuring the types of success you are identifying? If so, what are they?
- Are they feasible to measure?
- What does success, or progress toward that success, look like on a timeline?
- What are reasonable intervals for measuring progress?
- What does progress or success look like for different intervals (for example, after 1 year, 2 years, 3 years, etc.)?

Other elements of your theory of change should be those that most directly address the key criteria (“Why now?” “Why the Packard Foundation?” and, “Is this a high-impact use of scarce Foundation resources?”) and that you find are most useful in articulating the intervention(s) that you have chosen, what you hope to achieve, and what you think will be some of the factors that will influence the success of this strategy will be. Some of the categories of questions from Phase 2 may suggest what information you want to include here. Elements frequently included in theories of change are listed below. (You will note that there is some overlap among these categories, as the same information can be presented in different ways.)

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□ **Assumptions:** It is very helpful to articulate your assumptions about the approach, many of which should address the “Why now?” question. These include, for example:

- Assumptions about the social and political contexts that would help or inhibit success in this program;
- Assumptions about the strength of the infrastructure required for the success of this program;
- Assumptions about engagement from other stakeholders (government, funders, community leadership, etc.)

□ **Resources:** Sometimes resources are such an important consideration that it is important to specify in the theory of change the amount and timing of resources you think will be required. In Phase 4 you will focus specifically on resources. It’s also good to include them in your theory of change if that is one of the top-level aspects of your developing subprogram strategy that you want to communicate.

□ **Target population:** Sometimes it is more useful to include the target population as a separate element in your theory of change than in the problem statement.

Narrative information about the target population might address such questions as:

- How many people are affected? Is this number growing or decreasing over time?
- At what levels of severity are people affected?
- What are important demographic and other characteristics of the affected population such as age, income, and educational levels? How are these changing over time?

□ **Context:** Most strategy rests on assumptions about important factors having to do with the context or environment in which a program will be implemented. These factors may include:

- Community needs and assets. What are the assets and deficits of the community where the interventions will occur?
- Social and political factors. Which factors in the social and political arena stand to influence this program and its likelihood of success?
- Funding environment. What are your assumptions about the flow of dollars into this community or issue?
- Institutional context. Do any other institutions play an important role in this program?

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□ **Fit with program or Foundation.** Your theory of change should include information about how this issue articulates with other program strategies or reflects Foundation priorities.

- Does the Foundation have history with this issue or strategy?
- Does it complement or augment other work being undertaken by the Foundation?
- Does it build on other Foundation accomplishments?

□ **Learning.** For some subprograms, knowledge development and sharing is one of the most important features of the strategy. If so, it should appear in your theory of change and include answers to such questions as:

- How will knowledge be developed?
- How will it be shared?
- What difference does it make?

# logic model

Logic models systematically present information about the relationships among a subprogram’s resources, activities, and anticipated outcomes. Logic models may include some of the same information that is in a theory of change, but, by comparison, logic models are more often simpler, more concrete, and more finely tuned than are theories of change. They are more relevant to program operations than is program theory. In addition to being a helpful tool for designing grant-making programs, logic models are useful for managing and evaluating programs. If your subprogram strategy includes more than one intervention, it may be useful to develop a logic model for each intervention that you propose.

## WHAT IS A LOGIC MODEL?

Although what logic models include may vary, their key components often are:

- **Goal:** The overall purpose of a program or intervention
- **Inputs:** Resources that are or will be available for implementing a program
- **Activities:** The actions taken to implement a program or intervention
- **Outputs:** The tangible and direct results of program or intervention activities
- **Outcomes:** The changes expected to occur as a result of the program or intervention
- **Assumptions:** The beliefs about the program, the people involved, the context and the way it is generally thought the program or intervention will work
- **External factors:** The environment in which the program exists includes a variety of external factors that interact and influence program or intervention activities

## OTHER HELPFUL TIPS

### ? Expect these questions from the Program Executives:

What are your key concerns about the logic model?

Are there any elements of the proposed strategy that could not be represented on the logic model? (If so, what are they and how are they communicated?)

What was the feedback that you received from other stakeholders? How did that feedback influence revisions of the logic model?

Is the logic model’s scope appropriate given the preconditions identified in the theory of change?

What factors in the external environment do program staff need to pay close attention to that could have significant impact on the logic model and what would be the implications of these changes?

How will key leverage points, including the engagement of other funders, be reflected in the model?

These components of a logic model are connected by a series of described if-then relationships, and presented in a graphic representation that depicts these dependencies. This presentation provides a tactical explanation of the process leading to a given outcome or set of outcomes as cause-and-effect relationships. Reading a logic model from left to right would indicate, for example: If resources are available to the program, then the program activities can be implemented; if program activities are implemented, then certain outputs and outcomes will occur.

Examples of a logic model and instructions for using it are included in the Program Strategy workgroup site on Sharepoint.

### WHY DEVELOP A LOGIC MODEL?

A logic model is a valuable tool for program planning and development, program management, communications, consensus-building, and evaluation.

**Program Planning.** A well-developed logic model will assist in the development of program strategy by clarifying where the program is and where the program is intended to be within a clear time frame.

**Program Management.** Because it documents linkages between resources, activities, and outcomes, a logic model can also serve as the basis for developing a more detailed management plan. Using data collection and an evaluation plan, the logic model will assist in tracking and monitoring program operations to better manage results.

**Communication.** A logic model can also be utilized as a powerful communications tool. It can show stakeholders at a glance what a program is doing, what it is achieving, and how the two are connected.

**Consensus Building.** The process of developing a logic model can serve to build common understanding and promote buy-in among both internal and external stakeholders.

**Evaluation.** Evaluation planning can be made much more effective by first going through the logic model process in order to ensure that relevant and useful information is captured. When the logic model is used in conjunction with evaluation, the theory of change and program activities may be modified to increase the potential for achieving longer-term impacts.

### Know your audience:

The primary audience for a logic model is the members of the program staff, who use it to help manage their portfolio over time. At a minimum, this comprises the staff lead and the Program Director. Within the Foundation, the CEO, Program Executives, and Trustees are the secondary audience. The second most important audiences are grantees and other funding partners. In some cases, other Foundation staff and the Board of Trustees may engage in model development as well as learning how a program evolves.

## **WHAT ARE THE STEPS FOR CONSTRUCTING A LOGIC MODEL?**

- Identify the problem or need.
- Identify a clear goal or goals based on what the program will accomplish.
- Identify the inputs or available resources available for achieving the intended goals and outcomes.
- Identify the activities that are needed to implement the program.
- Identify the preferred results of implementing the activities.
- Identify intended results from successful implementation over short, intermediate and long time frames.

Note that a logic model is generally linear. In actuality, programs and the factors that affect them are complex, multidirectional, and constantly changing. A logic model is not static: it can and should be updated to reflect increasing experience and knowledge of the program and the factors that influence it.

## **WHO SHOULD PARTICIPATE IN DEVELOPING A LOGIC MODEL?**

The subprogram staff lead is the primary architect of the logic model. The staff lead, in conjunction with the Program Director, shall convene a cross-program peer team that will support and advise the staff lead. At a minimum, this peer-review team will include one staff member from the same program, one staff member from another program (e.g., a Strategy Buddy), as well as one person from outside the Foundation (e.g., thought leader, expert, or key stakeholder). If regional advisors are being used, they should be included as well.

## **WHAT ARE BEST PRACTICES FOR CREATING A LOGIC MODEL?**

A well-developed logic model will be based on sound research and experience and achievable within the prescribed time frame. It should provide a framework that is transparent to stakeholders and serve as a platform for ongoing learning and adaptation in order to meet the longer-term goal. Finally, the logic model should be clear and versatile enough to convey the program's values, assumptions, and logic to various audiences.

An excellent logic model:

- Includes input from leaders in the field.
- Ensures grantee alignment around goals.
- Is explicit about underlying theories and assumptions.
- Considers varying levels of detail for different audiences.
- Considers external conditions.
- Includes an assessment of grantee capacity.
- Becomes a living document that is reviewed and updated at least annually.

# 3

## PRODUCT DEVELOPMENT

# statement of outcomes

Outcomes are the benefits or changes you expect to result from your program. Your statement of outcomes is an articulation of what a subprogram is trying to achieve and for what it will be accountable.

### WHAT ARE OUTCOMES?

Outcomes are the results or consequences intended from carrying out a program or activity. They can include changes in circumstances, status, behavior, skills, knowledge, attitudes, values, conditions, or satisfaction levels. Outcomes may be intended or unintended and can be in the form of short-term, intermediate, and long-term changes. They answer the question, “So what?” and provide information on what difference the program has made. They are key elements of both theories of change and logic models.

### WHY DEVELOP A STATEMENT OF OUTCOMES?

Having clear, measurable outcomes can set the stage for measuring and documenting whether the intended changes are achieved. Outcomes can be used to:

- Create a focus for monitoring and evaluation.
- Strengthen programs and services.
- Target effective services for expansion.
- Make decisions about when to exit from a grantee or project.
- Identify training needs (staff, grantee, or board/volunteer).
- Develop and justify budgets.
- Prepare long-range plans.
- Focus board members’ attention on programmatic issues.

### OTHER HELPFUL TIPS

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**?** Expect these questions from the Program Executives:

Why are these outcomes compelling? Are they worthwhile? Will key stakeholders think they are?

Will the general public understand what you are trying to achieve and why it is important?

Are the outcomes ambitious but achievable?

How will the outcomes be measured? (Here you may wish to consult with evaluators.)

Have you (or evaluation consultants) considered surrogate indicators for looking at hard-to-measure outcomes?

How will we know when the outcomes have been achieved?

If they are achieved, does that mean we are done?

## WHAT ARE THE STEPS IN IDENTIFYING OUTCOMES?

If you are using this guide sequentially, the work you have already accomplished in Phases 1 and 2 has prepared you for identifying outcomes. If you are jumping in or using this as a planning tool for grantees, initial steps include:

- a. Defining the specific problem to be addressed and its context.
- b. Engaging outside experts, including potential grantees, in defining the problem and evaluating strategy options.
- c. Describing the major components of the program that will be used to address the problem.

Once a, b, and c, have been accomplished the next steps are:

- d. Identifying anticipated changes or improvements.
- e. Preparing outcome statements for each short-term and intermediate outcome.
- f. Specifying qualitative or quantitative performance indicators to track progress toward completion of the desired outcome (more about this in the Evaluation Plan in Phase 4).

## WHO SHOULD PARTICIPATE IN THE DEVELOPMENT OF OUTCOMES?

Outcomes should be developed by engaging multiple perspectives and drawing on existing knowledge and experience. Program staff, grantees, funding partners, and external experts will provide valuable input into developing outcomes.

The subprogram staff lead is the primary architect of outcomes. The staff lead, in conjunction with the Program Director, shall convene a cross-program peer team that will support and advise the staff lead. At a minimum, this peer review team will include one staff member from the same program, one staff member from another program (e.g., a Strategy Buddy), as well as one person outside

### Know your audience:

The primary audience for the statement of outcomes is program staff members, who use it to help manage their portfolio. At a minimum, this comprises the staff lead and the Program Director. Within the Foundation, the CEO, Program Executives, and Trustees are the secondary audience. The second most important audiences are grantees and other funding partners. In some cases, other Foundation staff and the Board of Trustees may take the opportunity to engage in outcome development as well as learning how a program evolves.

the Foundation (e.g., thought leader, expert, or key stakeholder). If regional advisors are being used, they should be included as well.

### **WHAT DEFINES EXCELLENT OUTCOMES?**

You will probably consider a number of outcomes and include several that reflect what you want to achieve for activities related to your strategy. Excellent statements of outcomes are:

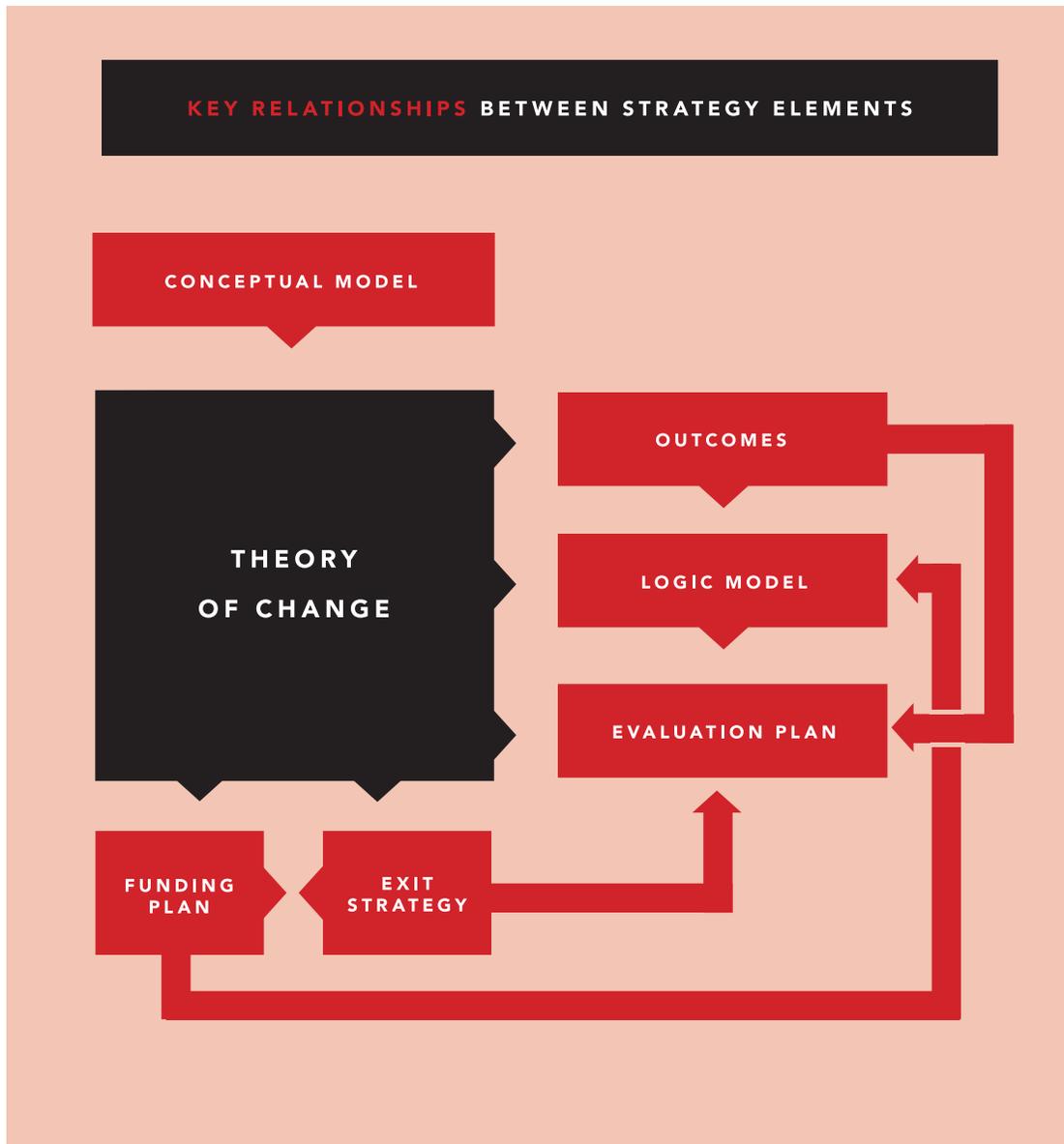
- Inspirational and aspirational
- Positioned against a baseline
- Balanced between measurable outcomes and pushing into new areas that are less measurable
- Linked to a time frame
- Focused on results
- Logically connected to program inputs and outputs
- Grounded in literature and theory
- Explicit, adaptable, valid, and reliable
- A product of communication between grantees, and the Foundation
- A reflection on the shared goals and understanding of the Foundation, grantees, and beneficiaries
- Recalibrated when necessary

The Standards | A Guide for Subprogram Strategies

the resources

# key relationships

# 3



# diving deeper

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## **GETTING SPECIFIC: THE DIFFERENCE BETWEEN A THEORY OF CHANGE AND A LOGIC MODEL**

The terms theory of change and logic model are often used interchangeably, leading to confusion between the two. The Packard Foundation’s distinctions between them (that reflect emerging distinctions made in the field) are that:

**A theory of change takes a wider view of a desired change than a logic model, for example by frequently including contextual factors and assumptions.**

**A logic model is more operational than a theory of change and gets closer to the ground by specifying linkages between resources and outcomes.**

In strategy development dialogue often alternates between big picture questions (addressed in theories of change) and operational practicalities (addressed in logic models). Thus, even in working on the larger-picture theory of change, it may be useful and desirable to develop a logic model for the intervention(s) that you propose. The information from the big picture theory of change will feed the logic model, and the logic model will in turn provide information back to the theory of change.

Another way of making the distinction between theories of change and logic models is that logic models are more streamlined, tactical explanations of a change process than a theory of change; a theory of change summarizes work at a strategic level, while a logic model illustrates a tactical understanding of how this change occurs. Theories of change and logic models together serve as the foundation for the evaluation plan, funding plan, budget, and exit plan that are the elements of Phase 4.

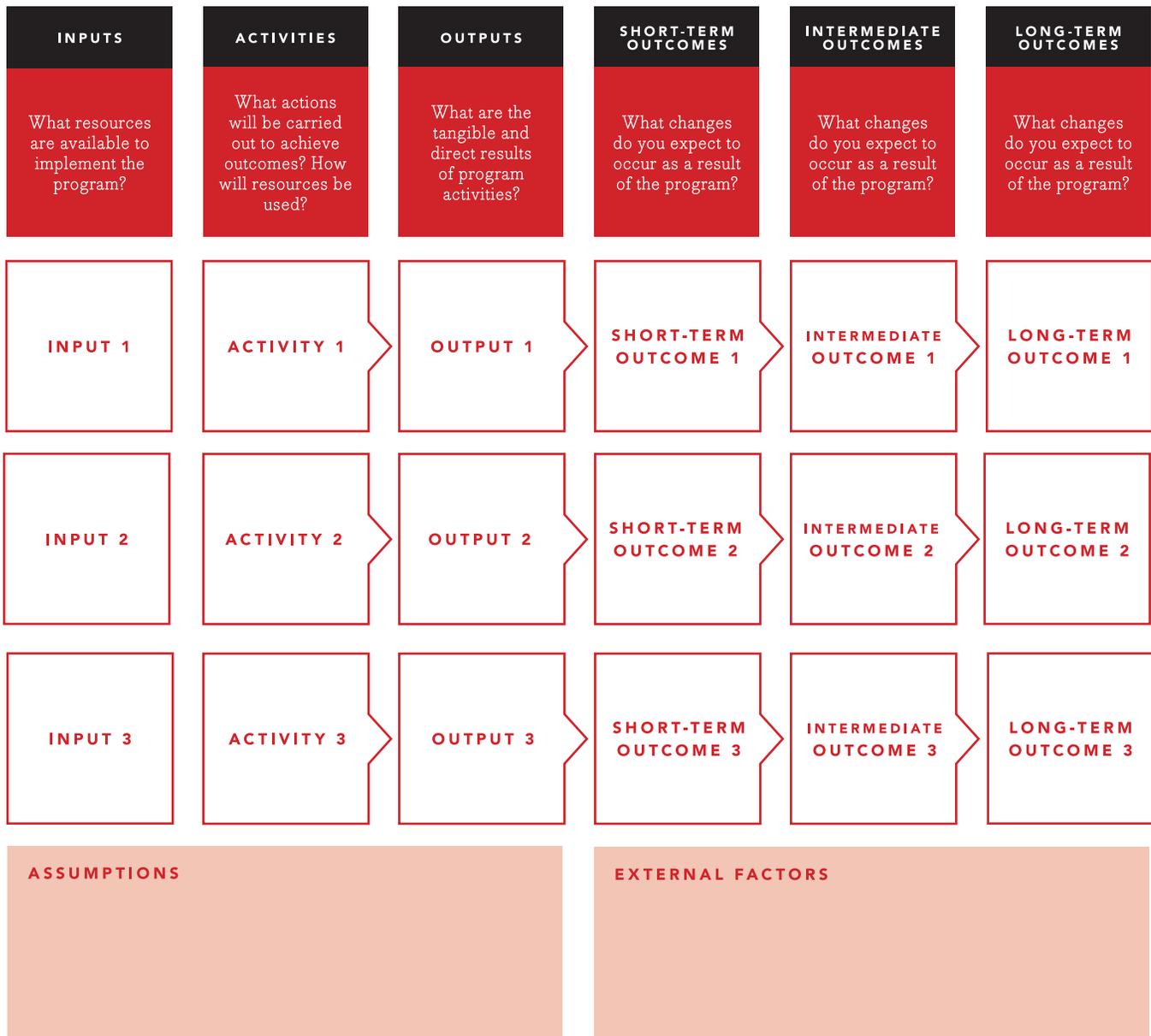
You can read more about the differences between a theory of change and a logic model on page 3 of the Grantcraft Guide: “Mapping Change: Using a Theory of Change to Guide Planning and Evaluation,” which can be found at [www.grantcraft.org](http://www.grantcraft.org).

# 3

RESOURCE

# logic model template

**GOAL: BRIEF DESCRIPTION OF THE OVERALL PURPOSE OF THE PROGRAM**



The Standards | A Guide for Subprogram Strategies

# full strategy

# 4

AT A GLANCE

## full strategy

In Phase 4 you'll continue to get more specific about several subprogram strategy elements. Specifically, in this phase you'll finalize your **theory of change** and **logic model(s)** and use them as the basis for developing the following three additional components to the subprogram strategy:

- (1) A **funding plan** that identifies the Packard Foundation resources that you will need for the duration of your subprogram strategy;
- (2) A **draft evaluation plan** that describes how you will learn from and assess the work that will be accomplished through implementation of your subprogram strategy. The draft, which will be finalized in Phase 5, should include an estimate of costs for evaluation.
- (3) An **exit plan** that articulates your thinking about the length of time over which your subprogram strategy will be implemented and how and under what circumstances you will recommend withdrawing Packard support.

### PHASE 4 PRODUCTS

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Final Theory of Change  
Final Logic Model(s)  
Outcome  
Funding Plan  
Draft Evaluation Plan  
Exit Plan

### PHASE HIGHLIGHTS

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Early in this phase, the Board will formally discuss your strategy.

You'll go through program budget allocation.

You'll present your strategy to the Trustees.

### RESOURCES

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#### LINKS

**The Effective Exit: Managing the End of a Funding Relationship**  
Found on Grantcraft  
[www.grantcraft.org](http://www.grantcraft.org)

#### BOOKS

**Foundations and Evaluation: Contexts and Practices for Effective Philanthropy**, by Marc Braverman, Norman Constantine, and Jana Kay Slater

**Utilization Focused Evaluation: The New Century Text**, by Michael Quinn Patton

## THE PROCESS

At the conclusion of Phase 4, the decision will be made as to whether the strategy will go to the Board. If so, the process will be capped by a Board decision determining whether the strategy is funded for implementation and Phase 5.

### DETAILS

The steps for advancing toward the Board are as follows:

1. Phase 4 initial meeting:
  - a. After approval to enter this phase, a brief meeting between the Program Officer, Program Director, Vice President, and Evaluation will be held for discussing and clarifying the next steps, products for this phase, and appropriate timeline.
  - b. The staff lead will write a brief memo documenting the decisions made at this meeting, roles and responsibilities assigned, and timeline for moving forward.
2. Review and approval of the full strategy starts with your Program Director and Evaluation.
3. Once approved, the Program Officer(s) and Program Director will meet with the Vice President to discuss of the full strategy and decision on when the strategy goes to the Program Executives.
4. After the Program Executives have reviewed and approved the full strategy, the CEO determines whether it will go to the Board.
5. The Board ultimately determines whether and with how much funding the subprogram strategy will move into Phase 5 for implementation.

### APPROVAL REQUIREMENTS

Review by Program Executives

Sign-off by Board

[continued]

**Reframing Evaluation through Appreciative Inquiry**, by Hallie Preskill and Tessie Tzavaras Catsambas

**Level Best: How Small and Grassroots Nonprofits Can Tackle Evaluation and Talk Results**, by Marcia Festen and Marianne Philbin

# 4

## PRODUCT DEVELOPMENT

# funding plan

A funding plan identifies funding mechanisms, including grants, PRIs, and any others, as well as the administrative budget needed to implement strategies and achieve the outcomes identified in the theory of change and logic model(s). The funding plan should account for the proposed duration of the subprogram investment.

### WHAT IS A FUNDING PLAN?

Whereas theories of change and logic models provide a blueprint of building blocks required for achieving long-term goals, a funding plan outlines the costs of construction. A funding plan shows the amount of money in grantmaking (directed and/or organizational effectiveness) and other funding mechanisms needed to achieve the major activities and outcomes identified in a subprogram strategy's theory of change and logic model(s).

### WHAT ARE THE ELEMENTS OF A FUNDING PLAN?

**A grant budget for each major activity or intervention** that takes into account the potential use, by year, of directed grantmaking, OE, and PRIs.

**A grant budget narrative** that includes:

- Rationale for grantmaking levels;
- Clear ties to a theory of change and logic model; and
- Clear connections to exit strategy

**An administrative budget** and details of staffing levels by year, with level of intensity (ideally describing low-, medium-, and high-intensity staffing levels with an emphasis on where high-intensity staffing is needed).

**An evaluation budget.** See accompanying section on developing an evaluation plan.

### OTHER HELPFUL TIPS

#### ? Expect these questions from the Program Executives:

What assumptions are you making about the cost of an activity or intervention in the logic model? What factors can influence these assumptions?

What is the relative capacity of potential grantees for conducting the proposed work? If there is a gap, how will it be filled? What are the implications of this gap for Packard funding?

Who are the other funders or public entities whose resources could be leveraged to implement the strategy? What level of investment can be expected?

What are one-time costs (such as those for research, a communications consultant, or evaluation), and how do they affect the budget in each given year?

How can all Foundation resources be used to implement the strategy?

## WHY DEVELOP A FUNDING PLAN?

A funding plan serves two major purposes: First, it can be used to illustrate the cost rationale in the justification of a new or deepened grantmaking strategy. Second, it is an implementation tool that allows staff to track the amount and type of each grantmaking tool used for each major intervention and allows staff to determine when recalibration of the funding plan is needed.

Just as a theory of change and logic models are living documents that need to be reviewed and revised each year, a funding plan should also be revised when that influences the trajectory of a program or subprogram.

## WHAT ARE THE STEPS FOR CONSTRUCTING A FUNDING PLAN?

The initial funding plan should be developed based on the theory of change and logic model(s). In the review of new or deepened strategies, the size of investment needed to implement the strategy will be an important decision-making factor. So be mindful of the resources needed to implement each part of the subprogram reflected in the theory of change and logic model(s) that will play a central role in the process of vetting the proposed use of finite Foundation funding.

[continued]

How do different staffing intensities (high, medium, or low) change the overall impact of grantmaking? What is the optimal size regarding cost-effective and adequate support?

### Know your audience:

The primary audience for a funding plan is the program staff in charge of managing grantmaking. At a minimum, this comprises the staff lead and the Program Director. Within the Foundation, the CEO, Program Executives, and Trustees are the secondary audience.

## **WHO SHOULD PARTICIPATE IN THE DEVELOPMENT OF A FUNDING PLAN?**

The subprogram staff lead is the primary architect of the funding plan. The staff lead, in conjunction with the Program Director, shall convene a cross-program peer team that will support and advise the staff lead. At a minimum, this peer review team will include one staff member from the same program, one staff member from another program, as well as one person outside the Foundation. If regional advisors are being used, they should be included as well.

## **WHAT IS THE RELATIONSHIP BETWEEN A FUNDING PLAN AND THE OTHER STRATEGY ELEMENTS?**

The funding plan shows the total resources needed to implement the inputs and activities and achieve the outcomes over the years of the strategy implementation. The funding plan should reflect not only the Foundation's contributions in direct grants, organizational-effectiveness grants, program-related investments, and administrative resources, but also the contributions from essential partners. The funding plan should be consistent with the theory of change and logic model(s).

# 4

## PRODUCT DEVELOPMENT

# evaluation plan

The evaluation plan provides a blueprint for assessing the progress and eventual impact of a strategy. A realistic and meaningful evaluation plan is an important element of subprogram strategy. When effective, an evaluation and its findings provide information for making sound decisions about a strategy. Phase 4 includes producing a draft evaluation plan that will be finalized in Phase 5.

### WHAT IS AN EVALUATION PLAN?

An evaluation plan describes the process for examining, monitoring, and learning about a strategy's progress and whether outcomes are achieved. Developed at the conclusion of the planning stage for subprogram strategy, an evaluation plan documents the questions to be answered and goals of the evaluation. It also lays out the approach to conducting the evaluation and using the findings. The evaluation plan guides assessment activities by explaining what they are, when they should occur, how the activities will be accomplished, and who is responsible for completing them.

### WHY DEVELOP AN EVALUATION PLAN?

An evaluation plan is an important tool for:

- Learning about the progress of implementing a strategy.
- Providing accountability to Trustees.
- Assisting program staff in refining strategies.
- Improving quality and effectiveness of programs.
- Understanding achievements and impacts.

### OTHER HELPFUL TIPS

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#### ? Expect these questions from the Program Executives:

How will grantees (and other funders) engage as participants in the process?

What are your biggest doubts about your strategy, and are you set up to resolve them with the evaluation plan?

What is the appropriate level of information to be gathered? What can you cut out to save grantees and yourself wasted effort?

Are you or others funding the grantees sufficiently to support the collection of the necessary, high-quality data?

Are you really going to use all of what is in your evaluation plan?

How are you going to use the data to make decisions?

## WHAT ARE THE STEPS FOR CONSTRUCTING AN EVALUATION PLAN?

The steps in constructing an evaluation plan include:

- Clarifying the purpose of the evaluation
- Determining what is going to be evaluated
- Determining what type of evaluation needs to be done and at what stage
- Determining the cost of the evaluation
- Identifying who will be conducting the evaluation
- Identifying what will be done with the evaluation findings.

## WHO SHOULD PARTICIPATE IN THE DEVELOPMENT OF AN EVALUATION PLAN?

An evaluation plan should be developed by engaging multiple perspectives and drawing on existing knowledge and experience. Program staff, evaluation staff, grantees, and outside experts will provide valuable feedback on developing a process for monitoring, learning, and evaluating of a strategy.

The subprogram staff lead is the primary architect of the evaluation plan. The staff lead, in conjunction with the Program Director, shall convene a cross-program peer team that will support and advise the staff lead. At a minimum, this peer review team will include one evaluation staff member, one staff member from the same program, one staff member from another program, as well as one person outside the Foundation. If regional advisors are being used, they should be included as well.

## WHAT IS THE RELATIONSHIP BETWEEN AN EVALUATION PLAN AND THE OTHER STRATEGY ELEMENTS?

The evaluation plan outlines how to assess strategies, report on indicators, and measure outcomes described in the theory of change, logic model, and outcomes. The evaluation plan will also take into account the expected time frame and exit scenarios that are outlined in the exit strategy.

### Know your audience:

The primary audience for an evaluation plan is the program staff in charge of managing the grantmaking and the Foundation's evaluation staff. The second most important audience includes grantees and key stakeholders who will be involved in the evaluation.

## WHAT ARE THE GUIDING PRINCIPLES OF CREATING AN EXCELLENT EVALUATION PLAN?

### A well-developed evaluation plan:

- Links to other elements of strategy.
- Explicitly lays out what will be evaluated, including key milestones.
- Is clear about audience and purpose.
- Involves grantees and key stakeholders in learning and evaluation.
- Focuses on improving, not just on proving.
- Emphasizes the importance of learning.
- Applies learning to managing entire portfolio.
- Does not try to measure everything, but focuses on areas for which assumptions seem shaky, we have doubts about strategy, or there are big cost differences between potential strategies.
- Is explicit about finding out what is trend data and what is attributable to Foundation action.

# evaluation plan

# 4

## WHAT ARE THE ELEMENTS OF AN EVALUATION PLAN?

The key components of an evaluation plan include:

- ❑ **Subprogram description, goals, and objectives:** What is the issue that the subprogram is trying to address? Using the information outlined in the subprogram's theory of change and logic model, how is the issue going to be addressed? What are the core assumptions addressed in the theory of change and logic model?
- ❑ **Evaluation Questions:** What are the overarching questions that the evaluation aims to address? How will these evaluation questions help assess progress in the implementation of the strategy?
- ❑ **Description of overall objectives of the evaluation plan:** How will the evaluation plan be used? Who will use it? How and with whom will it be shared? Is it about learning or measuring progress? Does it seek to measure everything or select only important elements of a strategy?
- ❑ **Plans for the evaluation design and approach:** This section will include a discussion of potential methods for ongoing monitoring and evaluation activities. At what level (e.g., grantee-specific or cluster of grantees) will the evaluation be conducted? How will progress be monitored and tracked? What data are needed and what data are available that will help in the evaluation? Who will conduct the evaluation?
- ❑ **Timeline:** This section will include an approximate timetable for key monitoring and evaluation activities and deliverables. Include plans for formal check-ins for recalibration of other strategy elements.
- ❑ **Dissemination and communications plan:** This section will include preliminary ideas about how the results will be used and how to communicate results to different audiences.
- ❑ **Resources:** The evaluation plan will identify the resources needed for the evaluation. What levels of funding and staff time are needed to develop and implement the proposed monitoring and evaluation activities? An estimate of resources required is sufficient for Phase 4.

# 4

## PRODUCT DEVELOPMENT

# exit strategy

An exit strategy lays out scenarios for the end of Foundation funding for a subprogram. Major questions are addressed in an exit strategy: (1) When might the Packard Foundation exit? (2) How will we exit? (3) How will the work be sustained once we exit?

Two documents that are part of an exit strategy are described below: a strategic exit plan that is written as part of subprogram planning, and a close-out plan that is written when the decision to exit a subprogram has been made.

### WHAT IS AN EXIT STRATEGY?

An exit strategy explains in narrative form the expected timeframe for funding and indicators that could trigger an exit or significant change in direction. This exit plan identifies off ramps, or approaches to various exit scenarios, which might include, for example: reaching an important time marker, identifying success or failure at achieving outputs or intermediate outcomes, or needing to make significant changes in the theory of change or logic model due to such factors as a major change in a contextual variable. A comprehensive exit strategy anticipates the impact of exit on grantees and the field and plans for it by explicitly addressing the needs and desires for sustainability of it and organizations performing the work. It also addresses how the work will be continued (and funded) once Packard funding ends.

There are two types of exit strategies, (1) an initial strategic exit plan and (2) a close-out plan. The former provides information about what, at the outset of the program, you think will be the eventual rationale for, timing of and approach to ending a funding program. The close-out plan is an operational plan for the steps that you will take once the decision to exit has been made. These are discussed separately on page 16.

### OTHER HELPFUL TIPS

#### ? Expect these questions from the Program Executives:

Sustainability vs. exit strategy: integrated or separate?

Will you truly exit completely? In some cases, exited programs still require resources. How do you anticipate managing that?

How public should an exit strategy be? Who is it for?

#### 👤 Know your audience:

The primary audience for the exit strategy is Foundation staff members in charge of managing grantmaking. At a minimum, this is the staff lead and the Program Director. Within the Foundation, the CEO, Program Executives, and Trustees are the secondary audience. The second most important audience is the grantees and other stakeholders (e.g., donor partners) involved in implementing the strategy. Exit strategies should be communicated early with key stakeholders and refreshed as needed.

## **WHY DEVELOP AN EXIT STRATEGY?**

Although difficult, especially in the early phases of funding, considering the eventual removal of Packard funding as an essential ingredient of program strategy can substantially increase the long-term positive effects that the funding will achieve.

An exit strategy is a useful tool for:

- Setting expectations for staff, grantees, and the field.
- Assisting in planning for overall foundation grantmaking (i.e., by identifying when the grant budget can be anticipated to be no longer necessary).
- Improving sustainability of outcomes.

Ultimately, having a well-developed exit strategy helps those implementing strategies to articulate and understand the assumptions and expectations that guide their decisions, actions, and resulting accomplishments.

## **WHO SHOULD PARTICIPATE IN THE DEVELOPMENT OF AN EXIT STRATEGY?**

The subprogram staff lead is the primary architect of the exit strategy. The staff lead, in conjunction with the Program Director, shall convene a cross-program peer team that will support and advise the staff lead. At a minimum, this peer review team will include one staff member from the same program, one staff member from another program, as well as one person outside the Foundation. If regional advisors are being used, they should be included as well.

## **HOW IS AN EXIT STRATEGY CONSTRUCTED?**

### **Strategic Exit Plan**

Initial thinking about an exit plan usually occurs in Phase 2 as you are considering the problems you want your program to address, potential solutions to these problems, and your rough estimates of the amount and duration of funding that particular strategies will require. Your thinking about an exit will likely have been sharpened in Phases 3 and 4 as you constructed a theory of change and logic models that identified outcomes. The exit plan is of course very linked to the duration of resources available for subprograms.

There is no prescribed format for a strategic exit plan, but it should provide answers to the following questions:

- What is the anticipated duration of funding for this subprogram strategy?
- What is the basis of this anticipated timing?
- What would cause you to shorten this time frame (What are off-ramp triggers)?
- What would cause you to lengthen this time frame?
- What do you want to leave in place at the conclusion of Packard funding?
- Are there organizational-effectiveness goals?
- What steps are needed to leave these elements in place, and at what point in the lifespan of the subprogram strategy?

The strategic exit plan should also be tied to:

- Outcomes indicated in the theory of change and logic model that help to define the criteria for success (or lack thereof) in the subprogram.
- The evaluation plan that includes methods of tracking progress toward those outcomes, including information about factors that accelerate or impede progress.
- The operating budget, reflecting levels of effort required by staff as well as monetary commitment from the Foundation.

Strategic exit plans should be provided to grantees so that they are aware of the Foundation's long-range thinking as an essential ingredient of their relationship with the Packard Foundation.

### **Close-Out Plan**

A refined and targeted **close-out plan** should be developed as programs draw to conclusion based on realities such as progress toward long-term outcomes, and Foundation priorities. A close-out plan will address the following questions:

- What is the timeframe for withdrawal of funding?
- How will grantees be informed of the withdrawal of funding?
- What are the potential downsides and risks to the Foundation as a result of a decision to discontinue funding?
- How can these risks be mitigated?
- Is there a wind-down period, and if so, are there steps that the Foundation should take during this period?
- Are there issues with which other units of the Foundation, such as Communications, should be involved?
- Are any specific of follow-up indicated?

The Standards | A Guide for Subprogram Strategies

# full implementation



# 5

AT A GLANCE

## full implementation

**Congratulations!** You've made it through the intricacies of subprogram strategy design and have been able to communicate your ideas effectively. Phase 5 focuses on **implementation**. The focus of this phase is on monitoring, evaluating, and learning (ME&L) about strategy implementation. It is a way to build our effectiveness and to identify ways to improve our work as it unfolds. Phase 5 currently does not include best practices and guidance on the actual craft of grantmaking.

Through **ME&L** (among other types of data gathering) you'll learn where your original subprogram design might be changed or improved, where changes in your theory of change or logic models might more accurately reflect your subprogram, and how your assumptions test out. In addition, we will guide you on ways to translate the information from monitoring and evaluation into learning for continuous improvement and program impact.

As you implement your subprogram strategy, stay focused on information that you gather and how to use it. Some information will be required by the Foundation for updates and reviews. Other information will be useful to you in building and strengthening a field. Early in the implementation phase you will identify the different types of information you'll be gathering and consider how you'll use it.

### PHASE 5 PRODUCTS

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Finalized Learning Plan  
Finalized Monitoring Plan  
Finalized Evaluation Plan and Budget  
Subprogram Dashboard  
Midcourse Review  
Annual Learning Update  
End of Strategy Review

### PHASE HIGHLIGHTS

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Begin full strategy implementation.

Finalize and begin implementation of ME&L plans.

Review and update your subprogram dashboard twice a year.

Conduct a midcourse review.

Annually carry out a learning update.

Conduct an end of strategy review.

It is important to obtain the kinds of information that are useful to you and your subprogram, to use that information well, and to continue to focus on outcomes as well as the process that leads there.

## THE PROCESS

In Phase 5, grants are made and implementation begins. The ME&L plans are finalized and the subprogram strategy proceeds into an annual review process, described below.

### DETAILS

1. After final approval of your subprogram by the Board, a brief meeting between the Program Officer, Program Director, Vice President, and Evaluation will be held to discuss and clarify next steps.
2. The launch team that met in Phase 1 will be reconvened to determine what role, if any, members of this group will play in the implementation phase.
3. As you begin to implement your strategy, you will finalize your ME&L plan (with an evaluation budget) for tracking the progress and eventual impact of your subprogram.
4. Develop your subprogram dashboard and formally update it twice a year at first quarter and third quarter.
5. Develop a learning plan for your subprogram, and provide a learning update with program staff annually.
6. Review and update your logic model and evaluation plan once a year.

### APPROVAL REQUIREMENTS

ME&L Plan

Biannual update of subprogram dashboard

Annual review and update of logic models and evaluation plans

Midcourse Review

Final review of program (at the end of funding commitment)

### RESOURCES

#### LINKS

**Learning Together: Collaborative Inquiry Among Grant Makers and Grantees**

Found on: [www.grantrcraft.org](http://www.grantrcraft.org)

#### BOOKS

**Cultivating Communities of Practice: A Guide to Managing Knowledge**, by Etienne Wenger, Richard McDermott, and William Snyder

**The Fifth Discipline**, by Peter Senge

[continued]

7. Conduct a midcourse review of your subprogram. This involves a formal presentation to the Board in which you update them about the subprogram's progress and important developments in the field and present potential new directions or changes in strategy. After the midcourse review, the subprogram returns to Phase 3 of the Standards.

8. At the end of the funding commitment, you'll have a final review of subprogram with the Board. During the final year of the approved commitment to the subprogram, the subprogram returns to Phase 2 of the Standards. This is also a significant period of learning and engagement with the Board, in which it is assessed whether the commitment to the subprogram should end or be modified.

[continued]

**EXAMPLES**

For examples of subprogram dashboards, go to the Dashboards Sharepoint site.

**REFERENCES**

Life cycle Illustration  
Page 12

Policy for Strategic Decision  
Making Within the Foundation  
Page 59

Philosophy Statement on Making  
Strategic Decisions  
Page 63

Our approach to **monitoring, evaluating, and learning** (ME&L) at the Packard Foundation is guided by three principles:

Success depends on a willingness to solicit feedback and take corrective action when necessary.

Improvement should be continuous, and we should learn from our mistakes.

Evaluation should be conducted in partnership with those who are doing the work in order to maximize learning and minimize the burden on grantees.

When these principles were adopted in 2005, the objective within the Foundation was to move from evaluation for proof or accountability (“Did the program work?”) to evaluation for program improvement (“What did we learn that can help us make the program better?”). Evaluation for proof reflects the more traditional practice of collecting data retrospectively after grantmaking strategies already have been implemented, or of reporting back only when all data have been collected and analyzed. In contrast, evaluation for program improvement reflects an approach we refer to as “real-time” evaluation.

For us, “real-time” means balancing monitoring and evaluation to effectively support learning and continuous improvement as our grantmaking strategies are implemented. In practice, this extends further than evaluation, and represents our overall approach to an appropriate ME&L system for each subprogram. Real-time ME&L are integrated to regularly facilitate opportunities for learning and bring timely evaluation data—in accessible formats—for reflection and use in decision making. Rather than focus merely on evaluation, we have been encouraging a culture that thinks evaluatively throughout the grantmaking life cycle of planning, implementation, monitoring, assessment, and course-correction.

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Much has been debated about the distinction between evaluations designed for accountability (determining whether a program did what it said it would do) and evaluations designed for learning (supporting ongoing decision making and continuous improvement). In truth, evaluations rarely are either one or the other. Practically speaking, they must be both (e.g., a program officer may be more interested in learning while a board member may be more interested in accountability), and the evaluation must find a way to ensure that both users' needs are met.

As a result, we do not have a one-size-fits-all approach to ME&L. Rather, we ask our program staff to make the following considerations when formulating their ME&L agendas:

**What questions do we seek to answer?**

**Who is the audience for this information?**

**How complex are the strategies?**

**What level of rigor do they require?**

**What is the timeframe for needing information?**

**What are the overall program resources being invested?**

In response to these questions, the evaluation approach may range from retrospective to real-time evaluation to a combination of both, using qualitative and quantitative data, with loosely aligned or highly rigorous methods.

We encourage staff to consider and clearly articulate their ME&L needs at the beginning of a subprogram. We have found that doing so is more likely to lead to logic models, outcomes, indicators, and dashboards that are useful for decision making and program improvement.

In the practice of integrating The Standards into our strategic practice, we became aware of how much time is spent on strategic planning so that a subprogram strategy can be approved for a given period of time and resources. In

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fact, the vast majority of our time (up to ten years or even more) and resources (millions of dollars) is allocated after our strategies are approved. To build our effectiveness, we need to invest more intentionally in our ME&L practices once the strategy is approved and continue these practices over the life cycle of the subprogram. Phase 5 addresses the standards for these practices.

Building on the success of the first Deeper Investment Group that helped us to develop the Standards of Excellence, we launched the Monitoring, Evaluation and Learning (MEL) group in 2009. This working group focused on designing and carrying out the learning phase of our subprogram strategies. The group also used a “ground up” approach to building good practices around the Foundation.

This revised Phase 5 reflects the product of that group’s efforts.

# 5

## PRODUCT DEVELOPMENT

# learning plan

As you implement your **subprogram strategy**, remain focused on information that you need to gather and how you will use it. Some information will be required by the Foundation for updates and reviews. Other information will be useful to you in tracking and improving your grantmaking strategies. Early in the **implementation phase** you may choose to identify the different types of information you'll be gathering and consider how you'll use it. The plan for determining what information is needed and how it will be used for continuous program improvement constitutes the learning agenda. It is required that annually you conduct a learning update with program staff.

### WHAT IS INTENTIONAL LEARNING?

Intentional learning is the ability of an organization to gain insight and understanding from experience through experimentation, observation, analysis, and willingness to examine both successes and failures in order to achieve outcomes. Intentional learning includes habits and activities that help us consciously keep track of the information and expertise we are developing.

This leads to:

- Clearer insights about our progress and results.
- Learning from mistakes and building on successes.
- Being efficient with time and resources.
- Sharing the learning.
- Getting full value from our investments.

Deliberately gathering information and articulating what we are learning at every stage of our process—from idea-generation to strategy formation,

### OTHER HELPFUL TIPS

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#### Questions to guide your learning plan:

What do you want to learn during the life cycle of your subprogram? Incorporate those questions into your plan.

How often will learning occur? What learning will be ongoing, and what will be done annually or on another cycle?

What is the audience for the information? How will the information be used? How will the information be shared?

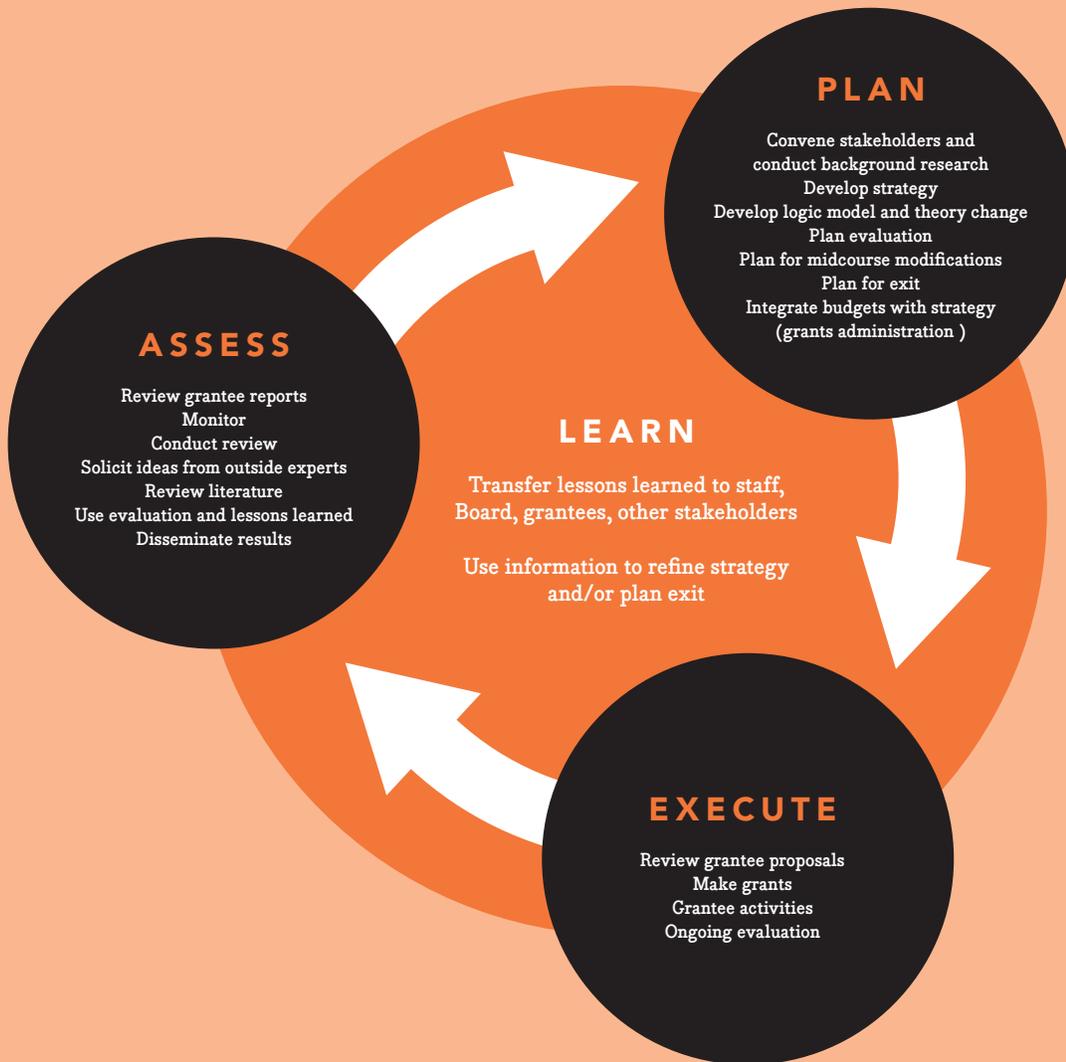
Who is responsible for collecting, synthesizing, and analyzing the information?

How much are you willing to invest in time and resources in collecting information?

program operations, evaluation, and dissemination (and identifying lessons from the whole cycle)—puts the Foundation on a continuous positive learning curve. As a result, our work for social change is fueled by knowledge that is constantly improved and updated. [The program life cycle](#) illustrates how these elements work together.

Intentional learning is the link between our program work and our strategic impact. Generally speaking, intentional learning is the process through which organizations generate value from their intellectual and knowledge-based assets. Most often, generating value from such assets involves sharing them among staff, grantees, other strategic partners and even the public in an effort to devise best practices. Intentional learning integrates information, social interactions, and technology adaptations. We believe intentional learning accelerates impact.

## ILLUSTRATION: THE PROGRAM LIFE CYCLE



### MONITORING, EVALUATING, AND LEARNING (ME&L)

Monitoring and Evaluation are essential components of the learning agenda. Although monitoring and evaluation are often used synonymously, they are two distinct sets of organizational activities that are related but not identical.

Monitoring provides the raw data to answer questions. It represents the regular tracking of inputs, activities, outputs, outcomes, and impacts at the grantee, strategy, and subprogram levels, as well as in the external environment.

Evaluation is the comparison of actual project impacts against agreed upon strategic plans. In simpler terms, evaluation looks at what you set out to do, what you have accomplished, and how you accomplished it. It can be formative—taking place during the life of a project with the intention of improving the strategy or way of functioning of the project. It can also be summative—determining whether or not a subprogram or strategy that has reached the end of its funding cycle

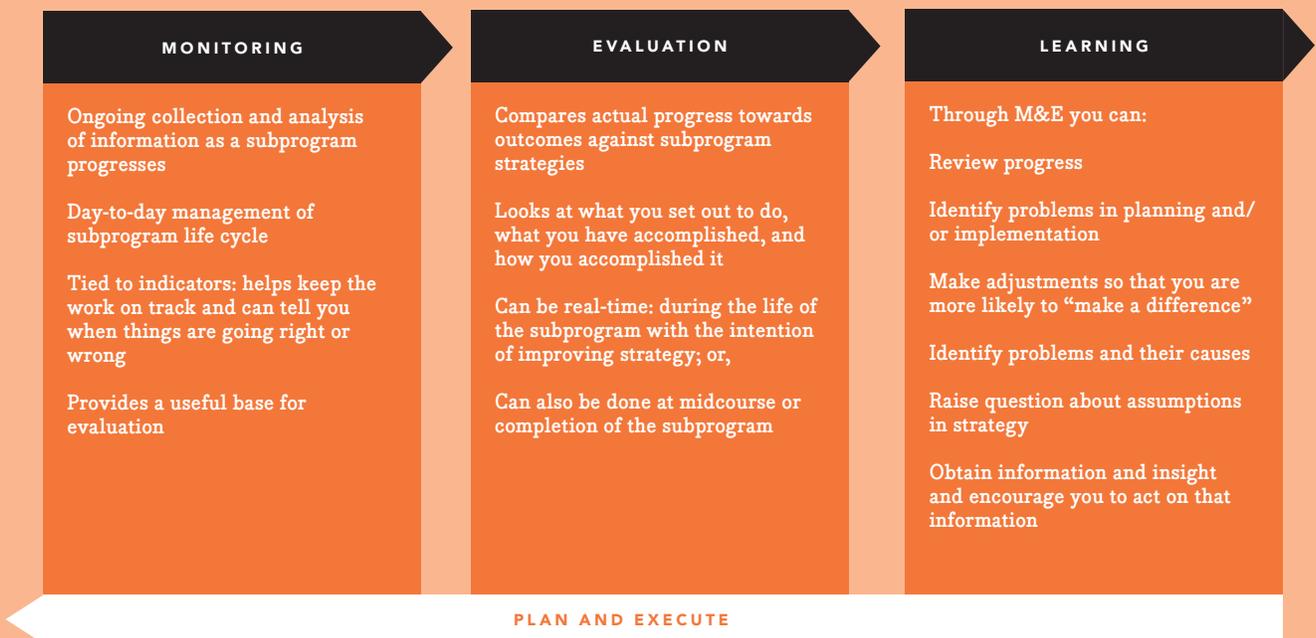
has achieved its outcomes.

Monitoring is similar to evaluation but with an important difference. Monitoring focuses on ongoing feedback to improve a program’s functioning. Evaluation tends to look at program in terms of whether it has made a difference.

Together, monitoring and evaluation activities lead to learning about the progress of our work and our strategic impact.

**Through ME&L we can:**

- Stay on track with regard to carrying out strategies and achieving outcomes
- Review progress
- Identify problems in planning and/or implementation
- Make adjustments so that you are more likely to “make a difference”
- Identify problems and their causes
- Raise questions about assumptions in strategy
- Provide information and insight that encourages action



# 5

PRODUCT DEVELOPMENT WORKSHEET

# learning plan

QUESTIONS	LEARNING CYCLE	AUDIENCE AND DISSEMINATION	FUNCTION	RESPONSIBILITY
What are the questions to include in the learning agenda?	What is the learning frequency? Should it be one-time, ongoing, annual or at certain benchmarks?	For whom is this information important?  How will it be shared?	How will this information be used?	Who is responsible for collecting and analyzing the data?  Who is responsible for using the answer?

LEARNING FOR THE PROGRAM				
LEARNING FOR THE FOUNDATION				
LEARNING FOR THE GRANTEES				
LEARNING FOR THE FIELD				

# 5

## PRODUCT DEVELOPMENT

# monitoring

Monitoring is the ongoing collection and analysis of information during the subprogram's life cycle. It is aimed at improving the efficiency and effectiveness of subprogram strategies. It is based on targets set and activities planned during the initial phases of the work and helps to keep the work on track.

### MONITORING INVOLVES:

- Establishing indicators
- Setting up systems to collect information relating to these indicators
- Collecting and recording information
- Reflecting and engaging in discussions to understand the information
- Using the information to inform grantmaking portfolio management and decision-making

Monitoring provides a useful base for evaluation and enables you to determine whether the resources you have available are sufficient and are being well used, whether the capacity you have is adequate and appropriate, and whether you are doing what you planned to do.

### MONITORING PLAN

A monitoring plan outlines the why, what, when, who, and how of your monitoring activities. Your plan may also help you determine how monitoring fits in with your other grantmaking tasks. When developing your monitoring plan you should consider the resources that you have available. These resources may include budget, staff, equipment or software, time, and skills.

### OTHER HELPFUL TIPS

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#### ? Expect these questions from the Program Executives:

What are the monitoring practices that would help you make good strategic decisions relating to your strategies?

Which indicators are most important to track so that you can assess progress?

Related to the indicators, what are the sources of information that you will need to help you make good strategic decisions? And do you have access to them? If not, what will you do?

How do you keep track of the external factors that have the potential to have an impact on your strategies (such as policy developments)?

What role will grantees play in these monitoring practices?

How will monitoring activities integrate with evaluation to support continuous learning and improvement?

## WHY DEVELOP A MONITORING PLAN

A monitoring plan should be a part of your planning process. A monitoring plan will help you assess and guide grantmaking decisions. It is an integral part of grantmaking portfolio management. Good management decisions require good information. Too little information or the wrong kind of information can result in incorrect conclusions and a loss of time and money. A monitoring plan will help determine the changes that are necessary and when circumstances have changed. Lastly, the data generated from your plan will be beneficial when updating subprogram dashboards.

## DEVELOPING A MONITORING PLAN

When you design a monitoring plan, you are establishing a system that will provide useful information on an ongoing basis so that you can improve what you do and how you do it.

Answering the following questions will help you develop your monitoring plan. The Monitoring Worksheet at the end of this document may be a useful resource in organizing your plan.

### 1. What are your monitoring objectives? What are you trying to know?

A critical step in developing your plan is deciding what you want to gain from monitoring. Think about what information you want to know and keep track of. What are the questions you are trying to answer?

Monitoring can be used to assess grantee activities and performance on an ongoing basis, to facilitate early detection of potential or emerging challenges, to record changes in the external environment over time, or to plan ongoing management activities. Your monitoring objectives should guide the development of the rest of your plan.

### 2. What will you monitor? What are the indicators?

The indicators you choose to monitor should reflect the objectives of your monitoring plan. Generate a list of indicators that are SMART (Specific, Measurable, Achievable, Relevant and realistic, and Timely, trackable, and targeted). Use the activities, outputs, outcomes, and assumptions from your subprogram theory of change and logic model to help you think about your monitoring needs. One category of indicators that you will monitor is directly tied to grantees' work. Refer to your logic model and think about the following questions: What are current grantees' activities and accomplishments? Which subprogram outcomes do they affect? Do you have the appropriate balance of grantees in your portfolio for the strategy? Is there anything missing?

## OTHER HELPFUL TIPS

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Have an articulated data collection process for monitoring.

Have an agreed use plan for the monitoring information among all key stakeholders who will engage in monitoring of your strategies, including grantees.

Grantee reporting guidelines should encourage having and reporting on specific measureable indicators.

Grantees need the organizational capacity to sufficiently engage and use monitoring.

Include information on "the field": context, policy, external perspectives, etc.

Site visits/calls are essential monitoring practices.

Informal sources of information are also credible monitoring sources such as phone calls and meetings.

Resources must be sufficient to carry out the above practices.

You may also want to monitor indicators that are more contextual and provide overall trends related to your strategies. What assumptions in your theory of change did you have at the beginning of the strategy? Do those assumptions still hold? How often should you make an assessment of these assumptions? What external factors (either hoped-for or unintended) have the potential to have an impact on the strategy? How do you keep track of developments?

### **3. Do you have the data?**

After you have identified your indicators, decide where the data will come from. For example, what information from grantee reports, phone calls, and site visits will help you keep track of and assess progress on your selected indicators? Are there existing data sources (e.g., annual surveys, research publications, publicly available data on websites or reports)?

How often will you collect data? For some indicators several years of monitoring may be needed before a clear trend can be reliably evaluated.

### **4. How will the data be used?**

How will you use the data to inform your work? The way you use your data determines both the required data quality and monitoring methods. Some data will be used for ongoing program monitoring, decision making, and subsequent planning; other data may be used to get an assessment of movements or changes in the external environment.

Ideally, data from your monitoring activities will inform what you include and update in your subprogram dashboard.

### **5. Who will be involved and how?**

Think about who will be involved with your monitoring. Will it be you alone or will there be a team approach involving other staff or grantees? Will you hire a consultant to collect some of the data? How much are you willing to invest in collecting monitoring data? Have you allocated funds for monitoring in your grants or administrative budget?

### **6. How will the data be managed?**

How you manage the data and information you collect about your subprogram is important. Will you need a database to store and synthesize some of the data? Will you need special software to analyze the data?

### **7. What issues or challenges do you anticipate with your monitoring plan?**

Think of the feasibility of getting the data for the indicators in your monitoring plan. If you can't get some of the data,

how will that affect your monitoring practice? What proxy indicators can you use instead? What is the level of rigor and/or sensitivity of the indicators required by the intended audiences so that the data will be perceived as credible? For example, will qualitative case studies be sufficient, or are scientifically vetted, quantitative data required?

## **8. Who Should Participate in Developing a Monitoring Plan?**

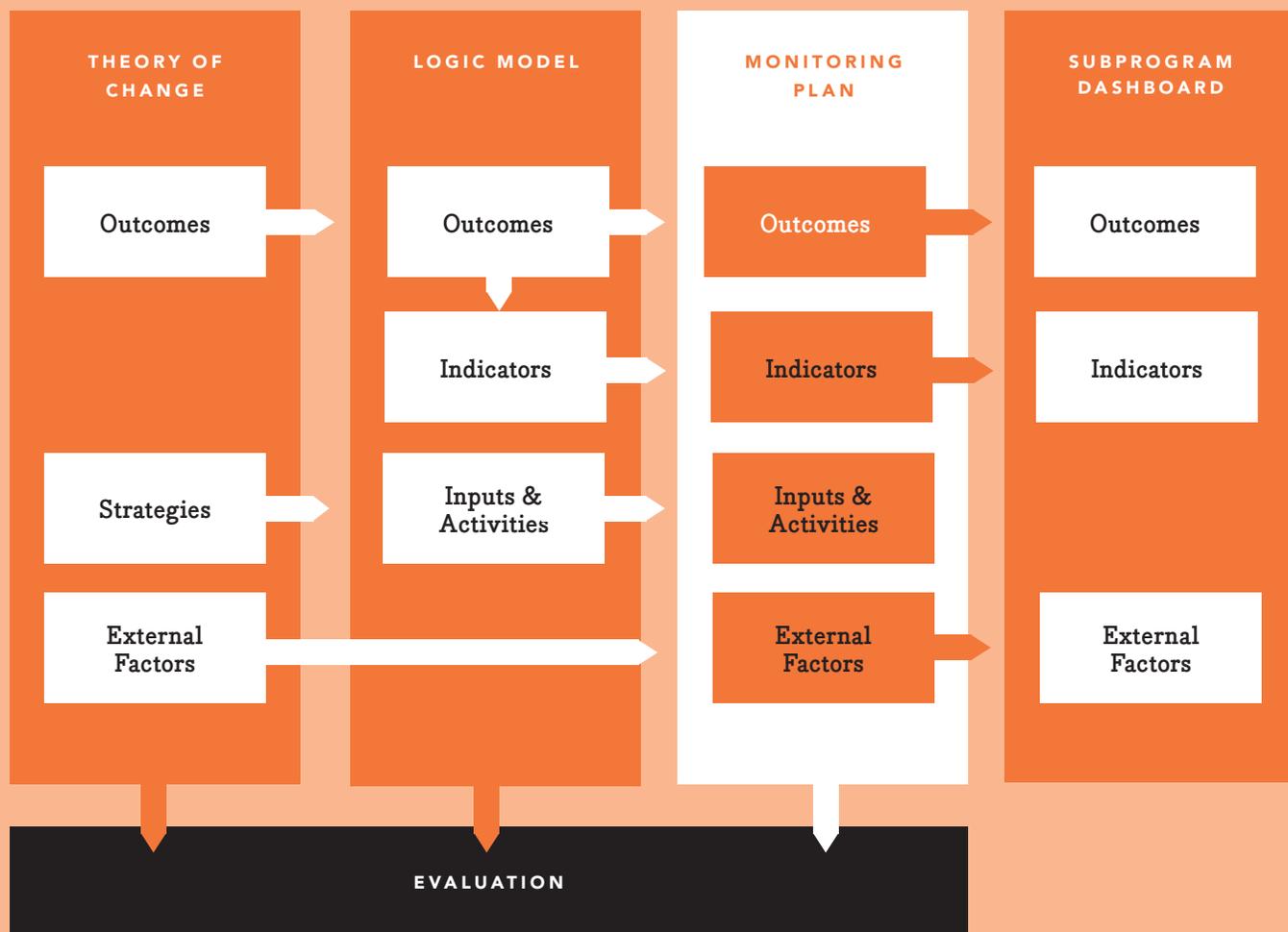
Monitoring is a shared responsibility. Appropriate stakeholders should be involved in development of a monitoring plan and be able to provide input as to the issues that need to be addressed, the time that can be allocated toward working on the issues, and the amount of money that can be spent in gathering data.

### **WHAT ARE THE GUIDING PRINCIPLES OF A GOOD MONITORING PLAN?**

A well-developed plan:

- Is specific to grant objectives
- Links to other elements in the theory of change and logic model
- Has clear objectives, outcomes, and relevant indicators
- Involves grantees and stakeholders in its development
- Is able to describe the present state and addresses the future state
- Establishes expected ranges of variation
- Detects abnormal conditions
- Actively uses indicators
- Establishes a baseline for the project
- Provides a useful base for evaluation
- Will inform what is included and updated in the subprogram dashboard

The diagram below illustrates the links between the monitoring plan, the theory of change, logic model, and the subprogram dashboard.



# monitoring worksheet

**MONITORING OBJECTIVE: WHAT QUESTION ARE YOU TRYING TO ANSWER?**

Example: What are the seafood market trends?

**INDICATORS: WHAT INFORMATION DO YOU WANT TO GET?**

Example: Industry engagement. Certification. Issue salience. Consumer demographic.

**WHAT IS THE DATA SOURCE?**

Example: Annual data of seafood market trends from published reports, websites.

**HOW WILL YOU USE THE DATA?**

Example: To gauge the progress of overall market impacts.

**HOW USEFUL IS THIS IN INFORMING YOUR WORK?**

Example: Very useful in gauging where we are in our strategy.

**TIMING:HOW OFTEN ARE THE DATA COLLECTED?**

Example: Every 2 years.

**WHO/WHAT IS INVOLVED IN THIS MONITORING PRACTICE AND HOW?**

Example: Consultant collecting and synthesizing publicly available data.

**ISSUES OR CHALLENGES?**

Example: Not all data we want are available.

# 5

## PRODUCT DEVELOPMENT

# evaluation

Evaluation is the systematic collection, analysis, and interpretation of data for the purpose of determining the value of and decision making about a program or policy.

Evaluation involves carefully collecting information about a subprogram or some aspect of it in order to affect its outcome. The type of evaluation you undertake to improve your subprogram depends on what you want to learn about the work. Focus on what you need to know to make the program decisions you need to make, and how you can accurately collect and understand that information.

### WHAT ARE THE TYPES OF EVALUATIONS?

There are different kinds of approaches to evaluation, based on:

When it occurs (process vs. outcome)

The intentions of the evaluator (formative vs. summative)

Who does the evaluation (internal vs. external)

Perhaps the most important basic distinction in evaluation types is that between formative and summative evaluation. Formative evaluations strengthen or improve the object being evaluated—they examine the delivery of the program or technology, the quality of its implementation, and the assessment of the organizational context, personnel, procedures, and inputs. In contrast, summative evaluations examine the effects or outcomes of some object—they describe what happens subsequent to delivery of the program or technology, assess whether the object can be said to have caused the outcome, determine the overall impact of the causal factor beyond only the immediate target outcomes, and estimate the relative costs associated with the object.

### OTHER HELPFUL TIPS

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Questions to think about when selecting an evaluation approach:

What do you need to know?  
What are the key questions to answer?

Who are the stakeholders?  
What are their information needs?

Are the key data available?

When do you need the information?

How much are you willing to invest in the answer?

How will you use the information?

How much flexibility do you have with regard to timing, approach and rigor?

How much are you willing to invest in collecting monitoring data? Have you allocated funds for monitoring in your grants or administrative budget?

**Formative evaluation** includes several evaluation types:

**Needs assessment** determines who needs the program, how great the need is, and what might work to meet the need.

**Evaluability assessment** determines whether an evaluation is feasible and how stakeholders can help shape its usefulness.

**Structured conceptualization** helps stakeholders define the program or technology, the target population, and the possible outcomes.

**Implementation evaluation** monitors the fidelity of the program or technology delivery.

**Process evaluation** investigates the process of delivering the program or technology, including alternative delivery procedures.

**Summative evaluation** includes several evaluation types:

**Outcome evaluations** investigate whether the program or technology caused demonstrable effects on specifically defined target outcomes.

**Impact evaluation** is broader and assesses the overall or net effects—intended or unintended—of the program or intervention.

**Cost-effectiveness and cost-benefit analysis** address questions of efficiency by standardizing outcomes in terms of their financial costs and values.

**Secondary analysis** reexamines existing data to address new questions or use methods not previously employed.

**Meta-analysis** integrates the outcome estimates from multiple studies to arrive at a summary judgment on an evaluation question.

## PLANNING THE EVALUATION

Once you have your theory of change, logic model, and budget approved, you can plan the evaluation. A good way to begin is to review all the strategy documents you have already assembled for meeting the Standards. Having this documentation will be particularly useful to third-party evaluators. (For more information about the Evaluation Plan, refer to Phase 4.)

## SELECTING EVALUATION APPROACH

Being clear about the purposes of your evaluation will help you in deciding which approach or combination of approaches is best for your needs. For example, if your subprogram is scaling up a project with the expectation that government will assume responsibility for this project if shown to be effective, then a rigorous evaluation design is warranted. If, however, you are investing in a new idea on a small scale, then a less structured, more qualitative evaluation may be more appropriate. If you are trying to engage the grantees or community in which they are working in decision making, then a participant-focused evaluation might be the best approach.

The approach you choose should be aligned with the purposes of the evaluation and the philosophy and values of the Packard Foundation. It should also align with the expertise of your evaluator. Some evaluation practitioners use a variety of approaches, while others have specialized in particular types of evaluation. This is an important area to explore with potential evaluators.

To help select an evaluation approach that gets the most useful information to key decision makers in the most cost-effective and realistic way, consider the following questions:

1. What information is needed to make decisions about a product or program?
2. Of this information, how much can be collected and analyzed in a low-cost and practical manner, e.g., using questionnaires, surveys, and checklists?
3. How accurate will the information be?
4. Will the selected methods retrieve the necessary information?
5. What additional methods should and could be used if additional information is needed?
6. Will the information appear as credible to decision makers, e.g., to funders or top management?
7. Will the audience engage effectively with the methods used, e.g., will they fill out questionnaires carefully, engage in interviews or focus groups, give you access to their documentation, etc.?
8. Can someone administer the methods now or is training required?
9. How can the information be analyzed?



## TIPS FOR DEVELOPING EVALUATION QUESTIONS

Perhaps the most important part of evaluation is determining the evaluation questions. Here are some tips for articulating these questions:

Ask yourself and team members why you are asking the questions you are asking.

Different stakeholders will have different questions. Don't rely on one or two people (a single external evaluator or funder) to determine questions. Seek input from as many perspectives as possible.

Stay focused on the primary purpose for your evaluation activities and then work to prioritize which are the critical questions to address. Since evaluation will become an ongoing part of project management and delivery, it is important to revisit your evaluation questions and revise them to meet your current needs.

Examine the values embedded in the questions being asked. Whose values are they? How do other stakeholders, particularly project participants, think and feel about this set of values? Are there different or better questions the evaluation team members and other stakeholders could build consensus around?

Ideally, the evaluator uses a combination of methods. For example, a questionnaire can quickly collect a great deal of information from a lot of people. Interviews retrieve more in-depth information from certain respondents to the questionnaires. Case studies can then be used for further analysis of unique and notable cases, e.g., those who have or have not benefited from the program.

## EVALUATION EQUATION

We do not endorse a specific evaluation approach at the Packard Foundation. Rather, the evaluation approach eventually selected should be based on an informal balancing of the following:

Audience for the evaluation and the level of credibility or rigor they require

Complexity of the strategy

Degree of risk of the strategy

Potential impact of subprogram

Amount of subprogram funding

Feasibility of methods for gathering information

Availability of data

Timing

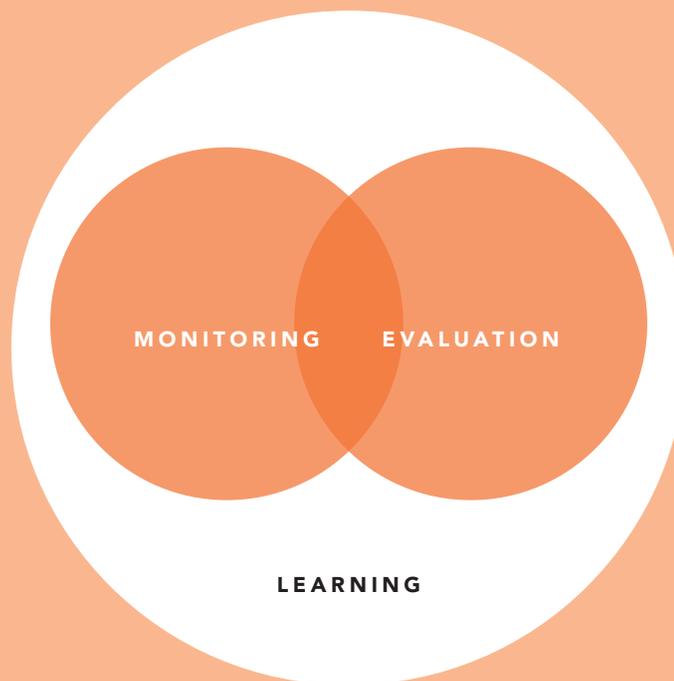
## EVALUATION BUDGET

We recommend you allocate between five and ten percent of a subprogram’s total grants budget for evaluation. Active evaluations at the Packard Foundation range from less than one percent to approximately six percent, with the average of two percent. Because we have different evaluation needs across our subprograms, there are significant differences in evaluation spending. Each evaluation should consider what is the appropriate allocation of resources commensurate with strategy.

Generally evaluations are funded through the subprogram’s grant budget. When grantmaking is used, it is important to keep in mind that findings must be shared with the field. This does not imply that ALL findings must be shared with the general public. Rather the dissemination can be more focused. For example, sharing portions of the evaluation findings with grantees would be considered sufficient. If the primary audience of the evaluation is the Foundation and if the findings are not intended to be shared to external audiences, then the evaluation should be funded under the subprogram’s administrative budget.

## INTEGRATING ME&L WITH STRATEGIC GRANTMAKING STYLES AND FUNCTION

ME&L should be connected. The diagram below illustrates the relationship between these concepts:



Monitoring: ongoing gathering of information throughout the subprogram life cycle

Reports, SMS data (Population), grantee phone calls and site visits

Evaluation: systematic measurement and assessment of progress toward outcomes

Retrospective, real-time, by grantee, strategy, or subprogram level

Learning: integration/synthesis & reflection on all sources of data for better decision making

Often we use different evaluation approaches for each strategy under a single subprogram. While we encourage shifting to real-time evaluation practices, some of our grantmaking work does not necessitate this approach. For some subprograms, it may be more appropriate to concentrate our efforts on a strong monitoring system, rather than investing in an outside evaluation.

Evaluations do not necessarily have to focus on the subprogram strategy exclusively. Nor does the subprogram necessarily have to fund the evaluation directly. For example, at times, a grantee will wish to evaluate some aspect of its own work. While the findings of the evaluation may not be directly useful to the overall strategy, they may be nonetheless informative to the strategy.

# 5

## PRODUCT DEVELOPMENT

# subprogram dashboard

At the Packard Foundation, every subprogram has a dashboard. A dashboard is a visually appealing way to summarize key performance data. Think about how you use the dashboard in your car. It helps you keep an eye on how much fuel you have left and how fast you are going; it has signals so you can let others know where you are going; and it has warning signs to let you know when things go wrong.

### WHAT IS A SUBPROGRAM DASHBOARD?

The subprogram dashboards display indicators of grantmaking operations and subprogram outcomes. The content of the subprogram dashboards should be aligned with existing logic models. While they can be updated and printed at any time, all subprogram dashboards are updated at least twice a year to coincide with grants budget planning (September timeframe: 3Q) and Glance at the Foundation, our annual review of Foundation performance, (March timeframe: 1Q).

### WHY DEVELOP A SUBPROGRAM DASHBOARD?

The purpose of the subprogram dashboards is to monitor and communicate subprogram operations and performance. The format of the subprogram dashboards is intended to enable Foundation staff and Board to have a shared understanding of where the subprograms are regarding grantmaking inputs, operations, outputs, and outcomes.

### WHAT ARE THE ELEMENTS OF A SUBPROGRAM DASHBOARD?

The subprogram dashboards display charts and graphs indicating grantmaking operations and subprogram outcomes.

**GIFTS data** are automatically generated into tables and graphs for each subprogram dashboard, derived from all active grant awards. These include the total number of grants, the type and volume, and the top five grants by amount.

### OTHER HELPFUL TIPS

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**Use the Dashboard Data Entry Worksheet.** Organize the text that you need for your dashboard.

**Use the Dashboard Tool.** The subprogram dashboard is created by using the dashboard tool on your computer.

**Read the Manual.** The Subprogram Dashboard Production Manual can answer many of your questions about using the dashboard tool. The manual is posted on the Dashboards site on Sharepoint.

Following is additional information that will need to be entered in the dashboard tool:

### **Goal and Theory of Change**

Here you will enter a short summary of the goals of the subprogram and how we expect to have impact. Include a description of the strategies and activities being implemented to achieve the desired outcomes.

### **Subprogram Headlines and Highlights**

Note significant events, policies, progress, and findings related to your subprogram that occurred during the last two quarters (for the 3Q dashboard) or previous year (for the 1Q dashboard).

You may want to highlight contributions to your subprogram's progress by grantees, key stakeholders, or partners during the reporting period.

### **Annual Progress Towards Impact Report (first quarter only)**

This section will be used in the year-end version of the dashboard (1Q) only, and you will be asked to respond to a few questions about your subprogram's annual progress.

**Framing your Responses:** We suggest you start with a review of the subprogram logic model and dashboard and orienting your thinking around the intermediate outcomes. Responses to all questions should be framed from the perspective of progress towards intermediate outcomes. It might be helpful to start by reviewing these three questions for each major strategy. We would prefer your responses to be evidence-based (versus intuition-based), but understand that there are varying degrees of evidence available for each subprogram.

1. **Given the intermediate outcomes, where are we with respect to where we expected to be?**
2. **What has gone well? (List top two items)**
3. **What have been the challenges? (List top two items)**

### **Know your audience:**

The primary audience for the subprogram dashboards is the Program Executives. The subprogram dashboards are intended to spark conversations among Program Executives about status and direction of our subprograms and to improve our ability to make strategic decisions. The Board of Trustees is the secondary audience for the subprogram dashboards, which will be used in a similar fashion as for Program Executives, that is, as a tool for communicating about the status of our subprograms.

Question 1 requests an overall assessment of the subprogram with respect to the intermediate outcomes in the subprogram logic model. A brief (one sentence) summary may be used for each major strategy.

For questions 2 and 3, elaborate on your overall response from Question 1. Consider factors that are both internal (e.g., staffing or grantee capacity) and external (e.g., state budget or political situation).

### Subprogram Milestones Timeline

Include the following milestones in your subprogram dashboard:

- Month and year when subprogram strategy was approved
- Month and year when midcourse review was completed
- Month and year when refreshed/revised subprogram strategy was approved by Board

In addition to the milestones listed, include significant internal and external events that had an impact on your work in this subprogram. The milestones are not limited to evaluation-related events.

### What is considered a milestone?

- Major strategy review, revision, or other event
- Major program or subprogram activities
- Evaluation activities
- External events or activities directly related to your subprogram

**Outcomes, Indicators, and Progress Matrix** (aligned with the strategies included in the logic model)

### Information for each subprogram strategy will include:

**Strategy name** - This information is automatically generated from GIFTS. Every strategy should have at least one outcome.

### OTHER HELPFUL TIPS

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The goal statement is the most important sentence to get right.

The theory of change should be aligned such that all strategies flow from it.

Milestones are an important historical record.

Stick to the most relevant Outcomes & Indicators.

No need for exhaustive laundry lists of outcomes and indicators

All Outcomes must have at least one indicator.

Make Outcomes & Indicators SMART (Specific, Measurable, Attainable, Realistic, Time-limited)!

Data must exist (or will soon) for an indicator.

Get rid of the TBDs (to be determined).

Indicators can be both qualitative and quantitative.

Graphics should illustrate progress on the indicator (not just be a noteworthy graphic such as a report cover).

**Intermediate outcome**—What is the desired benefit or change as a result of a program or activity?

**Indicator**—What will you measure to assess whether progress towards the outcome has occurred?

**Baseline data**—What is the starting point at which progress towards the outcome can be measured?

**Progress to Date**—What is the progress to date from baseline?

### Progress Icons

Progress icons provide a concise visual representation of a subprogram’s progress. Keep in mind that the progress icon is simply a communication tool intended to spark conversation about your subprogram.

Assign an icon to reflect the progress of your overall subprogram and each strategy. The icons are graphic representations for your answer to the question: Given the intermediate outcomes, where are we with respect to where we expected to be?

Select a response and corresponding progress icon to the question from the following list:

<b>Little or no progress toward outcomes</b>	
<b>Some progress toward outcomes</b>	
<b>Progress toward outcomes is on-track</b>	
<b>Strong progress toward outcomes</b>	
<b>Very strong progress toward outcomes</b>	

### Selected Graphic Representations of Subprogram Indicators

Include graphics which show trend lines or other changes that indicate progress from one year to the next.

Up to four different graphics can be included in this section.

# regular dashboard

# 5

## GOAL AND THEORY OF CHANGE

Summarize the goals of the subprogram and the strategies or activities being implemented to achieve the desired outcomes.

## HEADLINES AND HIGHLIGHTS

Enter significant events or progress made during the last two quarters. You may also want to highlight a grantee's contribution to your subprogram's progress during the reporting period. The information you enter in the Headlines text box can also be the items that go into the Director's report.

## FIRM COMMITMENT THROUGH:

Enter the year of firm commitment provided by the Board.

**SUBPROGRAM MILESTONES TIMELINE**

Enter the month and year for the three milestones listed below.	Month, Year	Internal or External
Subprogram strategy approved		
Five-year review completed		
Refreshed/revised subprogram strategy approved by Board		

**OTHER MILESTONES**

Enter significant internal and external events that had an impact on your work in this subprogram. The milestones are not limited to evaluation-related events. Limited to 255 characters	Month, Year	Internal or External

## OUTCOMES, INDICATORS, AND PROGRESS MATRIX

STRATEGY 1			
(The dashboard tool will automatically list your strategies from GIFTS, but you may want to write a brief description here to help you complete the chart.)			
PROGRESS ICON: STRATEGY 1			
	Little or no progress towards outcomes		1
	Some progress towards outcomes		2
	Progress toward outcomes is on-track		3
	Strong progress towards outcomes		4
	Very strong progress towards outcomes		5
OUTCOME 1	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2
OUTCOME 2	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2
OUTCOME 3	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2

## STRATEGY 2

(The dashboard tool will automatically list your strategies from GIFTS, but you may want to write a brief description here to help you complete the chart.)

### PROGRESS ICON: STRATEGY 2

	Little or no progress towards outcomes	1
	Some progress towards outcomes	2
	Progress toward outcomes is on-track	3
	Strong progress towards outcomes	4
	Very strong progress towards outcomes	5

OUTCOME 1	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2
OUTCOME 2	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2
OUTCOME 3	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2

### STRATEGY 3

(The dashboard tool will automatically list your strategies from GIFTS, but you may want to write a brief description here to help you complete the chart.)

#### PROGRESS ICON: STRATEGY 3

	Little or no progress towards outcomes	1
	Some progress towards outcomes	2
	Progress toward outcomes is on-track	3
	Strong progress towards outcomes	4
	Very strong progress towards outcomes	5

OUTCOME 1	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2
OUTCOME 2	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2
OUTCOME 3	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2

# annual progress dashboard 5

**GOAL AND THEORY OF CHANGE**

Summarize the goals of the subprogram and the strategies or activities being implemented to achieve the desired outcomes.

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**PROGRESS ICON FOR OVERALL SUBPROGRAM**

Assign an icon to reflect your overall subprogram’s and each strategy’s progress to date. Please keep in mind that the progress icon is simply a communication tool intended to spark conversation about your subprogram.

The progress icons are graphic representations for your answer to the question: **Given the intermediate outcomes, where are we with respect to where we expected to be?**

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**SELECT ONE ONLY:**

	Little or no progress towards outcomes	1
	Some progress towards outcomes	2
	Progress toward outcomes is on-track	3
	Strong progress towards outcomes	4
	Very strong progress towards outcomes	5

## ANNUAL PROGRESS TOWARD IMPACT REPORT

**Given the intermediate outcomes, where are we with respect to where we expected to be?**

The first question requests an overall assessment of the subprogram with respect to the intermediate outcomes in the subprogram logic model. A brief (one sentence) summary may be used for each major strategy.

For the next two questions, elaborate on your overall response from Question 1. Please consider factors that are internal (e.g., staffing or grantee capacity) and external (e.g., state budget or political situation).

**What has gone well? (list 2 top items)**

**What have been the challenges? (list 2 top items)**

## FIRM COMMITMENT THROUGH:

Enter the year of firm commitment provided by the Board.

## SUBPROGRAM MILESTONES TIMELINE

Enter the month and year for the three milestones listed below.	Month, Year	Internal or External
Subprogram strategy approved		
Five-year review completed		
Refreshed/revised subprogram strategy approved by Board		

## OTHER MILESTONES

Enter significant internal and external events that had an impact on your work in this subprogram. The milestones are not limited to evaluation-related events. Limited to 255 characters	Month, Year	Internal or External

**STRATEGY 1**

(The dashboard tool will automatically list your strategies from GIFTS, but you may want to write a brief description here to help you complete the chart.)

**PROGRESS ICON: STRATEGY 1**

	Little or no progress towards outcomes	1
	Some progress towards outcomes	2
	Progress toward outcomes is on-track	3
	Strong progress towards outcomes	4
	Very strong progress towards outcomes	5

<b>OUTCOME 1</b>	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2
<b>OUTCOME 2</b>	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2
<b>OUTCOME 3</b>	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2

## STRATEGY 2

(The dashboard tool will automatically list your strategies from GIFTS, but you may want to write a brief description here to help you complete the chart.)

### PROGRESS ICON: STRATEGY 2

	Little or no progress towards outcomes	1
	Some progress towards outcomes	2
	Progress toward outcomes is on-track	3
	Strong progress towards outcomes	4
	Very strong progress towards outcomes	5

OUTCOME 1	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2
OUTCOME 2	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2
OUTCOME 3	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2

### STRATEGY 3

(The dashboard tool will automatically list your strategies from GIFTS, but you may want to write a brief description here to help you complete the chart.)

#### PROGRESS ICON: STRATEGY 3

	Little or no progress towards outcomes	1
	Some progress towards outcomes	2
	Progress toward outcomes is on-track	3
	Strong progress towards outcomes	4
	Very strong progress towards outcomes	5

OUTCOME 1	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2
OUTCOME 2	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2
OUTCOME 3	Indicator 1	Baseline 1	Progress To Date 1
	Indicator 2	Baseline 2	Progress To Date 2

# 5

## PRODUCT DEVELOPMENT

# midcourse/final reviews

Subprograms will be reviewed midcourse and near the exit of the approved time frame. The purposes of subprogram reviews are to:

- Update and refresh our knowledge about our work and important developments in the field
- Consider potential new directions or changes in overall strategy
- Make recommendations regarding continued funding and any appropriate changes in our grantmaking strategy
- Answer questions about process of implementation and outcomes of our work.

### **PROCESS:**

- Why are we investing in this area?
- What questions/ideas should we explore in reviewing the subprogram?
- Whose voices do we want to include?
- What is the budget for this review?

### **OUTCOMES:**

- What are our outcomes?
- What alternative strategies and outcomes might we consider?

These reviews can be a means of determining how well the strategies or cluster of grants fulfill particular Foundation goals and objectives tied to a subprogram.

These reviews also can focus on progress made toward achieving the broad

outcomes of a subprogram. After these reviews, information is reported at the subprogram level, not at the level of individual grantees. Ideally, the information confirms (or refutes) original ideas and/or suggests alternative approaches.

These reviews are not an evaluation of individual grants, nor are they a substitute for strategy level evaluation.

### **PARAMETERS FOR MIDCOURSE SUBPROGRAM AND FINAL REVIEWS**

Midcourse reviews should be appropriately timed and tailored to the stage of the subprogram and should include the following elements:

- A summary of what grants were made, what was accomplished, and what was learned (This typically does not involve commissioning a new evaluation.)
- Descriptions of major grants
- Key memos
- Site visit reports
- Records of meetings, including Board of Trustee meeting minutes
- Subprogram plans and updates
- Any outside evaluations
- Case studies
- A list of other resources invested
- Reports/Data from the field about the issue area
- Interviews (face-to-face and telephone) with selected stakeholders (Board members, staff, key grantees, scientists, representatives from relevant NGOs, other funders, and key thought leaders)
- An update on developments in the field since initial strategy adopted and emerging strategies
- An update on changes in the donor field and their investment strategies
- Feedback from wise thinkers about developments and issues for consideration to shape future direction
- Thoughtful communication of the process to grantees, other foundations, and other partners
- Clarification and refinement of the overall program goal

## **SUGGESTED SUBPROGRAM\* REVIEW (MIDCOURSE OR FINAL) OUTLINES**

1. Executive Summary
2. Glossary
3. Rationale: Why and when the Foundation took on work in this area (and other options considered)
4. Map of region, with grantee locations noted, if appropriate
5. Purpose of the review
6. Questions that frame the review
7. Key statistics relevant to the review
8. Logic models (and theories of change, if they were done) including strategies were used to achieve the program's goals (if available)
9. Where possible (depends on the extent to which goals are measurable), Baseline (state of the area before funding), 10-year goals (if it is a 10-year initiative), and 5-year achievements (if it is a 5-year review)
10. Amount of our investment, by year and cumulative

## **RETROSPECTIVE (LOOK BACK)**

1. Background (state of the strategy and compelling reasons why we undertook this work)
2. Methods and data sources for the review. Optimally, the review balances qualitative and quantitative information, tables/figures, and case studies selectively interspersed.
  - a. Program Retrospective information:
    - i. Descriptions of major grants
    - ii. Key memos
    - iii. Site-visit reports
    - iv. Records, including minutes of Board of Trustee meetings
    - v. Program plans and updates
    - vi. Program evaluations
    - vii. Case studies
  - b. Reports/Data from the field about the issue area:
  - c. Interviews (face-to-face and telephone) with selected stakeholders (Board members, staff, key grantees, scientists, representatives from relevant NGOs, other funders, and key thought leaders)
3. Description and analysis of accomplishments

4. Barriers to success of the program
5. Lessons learned from this work
6. Challenges to going forward with this program

**PROSPECTIVE (LOOK FORWARD):**

1. Perspectives on the program area
  - a. What is known about the field and emerging strategies
  - b. Assessment of other donors and their investment strategies
2. Recommendations for next steps
3. Citations

\* A subprogram review should start with this outline, but modified so that its scope is commensurate with that of the subprogram.

The Standards | A Guide for Subprogram Strategies

# the resources



## resources

## 5

Conservation Measures Partnership. Open Standards for the Practice of Conservation. [http://conservationmeasures.org/CMP/Site\\_Docs/CMP\\_Open\\_Standards\\_Version\\_2.0.pdf](http://conservationmeasures.org/CMP/Site_Docs/CMP_Open_Standards_Version_2.0.pdf)

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United Nations Program (Note: Is this an extra "Program?") Development Programme. Handbook for ME&L for Results. <http://www.undp.org/eo/documents/HandBook/ME-HandBook.pdf>

United Nation Population Fund. The Programme Managers Planning, Monitoring and Evaluation Toolkit . <http://www.unfpa.org/monitoring/>

WK Kellogg Foundation. Evaluation Toolkit. <http://www.wkkf.org/default.aspx?tabid=75&CID=281&NID=61&LanguageID=0>

World Alliance for Citizen Participation. ME&L. <http://www.civicus.org/new/media/Monitoring%20and%20Evaluation.pdf>

World Bank Group. What is Monitoring & Evaluation (ME&L)? [http://www.worldbank.org/ieg/ecd/what\\_is\\_me.html](http://www.worldbank.org/ieg/ecd/what_is_me.html)RESOURCE

# real-time evaluation

# 5

## WHAT IS REAL-TIME EVALUATION?

At the Packard Foundation, we have been endorsing “real-time evaluation.” But what do we mean by this term?

In recent years, the term “real time” has infiltrated the evaluation world. Many evaluators use it to mean that they report regularly and not just at the evaluation’s conclusion. But in truth, real-time evaluation means more than providing regular feedback. It means positioning the evaluation to effectively support learning and inform strategy. Because achieving that goal is easier said than done, it is critical that evaluators maintain an ongoing dialogue about how they are approaching this kind of evaluation and what they are learning about successfully meeting its challenges and demands.

Evaluators who do real-time evaluation need to focus less on their own predetermined reporting timelines and more on the timelines of whom or what is being evaluated. While scheduling regular reporting (e.g., every six months) can be useful and good evaluation practice, its success in informing strategy can be unpredictable. Even if provided frequently, the data may arrive too late. Real-time evaluations, at least in part, need to build in flexibility in order that when a strategy changes or a critical event occurs, the evaluation can adjust with it. Flexibility, however, doesn’t align with traditional evaluation designs and methodologies. Evaluations that continually revisit what they are measuring and how and when they are measuring it may end up with a wealth of data that is not comparable over time. Consequently, it can be a challenge to balance the evaluation’s need to be methodologically rigorous and consistent with the need to collect data that will be most useful in informing strategy at different points in time.

In evaluation practice, timing is everything. To ensure their work gets used, evaluators who aim to support real-time learning and decision making must deliver the right data at the right time. Of course, this kind of real-time evaluation can be difficult to achieve successfully in practice. When quick decisions need to be made, methods must both allow for quick design, implementation, and analysis, and provide useful and trustworthy strategy-level data. Unfortunately, many conventional evaluation methods are neither responsive nor quick. In response, “rapid response methods” emphasize timing, flexibility, and responsiveness. They have quick turnaround times and bring evaluation data—in accessible formats—for reflection and use in decision making.

# case study

# 5

## CASE STUDY OF REAL-TIME EVALUATION AT THE PACKARD FOUNDATION

Since 2004 our Preschool subprogram has been engaged with the Harvard Family Research Project (HFRP) in a real-time evaluation (RTE). The HFRP's approach represented a new way of doing evaluation in the Foundation. The evaluation has in many ways been a strategic partner by serving as a mechanism for the timely flow of strategic information to facilitate the Preschool Program's development. From the start, its emphasis has been on continuous (or real-time) feedback and learning. Because the strategy relied on advocacy and policy change (for which there were practically no established evaluation methods), the evaluation required methodological creativity.

From its outset, the goals of the evaluation were to:

- provide feedback on short-term and intermediate strategy outcomes
- provide ongoing feedback to inform strategy modifications or midcourse corrections
- facilitate grantee reporting in a way that maximized its value to the evaluation, minimized grantee burden, and encourages grantees to collect information that is useful for their own purposes.

Achieving these goals required an innovative evaluation approach that underscored collaboration, continuous feedback, and learning. Traditional evaluation approaches in which the evaluator develops an evaluation design and then reports back when the data are all collected and analyzed, or in which the evaluator assesses impact after the strategy has been implemented, would have been less useful here. In our Preschool work, we needed the evaluation to inform program strategy; thus the emphasis was on improvement (versus proof).

Another example of the benefits of integrating this real-time approach with strategic grantmaking has been the annual policymaker ratings revealing specifically where support for preschool existed in the legislature and where more emphasis was needed.

This approach can be particularly useful for advocacy and policy change efforts that evolve without a predictable script, as has been the case with our preschool work. To make informed decisions, advocates need timely answers to the strategic questions they regularly face. Evaluation can help fill that role.

HFRP gathered data as the strategy was being implemented and issued short "learning reports" as data came in. Evaluators then facilitated "learning meetings" with the Foundation's preschool team to discuss the evaluation findings and their implications.

Six data collection methods were administered regularly to address the evaluation questions.

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Because advocacy and policy change efforts were not easily assessed using traditional program evaluation techniques, the preschool evaluation had been methodologically creative. The evaluation’s design had included new methods developed to address hard-to-measure questions such as whether political will or policy maker support for preschool was increasing over time. These methods were designed to be conducted quickly and to return strategy-level data with clear value for both the Foundation and the preschool grantees. Two new methods created for this evaluation are described below.

### **Bellwether Methodology**

This innovative method developed jointly by HFRP and the Foundation’s preschool team assessed where preschool stood on the state policy agenda and how lawmakers and other policy insiders in California were thinking and talking about it. It involved structured interviews with “bellwethers” or influential people in the public and private sectors whose positions required that they were politically informed and tracked a broad range of policy issues. Bellwethers were knowledgeable and innovative thought leaders whose opinions about policy issues carried substantial weight and predictive value in the policy arena. For the preschool evaluation, they included policymakers, the media, business community, funders, researchers/think tanks, and other (non-child) advocates.

The method itself involved structured interviews. Two aspects of this process, however—selecting the bellwether sample and setting up the interviews—required a unique twist that set this approach apart from other interview processes. First, at least half the sample included bellwethers without a special or specific connection to early childhood issues. This approach increased the probability that issue awareness or knowledge detected during interviews could be linked to advocacy efforts rather than personal experiences or other extraneous variables. Second, bellwethers were unaware before the interview began that interview questions would focus specifically on preschool. They were informed about what the interview would generally cover, but did not receive specific details. This approach helped to ensure that bellwethers’ responses were authentic and unprompted.

Interviews started by asking bellwethers what issues they thought were at the top of the policy agenda. Their responses indicated whether preschool showed up on that list, and if so, where, and along with what other issues. Later questions became more specific regarding bellwethers’ familiarity with preschool and probed on what they knew, allowing later content analysis to determine whether advocates’ messages surfaced in bellwether discourse about the issue. Bellwethers were also asked to predict whether they thought the preschool issue would advance in the near future or longer term. This method was repeated every few years.

### **Policymaker Ratings**

This method gauged political will or support for preschool within the state legislature. It was developed in response to the perceived inadequacy of measures commonly used to gauge policymaker support on issues (e.g., number of bills introduced on the issue, number of bill sponsors or co-sponsors, and number of votes for or against specific bills). The method took a different tactic in measuring such support and capitalized on advocates’ insider knowledge about individual legislator stances on preschool issues. The method did not create extra work for advocates, but instead usefully transferred what they already knew through their regular intelligence gathering and outreach.

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The method had preschool advocates rate each legislator on a series of three scales that assessed the following:

*Policy maker level of support*—Gauged individual policymaker support for an issue based on his or her public behaviors or actions on behalf of the issue.

*Policy maker level of influence*—Rated each policymaker’s influence on the policy issue of interest. Ratings were based on criteria that research shows relate to policymaker influence.

*Advocates’ level of confidence*—Addressed how confident advocates were in the accuracy of their ratings on the first two scales.

Once ratings were complete and data were aggregated, it was possible to assess the extent to which the legislature as a whole supported preschool issues, and the extent to which policymakers supporting preschool had power or influence. Other information added to the data set allowed for analysis of support across other key variables, such as political party, geographic area, and support within key committees or caucuses. This method was repeated annually to determine whether and how support shifted over time.

The preschool evaluation’s real-time approach had clear benefits for the Foundation and its grantees. For example, bellwether interview data signaled areas where advocacy efforts could be strengthened (while also validating areas where they were working well). They also revealed if messaging and communications strategies were breaking through and where more emphasis was needed. The annual process of policy maker ratings helped advocacy grantees regularly revisit and update legislative outreach strategies. This method had direct application to grantee’s work, and they saw the evaluation as useful and not burdensome.

### **Challenges to this Approach**

However, the approach was not without its challenges. For example, Real Time Evaluation had required ongoing engagement of staff and evaluators (as opposed to be able to outsource the evaluation and wait for the report), balancing evaluation needs with grantee burden, as well as staying current with external events so that they could be tracked and considered in the context of program performance.

Here are some examples of the practices that the Preschool team adopted to be real-time and responsive to program strategic needs:

- Dynamic logic model whereby the logic model is regularly revisited to determine whether it still accurately reflects the ongoing direction
- Development of data collection tools to meet data needs when no tools existed (e.g., bellwether interview protocol) and adjusting the tools regularly
- Transparency with Foundation staff and grantees including regular evaluation briefs and briefings with staff and

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presentations of interim findings at annual grantee meetings

- Critical indicators that were tracked regularly and updated annually
- A willingness to be flexible and adjust the evaluation plan when the grantmaking strategy and Foundation’s learning needs evolved. For example, this coming year the Preschool program staff and evaluation team has set aside a part of the evaluation plan for “rapid-response” data collection. In addition to the usual methods that are conducted annually, the HPRP evaluation planning approach is “open”; they review the methods annual with the Preschool team to discuss whether there is a unique piece of data collection to meet emerging learning needs that can help inform program strategy.

Already the preschool program-evaluation relationship has influenced evaluation approaches in other subprograms. Directly, the HRFP team is now working with our Children’s Health Insurance evaluation team lead by Mathematica to adapt the bellwether methods for the health insurance evaluation. We are creating opportunities to share real-time practices across programs. In July, we convened a meeting of our program staff and the evaluators with whom they are engaged for the purpose of sharing leading practices and challenges.

The importance of these practices may sound self-evident, but they are much harder to actually carry out. Not everything has worked as planned in the preschool evaluation, but both program staff and the evaluators have become skilled at adaptation. That is why we continue to promote the ME&L practices of our Preschool work as models of best practices.

# policy for decision making

# 5

The David and Lucile Packard Foundation

## POLICY FOR STRATEGIC DECISION MAKING WITHIN THE FOUNDATION

Adopted by the Board of Trustees

March 10, 2005

In its Philosophy Statement, the Board has articulated the basic goals and principles that should guide strategic decision making in the Foundation. This policy outlines the specific processes by which we plan to implement those principles, including specifically:

The broad-ranging inquiries that will help frame our strategic discussions.

Our approach to developing and defining subprograms.

The use of the Special Opportunities Fund to explore new ideas and support initiatives outside our established subprograms.

Occasional review of entire program areas

### I. FRAMING STRATEGIC DISCUSSIONS

A. The Foundation should develop a process for ongoing strategic discussions among Trustees and staff. The process should:

1. Allow Board and staff to continually refresh our perspective on important issues and opportunities in each major program area, drawing on diverse outside experts; and also to discuss emerging opportunities for impact that have emerged outside our existing programs.
2. Provide a mechanism for Board and staff to work together to identify ideas for new programs and subprograms and decide which ideas to pursue.
3. Create an R&D function for exploring and developing promising ideas.
4. Prescribe how final decisions on proposed strategies will be made.

B. To support such a process, it will be useful periodically to make projections of what revenues will be available to support new subprograms.

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1. Each program should map out the projected end dates of its existing subprograms to identify opportunities to start new subprograms within existing budget allocations [Dropped presumption that money stay in program].
  2. At the Foundation level, the Board should periodically project revenue increases (or decreases) from anticipated growth (or decline) in the endowment or the release of funds from existing Foundation commitments.
  3. The Board should also periodically consider whether it wants to make a gradual reallocation of funds among the major program areas.

C. When the Board considers potential new priorities, the process should take into account:

1. The passions and interests of the Trustees, especially the Family Trustees.
2. Outside advice about new areas where the Foundation can really make a difference.
3. The Foundation's experience in its programs and its special opportunities grantmaking.
4. The expertise and experience of the staff.

## **II. DEFINING SUBPROGRAM STRATEGIES**

A. A commitment to a new subprogram should be defined explicitly up front, including:

1. The targeted outcomes and strategy (expressed in a logic model and narrative).
2. The number of years for the subprogram, which may be long (e.g., ten years).
3. Formal check-in points for the Board to review the subprogram strategy and progress, often in year 3 but no later than year 5.
4. Plans for formal evaluation.
5. Estimates of the total funding commitment over the life of the subprogram, including both grants and operations.
6. The exit strategy:
  - a) Preliminary thinking about what measures will be necessary to avoid undermining our accomplishments or grantees when we end funding.
  - b) A plan for developing a formal exit strategy as the program approaches its end.

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B. The process for developing a new subprogram will vary, but should include several elements:

1. Interested Trustees and staff brainstorm ideas; to generate two or three alternative ideas for exploration.
2. Trustees and staff agree on a timeline and process for decision making; this will typically include conducting an environmental scan, and soliciting advice and critique from experts through papers and meetings with staff and interested Trustees.
3. Staff leads a process to investigate those ideas, involving interested Trustees as agreed, to develop a recommendation for the Board.
4. The full Board discusses the recommendation decides whether to proceed.

C. Once a subprogram has been approved:

1. The Board and staff will support implementation of the subprogram strategy as approved.
2. In general, Trustees will wait for the agreed check-in points to revisit decisions about targets, strategy or funding.
3. If a serious concern arises, however, a Trustee can raise that concern directly with the CEO who will decide and a decision will be made as to whether if it is so serious that it requires a special exception to the process of review defined and approved for the strategy.

D. By December 2005, each of our existing subprograms will be formally defined in the manner described above—specifying targeted outcomes and strategy, program term, check-in points, evaluation plans, total projected funding commitment, and preliminary thoughts about an exit strategy.

### **III. GRANTMAKING OUTSIDE THE APPROVED SUBPROGRAMS**

A. The Foundation should make available a portion of the Special Opportunities budget to provide resources for two purposes:

1. To explore ideas for new subprograms within or outside existing program areas.
2. To fund targeted special initiatives outside existing subprograms (initiatives that are generally smaller and shorter-term, e.g., two or three years in duration).

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B. The purpose of such funds is two-fold:

1. To allow Trustees or staff to introduce new ideas to the Foundation and to pursue special opportunities or areas of interest without diverting resources from approved programs and strategies.
2. To provide a mechanism (though not the only one) for exploring ideas that may become good candidates for future new subprograms.

#### **IV. REVIEW OF WHOLE PROGRAMS**

A. Each program, or major component of a program (such as Oceans and Coasts, or International Population), should be periodically reviewed by the Board. The purpose of such a review is to update and refresh the understanding of the Board of the field in which the Foundation is working, to consider potential new directions or changes in overall strategy, and, ultimately, to decide whether and how to continue investing in the area.

B. The review process should start with Board brainstorming:

1. Why are we investing in this area? What is our ultimate goal?
2. What questions and ideas should we explore in reviewing the program?
3. Whom would we like to hear from?
4. What process do we want to follow over what timeframe?
5. What is the budget for this review?

# periodic review of strategy

# 5

The David and Lucile Packard Foundation

## PHILOSOPHY STATEMENT ON MAKING STRATEGIC DECISIONS

Trustees, particularly Family Trustees, have historically had a very strong role in shaping program directions by bringing to bear their own expertise and experience, and relying on advice from outside experts and the expertise, insights, and planning of Foundation staff. As the Foundation has grown, it is appropriate to be more explicit about our program decision making.

Our goal is a decision making process that enables the Foundation to have maximal positive impact on important issues, while allowing Trustees opportunities for satisfying and enjoyable participation in areas of personal interest where the Foundation can address demonstrated needs. We seek a collaboration among Trustees and staff that is productive, and rewarding and that secures the buy-in that will be needed to succeed.

The Foundation should maintain a systematic and strategic process for creating and shaping new program areas and subprograms. It should also include periodic review of progress, priorities, and opportunities in each existing program area.

Through our decision making process, we aim to develop an overall program that:

- is highly focused on a limited set of big outcomes.
- that deploys the diverse strategies needed to achieve those outcomes.
- that makes intentional decisions about the mix of place-based local, state, national, and global approaches to achieve program outcomes.