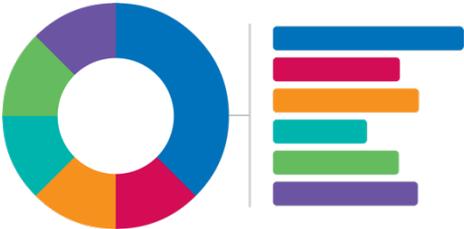


2016 Report on Capacity Building Outcomes

SVP Value | The Nonprofit Perspective



Introduction

The best thing that has happened to me and the organization.

– 2016 Survey Participant

Social Venture Partners (SVP) is a global network of local Partners aligning passion and purpose. This international network of 3,200 dedicated individuals creating lasting impact through their philanthropy, skills and leadership to improve their communities. Since its formation in 1997, the SVP network has contributed more than \$70 million in grant investments to more than 900 nonprofit organizations and provided tens of thousands of volunteer hours in service and counsel. As of 2017, there were 42 Social Venture Partners organizations in the United States, Canada, Australia, China, India, Japan, Korea, and the United Kingdom. This report focuses on 15 SVPs in North America.

The shared mission of members in the SVP network is two-fold:

- **Capacity Building:** Making strategic investments that build long-term capacity for nonprofits so they can better fulfill their missions. SVP Investees are nonprofit organizations that seek new resources and innovative approaches for addressing a variety of issues, including education, environmental protection, and youth development. Capacity building investments focus on increasing the ability of each investee to fulfill their mission and include cash grants, skilled volunteers, professional consultants, leadership development and management training opportunities.
- **Philanthropy Development:** Creating communities of lifelong, informed and inspired philanthropists. SVP Partners are individuals who make meaningful contributions to nonprofit organizations by sharing their skills, time, and financial resources.

Program evaluation is a key component of SVP's capacity building philosophy. Regular evaluations are important for nonprofits to demonstrate their impact and the change they are affecting in their communities. Evaluations highlight what works, and what can be improved upon. Social Venture Partners is no exception. To assess SVP's effectiveness in its mission, in 2004-5 Social Venture Partners International (SVP Network Office) convened a team of partners and staff, led by Blueprint Research and Design, to identify the key outcomes in both philanthropy development and capacity building. The project was funded by grants from the Hewlett Foundation, the Kellogg Foundation, the Lodestar Foundation and the Surdna Foundation.

This report shares the findings from the data collected in 2016 regarding the capacity outcomes for nonprofit investees over a twelve-month timeframe. The quantitative survey used to capture the data focuses on two outcomes:

- Investee satisfaction with SVP
- Time, money and connections received by investees through partners'

It also includes a sampling of the results of the "Most Significant Change" tool, which collects qualitative data on two additional outcomes:

- Strengthened investee organizational capacity
- Improved investee programmatic effectiveness

Between June and September of 2016, fifteen network organizations administered these tools: Arizona, Boulder County, Charleston, Charlotte, Cleveland, Connecticut, Denver, Minnesota, Portland, San Diego, Santa Barbara, Seattle, Tampa Bay¹, Vancouver and Waterloo Region. 73 nonprofit investee organizations participated in the survey.

Limitations to the Data

The data that follows creates a meaningful and important picture of SVP's impact on nonprofit capacity. It is nonetheless important to acknowledge aspects of the research methodology that may impact the significance of the presented data, particularly as it relates to the investee survey.

- Although the information provided by investees was confidential, there is an inherent bias in surveys administered to grantees by funders. To minimize bias, SVP administered the survey after refunding decisions had been made and announced.

¹ The Tampa Bay survey was completed by 2 individuals from the same organization. To prevent duplicate entries, we selected to use 1 Tampa Bay response in this report. Selection was made based on the response that had answered the most survey questions. No weight was given to the nature or value of the individuals' responses.

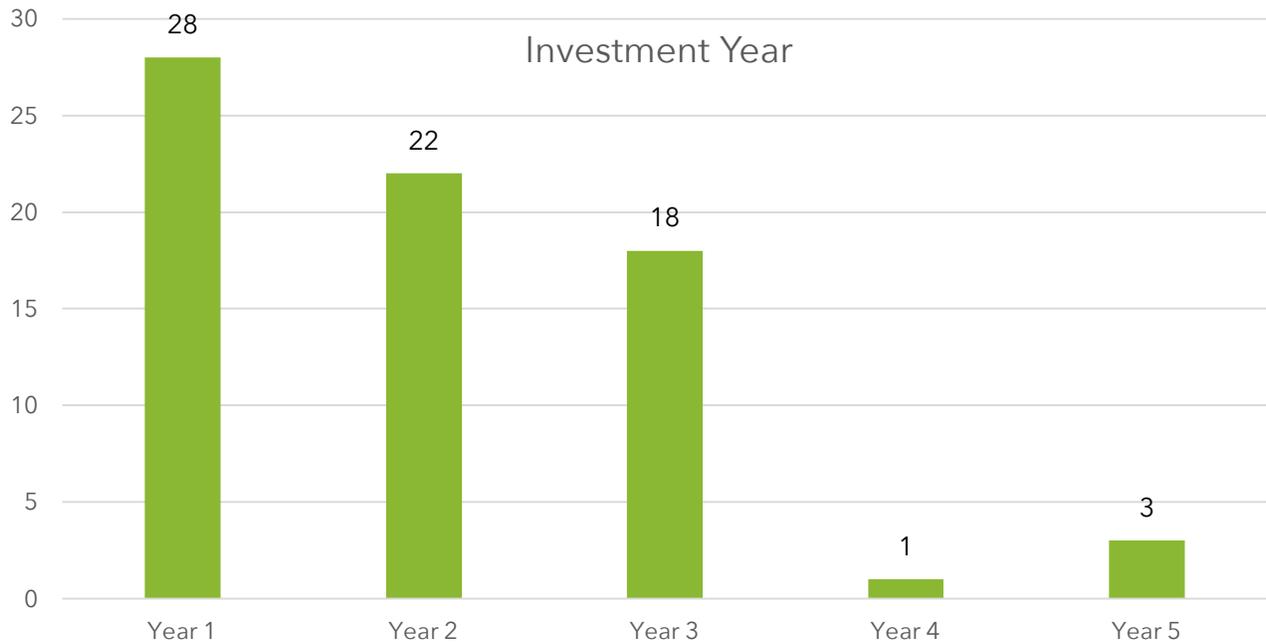
- The quantitative data related to calculating the value added by SVP Partners are in some cases estimates by Investees. SVPI has reviewed the data, but there is a degree of judgment in these numbers and they should be viewed as estimates.
- The data related to increased capacity gain and/or stories of significant change is subjective and was provided by investees without independent review or verification.
- The 2016 Most Significant Change survey returned a small sample of respondents, and therefore may not represent a wide range of Investee viewpoints.

Key Findings

- 96% of investees rated their overall relationship with SVP as “excellent” or “good.” No investees characterized their relationship with SVP as “poor.”
- Investees were surveyed regarding the quality of their interactions with SVP representatives according to the specific criteria of Approachability, Responsiveness and Knowledge. All areas rated 4.4 or above (on average) out of a possible 5.
- The value of the contribution of partner time and talent to investees received an average rating of 4.6 out of a possible 5. The value of SVP grant funding rated 4.8 out of 5.
- “Mission, vision, strategy and planning” and “CEO/Executive Director/Senior Management Leadership Development” were the capacity areas rated most highly by investees. These ranked 4.4 and 4.3 respectively.
- Over a twelve-month timeframe, the non-grant contributions made possible by SVP Partners totaled \$3,239,675, increasing the value of the initial cash grants (\$1,879,850) by 172.3%.
- Indicators of SVP’s knowledge, practices and reputation were each rated 4.25 or higher out of 5 with the exception of “Impact on public policy” (3.32). Overall reputation among other nonprofits and other funders ranked at the top, both at 4.5
- Review of qualitative responses from investees reinforce and overall satisfaction with SVP and its representatives. Of the suggestions for improvement, more opportunities to interact with other investees, and a better way of learning about other partners at SVP and their focus areas were a trend among open-ended responses.

Survey Participants

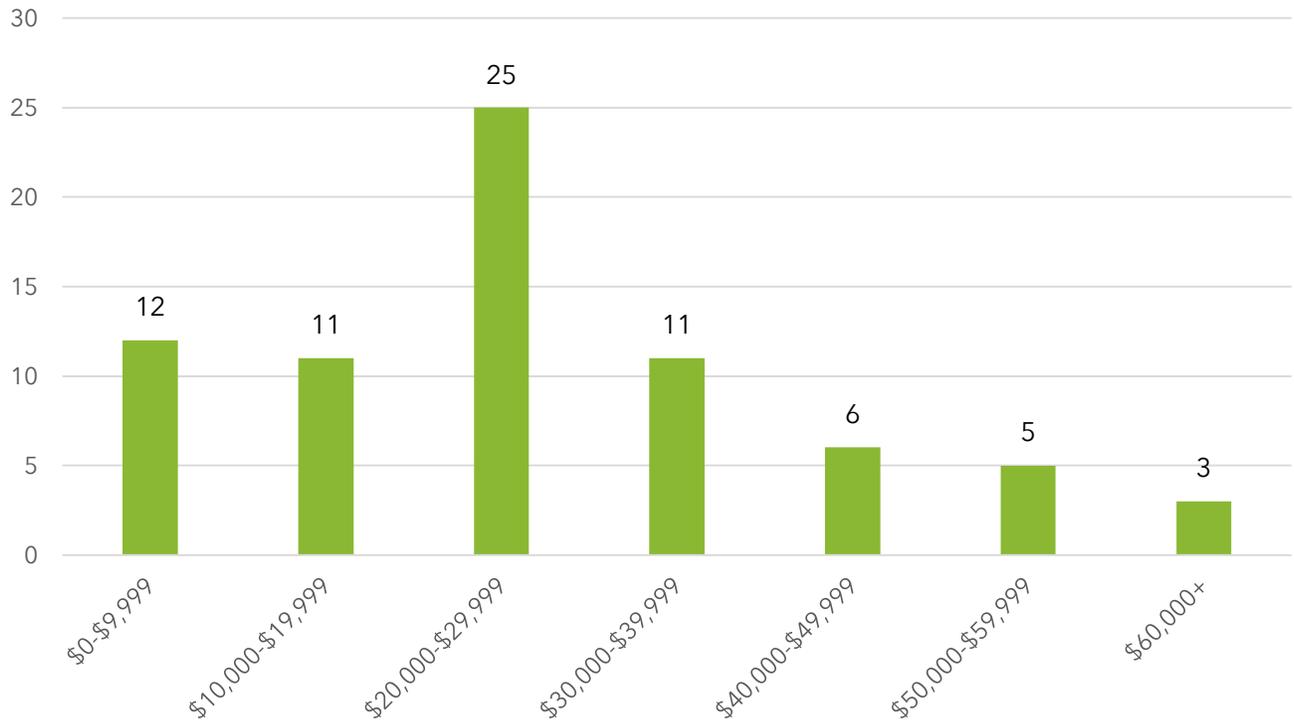
The 72 of 73 investees reported their year of relationships with SVP as follows:



- 39% of investees are in their first year with SVP, 69% of investees are either in their first or second year with SVP
- Only 5% of investees have been involved with SVP for 5 or more years (n=4)

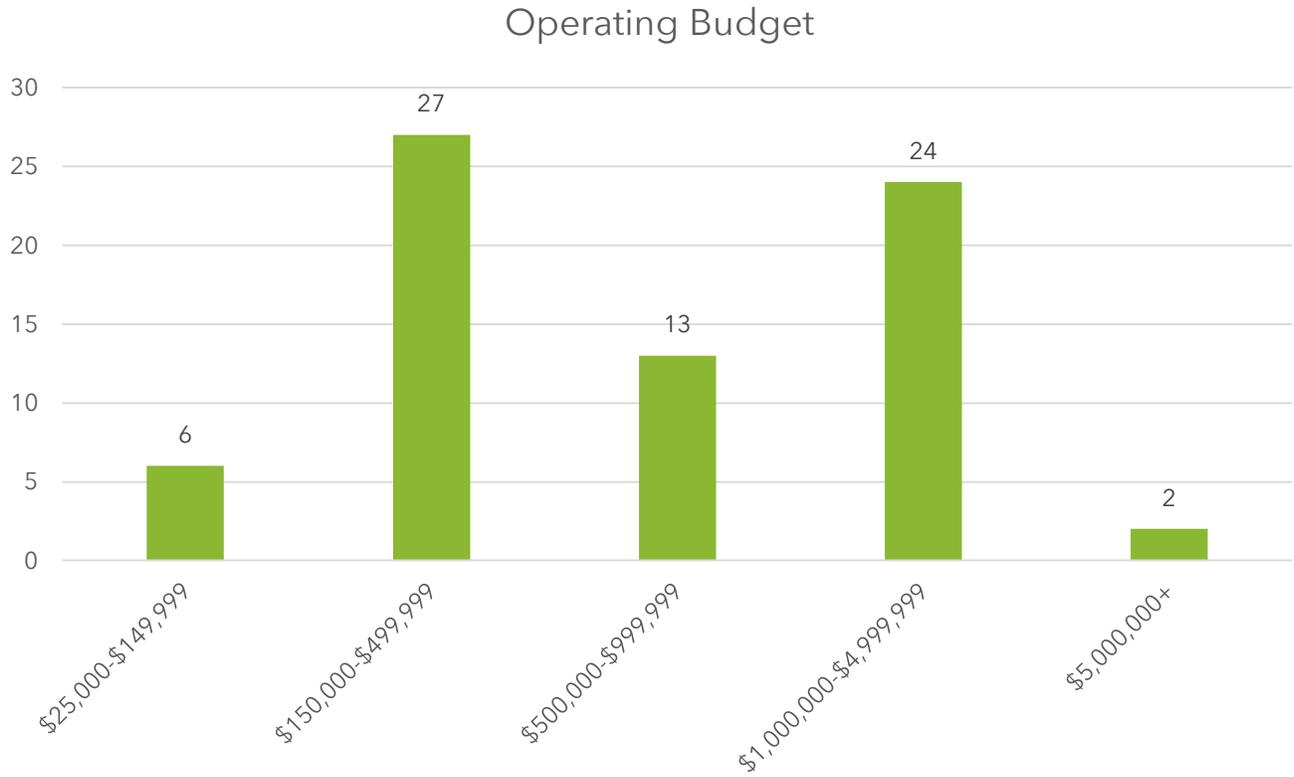
All 73 investees reported the amount of the most recent grant they'd received from SVP. Those amounts were:

Total Grants By Amount



- Total grants awarded to 73 investees was \$1,879,850
- Grants averaged \$26,855. The median was \$25,000.
- The smallest grant was \$2,000; the largest was \$100,000.

72 of the 73 investees reported their annual operating budget. The budgets ranged as follows:



- The average budget was \$1,063,483. The median budget was \$625,000.
- The smallest budget was \$25,000; the largest was \$10,000,000. 64% of investees reported a budget of less than \$1,000,000.
- 46% reported a budget of less than \$500,000.
- 3% of investees reported a budget in excess of \$5,000,000.

Investee Satisfaction with SVP

SVP exemplifies commitment, professionalism and follow-through. We have been so fortunate to work with an outstanding Lead Partner who has gone above and beyond in providing support and encouragement, and has been a great strategic thought partner.

– 2016 Survey Participant

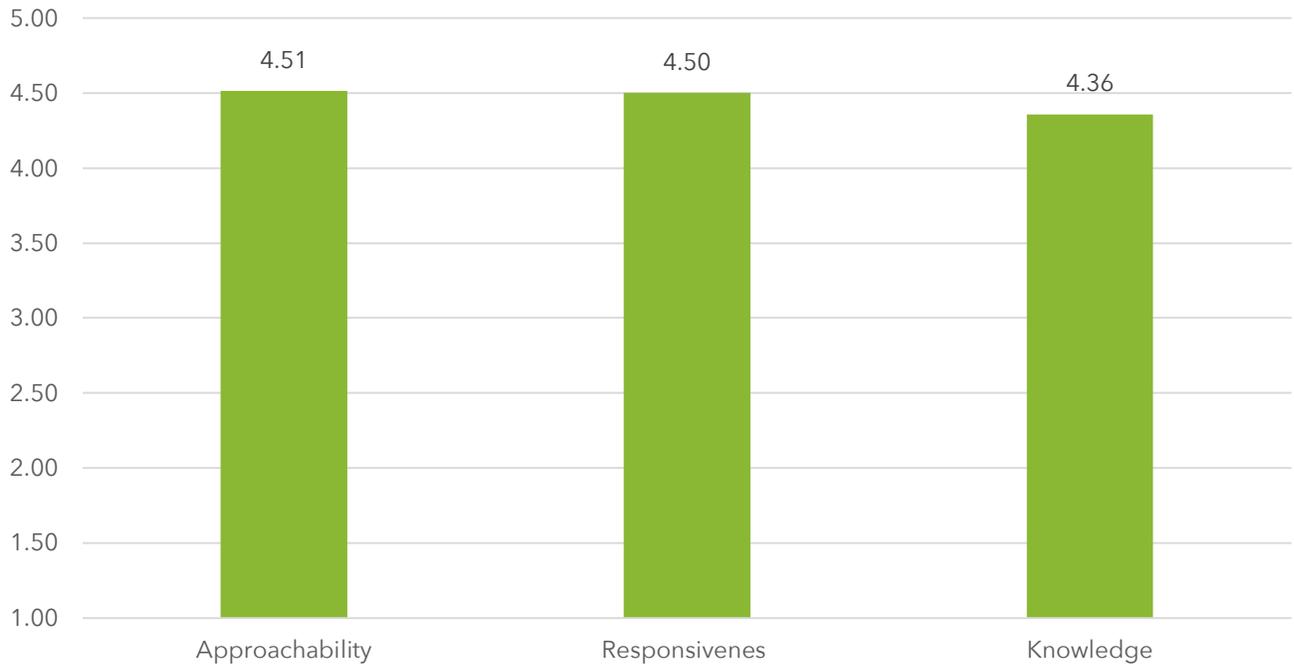
At the center of SVP's high-engagement model is a strong relationship between SVP representatives and Investees. For a long-term capacity building effort to be successful, investees and Partners need to develop an elevated level of trust, which leads to knowledge sharing and agreement on mutual goals. Therefore, investees' satisfaction with the relationship is an important indicator of the effectiveness of the capacity building work.

64 out of 67 investees (96%) rated their overall relationship as "excellent" (67%) or "good" (28%). No Investee gave a "poor" rating.

Investees were asked to rate the quality of their interaction with SVP on the scale of 1 to 5 (1 = poor, 5 = excellent) according to the following criteria:

- *Approachability* - The investee staff knows how to contact the SVP representative (Partner/Staff/Lead Partner); s/he feels comfortable contacting the SVP representative; s/he feels receptive to questions or feedback from the SVP representative.
- *Responsiveness* - The investee staff feels that the SVP representative replies in a timely way; s/he feels that the response is useful and thoughtful; s/he feels that the SVP representative demonstrates openness to the investee staff's feedback.
- *Knowledge* - The investee staff feels that the SVP representative is able to offer resources or ideas in response to their questions or requests for information; s/he feels that the SVP representative demonstrates understanding of the investee organization's mission and needs.

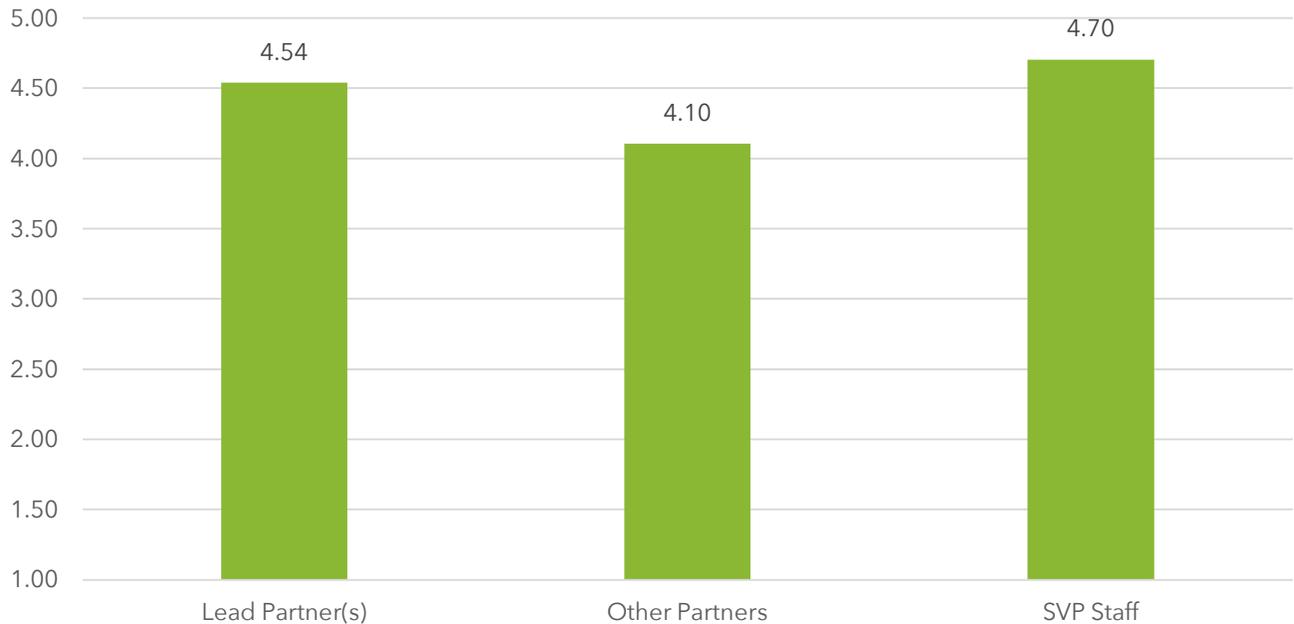
Overall Satisfaction with SVP



Approachability and Responsiveness received average ratings of 4.5, while Knowledge received a 4.36. Two scores of "1" were reported by a single investee: one for responsiveness of other partners and another one for partner knowledge. Out of a total of 572 individual scores, 7 "2s" were reported in all answers and were spread out throughout the three categories. They came from 7 unique investees. Five out of seven "2s" were rating for the "other partners" category, while the remaining two were ratings for the knowledge of the investees' lead partners.

The results below are for investees rating on the quality of their interactions with lead partners, other partners and SVP staff:

Ratings for Leads, Partners and Staff



All three groups scored 4.1 or higher out of 5, with SVP receiving the highest score of 4.7 and lead partners scoring slightly above 4.5.

As noted above, the lowest individual scores of "1" and "2" went towards investees' assessment of other partners they worked with at SVP (except for two scores of "2" for lead partners). The results support the notion that SVP representatives who spend the most time with an investee (lead partners and SVP staff) will have built a more solid relationship and have deeper knowledge of their investee organizations. Therefore, it is likely that they would receive higher scores than other SVP Partners who have weaker ties to an investee.

Investees were invited to submit optional narrative responses to give more context to their rankings. 32 investees chose to respond. The selection below represents a sample of their satisfaction with SVP.

Select Qualitative Responses

- "As a new Executive Director SVP staff and Partners have been a tremendous source of information and support both in terms of long term continuity with organizational strategy as well as with specific priority projects designed to lift off my new administration."

- “The few “other partners” we have connected with have been quite helpful. From my perspective, I have found it difficult to know who the other partners are and what skills/resources they may be interested and/or willing to share.”
- “It is sometimes challenging for [partners] to understand the difference between engaged philanthropy (their role) and strategy setting (the role of my Board).”
- “[partners] are approachable, responsive, and knowledgeable. If for some reason they are not able to assist with a request, they quickly advocate for our needs with their fellow partners.”

Investees’ Perception of Value of SVP Assistance

“We have received what I've deemed as priceless treatment and care in business transparency, operations and building. We certainly could not afford these consultations alone or via our nonprofit’s financial capability.”

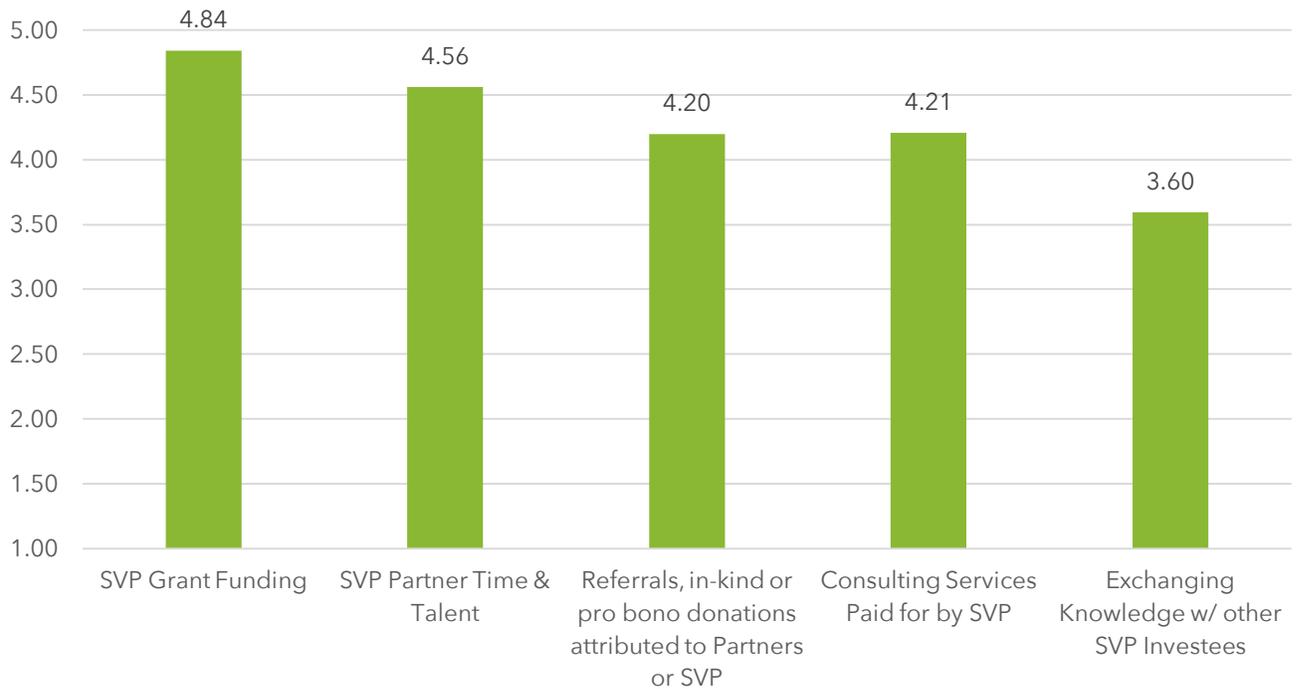
– 2016 Survey Participant

Investees were surveyed regarding the value of each kind of capacity building assistance they receive from SVP. They were scored on the scale of 1 to 5 (1 = poor, 5 = excellent).

These include:

- Grant funding;
- Contributions of partners’ time and knowledge;
- Referrals, other in-kind, or pro-bono donations attributed to SVP or its Partners;
- Consulting services underwritten by SVP;
- Exchanging knowledge with other investees.

Satisfaction by SVP Assistance Type



The three types of assistance rated most highly by investees:

- Grant funding (average rating of 4.84)
- Partner time and talent (average rating of 4.56)
- Consulting services paid for by SVP (average rating 4.21)

The types that received a “not applicable” response most frequently were “Consulting services paid for by SVP” (38) and “Exchanging knowledge with other SVP Investees” (25).

Investees were invited to submit a narrative description of their satisfaction with, and a description of, the types of assistance they received from SVP. The overarching trend in these responses was the desire of investees to have more opportunities to interact with their fellow investees. 11 out of 25 narrative responses asked for more opportunities to exchange knowledge with their peers, with 2 of these 11 indicating they were not previously aware that such opportunities existed.

Satisfaction with Partner Consulting

I have loved SVP's involvement in topics that need fresh ideas and new thinking. SVP members that engaged on [our board governance] project did a great job providing innovative ideas and new insights. Working together could significantly move the needle forward for our organization.

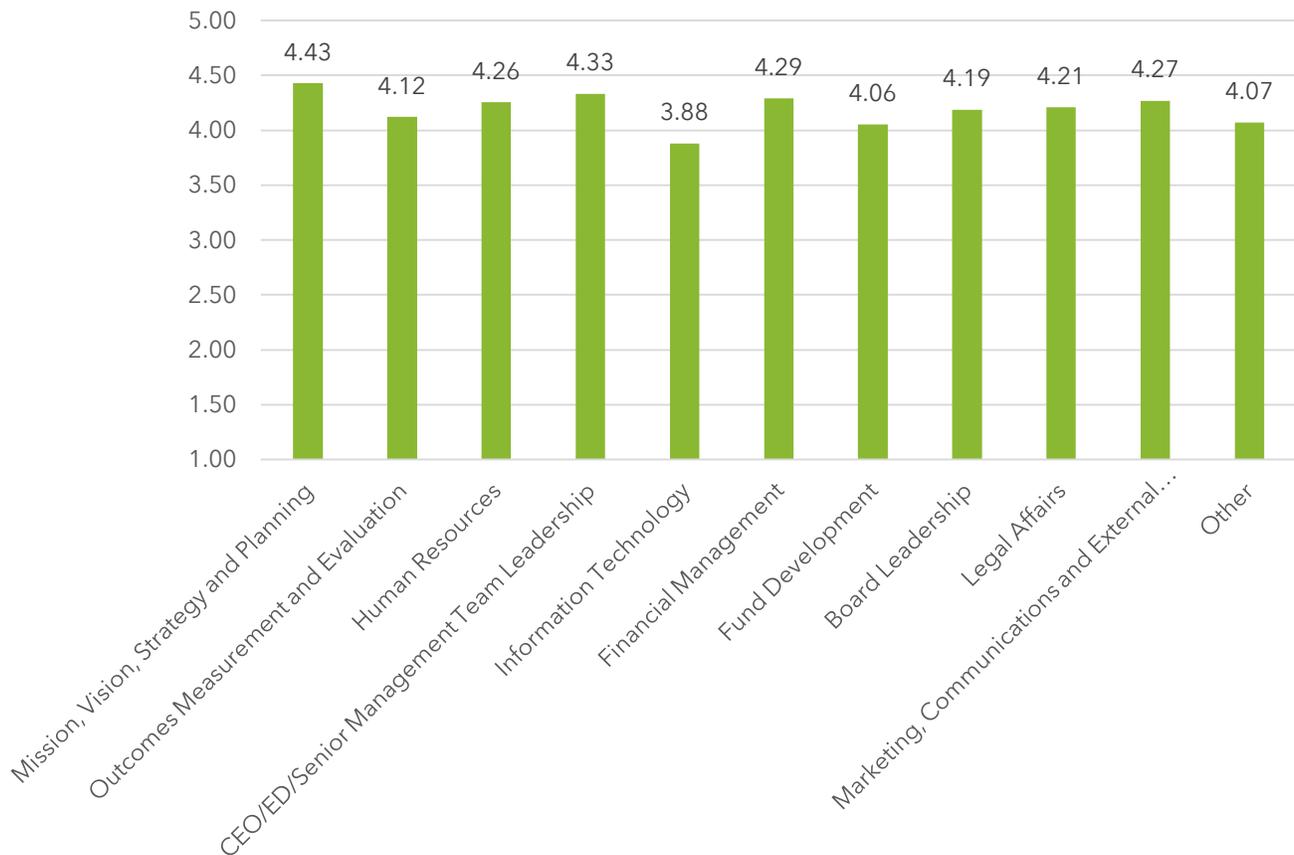
– 2016 Survey Participant

At the onset of each grant relationship, SVP assists the Investees in identifying the areas of capacity on which they would like to focus their efforts. SVP then provides partner expertise and other resources to develop the identified areas. The survey asked investees to rate the value of partner volunteer time on the following areas:

- *Mission, vision, strategy and planning*
- *Program outcomes evaluation*
- *Human resources*
- *CEO/Executive Director/Senior management leadership development*
- *Information technology*
- *Financial management*
- *Fund development*
- *Board leadership*
- *Legal affairs*
- *Marketing, PR and communications*
- *Other²*

² 14 respondents gave ratings to "Other:" eight scores of "5," three scores of "4," one score of "3," and two scores of "1." Investees were not required to distinguish what was meant by "Other," however in the open-ended response section that followed 3 investees provided some clarification. They included: Fast Pitch funding, expansion planning, and SVP mentoring through lunch and learns, and educational workshops.

Satisfaction by Capacity Area



Investees rated "Mission, Vision, Strategy and Planning" and "CEO/Executive Director/Senior Management Leadership Development" highest with an average rating of 4.43 and 4.33. "Financial Management" followed with a score of 4.29. Information Technology was the only category to score below a 4.0 at 3.88.

Out of a total of 710 ratings given (11 per Investee), there were 7 "1" ratings and 9 "2" ratings in various capacity areas. Four of the seven "1" ratings and three of the nine "2" ratings came from a single Investee. The capacity areas that received the highest frequency of "1" and "2" scores were Information Technology (two "1s" and one "2") and Fund Development (four "2s").

Of the 710 responses, there were 348 "Not applicable" ratings used to indicate capacity areas not worked on during the funding period.³ The areas receiving the most "N/A" ratings were Legal Affairs (48) and Information Technology (41).

³ Investees could choose to skip a question instead of responding with "N/A," therefore it is likely that the "N/A" rate is slightly higher than reported. There were 27 skipped questions in this area.

Qualitative responses from investees in this section were by-and-large organization specific and went into detail on the various capacity building projects embarked upon with their SVP representatives. No overarching themes warranted inclusion in this report.

SVP's Knowledge, Practices and Reputation

On several occasions over the past two years, I have utilized SVP as an example of engaged philanthropy in the community. I highlight the expertise the partners provided because it has helped accelerated [our] growth and development. This team is committed, passionate, and dedicated.

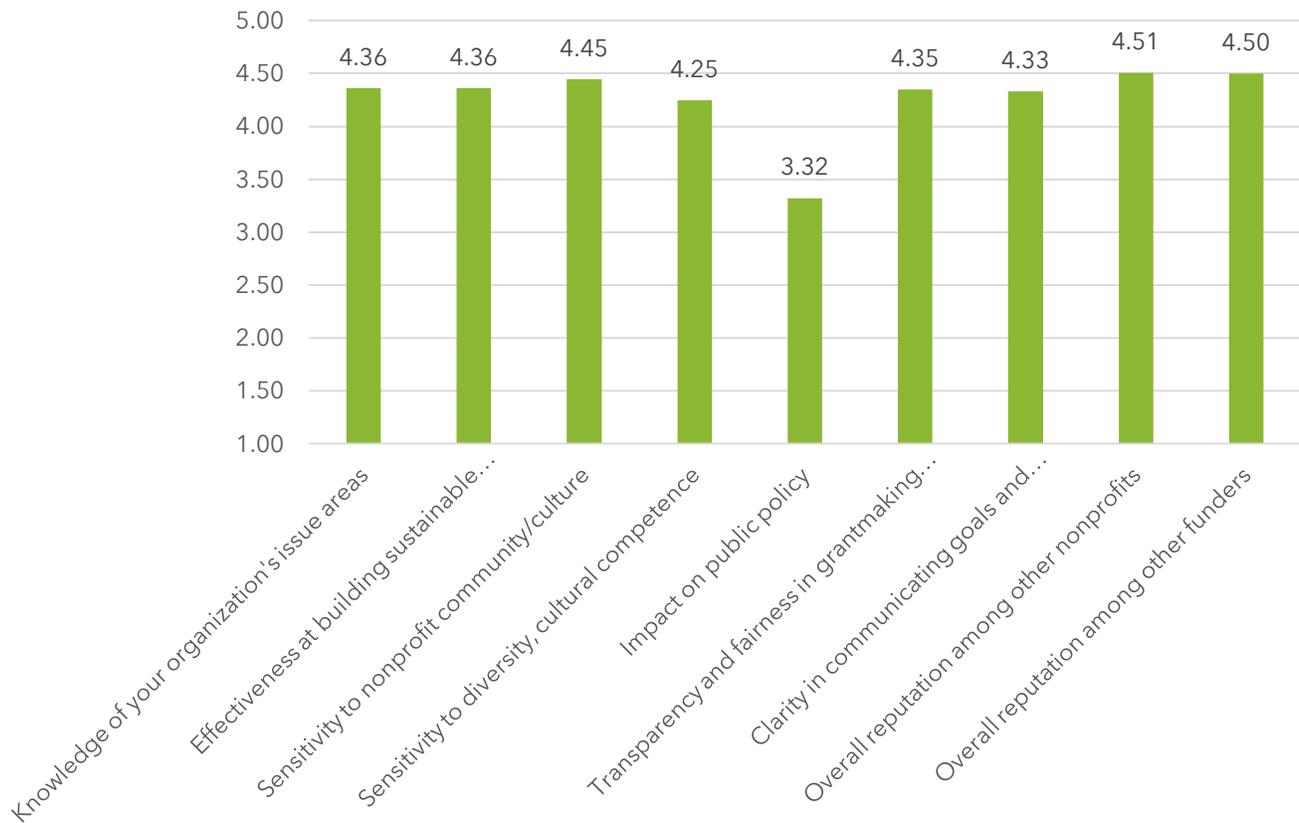
– 2016 Survey Participant

The way in which SVP staff and Partners conduct themselves with Investees is important to review as it speaks to the level of perceived effectiveness SVP's capacity building mission. Review of these measures also provide an opportunity for SVP to reflect on its practices. To do this, investees were surveyed about the value they place on SVP's knowledge, practices and reputation.

Specifically, investees were asked to characterize SVP along the following dimensions on the scale of 1 to 5 (1 = poor, 5 = excellent):

- SVP and its Partners' knowledge of the Investee organization's issue areas;
- Effectiveness at building sustainable organizations;
- Sensitivity to nonprofit community and culture;
- Sensitivity to diversity and cultural competence;
- Impact on public policy;
- Transparency and fairness in grantmaking decisions;
- Clarity in communicating goals and expectations;
- Overall reputation among other nonprofits;
- Overall reputation among other funders.

Knowledge, Practices and Reputation



The highest rated Knowledge, Practice and Reputation areas were “Overall reputation among other nonprofits” as well as “Overall reputation among other funders” at 4.5. All areas received a rating above 4.25, except “Impact on public policy” (3.32). The low rating could be because few SVP Partners or Investees focus on policy. In fact, 36 of respondents answered “I don’t know” in this category.

There were 7 ratings of “1” received (5 of 7 in “Impact on public policy”), and 15 ratings of “2” dispersed fairly equally throughout all categories.

Investees were again able to give a narrative response to elaborate on their criteria for scoring SVP’s Knowledge, Practices and Reputation, and 20 did so. Select voices of investees include:

- “SVP’s reputation among other funders has helped [organization] access other sources of funding, critical to organization’s growth and sustainability.”
- “I know SVP just went through strategic planning—would love to see SVP make a presentation to investees so we can feel more connected to SVP’s overall mission and vision.”

- “It’s been great seeing how partners’ knowledge has increased and attitudes have shifted as they've gotten to know staff and have participated hands-on in our events and programs.”
- “Some of the reporting/reflection requirements can be time-consuming, but I appreciate that they are also really utilized by SVP staff. It doesn't feel like just an exercise.”

Value Provided by SVP Partners

Our lead partners continue to financially invest in our organization, attend board meetings and lend their brilliant ideas to strategy and planning sessions. Recently, one opened the door to invaluable pro bono legal assistance to file our trademarks, draft licensing agreements, etc. Our other (lead partner) successfully rallied friends and family to support our very first tax credit drive. Both continue to be our biggest champions.

– 2016 Survey Participant

SVP’s strategy to help develop long-term capacity for their nonprofit investees involves a comprehensive support package that goes beyond a cash grant. In addition to grant funding, SVP Partners provide pro bono consulting, and in some cases, underwriting paid consultation and networking opportunities for investees.

The cash grants are just the beginning of the value investees gain from their SVP Partnership. Additional value is generated by:

- Partner volunteer time for strategic volunteer projects (this does not include partner time for direct service volunteering such as tutoring or mentoring students);
- New cash contributions made by individual SVP Partners to investees;
- New cash contributions received based on referrals or contacts provided by individual SVP Partners;
- In-kind benefits received based on referrals or contacts provided by individual SVP Partners.

Here is the summary of the collective value provided by SVP Partners as reported by investees:

Volunteer Time (7,890 hours at \$125 per hour ⁴)	\$986,250
New cash contributions from individual partners	\$1,223,530
New cash contributions from partner referrals/contacts	\$758,770
In-kind contributions from partner referrals	\$271,125
Total	\$3,239,675

During the same period, money granted to these investees totaled \$1,879,850. SVP Partner’s contributions of time, skills, money and connections increased the value of the initial cash grants by 172.3%.

Most Significant Changes

SVP believes that the effectiveness of a nonprofit organization’s programs is directly related to the strength of its internal capacity. The contributions made by SVP to strengthen the infrastructure of investees leads to improvements in program effectiveness and, ultimately, greater impact in the community. Although quantifying the social gains is not feasible, SVP has collected stories of the “most significant change” investees have experienced in their organizational capacity as a result of their Partnership with SVP. These stories are written by a representative of the investee. The following stories illustrate the improvements that SVP is affecting.

Children’s Book Bank (CBB) Portland, OR



Last year, SVP organized/commissioned an opportunity for investees to receive guidance and training around impact measurement through a nine-month graduate level class facilitated by a national expert in helping organizations build internal capacity to design and implement evaluation. Given that “Outcomes Measurement & Evaluation” was identified in our SVP Partnership MOU as an area in which The Children’s Book Bank hoped to build capacity, we jumped on the opportunity to participate.

⁴ The hourly volunteer time rate was based on a market-based uniform rate of \$125 per hour. Although market rates vary according to type of project, SVP chose a single rate at the low end of the range (\$75 - \$200) to maximize ease and reliability of data collected.

By way of context, it's important to note that before our Partnership with SVP, "assessment" had been limited to informal and periodic partner and parent surveys which provided a smattering of stories and anecdotal evidence that showed how books in the home can make a difference. Success was largely measured by number of books delivered, volunteers engaged, and children served—numbers all tracked meticulously on a monthly basis. Impact was inferred—given the broad body of research that directly links number of books available in the home to literacy development, attitudes toward learning, and future educational success. This was all great, but never really enabled us to answer the question, "What is significantly different/better in our community *because* of the work of The Children's Book Bank?"

SVP's investment in our participation in Project Impact empowered our "Outcomes Measurement and Evaluation Team" (comprised of a Board Director, our Encore Fellow, our Development Director and our ED) to fundamentally redefine the success of our organization in terms of the aspirational hopes and dreams we had quietly long held for the families we've been serving (that more children are actively raised with books, that books help parents strengthen bonds with their children and that the books we provide help build curiosity, open minds and spark imaginations), rather than by total number of books moved and children reached. Project Impact provided the permission, time, encouragement, and guidance we needed to clearly articulate and boldly claim our unique set of intended impacts and guided us through a quantitative and qualitative study of these impacts, the findings of which ultimately inspired both a new strategic direction and a significant shift in our delivery model. As a result, over the next two years, CBB will invest new resources in a variety of strategies to help families realize deeper outcomes. Our new parent empowerment project represents a significant shift in organizational thinking and would not have been developed without the insights we gained during Project Impact about the critical connection between level of parent knowledge and our desired outcomes.

With SVP's investment in building our evaluation capacity, CCB has expanded its vision, grown its knowledge about outcome measurement, evolved as an organization in which impact drives direction, and has even undergone a change in how we talk about who we are and what we do. As a result of a stronger focus on outcomes, the most significant changes, however, are yet to be seen, and will likely happen in the homes of the families we serve once we add literacy information for parents to our delivery model. Using skills and tools developed during Project Impact, we plan to evaluate the extent to which providing *both* books and information helps parents use books with their children to open minds, nurture attachments, build curiosity, and spark the imagination.

Attention Homes Boulder, CO



Effective organizational leadership, structure and culture is a key primary goal for Attention Homes (AH) in both our three year strategic plan and our SVP Investee strategy map. A new vision and set of organizational values were created last year, and our mission statement refined. With the challenge of

Attention Homes programming, administration and development teams being in three different locations, serving three specific organizational needs, we felt that our agency was broken into three silos with little connection and opportunity for cross-pollination. As a result, there was room for improvement in terms of professional growth for our staff, agency capacity and overall performance.

With the help of our SVP co-Lead Partners, we were introduced to a SVP Partner who first measured the alignment of our Senior Management Team's priorities to ensure that our goals were consistent. We resolved to increase staff engagement and identify ways to improve organizational culture and performance through an all-staff training and resulting engagement survey.

Our SVP Partner facilitated an all-day, off-site staff retreat that provided an opportunity for over 30 staff to get to know each other, develop trust, identify and learn more about differing communications styles and elevator pitches, introduce and strengthen a planning skill using SMART goals, and brainstorm new tools/events/activities for AH staff to incorporate into their work. It was a fruitful day that produced strong connections amongst staff whom don't typically work together. Strengths and opportunities for development were identified in areas of staff training, AH events and ways to expand networks in our community.

As a result, a new "millennial" fundraising event, co-chaired by two different programs was held and successful, staff retention improved, a speaker's bureau was formed, and a staff engagement survey with evaluation is currently underway.

Conclusion

The impact overall that SVP has had on our organization has been enormous. They opted to fund us at time when we had just had a tough Executive Director transition. They took a calculated risk on us, and their trust in our capacity to weather a difficult time helped re-establish our credibility in the community. Further, in the first year of funding, the implementation of [the capacity project] was the single biggest tactic that helped us create the start of a strategic plan, manage some healthy Board attrition and begin to move our Board into a more strategic direction focused on fundraising and visibility. I don't think we could have gotten on track in this way without SVP's support.

– 2016 Survey Participant

Overall, the results of this survey suggest that SVP is continuing to receive high satisfaction from its nonprofit investees. Investees report that they value SVP Partners for their expertise, time, funding, and commitment to their organizations. Time and again, investees shared that their Partnerships with SVP were critical in their ability to be able to take on much needed capacity building projects. In Partnership with SVP, they turned these additional resources into improvements to nonprofit capacity, strategy and infrastructure. In fact, the additional expertise and time provided to investees by SVP Partners nearly tripled the monetary value of the original cash grant (2.73x) from \$,1879,850 to \$5,119,525.