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# Small Foundations, Outsized Impact:

## How Three Canadian Foundations Create Change

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**mindset foundation**



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## 1.0 Introduction

In spring 2016, interviews were conducted with representatives from three Canadian foundations to explore their approach to creating ‘outsized impact.’<sup>1</sup> Commissioned by Burns Memorial Fund, Mindset Social Innovation Foundation and Philanthropic Foundations Canada, the project was intended to draw out consistencies in the practices and philosophies of high impact but small scale foundations<sup>2</sup>, thereby serving as a source of learning for other philanthropic organizations that are seeking to achieve systems change.

The three foundations that participated in this study differ considerably in the focus and scope of their work:

- **Fondation Dufresne et Gauthier (FDG)** works at the neighbourhood level to strengthen the system of supports available to vulnerable families and transform the way that organizations function in specific communities (See: [www.fdg.ca/en](http://www.fdg.ca/en)).
- **The Graham Boeckh Foundation (GBF)** collaborates with a range of partners at the provincial, national and international levels to revolutionize the way that mental health services are designed and delivered in Canada (See: [grahamboeckhfoundation.org](http://grahamboeckhfoundation.org)).
- **The Toskan Casale Foundation (TCF)** funds community-based organizations that “reach out to at-risk people and provide them with immediate relief and long-term stability” by engaging secondary school students in funding decisions, thereby helping to create the next generation of philanthropists (See: [www.toskanfoundation.org](http://www.toskanfoundation.org)).

Despite the differences among these organizations, common themes emerged around three aspects related to systems change: 1) Achieving a deep understanding of the targeted system, 2) Developing strategic partnerships, and 3) Maintaining a disciplined focus. These themes are explored briefly below, with examples of ways in which the three foundations approach each of these tasks.

While the similarities between the foundations are instructive, so are the differences. Brief case studies of each of the foundations are included in this report, with each highlighting a different approach to philanthropy in the context of systems change. The approaches are characterized as: Participatory Philanthropy (TCF), 2) Collaborative Philanthropy (GBF), and 3) Neighbourly Philanthropy (FDG).

It is our hope that by drawing out the commonalities and the differences among these foundations, we will encourage and inspire other small foundations that are seeking to further leverage their community investments and achieve outsized impact.

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<sup>1</sup> The term “outsized impact” is used here to indicate a significant, long-term shift in how a social problem is understood and managed. For the purposes of this study, we are particularly interested in the type of systems work that involves 1) mapping, connecting and engaging diverse actors/interests in new ways, 2) understanding institutional dynamics (the rules, norms, beliefs that underpin social interactions), and 3) developing enabling conditions for change.

<sup>2</sup> For the purposes of this report, we define “small scale” as a foundation with little or no staff and assets under \$20 million.

## 2.0 Key Themes

### 2.1 Deep Understanding

One of the most consistent themes to emerge from the interviews was the need for philanthropic foundations to map, analyze and understand the systems they are seeking to change. This finding is not surprising: history is replete with examples of well-intentioned interventions that created considerable harm because they were based on an overly simplistic understanding of the system's dynamics and interdependencies. However, while the need for deep understanding is probably self-evident, the processes associated with achieving that level of understanding can be challenging to identify. The foundations we interviewed noted the importance of taking enough time (i.e., this is not something that can be rushed), on-the-ground inquiry and distributed intelligence.

The Graham Boeckh Foundation, for example, has invested *years* in mapping the complex dynamics, relationships and leverage points of the mental health system in Canada. President Ian Boeckh notes that, for just one of their projects, *"it took two years of really intense consulting to really find out what was needed to transform the system. We do this by convening workshops, bringing people together to get to the bottom of things."*

It's interesting to note the emphasis placed on face-to-face interactions in each of the participating foundations. While written reports are certainly necessary, they are not sufficient: one has to tap into the tacit knowledge that is held by individuals in order to cultivate a more nuanced understanding of what is happening on the ground. There is no substitute for the kind of understanding that is developed through multiple interactions with those who are embedded within the targeted system.

Julie Toskan Casale (TCF) knows all about the importance of on-the-ground inquiry and development: She says she's learned that *"you have to be close to what it is you're trying to solve."* She spent a full year simply meeting with the charities that the YPI students (described in the case study below) had selected for funding so that she could *"learn about what they're dealing with."* While time-consuming, this work yielded the kind of understanding that led to effective refinements in TCF's approach. In fact, Toskan Casale attributes the success of her foundation to the fact that staff are *"really close to the ground."*

Representatives from Fondation Dufresne et Gauthier (FDG) echo this. While the relationships FDG has developed with its funded organizations take enormous time and effort, the payoff makes the investment worthwhile. These relationships allow for more accurate assessments of challenges and successes, and helps FDG to understand *"what is really going on in community."*

All of the participants in our study draw on networks to achieve a comprehensive and detailed understanding of the system. *"One of the biggest strengths of [GBF],"* says Ian Boeckh, *"is the network. We're really connected to key players in this area. We do a lot of consulting to really get a sense of where the need is. You have to do this to develop an understanding of ... [what's] needed to transform the system..."*

This is also the hallmark of the Toskan Casale Foundation's approach: *"Relationships are key. We're small administratively, but we're huge in terms of networks. Our network consists of 2,000 individuals..."*

*and that doesn't even include students. With students, it's 21,000!"* TCF leverages distributed intelligence to ensure that funding decisions are rooted in community expertise. In the early days of TCF, the founders wondered how to make informed granting decisions – particularly in communities with which the founders did not have direct, ongoing experience.

*There are so many different organizations doing great things – and they will all pull at our heartstrings. Who are we to decide? We needed to find a way to get into communities and find out what the needs are. We thought 'Who could we work with who could gather this information?' And then we realized: Schools!*

Thus, while the primary purpose of creating this type of funding mechanism is to cultivate empathy and encourage the next generation to engage in social issues, it has the added benefit of drawing on distributed intelligence to make informed decisions. The Toskan Casale's participatory approach to philanthropy is described further in the case study below.

## CASE STUDY #1: Participatory Philanthropy (Toskan Casale Foundation)

Years ago, when the Toskan Casale Foundation (TCF) was still in its infancy, co-founder Julie Toskan Casale participated in a field visit to a 'favela' in Buenos Aires. Deeply influenced by the experience, she began to realize the power of hands-on learning: *"Nothing else would have made me feel that deeply; no online story or anything else would have impacted me as much as being there."* This insight became the cornerstone of TCF's Youth and Philanthropy Initiative (YPI), an initiative that offers secondary students the experience of granting to nonprofits in their community. This is participatory philanthropy at its best.

The program is structured to support two key experiences – both of which are critical to developing the empathy, responsibility, and understanding that is needed to promote philanthropy in the next generation.

### **1. Youth have the experience of working for something that is bigger than themselves**

Working for a cause that aligns with one's values is a transformational experience – one that not every young person experiences. That's why it was important to the founders that YPI be offered to all young people across the grade-level, rather than just to the "leadership kids" or youth. They *"wanted everyone to see that they have something to offer in their community and can do what's meaningful to them."* The experience of getting *"fired up"* and advocating for *"something bigger than themselves"* is transformational, and many YPI participants continue to volunteer with the agency long after the program is over. *"There are so many opportunities for young people who don't think they have something to add – and we wanted to show them that they do."*

### **2. Youth have the experience of seeing others work for something bigger than themselves**

Not only do these young people have the experience of working for a cause that aligns with their values, they also interact on-site with community agencies, and get hands-on experience with others who are working to solve complex social issues. *"That's the transformational, the pivotal piece,"* says Holly McLellan, Executive Director of Youth and Philanthropy Initiative Canada. The experience often helps to deepen their understanding, promote compassion, and challenge unfounded assumptions.

### ***So how does this promote systemic change?***

While Toskan Casale Foundation grants to social agencies, their investment is designed to impact the philanthropic system. They are helping to influence the next generation of citizens who will shape our communities. YPI's experience-based curriculum helps young people to:

- Understand their personal values and the responsibilities of citizenship
- Understand the social issues that exist within their community, and some of the contributing factors
- Understand the importance of a social safety net
- Gain a sense of the organizations that are providing that safety net within their community and identify some of the work that is being done to address community issues.

By helping to *“develop the literacy, skills and conscience to be able to talk to others about things that matter,”* TCF's YPI program is the gift that keeps on giving.

## **2.2 Strategic and Effective Partnering**

Contributing to the transformation of larger, complex systems generally requires many people working on multiple fronts – which is a challenge for small foundations with limited staff and resources. For these reason, effective partnering is critical to this type of work. All of the foundations we interviewed understood not only how to identify strategic partners (i.e., those who have the ability to influence key leverage points within the system), but also how to engage them. Participating foundations emphasized the importance of researching the needs of the partners in order to be able to position themselves in a way that will *“drive value”* back to those organizations: *“One of the things that the foundation has done well,”* says TCF's International Director of Programming, *“is to tap into existing infrastructure to find out what are the needs of that infrastructure and what would they value? ... How can you drive value back to [help them achieve] what they need?”* This is how the Toskan Casale Foundation was able to engage educators as partners in their Youth and Philanthropy Initiative (YPI). As a prime site for interventions, schools are inundated with partnering requests, and are therefore notoriously difficult to engage. However, TCF did their homework: they investigated the curriculum requirements of each of the provinces, and aligned YPI's content with each province's curriculum to position the program as something that will make teachers' lives easier:

*I really wanted it to be taught in schools, but teachers were telling me ‘We’ve got so much to squeeze in – we can’t take on extra work.’ So I said ‘What do you have to teach?’ And I researched the different curriculum expectations that were mandated across all the provinces, and then developed the program so that it touched on those requirements. So I could go back to the teachers and say ‘With this, you’ll be teaching what you need to be teaching... but in a more engaging way.’*

The Graham Boeckh Foundation uses the same strategy for engaging federal and provincial policy makers, who are also difficult to engage. One of the ways that GBF positions itself as a valuable partner is by taking on some of the consultative work that government initiatives require: *“Government requires a lot of consultation to make sure the major players are onside and are generally positive. Government*

*won't go ahead unless they're satisfied there's wide support. They need the bureaucrats in all ministries to feel they've been consulted. So we facilitate the consultation process for them."* Knowing that *"bureaucrats have no time,"* they also try to provide *"'turn-key' solutions that will not require a lot of development on the part of their ministry."*

In working with their partnering organizations, Fondation Dufresne et Gauthier also identifies ways to add value. For example, once a year, they bring together funded organizations within each of the three locales (Montreal, Quebec City and Charlevoix), and every three years, they bring all three groups together for a full day meeting. The activities are intended to: 1) Enhance effectiveness and address barriers, 2) Create a network between organizations, and 3) Expose them to *"different types of tools they could use."* Fondation Dufresne et Gauthier also promotes the work of the organizations they fund among funders and decision makers: each month, FDG's website features an article that highlights the accomplishments of one of its organizations.

Knowing how to engage partners is only half the battle: foundations also have to know *who* to engage. This identification of key players emerges from the networking that was described in *Deep Understanding*. Powerful outcomes sometimes emerge by connecting individuals and organizations that do not normally interact with one another – particularly when foundations connect them in a purposeful and meaningful way. The Toskan Casale Foundation is a prime example of facilitating unusual and productive connections. TCF intentionally structured their program so that they would engage *"more than the self-selected 'I'm a leader in my community' type youth."* Those youth and their schools then become connected to organizations in meaningful ways. *"We're building bridges between people who wouldn't normally talk to each other,"* says Holly McLellan. *"We're connecting youth to charities, for example – and not in a volunteer capacity – in an 'I'm going to give you a grant' capacity. And we're connecting youth to vulnerable people in a purposeful way. We're also connecting schools to charities, funders to schools, etc."*

## CASE STUDY #2: Collaborative Philanthropy (Graham Boeckh Foundation)

The Graham Boeckh Foundation is working to transform mental health services in this country. That's a lofty goal for a relatively small foundation – one that could not be achieved without extensive and effective collaboration. For this reason, says GBF President Ian Boeckh, *"We never do anything alone. We always partner."* While many foundations realize the necessity of collaboration, not all are as skilled as GBF at leveraging partnerships in meaningful and powerful ways. One of the secrets of their success is that they have taken the time to map out catalytic intervention points within the system – those factors that, if changed, would result in a cascading effect that contributes to large scale change. They then identify the players that can influence those factors, and work with them to understand the unique role they can play in transforming the system.

*You have to see it as a network of partners trying to achieve change. Government, civil society, philanthropy, the research community – you have to understand where all the different players fit [within the] provincial, national, and international [context]. We involve anyone who is in any way connected to the goal of transforming the way youth access mental health services – service providers, researchers, policy makers, everyone.*

Here are some of the ways that the Graham Boeckh Foundation works with various stakeholder groups:

- **Partnering with Government:** GBF maintains that philanthropic-government partnerships are key to achieving outsized impact, and they have been very deliberate in building relationships with key policy makers and bureaucrats. One of the strategies used to develop those relationships is to host an annual national meeting with senior government officials from ministries that intersect in some way with their area of concern. The one-day workshop achieves several objectives: 1) It gives them an opportunity to get to know the players within each of the provinces; 2) It fosters the credibility and reputation of GBF as a major player in this field (which then helps them get their foot in the door so that various ministries are responsive to their requests for meetings); and 3) It gives them the kind of intelligence needed to effectively pitch their ideas to government. *"It gives us an opportunity to get to know them, and we can then design something that is likely to be more interesting to them. It's a Trojan Horse approach, but in a very legitimate way."*
- **Partnering with Researchers:** Finding ways to more effectively connect research and practice is a key focus for GBF. Danielle Kemmer, GBF's Program Director, says that working effectively with researchers requires a significant upfront investment in co-designing a shared research agenda: *"You have to be very transparent with the vision – very clear about where you want to go and why you want to do this. And you make these people part of that dialogue.... [W]e involve researchers in the process of conceptualization and development so that the people who will actually be doing the work are part of the development of the vision. It can be a two-year design process."* Partnering with researchers can be challenging because researchers are not accustomed to working with funders to develop a shared research agenda – they're *"used to just getting a cheque."* This is one of the reasons that GBF budgets so much time for the design process – in addition to developing mutual understanding, the process helps to establish the foundation's credibility and promote a shared vision.
- **Partnering with Other Funders:** Outsized impact requires leveraging not only your *own* funding, but other resource pools as well. This small Canadian foundation annually convenes major mental health funders from around the world to develop strategies to increase the societal impact of mental health funding:

*The International Alliance of Mental Health Research Funders is unique in that it's not a research*

*consortium; its funders of mental health research from around the world. It started six or seven years ago. It's focused on 'how do we increase the societal impact of mental health research funding?' The Alliance helps individual organizations develop more robust funding strategies.... There are two layers of activities. The first is knowledge transfer – we invite a number of guests to speak on timely topics. And the second is collaboration among members.... There's so much good being developed in pockets around the world – when you connect the dots, you can make it something much bigger.*

**So how does this promote systemic change?**

Changing the complex ecology of mental health services will require working on multiple fronts simultaneously – and that requires engaging and aligning a vast range of people, organizations and governments. As GBF states on its website, *“mental health reform is a team game.”*<sup>3</sup> Understanding how to assemble, motivate, and coordinate that team is key to system-level change.

## 2.3 Sustained Focus

The final theme that emerged with some consistency in the interviews was the need for a sustained focus. Interviewees pointed out that an over-emphasis on change for change's sake can create a kind of collective 'Attention Deficit Disorder' within the social sector, with organizations *“chasing money”* rather than developing a well-formed response to an issue and refining it over time.

All of the foundations we interviewed understood the value of playing the long game. For example, Fondation Dufresne et Gauthier makes long-term commitments to their organizations. FDG's Executive Director says that they are careful to ensure that *“we are not creating something new and then have to leave.”* Furthermore, they base their assessments of potential partners, in part, on the organization's ability to sustain focus. The informants from FDG said they look at an organization's *“evolution over three to five years”* to understand their current situation in the context of their longer developmental path. If they find that the organization has changed direction a number of times over the years, they question whether they are simply *“going where the money is and just looking for new clientele.”*

The Graham Boeckh Foundation pointed out that sustained effort is something that governments can't offer due to the nature of election cycles. Therefore, playing the long game is a very important role for small foundations: *“Sustained effort over many years ... is one of the luxuries foundations have. Certainly in government, they don't have the ability. The ability to keep pushing something forward year after year is enormously valuable.”*

The informants were quick to point out, however, that a sustained focus does not undermine the need for a responsive, adaptive or opportunistic approach. In fact, all of them felt that the ability to move quickly and be nimble is a small foundation's biggest asset – one that should be used to strategic advantage: *“We will just try things out.... We're very entrepreneurial... That entrepreneurial capacity was developed in business – just like many other family foundations. [You have to be] willing to take risks.”*

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<sup>3</sup> This quote is attributed to Dr Pat McGorry. See: <http://grahamboeckhfoundation.org/projects/>

### CASE STUDY #3: Neighbourly Philanthropy (Fondation Dufresne et Gauthier)

Fondation Dufresne et Gauthier works to strengthen the “social safety net” for children and families within three specific communities in Quebec in an approach they refer to as “neighbourly philanthropy.” According to FDG’s President and Co-Founder H  l  ne Dufresne, neighbourly philanthropy involves deepening and extending the good work that is already being done in these communities, and developing linkages between organizations, so that *“vulnerable youth and families will find support at all the different stages of their life.”* By geographically bounding the system in which they are involved, FDG ensures that they are not spreading themselves too thin. The approach also offers them the ability to develop deeper relationships with youth- and family-serving organizations and really understand what is happening in those communities.

They refer to the organizations they fund as their “partners” – and the relationship is characterized by genuine mutuality. The organizations offer Fondation Dufresne et Gauthier on-the-ground insights and expertise and provide the means by which their vision is achieved. In return, FDG offers not only funding, but also capacity building, joint-problem solving, and networking opportunities. Once a year, for example, FDG brings together all of the funded organizations within each of the three locales (Montreal, Quebec City and Charlevoix) to: *“Promote their success or help them deal with certain challenges they are facing,”* strengthen the linkages between them, and expose them to *“different types of tools they could use.”*

#### **So how does this promote systemic change?**

Strictly speaking, “neighbours” are defined by proximity – but the term is often used to denote the kind of interdependence that is the hallmark of every great community. However, organizations can share proximity without engaging in the kinds of relationships that actually strengthen their ability to serve vulnerable families. Fondation Dufresne et Gauthier is working to change that by creating true community among service providers, one neighbourhood at a time. In doing so, they are strengthening the system of supports available to vulnerable families, and transforming the way that organizations function in those communities. FDG notes that considerable trust has been built between their partnering organizations over time. They now openly share their challenges and learnings with one another. They have also moved beyond thinking of the people they serve as *“our”* youth and are more open to considering how they can all work together to meet a range of needs. This makes a difference to *“the quality of human relationships that we’re building,”* says Dufresne. *“When you’re a smaller organization that really works with your partners, you feel rooted in the society in which your working....I’m more rooted in my world, the world I’m living in.”*

## 3.0 Closing Thoughts

While the work of these three foundations varies considerably in terms of focus and scope, there are some important commonalities in the processes they use to achieve outsized impact. Our study suggests that systems change work requires 1) A functional and detailed understanding of the targeted system, 2) Ongoing identification and cultivation of strategic partnerships, and 3) Disciplined and sustained focus.

These processes seem to be connected and mutually reinforcing: for example, foundations noted that they developed a deeper understanding of the system, in part, by cultivating partnerships with those who are working at various levels of the system, including frontline service providers, policy makers,

researchers, and other funders. Presumably, the reverse is also true: that is, as foundations become more familiar with the terrain they're exploring, they are better able to identify partners with the power to influence key variables within that system. Furthermore, sustained focus serves both of these processes as each requires considerable effort and attention over time.

While this study offers some insights into the work that these foundations are doing to achieve outsized impact, many questions remain. Future explorations of systems-level work within the philanthropic sector might include the following lines of inquiry:

#### Deep Understanding

- How might small foundations structure their inquiry processes in ways that allow them to access the information needed to adequately understand the system they're targeting? What kinds of questions could they ask? What methods could they use to gather and analyze data or information?
- Information varies considerably in terms of quality, accuracy and significance. How might small foundations assess or verify the information they acquire? What processes could they use to identify bias, error or distortion?
- Data and information need to be interpreted, synthesized and integrated to develop deep understanding – and our study did not gather many details around what that might entail. What processes could small foundations use to turn information into knowledge or deep understanding? How could they use the information they gather to identify the system's structures, behaviors, limitations, and potential leverage points?<sup>4</sup> What might it take to go beyond the surface to understand/map key causal dynamics and functional relationships?

#### Strategic Partnerships

- How might small foundations share their understanding of the system with potential partners?
- What mechanisms might they use to cultivate and maintain a shared agenda and coordinate efforts among partners over time?
- What strategies could they use to keep their partners engaged and excited when the work is slow and effortful?

#### Disciplined Focus

- What processes or structures could help small foundations to maintain a disciplined focus and avoid the trap of quick fixes and easy (but less significant) outcomes?
- How might they balance the need for disciplined focus with the need to be nimble and opportunistic? What tools or processes could they use to structure their decision-making so that these trade-offs are made in the most effective ways?

We hope the insights shared by our interviewees, together with the questions that have emerged from this study, help to ignite fruitful conversations and serve as a springboard for future exploration.

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<sup>4</sup> For an excellent overview of systems mapping, see: Meadows, Donella H. *Thinking in Systems: A Primer*. Ed. Diana Wright. Sustainability Institute, 2008.