

WHAT'S NEXT *for* COMMUNITY PHILANTHROPY



PRIORITIZING ROLES: Crafting your strategic portfolio

JUNE 2014

Overview

Community philanthropy organizations have adapted to changing times by taking on new roles in their communities.

Community philanthropy organizations are driven by a deep commitment to serve donors, nonprofits, and — increasingly — residents themselves. Over time, this commitment has pushed organizations to play more and more roles in their communities in order to meet the evolving needs of their diverse constituencies. Traditional community philanthropy functions like grantmaking, donor services, endowment management, and nonprofit capacity building are now complemented by a range of other roles, from developing the skills of local residents and facilitating community dialogue to impact investing and incubating social enterprises. (Refer to Appendix B of this document for a comprehensive list of roles played by community philanthropy organizations.)

This burgeoning array of roles is an important demonstration of the way that community philanthropy organizations are already adapting to changing times and responding to the evolving needs of their constituents.

Yet many community philanthropy organizations have taken on these new activities in an ad hoc manner.

With many competing priorities pulling community philanthropy organizations in different directions, they often end up adding new activities in a responsive and organic way, without a clear sense of how the pieces really add up. These organizations run the risk of losing clarity about who they are and of spreading their resources in a way that distracts from key objectives. Community philanthropy organizations need to make sure that the roles they play are well aligned both *upward* with their strategic vision, mission, and goals and *downward* with the specific activities, capabilities, and systems that they put in place.

Moreover, spreading resources across a range of different activities has given many community philanthropy organizations the reputation for trying to be all things to all people — good at lots of things, but not necessarily great at anything. This could make them less relevant over time in the face of a philanthropic market that is increasingly saturated with highly specialized suppliers, competitors, intermediaries, and substitutes.

Deliberately building a strategic portfolio allows you to balance focus with continual experimentation.

There is a need to be selective about the set of roles that community philanthropy organizations take on, given limited human and financial resources. This requires the discipline to continually evaluate which roles you want to continue playing, which roles you want to play more of in the future, and which roles you explicitly do not want to play (i.e., those roles partners can play instead, those you want to outsource, or those you don't think are appropriate for your organization).

There is also the need to exercise foresight in terms of the allocation of resources across different types of roles: core roles that are essential to the organization, adjacent roles that build on the core, and aspirational roles that will be important in the future. Google's executive chairman Eric Schmidt, for example, developed and followed a **70-20-10** rule for managing innovation at Google. He contended that 70 percent of management's time should be dedicated to the core business of the company, 20 percent to activities related to, and building off of, the core business, and 10 percent to unrelated but high-potential new ideas.

Many organizations, however, end up either spreading themselves too thin across too many activities or focusing virtually all of their resources just on core activities and ignoring adjacent and aspirational roles, which results in missed opportunities to invest in new things that could become core to the organization some time in the future. The 70-20-10 allotment is not gospel; each organization will need to find the appropriate balance for its unique situation. But thinking intentionally about how you allocate your resources across core, adjacent, and more aspirational roles can be a powerful tool for guiding organizational choices.

This exercise is designed to help you think through the strategic roles you should be playing in your community.

The exercise that follows aims to help you make clear choices around the core, adjacent, and aspirational roles that are appropriate given your mission, capabilities, resources, and changing context. We hope it helps the leadership of your organization come to greater clarity about where to focus your efforts and that it enables you to better balance your core today — the bread and butter of your work — with aspirational experiments that could position you to better serve your community in the future.

Objectives

This exercise is meant to help community philanthropy organizations — their staff, senior leadership, and board — do four things:

- Align the core, adjacent, and aspirational roles for your organization with your mission, capabilities, and resources
- Clarify which roles are out of bounds for your organization
- Think strategically about how you allocate resources across core, adjacent, and aspirational roles
- Begin thinking creatively about how the roles you play fit into a larger portfolio of prioritized activities that can ensure you balance focus with ongoing exploration and experimentation

Materials and setup

We recommend that the executive director/CEO or board chair first go through the exercise on your own and only afterward invite the organization's staff or board to participate in a small group(s) of 10-15 people.

To make this document easier to follow, we've indicated areas where instructions or discussion questions pertain to a single person () or a small group () completing the exercise.

What you'll need to complete this exercise on your own:

- A copy of the instructions sheet and of the reflection questions (pages 3–4)
- The deck of role cards (Appendix A) or the roles checklist (Appendix B)
 - We have found that — for the purpose of this exercise — the deck of role cards is much easier to use than the roles checklist, and we highly recommend using the deck. To obtain the deck of roles cards, either print the PDF file in Appendix A or order a deck at cost through our website, monitorinstitute.com/communityphilanthropy/cardgames.
- The strategic portfolio template (Appendix C)
- A space where you can quietly reflect

To complete this exercise with your staff or board, you'll need

- A copy of the instructions and of the reflection questions per group (pages 3-4)
- A deck of role cards (Appendix A) or a roles checklist (Appendix B) *per person*
- A white board or other surface with four columns labeled “Core,” “Adjacent,” “Aspirational,” and “Out of Bounds”
- At least one flip chart and markers for capturing group work
- A space where participants feel comfortable speaking up

The entire exercise (including the reflection questions) should take approximately 45 minutes for an individual or 75–90 minutes for a group.

This document is part of the *What's Next for Community Philanthropy* toolkit, which was published by Monitor Institute in June 2014 with support from the Council on Foundations, the Charles Stewart Mott Foundation, the W.K. Kellogg Foundation, and Community Foundations of Canada, along with more than 15 North American community foundations.

The *What's Next* toolkit aims to help community philanthropy organizations apply innovation and design methodologies to think creatively about their business models and the broader future of the field. The research for this toolkit involved nearly 200 interviews with leaders of community foundations and other community philanthropy organizations, as well as more than a dozen interactive workshops and user feedback sessions.

Visit monitorinstitute.com/communityphilanthropy to learn more about the *What's Next* toolkit and research methods.

Instructions

Whether completing the exercise alone or in a group, begin by having individual participants go through the following five steps by themselves. Going through these steps should take 20–30 minutes.

1. Flip through the deck of **role cards** (Appendix A), one by one. (Note: If you cannot print the deck, feel free to use the checklist included in Appendix B of this document.) For each card, think about the role described on it and ask yourself how “core” it is to your organization. It should be an instinctive response. *Don’t take more than 10 seconds per card.* Place each card in one of four piles in front of you:

Pile 1 (Core Roles): Yes! It’s core to us.

Pile 2 (Adjacent Roles): It’s important, but not necessarily central to what we are.

Pile 3 (Aspirational Roles): It’ll be really important for us to do, or do more of, in the future.

Pile 4 (Out-of-Bounds Roles): No, it isn’t important or relevant for us.

2. When you are finished, look through the core roles pile. Pick the five *most critical* roles. This pile represents what you think is your organization’s core — the bread and butter of your work. Some of these roles may be a baseline for your work and may not be the most exciting roles you play. Shift any unselected cards from the core roles pile into your adjacent roles pile.
3. Look through the adjacent roles pile. Pick the five most critical adjacent roles for your organization. These are the *next most critical* roles — the ones you think are important, but not necessarily the most core of what your organization is about. Set aside any unselected adjacent roles cards.
4. Now look at your aspirational roles pile. Pick the five that you think will be most interesting or impactful for you to experiment with in the future. While you may have tried your hand at some of these aspirational roles, these roles will become more relevant for you to play in the future as a result of emerging issues and opportunities in your community. These are your aspirational roles.
5. Finally, it’s important to pay attention to the cards in your out-of-bounds roles pile. This is because there are many roles you can play in your community, but *you* don’t have to play *all* of them — in fact, getting clear about your organizational strategy means understanding what you say no to, not just what you say yes to. Choose the five roles that you feel most certain your organization should not take on. These are your out-of-bounds roles cards.

 If you are working alone, record each of the 20 cards you have selected in the appropriate sections (i.e., core, adjacent, aspirational, out of bounds) on the strategic portfolio template (Appendix C).

 If you are working in a group, ask participants to post the 20 cards they have selected under the appropriate columns on the white board. (Note: If you are using the roles checklist, have participants write the roles on sticky notes). To make the analysis easier, ask participants to cluster their cards as they put them up on the board.

Congratulations! You have now identified both your organization’s strategic portfolio of roles — the core, adjacent, and aspirational roles that you believe your organization should focus on — and those roles you think your organization should explicitly not spend its time and energy on. Go on to the next section to continue reflecting on your strategic portfolio.

Reflection questions

Below is a list of helpful discussion questions for the exercise. Allocate at least 30 minutes to think about the questions on your own or 60 minutes to discuss them as a group.

- **Think about what the roles you have chosen tell you about who you are and what you do.**
 - Are there one or two roles that serve as the center for what you do? If so, how do they fit with your vision and mission statement?
 - Compare your adjacent and core roles. Do they fit together in a coherent way? Why or why not? If not, do they risk diluting your organization's resources in a way that distracts from its key goals?
 - Also make sure to pay attention to your out-of-bounds roles. What do the things you say no to tell you about your organization?
 - At a high level, are the roles you selected all aligned with your vision, mission, and goals?
 - At a practical level, are your activities, capabilities, and systems well aligned with the roles you've chosen?
- **Compare how much of the organization's time and resources are spent on core, adjacent, and aspirational roles.**
 - Are you concentrating most of your resources on your most core activities, or are you spreading them widely across a range of activities?
 - Are you dedicating enough resources for experimenting with new roles and activities? Eric Schmidt of Google followed a 70-20-10 distribution across core, adjacent, and aspirational goals — what resource allocation strategy would make sense for your organization?

Next steps

This exercise can lead to several different follow-on activities, briefly described below:

- **Think about the roles you play relative to your overall strategic goals and objectives.**
 - If you have an existing strategic plan, how well aligned are the roles you play with your organization’s larger purpose and values? If they’re out of alignment, discuss whether the misalignment is an indication that your broader purpose and goals have shifted or that the roles you play should be brought into better alignment.
 - If you don’t have a strategic plan in place, this exercise can be an extremely helpful input into a strategic planning process. To be clear, your roles are not the same thing as your strategy and values — i.e., *what you do* is not the same as *who you are* — but your strategic portfolio will allow you to double-check your assumptions about your organization’s broader mission and goals.
- **Build board and staff alignment about the roles your organization should play.**
 - Have each board member complete steps 1–5 (from the instructions on page 3) and fill out the strategic portfolio template (Appendix C), and then create a summary of the commonalities and differences in their responses. Share the results with the board and discuss the following questions: *How well aligned are their ideas about the organization’s work? What are the points of agreement? What are the differences? Why do the differences of opinion exist? How could you work through them?* If possible, consider bringing in expert help to facilitate the conversation, as differences of opinion can sometimes be challenging and should be handled carefully.
 - Run the exercise separately with your board and with staff, and then create a summary of the commonalities and differences in their responses. Share this analysis with both groups, and discuss the following questions: *How well aligned are their ideas about your work? What are points of agreement? What are points of difference? What might explain the differences?* Work with your board and staff to understand the commonalities and grapple with the differences, making sure that everyone has the same understanding of what you do, that everyone is working in concert, and that you can address areas where opinion is divided.
- **Complement the strategic portfolio with a financial cost-benefit analysis.**
 - Follow this exercise with a detailed cost-benefit analysis of your activities, using tools like the CF Insights [activity-based costing tool](#). *What are the monetary costs and returns involved in playing various roles? Are your core roles financially sustainable, or do they need to be underwritten by other activities?* Understand that, in some cases, your core roles may not be financially viable. But it is nevertheless important to be aware of the financial realities of your strategic choices and of the trade-offs they may involve.
- **Better articulate your story.**
 - Understanding the roles you play is not exactly the same as understanding who you are and what you stand for as an organization. But it’s a start. Use the roles in your strategic portfolio as input into the process of publicly articulating what your organization does. Try to use these 15 roles to create a short elevator pitch about your organization.
- **Learn about how other stakeholders perceive your role in the community.**
 - Being extremely careful to manage any expectations for follow-up, ask a small number of trusted external stakeholders (e.g., donors, partners, recipients, others) to go through this exercise with your organization in mind. *What roles is your organization perceived to be playing according to others in the community? How do their perceptions of your organization differ from yours, your staff’s, or your board’s?* Have a discussion about why the perspectives of these external stakeholders might be different from your self-perception.

Next steps (continued)

This exercise can be paired with several other *What's Next* tools, which are briefly described below:

- **Educate your board and staff about orthodoxies, future trends, and new possibilities.**
 - Think about whether the cards in the out-of-bounds roles pile really need to be there or whether they represent an existing orthodoxy or assumption about how your organization functions. If you find that one or more of these cards is out of sync with where you or others think the organization should be heading, consider facilitating a [Flipping Orthodoxies](#) exercise to challenge your assumptions.
 - Consider whether the roles in your aspirational roles pile position you to meet the future needs of your community by examining current and future trends. Hand your board the relevant sections of [Shift Happens: Understanding how the world is changing](#) in advance of a board meeting, discuss the potential implications of these trends on your community, and use your conversation to inform which roles you should play in the years to come. Consider doing the same with staff and senior leaders.
 - Many board and staff members are unfamiliar with the wide range of roles that community philanthropy organizations can take on. Use this exercise to kick-start a conversation about possible trajectories for your organization. If your board and/or staff members are especially interested in exploring particular roles, use the relevant sections of [Bright Spots: Promising approaches in community philanthropy](#) to help them learn more about what other organizations in the field are doing.
- **Understand who else plays similar or complementary roles in your community.**
 - Community philanthropy organizations operate within an increasingly crowded landscape; it is no longer necessary or wise to feel like your organization needs to play all the roles that are needed in your community. Finding ways to partner with others who complement your core areas of expertise can be an effective way to focus and leverage your limited resources. Use the [Landscape Mapping](#) exercise to help you understand who else is already playing different roles in your community and what it might mean to collaborate or compete with them.
 - If possible, ask other local organizations to go through the Prioritizing Roles exercise as well. Compare/contrast your responses to better understand the broader landscape of organizations serving your community and how your organizations relate to one another. *Where are there gaps in the services you collectively provide? Where are there overlaps? How are the roles that local organizations play complementary, supplementary, or at odds?*
- **Think creatively about new ways to play selected roles.**
 - Having created your strategic portfolio, the next step is to think creatively about those roles. For core roles, it's important to optimize and continually improve the ways current programs and services meet existing needs; for adjacent roles, to stretch and extend your programs and services to address new-to-you needs; and for aspirational roles, to create programs and services that respond to emergent needs. In some cases, it may be as simple as transplanting or translating someone else's ideas and activities to your own community. Other times, you may need to create entirely new approaches that are unique to your situation. If it makes sense, follow the [Generating New Ideas](#) design to help you think creatively about the roles in your strategic portfolio. Once you've generated promising new ideas, use the [Prototyping Solutions](#) exercise to play out what an idea might look like if you were to try to implement it in the days, weeks, and months to come.

Appendix A: Role cards

Print out the attached PDF file of role cards on cardstock, double sided and “flip on short edge,” and then cut the cards to size — eight cards to a page.

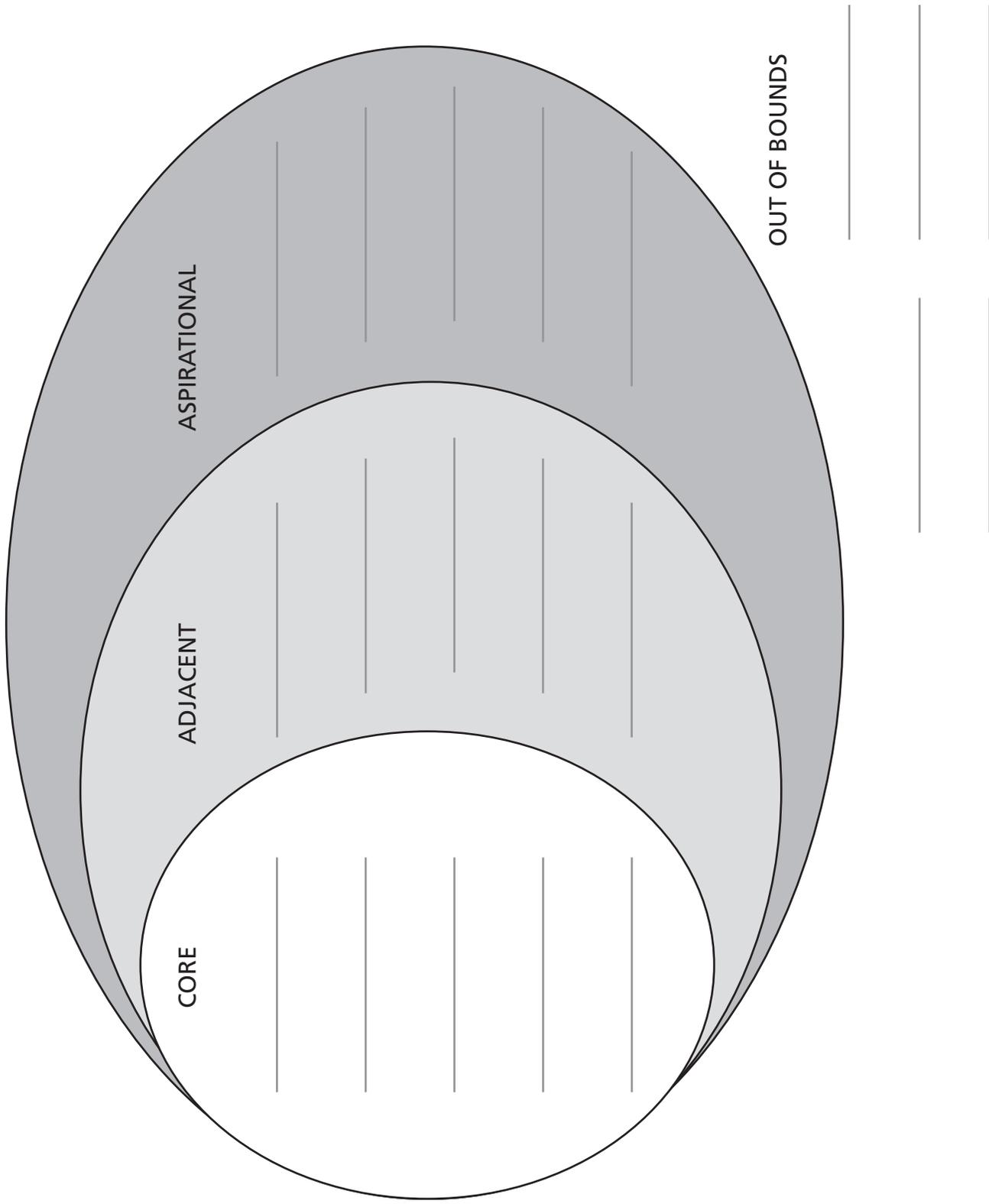
You can also order a deck of role cards at cost by visiting our website: monitorinstitute.com/communityphilanthropy/cardgames.

Make sure to print or order one deck for each participant.

Appendix B: Roles checklist

	Core	Adjacent	Aspirational	Out of bounds
Expanding Financial Capital				
• Educating the public about philanthropy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Soliciting giving from local donors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Soliciting capital from outside the community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Deliberately attracting diverse donors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Developing earned income to support social-purpose activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deploying Financial Capital				
• Grantmaking to nonprofits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Supporting individuals (scholarships, fellowships, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Impact investing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Directly connecting givers and recipients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial and Donor Service				
• Managing investments/endowment funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Managing transactions for donors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Educating donors about community issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Providing philanthropic advisory services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Connecting local philanthropists with each other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Co-creating initiatives with donors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Building Capacity				
• Promoting nonprofit organizational effectiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Developing the skills of local residents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Growing local entrepreneurs and businesses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Providing direct support to local government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engaging the Community				
• Facilitating civic participation and volunteerism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Providing avenues for community input, ideas, and connection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Facilitating community dialogue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Strengthening social connections among residents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Empowering resident decision-making	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Mobilizing residents around issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sharing Community Information				
• Researching community issues and public policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Compiling information about local organizations and available resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Spreading local news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Tracking data about community well-being	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Measuring the outcomes and impacts of programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Aligning Action				
• Facilitating learning networks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Coordinating funding and activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Building collaboratives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Managing formal collaborations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advocating				
• Promoting specific organizations and interventions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Influencing public opinion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Influencing government and business priorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Lobbying for public policy change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community Planning				
• Facilitating urban/rural planning processes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Promoting economic development planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Planning for disaster response and prevention	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Proactively planning for the long term	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Direct Service and Programming				
• Starting new nonprofit programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Managing direct service programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Designing government interventions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Managing government programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Incubating social enterprises or businesses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Appendix C: Strategic portfolio template



ABOUT MONITOR INSTITUTE

Monitor Institute is a social change consultancy that works with innovative leaders to surface and spread best practices in public problem solving and to pioneer next practices — breakthrough approaches for addressing social and environmental challenges. Monitor Institute marries a deep grounding in strategy, networks, social innovation, and human systems with the fundamentals of professional advisory services — effective project management, skilled facilitation and well-timed intervention. As a for-profit/for-benefit hybrid, Monitor Institute pursues social impact while operating as a fully integrated unit of Deloitte Consulting LLP, a subsidiary of Deloitte LLP. For more information about Monitor Institute, visit www.monitorinstitute.com.

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