



SVP Value: The Nonprofit Investee Perspective

**2012 Report on
Capacity Building Outcomes**

Prepared by Katalin Marky

September, 2013

Introduction

“This is a living, breathing partnership that challenges us, supports us, and helps us to be our best”

- 2012 Survey Participant

As of September of 2013, Social Venture Partners (SVP) is a global network of local partners aligning passion and purpose. It is an international network of 2,700 dedicated individuals who contribute their money, skills and leadership to improve their communities. Since its formation in 1997, the SVP network has contributed more than \$50 million in grant investments to 613 nonprofit organizations and provided tens of thousands of volunteer hours in service and counsel. At the time this report is written, there were 32 Social Venture Partners organizations in the United States, Canada, India, Australia and Japan. This report focuses on 17 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.

An area of capacity building on which SVP focuses is program evaluation. Nonprofits which conduct regular evaluations of their programs are able to document their impact and demonstrate how they are making a difference in their communities. They know which programs work, and which can be improved upon. Social Venture Partners is no exception. In order 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 2012 regarding the capacity outcomes. 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 May and October of 2012, seventeen network organizations administered the tools: Arizona, Boulder County, Calgary, Cincinnati, Cleveland, Dallas, Denver, Los Angeles, Minnesota, Portland, San Diego, Santa Barbara, Seattle, SV2 - Silicon Valley Social Venture Fund, Toronto, Tucson and Waterloo Region. 64 nonprofit 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 several aspects of the research methodology that may impact the 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 this bias, SVP administered the survey after refunding decisions had been made and announced.
- 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.

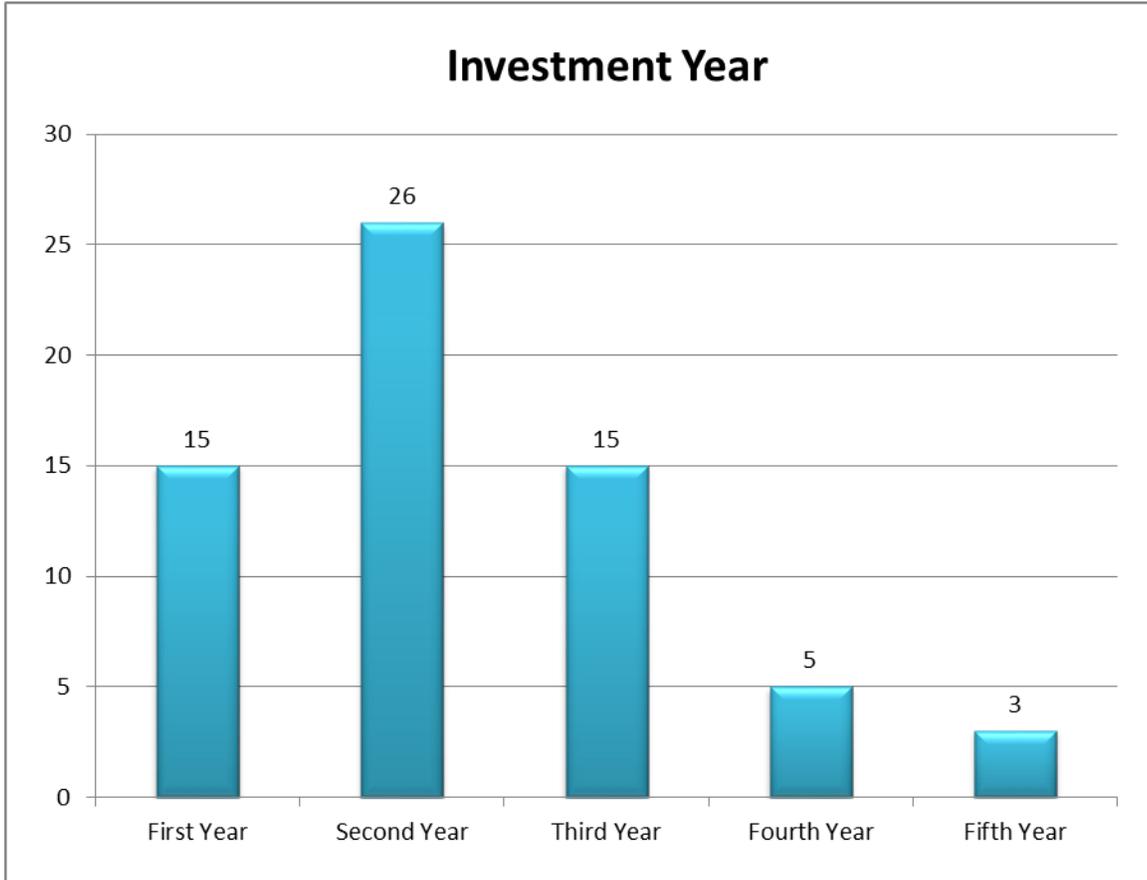
Key Findings

- 97% 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 4.5 or 4.6 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.
- "Mission, vision, strategy and planning" and "CEO / Executive Director / Senior management leadership development" were the capacity areas rated most highly by Investees.
- During the timeframe covered by the survey, the non-grant contributions made possible by SVP partners totaled \$2,381,210, increasing the value of the initial cash grants (\$1,692,500) nearly one and a half times.
- The value of SVP partners' work was rated at least 3.8 out of a possible 5 in every capacity area.
- Indicators of SVP's knowledge, practices and reputation were each rated 4.4 or higher out of a possible 5 with the exception of "Impact on public policy". Since very few SVPs focus on public

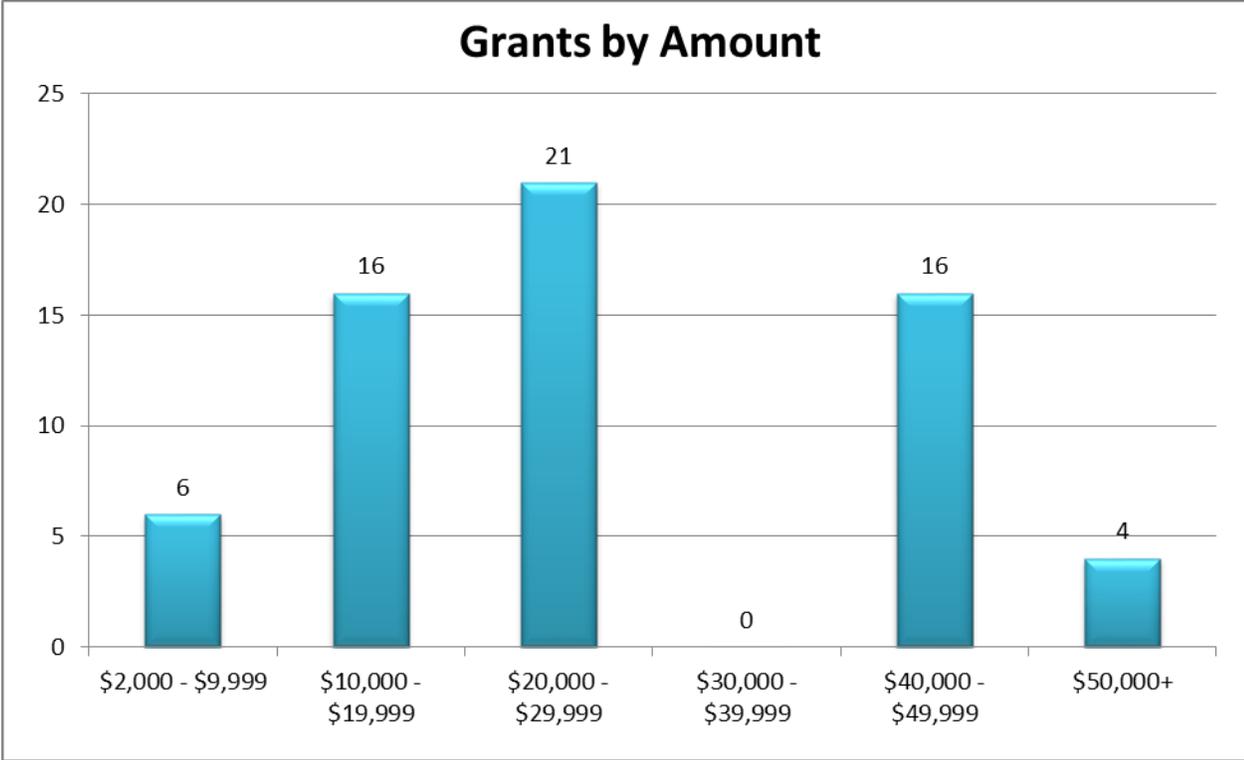
policy, such a rating is to be expected. 38 of 64 respondents answered “I don’t know” to this area.

Survey participants

Investees were in the following year of their relationships with SVP:

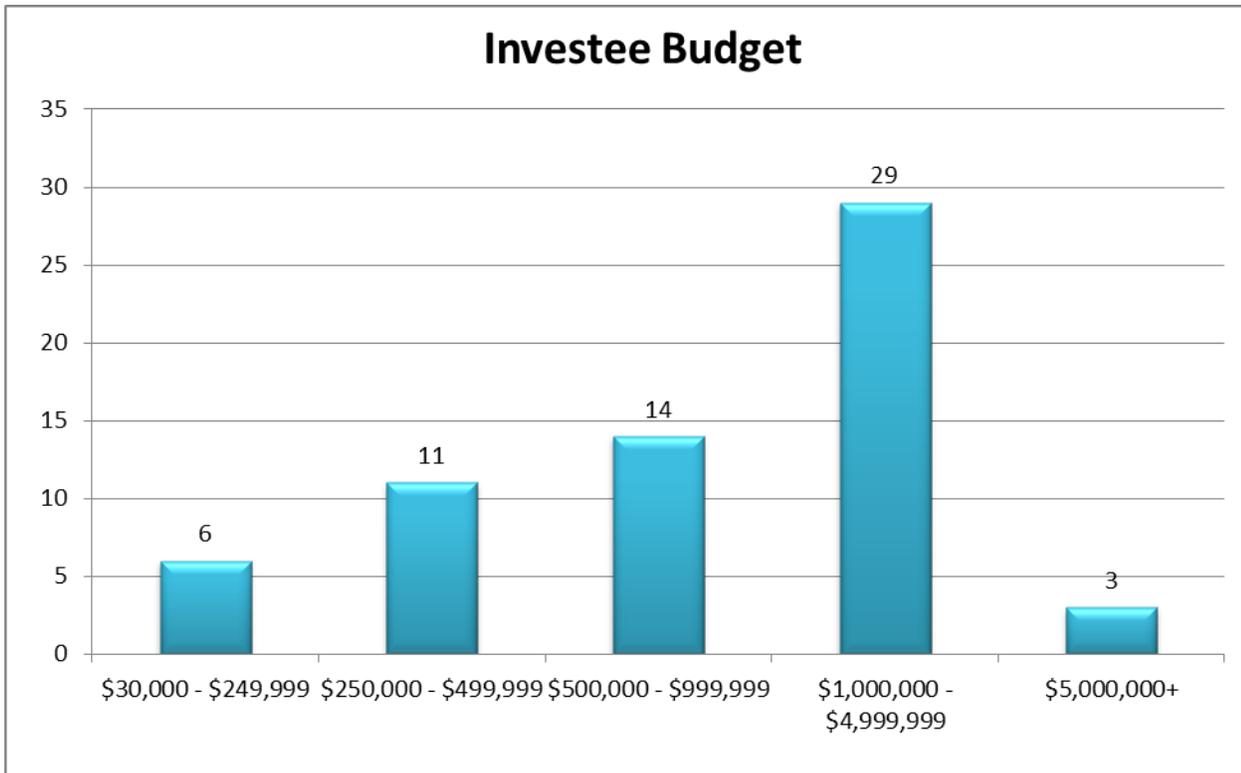


63 of the 64 Investees reported the amount of the most recent grant they'd received from SVP. Those amounts were as follows:



- The most recent grants averaged \$26,865. The median was \$25,000.
- The smallest grant was \$2,000; the largest was \$100,000.

63 of the 64 investees reported their annual operating budget. The budgets ranged as follows:



- The average budget was \$1,532,592. The median budget was \$1,100,000.
- The smallest budget was \$30,000; the largest was \$9,248,140. 49% of Investees reported a budget of less than \$1,000,000; 27% reported a budget of less than \$500,000.
- 5% of Investees reported a budget in excess of \$5,000,000.

Investee Satisfaction with SVP

"It is not my normal habit to give so many 5's -- I had to really think if I shouldn't make some of these a 3 or 4 but just can't. :^)"

- 2012 Survey Participant

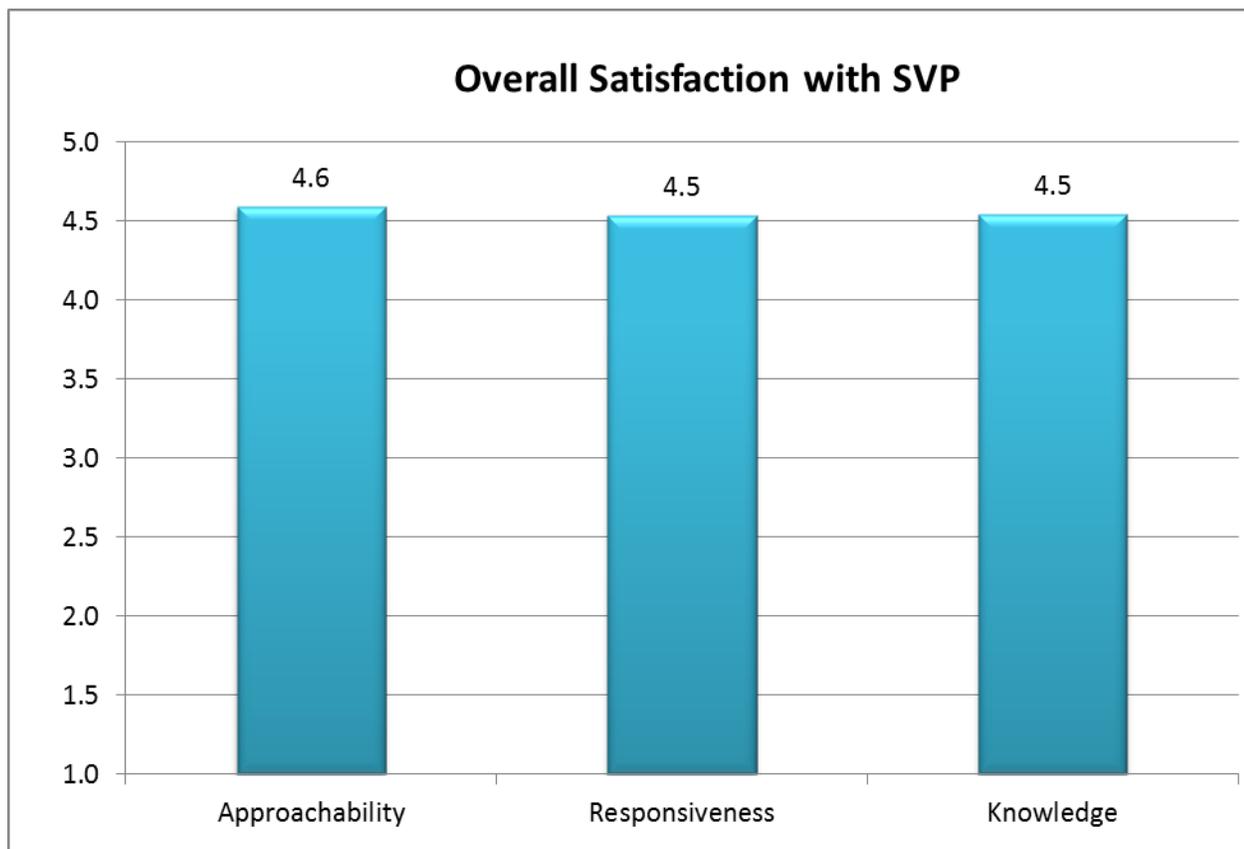
Key to the success of SVP's high-engagement model is a strong relationship between SVP and each Investee, with a high level of trust. Therefore, Investees' satisfaction with the relationship is an important indicator of the effectiveness of the capacity building work.

97% of Investees rated their overall relationship as "excellent" (77%) or "good" (20%). No Investee assigned a "poor" rating.

Investees were asked to rate the quality of their interaction with SVP 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 fashion; s/he feels that the response is thoughtful and helpful; 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 organization’s mission and needs.

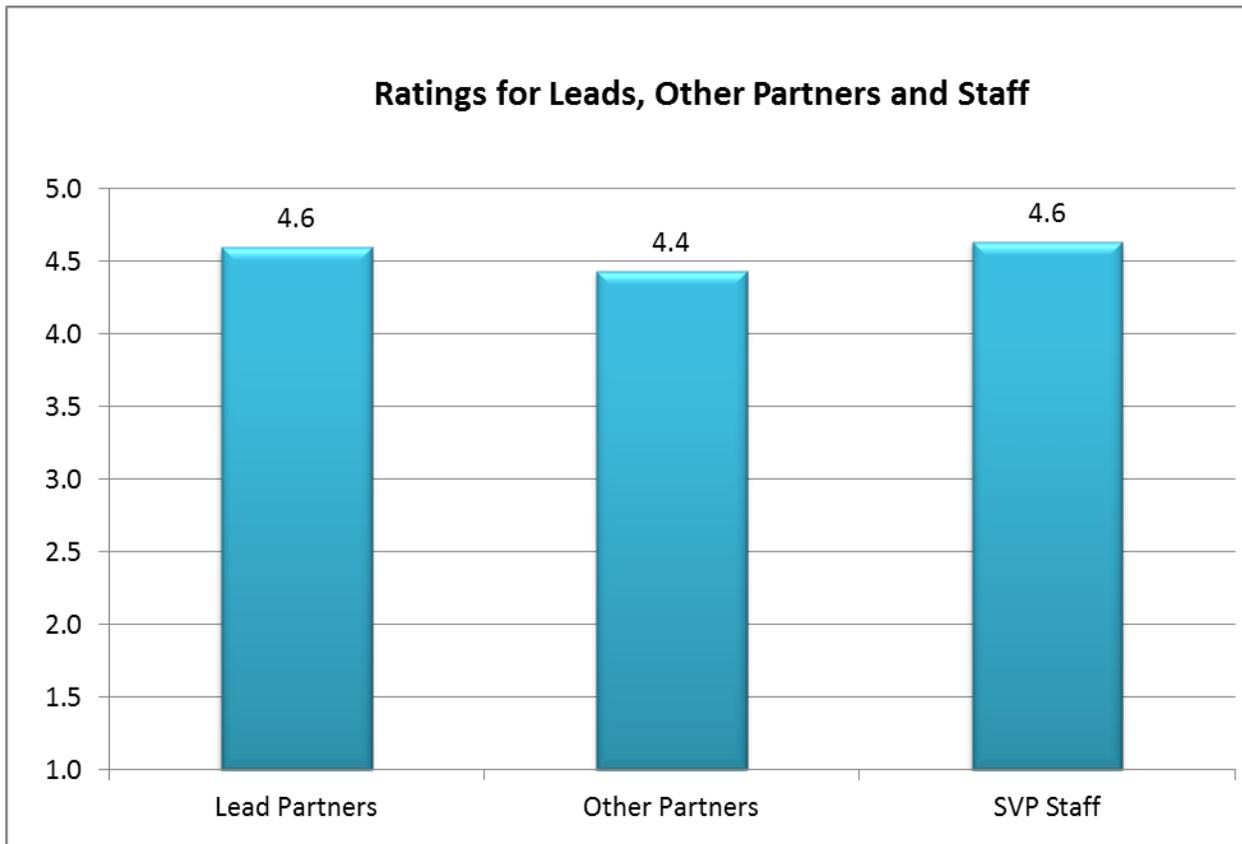
The results:



The three areas averaged 4.5 or 4.6. No scores of “1” and 9 scores of “2” (out of 5) were reported in all answers: three for Approachability, three for Responsiveness and three for Knowledge. Six of the nine “2s” came from two investees. They each reported 3 “2s”, one in the area of SVP staff, the others in the area of lead partners.

Investees rated the quality of their interactions with lead partners, other partners and SVP staff separately.

The results:



All three groups scored a rating higher than 4.4 out of 5, with both lead partners and SVP staff scoring 4.6. It stands to reason that those SVP representatives who spend the most time with Investee staff (lead partners and SVP staff) will have a deeper knowledge of the organization's needs and therefore receive higher ratings.

Investees' Perception of Value of SVP Assistance

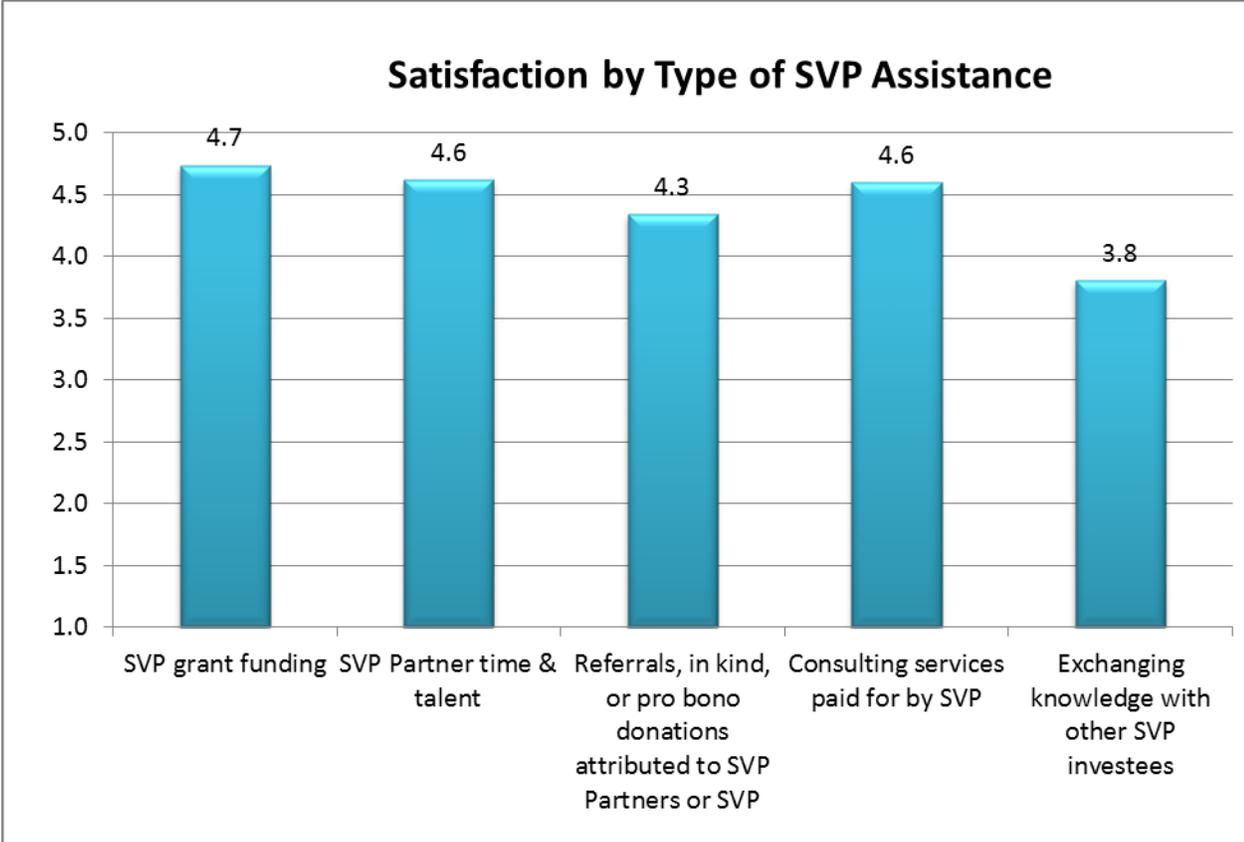
"... the SVP team continually exceeds my expectations for the universe of knowledge and advice they provide."

- 2012 Survey Participant

Investees were surveyed regarding the value of each kind of capacity building assistance they receive from SVP. These include:

- Grant funding;
- Contributions of partners' time and knowledge;

- Referrals or other in-kind donations attributed to SVP or its partners;
- Consulting services underwritten by SVP;
- Sharing knowledge with other Investees.



The three types of assistance rated most highly by Investees were:

- Grant funding (average rating of 4.7/5.0)
- Partner time and talent (average rating of 4.6/5.0)
- Consulting services paid for by SVP (average rating 4.6/5.0)

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” (12).

Satisfaction with Partner Consulting

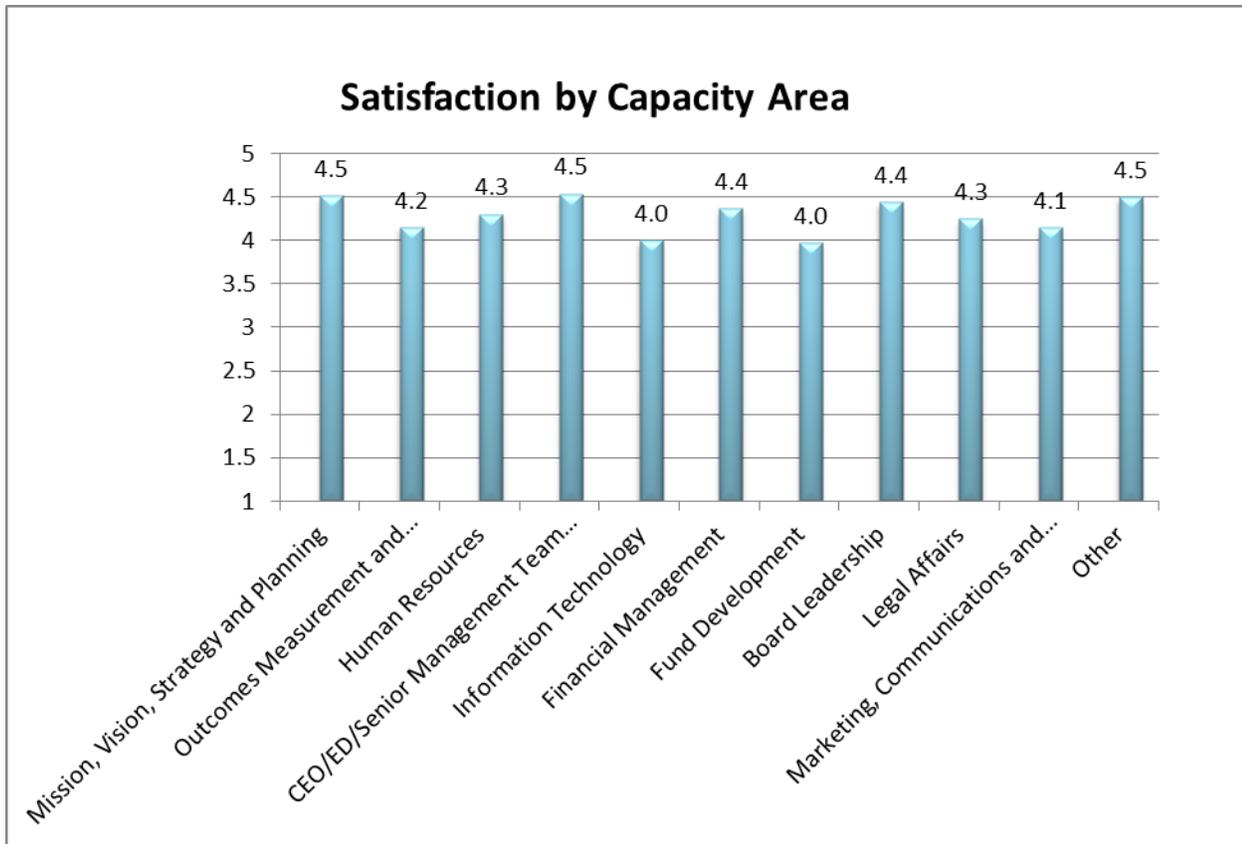
“We appreciate the time and energy that many of the partners have given to our organization. They have brought to us a fresh approach to many of the problems that we face.

- 2012 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 included a question asking Investees to rate the value of partner volunteer time focused 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*



Investees rated “Mission, Vision, Strategy and Planning”, “CEO/Executive Director/ Senior Management Leadership Development” most highly with an average rating of 4.5 out of 5. “Financial Management” and “Board Leadership” were also highly rated at 4.4 out of 5.

All ten areas were rated at 4.0 out of 5 or higher.

The only “1” rating was received for Information Technology and there were 15 “2” ratings in various other capacity areas.

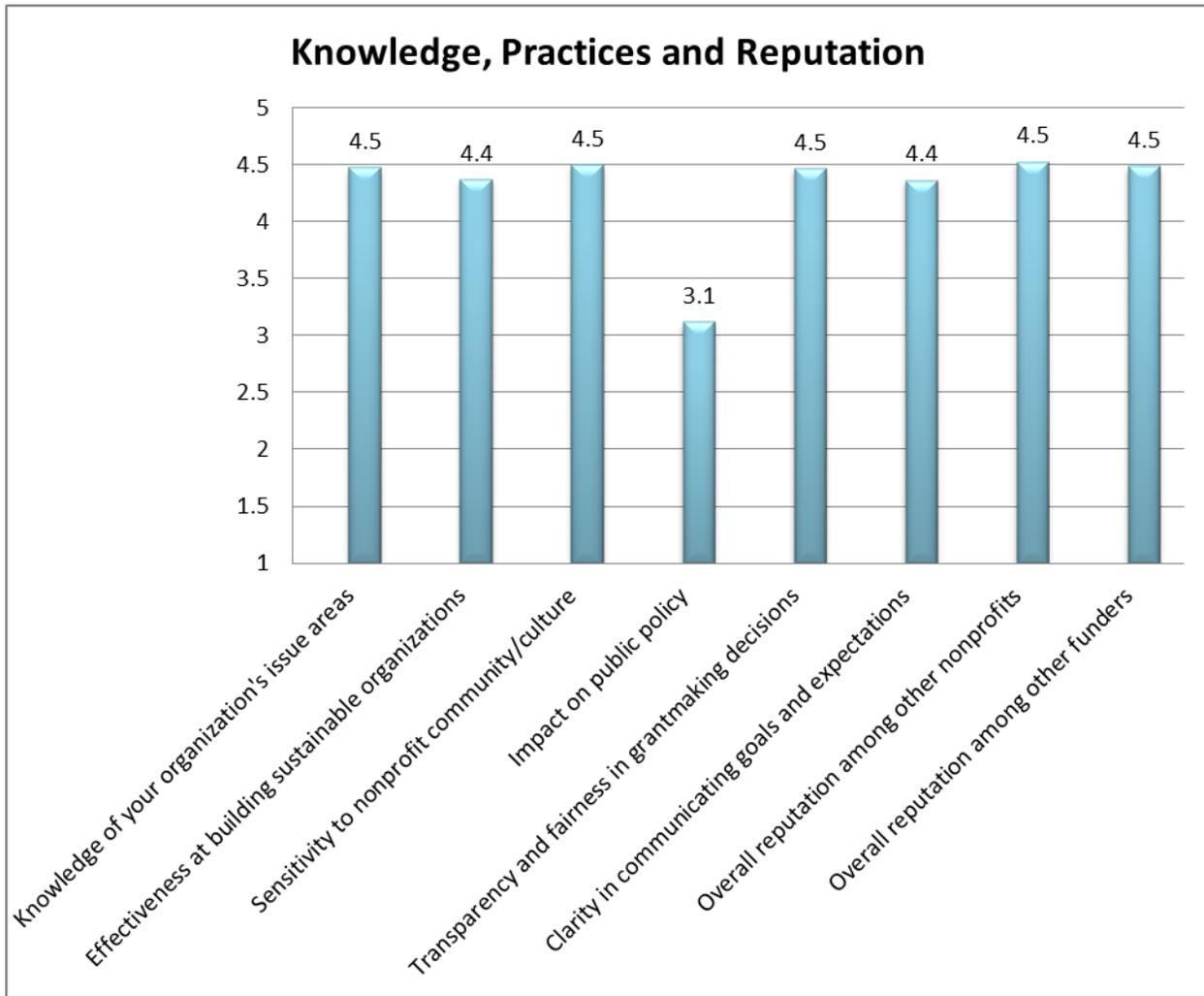
The areas receiving the most “Not applicable” ratings were Legal Affairs (52) and Financial Management (42). It cannot be determined from the data collected whether this is because fewer Investees require and request assistance in these areas, or whether SVPs are unable to provide assistance in these areas.

SVP's Knowledge, Practices and Reputation

The [SVP] partners who have raised their hands for [our organization] have been there throughout. They have immersed themselves in our sector, ask thoughtful questions, have endless suggestions regarding how to improve.

- 2012 Survey Participant

The way that SVP representatives conduct themselves in the partnerships with Investees is critical to the ability to succeed with the capacity building projects and achieve real impact. Investees were surveyed about the value they place on SVP's knowledge, practices and reputation.



All areas received a rating of 4.4 or 4.5 except "Impact on public policy" (3.1). Since very few SVPs focus on public policy, such a rating is to be expected. 38 respondents answered "I don't know" to this area.

Sixteen ratings of "1" or "2" were received on this question; eight of them for "Impact on public policy."

Value Provided by SVP Partners

“SVP has been a true partner to [our organization]. The time and knowledge dedicated by SVP Partners to help facilitate thoughtful decision making, leadership development and organizational growth, has been invaluable during the last two years of change and reorganization. Our relationship with SVP differs from our experience with traditional funders in several positive ways, the most important being the understanding that we can openly share our concerns and issues and know that SVP will work with us to find a solution.

- 2012 Survey Participant

In its capacity building efforts, SVP’s strategy involves providing a comprehensive support package, including financial grants, pro bono consulting from SVP partners, and in some cases, underwriting paid consultation and networking opportunities for Investees.

The cash grants provide just a portion of the value that Investees gain from their partnerships with SVP. 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:

Volunteer Time (15,851 hours at \$100 per hour*)	\$1,585,100
New cash contributions from individual Partners	\$ 244,360
New cash contributions from Partner referrals/contacts	\$ 187,500
In-kind contributions from Partner referrals	\$ 364,250
Total	\$2,381,210

*The value was calculated using a market-based uniform rate of \$100 per hour. Although market rates vary according to type of project, SVP chose a single rate at the low end of the range (\$75 - \$150) to maximize ease and reliability of data collected.

During the same period, money granted to these Investees totaled \$1,672,500. SVP partner’s contributions of their time, skills, money and connections increased the value of the initial cash grants by 141%.

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. The following stories illustrate the improvements that SVP is affecting:

The Wellness Initiative

Boulder, Colorado

<http://www.wellnessinitiative.org/>



The mission of The Wellness Initiative is to improve the physical health, social and emotional development, and academic performance of low-income youth through yoga-based wellness programs.

In the six and a half years that The Wellness Initiative (TWI) has been operating, we've been unable to devote considerable amounts of energy to human resources, particularly in support of our yoga instructors. Instead, the primary organizational focus has necessarily been on serving students and raising funds.

As TWI has grown and matured, however, it has become absolutely clear that enthusiastic and committed instructors are essential to our success. In fact, finding and retaining these teachers is our biggest barrier to growth as we need at least 20 active instructors each year. Although the TWI mission may be inspiration enough for a while, high-quality yoga instructors are looking to work with an organization that treats them with respect, that communicates clearly, and that offers opportunities for growth and development.

When I met SVP partner and human resources expert Jodi Grossman at an SVP open house, I knew immediately that we needed to get her involved with TWI. For the past 10 months, we have worked with Jodi to develop a plan of action to strengthen our processes and communications around human resources. Based on interviews she conducted with our instructors as well as the annual satisfaction surveys we administer, Jodi identified the following human resource priorities for TWI:

- Clarify the full range of instructional opportunities available at The Wellness Initiative
- Define the competencies, skills, and experience expected at each level
- Refine the pay scale to allow for more differentiation

Until Jodi stepped in, all of our teachers were paid exactly the same amount per class, regardless of their skills or tenure with the organization. As some of our instructors entered their fifth year with us, this approach was no longer acceptable; we just didn't have the resources or in-house expertise to tackle the problem alone.

This summer we will roll out five new job descriptions—volunteer, classroom assistant, Level 1 instructor, Level 2 instructor, and Coach—that cover the full range of instructional opportunities at The

Wellness Initiative. These positions come with unique pay-grades. We have already received extremely positive feedback from our instructors, who appreciate the work we are doing to improve their experience. Indeed, one instructor recently sent an email that said, “Thank you for working so hard to put such a professional stamp on TWI. It’s really great to be part of this organization.”

The ripple effects of these first steps will be significant and long lasting. With Jodi’s help and the support of SVP, we will be in a better position to retain our instructors, promote them within the organization, reward them for quality work, and communicate clearly about our expectations and processes. This project is propelling us into our next developmental stage and building our capacity for growth.

Reading Seed

Tucson, Arizona

<http://literacyconnects.org/readingseed/>



Connecting people of all ages to a world of opportunities through literacy and creative expression.

Reading Seed’s organizational capacity has been forever changed through our involvement with Social Venture Partners Greater Tucson. Partners of Social Venture Partners Greater Tucson (SVPGT) facilitated an unheard-of event in July 2011—five literacy organizations merged to form a single entity called Literacy Connects! Without the efforts of David “Griff” Griffis and other SVPGT partners who supported his work, this merger would never have occurred.

The two largest organizations that merged, Reading Seed and Literacy Volunteers of Tucson, have been or currently are SVPGT investees. The fact that these two nonprofits had the capacity to even entertain the idea of a multi-organization merger is due in large part to SVPGT investment of partner expertise and grant funding. This support laid crucial groundwork for the merger talks.

Without the support of SVPGT, facilitation of this complex merger negotiation would have cost a minimum of \$150,000 and probably significantly more. Griff and other SVPGT partners donated all their time on this project—a commitment of umpteen hours of meeting facilitation and preparation. I truly doubt this expense would have been borne by the Tucson community, so the donation of expert negotiation skills was absolutely critical. Griff brought years of experience in hospital and other for-profit mergers, so he knew exactly what challenges would be faced during the process. As the focus of SVPGT was literacy, Griff’s knowledge of all the organizations and their leadership was also beneficial.

In just four months, the boards of each nonprofit were ready to vote and each approved the merger! Reading Seed benefited from SVPGT expertise in two different ways. As Griff was leading the larger merger conversation, SVPGT partner Ava Butler was assisting Reading Seed’s board with strategic planning. With Ava’s help, the board realized that its ambitious plans for the growth of Reading Seed

would be difficult to accomplish as a single entity but could be more quickly realized as part of a larger organization.

As Literacy Connects celebrates its one-year birthday, here are just a few of the ways that the merger has positively impacted the capacity of our programs:

- Human resources functions outsourced to a reliable provider.
- Mission, Vision, Strategy & Planning have a broader focus as literacy services are provided to infants, school-age children and adults.
- Leadership has improved as a management team was formed and works together to brainstorm ideas and solve problems.
- Board leadership is much stronger as multiple groups are not competing for high-level community members with a passion for literacy.

Overall program performance has improved largely due to stronger infrastructure and sharing of expertise among programs. In year two, we expect benefits in the areas of fund development, outcomes evaluation and marketing and communications.

Social Venture Partners Greater Tucson has had more impact on the focus area of literacy in five short years, than might have been accomplished in decades without their dollars, donated expertise and passion!

Synergy Academies

Los Angeles, CA

<http://www.wearesynergy.org/>

Synergy creates and shares solutions through the operation of urban public charter schools in South Los Angeles that implement a holistic approach to education, believe in collective accountability, and share best practices through professional collaboration.

The Los Angeles Social Venture Partners (LASVP) has played an instrumental role in helping to take Synergy Academies to the next level. Synergy Academies was initially started eight years ago by a husband and wife team, Randy Palisoc and Meg Palisoc, who were also both former teachers. Since teaching was a second career for Randy and Meg, and they had prior backgrounds in business and administration, they had the skills that allowed them to start a successful small school in 2004. However, when Randy and Meg opened a second school in 2008 and they were working on opening a third school in 2011, they ran into challenges with how to effectively expand their organization and still maintain the same quality and family feel of their flagship school. Prior to their expansion, Randy and Meg were hands-on with every aspect of operating a school. As Synergy grew, Randy and Meg were no longer able to be as hands-on with their schools, and instead, they had to learn how to build organizational capacity among their staff instead of doing everything themselves. Thus, LASVP's involvement with Synergy came at an opportune time to help Synergy become a more sustainable organization and less dependent on Randy and Meg.

In particular, LASVP provided the following two capacity-building tools: 1) LASVP Lead Partner Candy Deemer has been providing executive coaching for Meg Palisoc and Randy Palisoc for the past several months, and 2) LASVP Partner Amy Johnson has been working with Randy Palisoc to compile his unique instructional strategies into an eBook that will be accessible by all Synergy staff. The executive coaching has helped Meg and Randy to become stronger leaders who have been communicating more effectively with their staff and empowering their staff with the tools and training they need to do their jobs well. The executive coaching has also helped Meg to work more effectively with her board. The eBook project helped Randy videotape clips of him teaching his strategies so that other Synergy staff will be able to learn how to use Randy's strategies at their schools. The codification and documentation of Synergy's successful strategies has been something that Randy has wanted to do for the past eight years, but he never had the time or capacity to do this until LASVP provided the support and guidance for this project to become a reality. Synergy is now in a stronger position to sustain its operations and its instructional programs.

Summer Search

Seattle, Washington

<http://www.summersearch.org/locations/seattle/>



The mission of Summer Search is to find resilient low-income high school students and inspire them to become responsible and altruistic leaders by providing year- round mentoring, life-changing summer experiences, college advising, and a lasting support network.

This year, Summer Search accomplished much, and with SVP's support, we are poised to reach some ambitious goals over the next 5 years. Over the past year, SVP and its partners helped us develop a school selection and outreach strategy, supported coaching and Table Talks for me and our program director, edited Facebook videos as part of our public relations efforts and helped us take our messaging to a whole new level.

The marketing work propelled the most significant change within Summer Search Seattle and other Summer Search sites too. Last summer and fall, Sam Temple Neukom and Deb Agrin, a volunteer that SVP recruited for the project led us in honing our messaging and training our board and staff how to talk about Summer Search in more compelling and effectual ways. As a result of their work, we have a new messaging framework and a concise pitch regarding the work we do and why it matters. When we shared this work with the other Summer Search sites at our national annual meeting last October, all of the sites were excited to see the clarity we had developed and were anxious to use the messaging themselves.

The new messaging has transformed the way that we talk about Summer Search. We have integrated the messaging into all of our marketing materials and talking points. We use it when we give speeches in public settings, as well as in one-on-one meetings. It has helped us differentiate ourselves from other non-profits and led us to raise more money this year than ever before. We had outstanding

success at our annual luncheon, where we used the messaging, and we have retained more donors this year than previously (57% up from 37% in FY11). While we cannot necessarily attribute these great results wholly to the messaging, I think it's fair to say that the messaging significantly influenced the results this year. We expect this influence to continue to grow as we aim to spread the word far and wide about Summer Search.

We are currently embarking on stage two of our marketing efforts. Expect to start hearing more and more about Summer Search in many circles in the Seattle community! We are ever grateful to SVP for helping us make our dreams to bring change to more students and the broader community a reality.

Conclusion

"This continues to be an amazing opportunity. I am looking forward to working on all of our projects with them. We are off to a terrific start after our first year. I applaud the initiative of those who brought this organization and unique philanthropy model to our region and I appreciate those who joined the partnership."

- 2012 Survey Participant

SVP's model of nonprofit capacity building has been successfully tested with more than 600 organizations to date. As the results of this most recent survey suggest, Investee staff are experiencing a high level of satisfaction with the partnership. The value of Partners' strategic volunteering, individual contributions and referrals to the nonprofits has more than doubled (x 2.4) the value of the original cash grants. With the additional resources and stronger infrastructures, nonprofits are able to have a greater impact on their communities.