

New Schools Venture Fund

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Fund Description and Structure

Date of fund incorporation: 1997

Fund mission: The New Schools Fund mission is to transform public K-12 education by supporting a growing community of outstanding education entrepreneurs who are improving the system. To accomplish this, the Fund mobilizes New Economy resources for investment in education entrepreneurs and builds a network combining education entrepreneurs, educators, New Economy leaders and others committed to improving our public education system through entrepreneurship.

Fund legal structure: Public Charity

Fund Management and Staffing

Affiliations or partnerships with other organizations: The New Schools Fund has many close working relationships with other funders in this space but no official partnerships at this time.

Lead executive: Kim Smith, President & CEO

Full-time equivalent staff: 6

Staff organization: The staff is organized into four main areas: Portfolio; Network; Management Assistance; Administrative.

Staff function: The staff plays a VC role in the following ways:

- Extensive due diligence on promising ventures;
- Strategy consulting and executive coaching to portfolio executives;
- Focus on building the team of portfolio ventures, including assistance with executive and staff recruitment;
- Enhancement of capacity of portfolio organizations, including coordination of additional external resources, and follow-on funding assistance;
- Accountability to benchmarks and outcomes as specified in terms of deal;
- New Schools presence on the board of each of our ventures.

In addition, as in traditional venture capital, New Schools prefers to co-invest with additional like-minded investors when possible, and the staff makes an effort to make this link.

Grant Selection, Assistance and Engagement

<i>Subject focus for grants:</i>	Primary focus on K-12 public education, with select pre-school and after-school programs.
<i>Geographical focus:</i>	United States
<i>Process for identifying grant recipients:</i>	New Schools accepts and reviews unsolicited executive summaries and business plans, and the Fund also actively seeks out teams, projects, and ventures that fit its investment criteria and desired outcomes. In addition, the fund has also initiated incubation projects for new ventures.
<i>Funding decision process:</i>	<p>New Schools funds both non-profit and for-profit ventures that:</p> <ul style="list-style-type: none"> • Are scalable, with the ability to impact thousands of students; • Are sustainable, with sound revenue models or clear alternative funding sources; • Have passionate teams combining both business and education expertise; • Provide a strategic reason for New Schools' participation; • Have a significant opportunity to improve public K-12 education, including a plan for measuring outcomes. <p>Once the Fund finds a venture satisfying those criteria, it begins a rigorous process of due diligence, which can take several months. The final step in the funding process is a presentation by the entrepreneurs to New Schools Investment Partners. This committee is comprised of key New Economy leaders and educators.</p>
<i>Anticipated length of relationship:</i>	Length of grant depends entirely on the specifics of the projects but are generally multi-year relationships.
<i>Ongoing plan for grant recipient sustainability:</i>	New Schools is always working with ventures to address capacity building, sustainability, and future growth, revenue and/or fund-raising plans.
<i>Grant size range:</i>	Grants, loans and equity investments have ranged from \$50,000-\$2 million so far.
<i>Organizations that have been funded:</i>	<ul style="list-style-type: none"> • Success for All, a national school reform organization teaching children to read. (www.successforall.org) • Teach for America, a national teacher corps recruiting top college students to teach in under-resourced urban and rural schools for two years. (www.teachforamerica.org) • Aspire Public Schools, a nonprofit charter school management organization in California. (www.publicschools.org) • LearnNow, Inc., a for-profit charter school management company headquartered in New York. (www.lnschools.com) • Carnegie Learning, Inc., a for-profit company, restructuring algebra instruction by combining teacher-led instruction with technology-led cognitive tutor. (www.carnegielearning.com) • GreatSchools.net, an online consumer reports-type guide to schools, emphasizing areas with school choice like Arizona and other emerging choice states. (www.greatschools.net) • New Leaders for New Schools, an organization that recruits, places, trains, and supports outstanding leaders for jobs as school principals. (www.nlms.org)

- **Teachscape, a for-profit online teacher professional development company emphasizing video case study method, online community building, and quality assessment. (www.teachscape.com)**

Relationship with grant recipients: **New Schools provides both direct and indirect support, using various combinations of staff, investors, outside volunteers and outside consultants.**

Amount of staff-time per grant recipient per year: **Staff time varies by venture, and particularly with their business cycle and stage in their life cycle. Some engagements are quite extensive (monthly strategy meetings, weekly calls during strategically important periods); others are far less intensive (quarterly board of directors meetings, ad hoc advising).**

Seat on Board of Directors: **No**

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	–	–	–
Total capital pledged in fund:	–	–	–
Annual operating budget:	–	–	–
Total amount granted:	–	–	\$6,900,000
Number of grants made:	–	–	10

Funding Sources

Total number of investors: **18**

Distribution of funding sources: **New Schools funds are almost exclusively individual contributions, although some revenues come through family or community foundations.**

Level of investor contribution: **New Schools does not disclose specific donor information. The fund is continually adding new contributors on a rolling basis.**

Investor involvement with recipients: **Investor involvement varies by individual, but could include any of the following:**

- **Making investment decisions;**
- **Taking board of directors seat on venture;**
- **Coaching and mentoring on strategy;**
- **Network building for New Schools and its ventures; and**
- **Participating in annual summit and other special events.**

Services provided to investors: **New Schools provides newsletters and special events.**

Does the fund accept private equities? **Yes**

Non-cash (in-kind) contributions:

New Schools has received in-kind support in the form of office space, web site development and hosting, communications services, and technology due diligence support.

Outcomes

Success measures for each grant: New Schools staff works with each venture to determine appropriate benchmarks for success.

Success measures for the fund: New Schools Venture Funds succeeds by:

- Investing in an outstanding portfolio of education entrepreneurs, which can show direct impact on increased student achievement for children over time.
- Mobilizing greater New Economy support for education entrepreneurs in the form of more donors, more capital, and a more effective nonprofit capital market.
- Building the capacity and intellectual capital of the field of education entrepreneurship, as indicated by increased activity in the field, increased outcomes for students, and a richer quality level in the discourse about educational change.

Lessons Learned and Observations

Top lessons learned:

1. Neither New Economy leaders nor social sector leaders by themselves have the complete answer to the education problem, but teams combining both have a huge opportunity to improve our education system.
2. This is difficult and consuming work, which, like any enterprise-building effort, is ultimately about people and difficult change, and not just about rhetoric.
3. Social sector and business sector leaders often do not communicate easily together because they often have a different vocabulary for the same things and frequently hold different core beliefs and priorities.

Biggest impediments to success:

- Determining how to scale a service intensive business such as education.
- Identifying the best way to connect social sector and business sector thinkers.
- Developing an effective translation factor for communications, planning strategy and outcomes measurement.
- Finding enough experienced hybrid people to provide both the fund and New Schools ventures with experienced managers.

Thoughts on changes to the field of venture philanthropy:

There is much more rhetoric and hype in the field of venture philanthropy. Many very different models for venture philanthropy exist without either a common definition or a clear differentiation between them.

Hopefully in the coming year, venture philanthropy will begin to mature and the level of discourse will move into more substantive discussions of where it makes sense, what it really is, how it can be done well, what the risks are, and where it doesn't work.

The Ovation Fund

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Secondary contact: Christine Durst, Co-Founder & Managing Director

Fund Description and Structure

Date of fund incorporation: 2000

Fund mission: The Ovation Fund provides grants, periodic equity financing and a panoply of advisory assistance to exceptional international entrepreneurs with disabilities.

Fund legal structure: Public Charity incorporated in CT, 501(c)(3) Anticipated Q1 2001

Fund Management and Staffing

Affiliations or partnerships with other organizations: The Ovation Fund operates under a fiscal sponsorship arrangement with the Community Foundation for the National Capital Region, and it has many affiliations, including: Microsoft Corp., Southwest Airlines, Ernst & Young, MicroTimes Magazine, National Commission on Entrepreneurship, World Association of Persons with Disabilities, Disability Now-UK, The European Centre for the Development of Vocational Training, and The National Centre for Promotion of Employment for Disabled People-India.

Lead executive: Michael D. Haaren, Esq., Co-Founder and Managing Director.

Full-time equivalent staff: 2

Staff organization: Two Managing Directors oversee fund operations, with a third to be added Q1 2001. Two Portfolio Managers and two support staff are planned for 2001.

Staff function: Managing Directors (MDs) have the final say in grant and financing decisions and work closely with Fund Fellows (grantees) and their teams. MDs, working closely with the Fund's Board of Directors, are responsible for fundraising, staffing, and all major operational decisions.

Grant Selection, Assistance and Engagement

Subject focus for grants: Grants support exceptional entrepreneurs with disabilities in early-stage, tech-related businesses.

Geographical focus: The initial focus of the foundation is in North America and India.

<i>Process for identifying grant recipients:</i>	Applications for grants are accepted through designated internet sites (Official Registrars of the fund), conventional mail to the fund directly, and through referrals from fund's network.
<i>Funding decision process:</i>	Initial screenings of executive summaries are completed by the fund and selected volunteer panelists. The fund looks at the same criteria used by other venture groups: strength of team, business model, niche or sector, competition. The fund grants no funding without a face-to-face interview. Grantees must also agree to give back to fellow entrepreneurs in the Ovation community.
<i>Anticipated length of relationship:</i>	Grants last approximately 1-2 years.
<i>Ongoing plan for grant recipient sustainability:</i>	Growth and momentum are balanced against grantee's independence. Follow-on funding and continuing assistance may be arranged where a grantee's business warrants.
<i>Grant size range:</i>	Grants range in size from \$1,000 to \$50,000, with multiple years possible. Grants may be increased to \$100,000 and beyond in future years of Fund operation.
<i>Organizations that have been funded:</i>	None. Fund launched October 2000 and expects to award initial grants before 2001.
<i>Relationship with grant recipients:</i>	Staff and affiliated volunteer advisors provide direct assistance. Grantees also assist one another in online community and offline. Fund partners and allies may also provide direct assistance at reduced or no charge.
<i>Amount of staff-time per grant recipient per year:</i>	Varies widely with grantee's needs and maturity of business.
<i>Seat on Board of Directors:</i>	No

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	\$0	\$25,000	\$12,000,000
Total capital pledged in fund:	\$0	\$0	\$15,000,000
Annual operating budget:	\$0	\$5,000	\$1,267,500
Total amount granted:	\$0	\$5,000	\$2,000,000
Number of grants made:	0	3-5	80-100

Funding Sources

Distribution of funding sources: **Too early in fund operations for meaningful data.**

Level of investor contribution: **Too early in fund operations for meaningful data.**

<i>Investor involvement with recipients:</i>	Certain investors are electing to provide products or services to grantees at reduced or no fee.
<i>Services provided to investors:</i>	The fund may provide non-confidential statistical and related data and consulting services.
<i>Does the fund accept private equities?</i>	Yes
<i>Non-cash (in-kind) contributions:</i>	Certain contributors will offer growth advisory and related services to grantees at reduced or no fee.

Outcomes

<i>Success measures for each grant:</i>	Grants are successful when each grantee can sustain growth or independent viability.
<i>Success measures for the fund:</i>	The fund will be successful when significant numbers of grantees in all major international markets achieve sustainable operations.

Lessons Learned and Observations

<i>Top lessons learned:</i>	<p>The Ovation Fund has learned the following things:</p> <ol style="list-style-type: none"> 1. Invest the money as if it were your own. 2. Don't be afraid to give grantees a congenial "kick in the rear." 3. Bet on the jockey, not the horse. 4. Find those who share your passion and ignite the world.
<i>Biggest impediments to success:</i>	The biggest challenge is to winnow through the people who don't care to find those who do.
<i>Thoughts on changes to the field of venture philanthropy:</i>	Venture philanthropy in the United States is moving east from Silicon Valley and the southwest. It will be much larger in Washington, D.C. and Boston in 2001.

Rinconada Ventures Foundation

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Fund Description and Structure

Date of fund incorporation: 1997

Fund mission: Rinconada provides start-up ventures in disability rights with management assistance and capital

Fund legal structure: Public Charity

Fund Management and Staffing

Affiliations or partnerships with other organizations: Rinconada is a member of the Disability Funders Network.

Lead executive: Mark Breimhorst, President

Full-time equivalent staff: 0

Grant Selection, Assistance and Engagement

Subject focus for grants: Disability Rights Movement

Geographical focus: United States only.

Process for identifying grant recipients: About 25% of grantees apply for funding, others are located by the fund through listserves or word of mouth.

Funding decision process: Rinconada evaluates its potential investments first and foremost on the basis of the social return of the project, determined by matching the goals of the venture with those of Rinconada's mission. The foundation also carefully considers an organization's prospects for business opportunity and financial sustainability when making funding decisions, as well as the commitment and ability of its management team to achieve its goal. Since the foundation can afford to be selective, we will only look at organizations with a strong revenue stream and likelihood of becoming self-sustaining. The decision process involves an initial screen by the board. The top ventures are then interviewed by board members.

<i>Anticipated length of relationship:</i>	About 3-8 years.
<i>Ongoing plan for grant recipient sustainability:</i>	After the initial funding period, a new set of terms and conditions will be negotiated.
<i>Grant size range:</i>	Grants will range from \$1,000-10,000; the fund has not yet made any multi-stage investment.
<i>Organizations that have been funded:</i>	Access Ability, Inc. On A Roll Radio Disabilitiy Rights Education and Defense Fund Owen Doonan Lifeguides
<i>Relationship with grant recipients:</i>	Much of the relationship is based on what the individual portfolio ventures require. Rinconada has a team of about 50 volunteers who provide ad hoc consulting on a variety of issues. Some ventures have not taken advantage of this service; others require a couple of hours per month. Staff generally coordinates these efforts between the entrepreneurs and the volunteer consultants.
<i>Amount of staff-time per grant recipient per year:</i>	Currently staff provide about 10 hours.
<i>Seat on Board of Directors:</i>	No

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	\$230,000	\$250,000	\$270,000
Total capital pledged in fund:	–	–	–
Annual operating budget:	\$110,000	\$50,000	\$20,000
Total amount granted:	\$20,000	\$17,000	\$20,000
Number of grants made:	4	2	3

Funding Sources

<i>Total number of investors:</i>	About 60
<i>Distribution of funding sources:</i>	All funding has come from private individual donors. Rinconada has received little support from foundations.
<i>Level of investor contribution:</i>	Investors contribute anywhere from \$25-200,000. The fund has received four gifts of over \$15,000 and many between \$100-2,000.
<i>Investor involvement with recipients:</i>	Many investors provide management assistance or sit on the Rinconada board.

Services provided to investors: **None**

Does the fund accept private equities? **No**

Non-cash (in-kind) contributions: **Rinconada has received in-kind contributions of equipment, use of space, technology, and labor.**

Outcomes

Success measures for each grant: **Success for each grant is assessed on a case-by-case basis, according to the terms and conditions of each investment contract.**

Success measures for the fund: **Rinconada has several criteria for measuring its own success: the amount invested in portfolio ventures, the success of those ventures, the levels of giving to Rinconada, the satisfaction of those donors, and the satisfaction of staff and board.**

Lessons Learned and Observations

Top lessons learned: **The most important assets to starting a fund are money and people with access to money. All the skill, passion, energy and creativity in the world can't compensate for one wealthy benefactor. Of course, once the money is secured, the skill, passion and energy are necessary, too.**

Biggest impediments to success: **The biggest impediment is the availability of funding for operational expenses. People are more than willing to donate time and money to Rinconada ventures, but very few are willing to support operational costs.**

Thoughts on changes to the field of venture philanthropy: **As the field has expanded and welcomed new practitioners, the definition of "venture philanthropy" has also expanded to include anything from strategic giving to venture capital.**

The Roberts Enterprise Development Fund

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 San Francisco, CA 94129

Web site address: www.redf.org
Primary contact: Melinda Tuan, Managing Director
E-mail: mtuan@redf.org
Phone: 415-561-6678
Secondary contact: Jed Emerson, President

Fund Description and Structure

Date of fund incorporation: 1997

Fund mission: The mission of The Roberts Enterprise Development Fund (REDF) is to raise the standards of excellence and integrity in the nonprofit and philanthropic community nationwide through the development and dissemination of innovative approaches to critical social issues.

REDF pursues this mission by leveraging strategic partnerships that enable it to act as a catalyst for change through the community application of business skills and practice:

1. Implementing a social venture capital approach to philanthropy by building the capacity of nonprofit organizations to deliver and sustain quality services to fulfill their social mission.
2. Bringing a portfolio of nonprofit social purpose enterprises to definitive growth and market sustainability in order to provide transitional and permanent employment opportunities for very low-income and homeless individuals.
3. Engaging the nonprofit and philanthropic field in dialogue through publishing, providing resources on the web, participating in public forums, and serving as a convener of interested players.

Fund legal structure: Private Operating Foundation

Fund Management and Staffing

Affiliations or partnerships with other organizations: REDF has strategic partnerships with funding organizations such as The Phalarope Foundation, the Charles and Helen Schwab Family Foundation, the Surdna Foundation, and the William and Flora Hewlett Foundation for specific programs and projects.

Lead executive: Melinda T. Tuan, Managing Director

Full-time equivalent staff: 5 FTE

Staff organization: Managing Director (1 FTE), President (.5 FTE), Enterprise Development Director (1 FTE), Enterprise Development Fellow (1 FTE), Administrative Director (1 FTE), Administrative Assistant (.5 FTE)

Staff function: **The Managing Director and Enterprise Development Director are both fully engaged in managing the investees in the REDF Portfolio including ongoing due diligence, financial and managerial oversight, provision of business assistance, and networking.**

Grant Selection, Assistance and Engagement

Subject focus for grants: **REDF grants focus on nonprofit organizations that are running social purpose enterprises to provide transitional and permanent employment for formerly homeless and very low-income individuals in the San Francisco Bay Area.**

Geographical focus: **REDF focuses its grants in Northern California—San Francisco Greater Bay Area**

Process for identifying grant recipients: **REDF finds appropriate organizations through networking with funding colleagues, existing social purpose enterprises, the community, and other sources.**

Funding decision process: **The mission of the nonprofit organization must be consistent with REDF mission to bring a portfolio of nonprofit social purpose enterprises to definitive growth and market sustainability in order to provide transitional and permanent employment opportunities for very low-income and homeless individuals. Business plans for the social purpose enterprise must fit with the parent nonprofit organization’s mission and have a very clear plan for how it fits within the strategic direction of the organization. Business plans must be viable from both a financial and social bottom line perspective, and the organization must be realistic about the investment, challenges and risks involved. REDF investee organizations must also demonstrate a need for the types of support that REDF provides.**

Anticipated length of relationship: **REDF’s investments are designed as long-term relationships based on the business plan of the social purpose enterprise. REDF currently has investees that it has funded for over 10 years. REDF’s intention is to continue funding social purpose enterprises that are meeting their mutually agreed upon financial and social outcome goals in their business plans for as long as the enterprises require philanthropic investment.**

Ongoing plan for grant recipient sustainability: **In cases where a social purpose enterprise is expected to generate significant amounts of net income over time, REDF may exit that particular funding relationship, assuming that the enterprise can then self-finance its continued growth and expansion.**

Grant size range: **For members of the REDF 2000 Portfolio, each organization receives on average \$200,000-300,000 each year, renewable based upon the enterprise’s needs over the length of the funding relationship.**

Organizations that have been funded: **1997-1999:
Barrios Unidos
Building Opportunities for Self-Sufficiency
Jobs Consortium**

1997-2000:
Asian Neighborhood Design
Community Vocational Enterprises
Golden Gate Community, Inc.
Goodwill Industries
Juma Ventures
Rubicon Programs
Youth Industry

2001 and beyond:
To be determined

Relationship with grant recipients:

REDF assists its portfolio organizations in a variety of ways, most notably by providing financing for organizational infrastructure, access to additional funds for capital expenses, strategic business development assistance, access to business networking opportunities, social outcome measurement, and technological tools and training.

Amount of staff-time per grant recipient per year:

400 hours annually per organization.

Seat on Board of Directors:

No

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	\$3,000,000	\$2,900,000	\$3,500,000
Total capital pledged in fund:	\$3,000,000	\$2,900,000	\$3,500,000
Annual operating budget:	\$3,000,000	\$2,900,000	\$3,500,000
Total amount granted:	\$2,000,000	\$2,000,000	\$2,500,000
Number of grants made:	-	multiple grants to 7 organizations	-

Funding Sources

Total number of investors:

1

Distribution of funding sources:

One individual

Investor involvement with recipients:

The investor engages in regular meetings with REDF staff (at least bimonthly) and semi-annual meetings with REDF portfolio investees.

Services provided to investors:

Everything REDF does can be considered a service to the individual donor.

Does the fund accept private equities?

No

Outcomes

Success measures for each grant: REDF looks at SROI (social return on investment), which includes a variety of measures of financial growth and stability of the social purpose enterprise, total public cost savings and new taxes generated by individuals employed by REDF portfolio enterprises, and change in individual social outcomes of social purpose enterprise employees over time. REDF uses these measures to assess the success of each social purpose enterprise it funds. In addition, REDF looks at organizational capacity-building and effectiveness over time as a measure of success.

Success measures for the fund: When evaluating fund success, REDF asks the following questions: For each dollar invested, what is the resulting benefit to individuals and to society? How could REDF calculate its social return on investment?

REDF presents its approach to analyzing social return on investment (SROI) as a balanced and effective way to understand the connection between the funds provided to investee nonprofit organizations and the results those organizations achieve. REDF's SROI metrics measure the value created by a social purpose enterprise in terms of financial returns and social returns—defined as public sector cost savings and new tax revenue generated for society. In addition to the SROI metrics, REDF also measures the changes in individual social outcomes through an internal comprehensive social outcome tracking system called OASIS.

Lessons Learned and Observations

Top lessons learned:

Clarity, communication and collaboration between fund and investee are extremely important.

- **Clarity:** REDF staff and participating investees need to ensure they have a shared understanding of the initiative's aims and approaches.
- **Communication:** REDF staff need to be particularly attuned to actions and comments that negatively feed the historic funder-grantee power dynamic.
- **Collaboration:** REDF staff and investees need to invest the time necessary to ensure we are forging true partnerships and working together to identify and address challenges within both individual businesses and the overall initiative.

It is critically important that a donor be fully committed to supporting an honest grant-making process grounded in integrity.

The challenge of building genuine trust in philanthropic relationships is more difficult than many would like to believe.

It takes time to create a meaningful venture philanthropy practice.

There is a fundamental power imbalance present in funding relationships. Rather than attempting to deny that fact, it is better to acknowledge it and find ways to work more effectively together with respect for the power each player brings to the partnership.

Both investee and funder must be open to learning new lessons and understanding how they must transform themselves to maximize the benefits of evolving relationships in a new marketplace. This responsibility rests equally upon both parties and is not simply the responsibility of the grant-maker.

Measuring social outcomes that have high integrity, relevance, and can inform practice requires significant resources, dedication, and commitment from both the funder and the investee.

Note: Many of these lessons learned are expanded upon in detail in *Social Purpose Enterprises and Venture Philanthropy in the New Millennium*, Volume 2, Chapter 2 called “The Challenge of Change.” This article and many others can be downloaded for free from the REDF web site at www.redf.org.

Biggest impediments to success: The biggest impediment is a lack of clarity, communication and collaboration in a fund’s work with investees. Even with sufficient nonprofit management expertise, developing truly honest, open relationships between the fund and the organization’s management has been extremely challenging.

Thoughts on changes to the field of venture philanthropy: More and more players are entering this field calling themselves venture philanthropists, but there is little clarity in terms of what venture philanthropy really is. There appears to be a lot more talking than actual investing to date, as well as a fair amount of hubris in the midst of this so-called “new philanthropy.” Hopefully, the coming year will bring more experience and more lessons learned to be shared with the broader community. REDF is also hopeful there will be a recognition that “new” is not necessarily “better”—that there are different approaches to philanthropy along a broad spectrum of activity, and that society will be better off when there is increased collaboration in philanthropy.

REDF has spent time and resources to document its collective learnings over time in order to share them with the greater community. All REDF publications can be downloaded from the REDF web site at www.redf.org or by contacting the REDF office. Publications include:

- *Social Purpose Enterprises and Venture Philanthropy in the New Millennium*
- Volume 1: *Practitioners Perspectives*
- Volume 2: *Investors Perspectives*
- Volume 3: *Practitioner Profiles*
- *New Social Entrepreneurs: The Success, Challenges and Lessons of Non-Profit Enterprise Creation*
- Guide and Overview to SROI Reports (available in 2001)
- 11 SROI Reports (available in 2001)
- SROI Methodology (available in 2001)
- REDF Portfolio Analysis (available in 2001)
- The REDF OASIS (available in 2001)
- And others forthcoming.

Robin Hood Foundation

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Secondary contact: Lawrence Jahns

Fund Description and Structure

Date of fund incorporation: 1988

Fund mission: The Robin Hood Foundation is dedicated to preventing poverty in New York City.

Fund legal structure: Public Charity

Fund Management and Staffing

Affiliations or partnerships with other organizations: None

Lead executive: David Saltzman, Executive Director

Full-time equivalent staff: 23

Staff organization: Staff is organized in five main areas: Program; Management Assistance; Development; Administration; In-kind/special projects

Staff function: The offices of Program and Management Assistance operate in partnership with the staff of the grant recipient organizations to identify organizational needs for growing or strengthening the nonprofit. Robin Hood helps to provide access to resources the groups might not otherwise be able to access. For early-stage groups this is very similar to a venture capitalist relationship. Robin Hood is prepared to offer assistance on developing the core business (program) or on management issues wherever we can be of assistance to the group. The managing directors (senior program staff) manage the investments in groups similar to the general partners in a venture capital fund. Robin Hood does not play a role on the board of organizations in the way a venture capital partner would, however.

Grant Selection, Assistance and Engagement

<i>Subject focus for grants:</i>	Poverty (education, early childhood, youth and after-school, job training, survival)
<i>Geographical focus:</i>	New York City
<i>Process for identifying grant recipients:</i>	The foundation accepts applications and also searches out new organizations that fit its portfolio strategy.
<i>Funding decision process:</i>	<p>Grants must meet the following criteria:</p> <ol style="list-style-type: none"> 1. Leadership potential; 2. Alignment of goals between Robin Hood and organization; and 3. In cases of established organizations, track record is considered. In cases of start-up organizations, criteria similar to that of a venture capitalist, i.e. management capabilities, relevant prior experience, and evaluation of program model.
<i>Anticipated length of relationship:</i>	Robin Hood grants run for a minimum of one year and have no limit.
<i>Ongoing plan for grant recipient sustainability:</i>	The foundation does not plan to exit as a funder.
<i>Grant size range:</i>	Grants are renewed yearly or upon completion of goals. Grants range from \$4,000-820,000 per year
<i>Organizations that have been funded:</i>	Approximately 100 anti-poverty organizations in the New York area.
<i>Relationship with grant recipients:</i>	Robin Hood leverages its financial support with strategic management assistance, donated goods and services, technical support, capital improvements, and matching grants.
<i>Amount of staff-time per grant recipient per year:</i>	Approximately 20 days of staff time per year per grant recipient (including time spent by Program, Management Assistance and In-kind staff with one senior manager).
<i>Seat on Board of Directors:</i>	No

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	–	\$36,900,000	\$56,300,000
Total capital pledged in fund:	–	–	–
Annual operating budget:	–	–	–
Total amount granted:	\$11,700,000	\$13,000,000	–
Number of grants made:	89	85	–

Funding Sources

Total number of investors: 1,345

Distribution of funding sources: 38% direct mail/private donor; 38% events; 24% foundations and trusts

Level of investor contribution: Minimum: \$1
Average: \$12,675
Maximum: \$5,000,000

Investor involvement with recipients: The board is made up of a combination of donors and nonprofit experts. A subset of the board serves as a program committee that approves grant decisions. In addition, some donors volunteer as board members for groups in the portfolio.

Services provided to investors:

1. The Robin Hood Foundation communicates with investors once every year (moving to quarterly) with high level detail about investments for the year.
2. The foundation holds three events for current and prospective donors to inform them about Robin Hood's grant recipients.
3. The fund matches donors and other volunteers who would like to serve as board members for grant recipients.

Does the fund accept private equities? Yes

Non-cash (in-kind) contributions: Over the years Robin Hood has received \$39 million in donated goods and services for grant recipients. Goods have included donations of computer equipment, office equipment, and more. Services have included professional services such as legal, accounting, consulting, and other services. Robin Hood also solicits in-kind donations for special projects such as kitchen equipment and books on behalf of grantees. The focus of Robin Hood's in-kind solicitation is to meet the needs of groups while also creating large-scale projects that attract donors.

Outcomes

Success measures for each grant: For each grant, the managing director works with a group to set program goals. These goals are linked to the funding for the program. Accomplishment of the jointly identified goals determines the success of the grant. In addition, Robin Hood employs an independent research agency to carefully evaluate every program funded and the outcomes each one achieves. These evaluations are also included in the analysis of grants.

Success measures for the fund: The fund succeeds by:

1. Continuing to find and support groups that are fighting against poverty in New York City and are having an impact.
2. Bringing additional resources, i.e., money, goods and services, to these successful programs.
3. Identifying systemic issues for nonprofits fighting poverty and finding ways to address or ameliorate them.

Lessons Learned and Observations

Top lessons learned:

Funding agencies should make an effort in the early stages of any relationship to evaluate the viability of the organization by asking the following questions:

- Is the leader strong and capable of building the organization they envision?
- Is the organization addressing a need? Is it a need in the proposed area of operations?
- Will the organization be able to get people in the door?
- Can they deliver the service at the cost they are projecting?

Venture philanthropy or engaged grant-making requires significant investments of time and energy from the foundation staff or other service providers. For some foundations this will mean changing the staffing structure or making much larger grants to cover the cost of hiring people to provide services. Providing this kind of assistance requires patience and flexibility which must be built into the cost structure.

Money begets money. Grantmakers must develop relationships with other funders to encourage them to support their organizations. First funders must ensure that other funders will follow.

Biggest impediments to success:

Lack of funding for infrastructure: so few funders are willing to pay for infrastructure. This is preventing organizations from building strong management teams and infrastructure that will ensure efficient scale and effective programs.

Recipient organizations are resistant to or undervalue the importance of effective evaluation and the time required to complete it. Encouraging groups to craft and use that data so that it can shape improvements in the program is an important, but time-consuming task.

Thoughts on changes to the field of venture philanthropy:

Venture philanthropy has gained a lot more press and recognition across the country in the last several years. The term has become increasingly confused as more and more groups attach it to their grant-making descriptions without any assessment of whether they are truly acting as venture capitalists. For Robin Hood, venture philanthropy comes close to describing its engaged grant-making with early-stage groups, but the foundation also supports and works closely with groups at many different stages of their life cycle.

Silicon Valley Social Venture Fund

c/o Community Foundation of Silicon Valley
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Phone: 408-278-2200
Secondary contact: Shin-Wha Whang

Fund Description and Structure

Date of fund incorporation: 1999

Fund mission: Silicon Valley Social Ventures (SV2) is based upon the venture philanthropy model of investing both financial and intellectual capital over several years in a non-profit organization in order to foster positive sustainable change in the organization and the community.

Fund legal structure: Donor Advised Fund

Fund Management and Staffing

Affiliations or partnerships with other organizations: SV2 is a Donor Advised Fund of the Community Foundation Silicon Valley.

Lead executive: Barb Larson, Development Officer

Full-time equivalent staff: 2.25 FTE's

Staff organization: Barb Larson is the director of the SV2 Fund. She gets support from a SV2 development associate as well as from a program officer of the Community Foundation Silicon Valley.

Staff function: Staff function as a “partner” in SV2 but do not have voting rights—only partners do.

Grant Selection, Assistance and Engagement

Subject focus for grants: For the year 2000, SV2 is interested in organizations that address the SV2 focus areas of Education (Summer 2000 grant cycle) and Children & Youth (Fall 2000 grant cycle).

Geographical focus: Nonprofits must provide service in Santa Clara and/or Southern San Mateo Counties of Northern California.

Process for identifying SV2 STRENGTH Grants are currently by invitation only. No unsolicited proposals will

<i>grant recipients:</i>	be accepted. SV2 Partners do invite proposals from nonprofits they know and the Community Foundation Silicon Valley recommends a select number of nonprofits for SV2 to consider.
<i>Funding decision process:</i>	<p>An SV2 Grants Committee comprised of SV2 Partners decides which organizations to fund. Partners bring forward recommended organizations, but the Grants Committee is in charge of due diligence (reading proposals, ranking according to a matrix they set up, interviewing nonprofit finalists, conducting site visits and writing site visit reports). Because SV2 strongly believes in the importance of due diligence, the Grants Committee members who participate in this process are empowered by the partners to make the final decision on the grantee.</p> <p>SV2 will give one grant in the area of Children & Youth in Fall 2000. Proposals are accepted by invitation only. For the Fall 2000 round, SV2 invites proposals from organizations that meet the following priorities seeking to build their capacity:</p> <ul style="list-style-type: none"> • Focus on activities on children and youth in grades 6-12, • Existing budget of \$1.5 million or less, • 1-3 year operating/strategic plan, and • Not focused in a health area (e.g., alcohol and drug prevention)
<i>Anticipated length of relationship:</i>	Three years
<i>Ongoing plan for grant recipient sustainability:</i>	This process is under development. SV2 develops a business plan for each grantee which includes an “exit” strategy.
<i>Grant size range:</i>	The total grant is \$225,000 which, on average, gives each grantee \$75,000 per year for three years.
<i>Organizations that have been funded:</i>	Project HELP in Sunnyvale, CA
<i>Relationship with grant recipients:</i>	At present, a team of SV2 Partners, in partnership with the leaders and board members of Project HELP, is creating a three-year business plan. SV2 staff members are directly involved in this process as well. Partners work with recipients on marketing, budgeting and goals/objectives. SV2 is evaluating the addition of a consultant to work with the legislative portion of the grantee’s business plan.
<i>Amount of staff-time per grant recipient per year:</i>	An estimated 120-150 hours annually
<i>Seat on Board of Directors:</i>	No

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	\$1,000,000	\$1,164,000	\$2,000,000
Total capital pledged in fund:	\$500,000	\$557,000	\$750,000
Annual operating budget:	\$ 66,500	\$180,000	\$210,00
Total amount granted:	\$0	\$450,000	\$675,000
Number of grants made:	0	2	2

Funding Sources

Total number of investors: **100**

Distribution of funding sources: **SV2 has received \$50,000 from individuals and \$130,000 from Community Foundation Silicon Valley. The fund is currently seeking additional sources of funding (e.g., private foundations, corporations, etc.).**

Level of investor contribution: **Minimum is \$2,500, average is \$5,574, maximum is \$25,000.**

Investor involvement with recipients: **Partners work on one of five committees: technology, grants, inform and educate, membership and impact (volunteering).**

Services provided to investors: **SV2 organizes gatherings (seminars, social parties, dinners, etc.) for the SV2 partners which are underwritten either by partners and/or the Community Foundation Silicon Valley.**

Does the fund accept private equities? **No**

Non-cash (in-kind) contributions: **SV2 has not received any in-kind contributions.**

Outcomes

Success measures for each grant: **SV2 is currently in the process of creating grant agreements with its grantees which will have specific metrics and benchmarks based upon parameters of each grant agreement. The fund will create a reporting format and procedure based upon each grant agreement. Current expectations for recipients include one report and meeting with the Impact committee every six months.**

Success measures for the fund: **SV2 has begun the process of developing its first strategic plan for the fund. The fund will create goals and objectives and measure its performance against them.**

Lessons Learned and Observations

Top lessons learned:

- 1. Beginning a venture fund requires an outstanding leader. SV2 was lucky to have two of the top, young, successful people in Silicon Valley to launch its fund.**
- 2. Funders are in partnership with the nonprofit grantee, not in charge of them. The nonprofits are smart and good at what they do—SV2 should partner with a nonprofit as an equal. The fund should not take over the operation.**
- 3. Education is the most important part of the fund's operations. SV2 educates its partners about the joy of giving back to society. SV2 also helps nonprofits to think creatively and improve efficiency and effectiveness.**

Biggest impediments to success:

The limited time of SV2 Partners is a significant factor. As a result, SV2 has been forced to be flexible with conference calling, meeting locations and scheduling. SV2 has used technology—e-mail and web site—to accomplish much.

Thoughts on changes to the field of venture philanthropy:

Venture philanthropy has changed in that funds now know their role better. VP funds exist not only to help grantees succeed in their plans to help the community, but also to educate the new generation of donors.

Social Venture Partners

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Secondary contact: Erin Hemmings, Program Manager

Fund Description and Structure

Date of fund incorporation: 1997

Fund mission: Social Venture Partners seeks to develop philanthropy and volunteerism to achieve positive social change in the Puget Sound region. Using the venture capital approach as a model, SVP is committed to giving time, money and expertise to create partnerships with not-for-profit organizations. SVP has provided a model for venture philanthropy that has been mirrored in Arizona, Austin, Dallas, and six other locations to date.

Fund legal structure: Donor Advised Fund

Fund Management and Staffing

Affiliations or partnerships with other organizations: 275 partners to date, approximately 300 by year-end.

Lead executive: Paul Shoemaker, Executive Director

Full-time equivalent staff: 3.2

Staff organization: Executive Director, Program Manager, Office Manager, Volunteer Lead Coordinator (1/4 time)

Staff function: The 275 SVP members more closely resemble “general partners.” They serve on grant committee, lead and perform all of the capacity-building consulting with investors and structure the long-term direction of SVP and its grant-making focus. The staff acts as facilitator, archive, and “fuel.”

Grant Selection, Assistance and Engagement

Subject focus for grants: Children and education programs, and possibly a new area beginning November 2000.

Geographical focus: King County, Washington

Process for identifying grant recipients:

SVP uses the following criteria:

- 1. Organization with visionary leader;**
- 2. Track record;**
- 3. Fit with mission's focus on children and education;**
- 4. Fit with high engagement relationship—mindset and organizational capability; and**
- 5. Need and suitability for organizational capacity-building work.**

Funding decision process:

New grant committees, made up of teams of 10-12 partners, go through a 6-month due diligence process to make all new grants.

The portfolio grant committee, consisting of 9-12 partners on rotating 3-year commitments, makes all re-funding decisions.

Anticipated length of relationship: **Grants last 5-7 years with many recipients, but not all.**

Ongoing plan for grant recipient sustainability:

SVP helps organizations to sustain operation after the initial grant period in the following ways:

- 1. Help recipients build organizational capacity in six areas of the support model.**
- 2. Broaden and diversify funding base via greater fund development or social enterprise capacity.**
- 3. Establish relationships with other funding organizations to bring to the benefit of recipients that are leaving the fund.**

Grant size range:

\$24,000-109,000

Organizations that have been funded:

Seattle Children's Home, Institute for Community Leadership, Youth Tutoring Program, Powerful Schools, John Rogers and Sacajawea Elementary Schools, Talbot Hill Elementary, University Of Washington's Women's Center, Cleveland High School, Pioneer Counseling Services, Courage To Teach, Behavioral Sciences Institute, Washington Literacy, Medina Children's Services, Project LOOK, Kimball Elementary School, Youth Eastside Services, Children's Services of Sno-Valley, Our Place Day-care, Technology Access Foundation, Music Works Northwest

Relationship with grant recipients:

1. The SVP Volunteer Team (V-Team) is the core group of 6-10 SVP partners that work most directly with the recipient. These partners have interest in that nonprofit and have appropriate skills and time to do the needed volunteer work. Each team has a Lead Partner, who is the primary conduit between SVP and the recipient and the contact point for the V-Team partners.

2. A Lead Partner or V-Team member can call upon more than 200 other partners for a specific question, need, or connection.

3. Extended support represents relationships that SVP is developing with other organizations in the community that could be tapped to work directly with an recipient, including outside consultants in technological assessment and planning, fund development consulting, organizational assessment, and outcomes development.

Amount of staff-time per grant recipient per year: **600-700 hours annually per project.**

Seat on Board of Directors: **No**

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	–	–	–
Total capital pledged in fund:	\$800,000	\$1,200,000	\$1,500,000
Annual operating budget:	\$180,000	\$220,000	\$260,000
Total amount granted:	\$670,000	\$1,000,000	\$1,300,000
Number of grants made:	13	20	25

Funding Sources

Total number of investors: **275**

Distribution of funding sources: **All donors are individuals.**

Level of investor contribution: **Partners are required to contribute \$5,400 per year for a minimum of two years. To date, the year-to-year re-commitment rate of partners is 90%.**

Investor involvement with recipients: **Investors participate in grant committees, to determine where pooled funds are invested; on volunteer teams, to work with grant recipients; and in working groups, to build SVP infrastructure like the web site, communications, and the SVP board.**

Services provided to investors: **The Partner Education Group has designed three tracks of services offered to investors, corresponding to personal, family, or community interests.**

Beginning this year, SVP has also distinguished between three sub-tracks within each track:

- **Building Blocks:** sessions that introduce partners to a range of issues and help them to set objectives and make plans.
- **Taking Action:** sessions that help partners put their plans and objectives into motion, answering the question: How do you execute your philanthropy?
- **Inspiration:** great speakers who can inspire our hearts as well as our brains to more powerful philanthropy.

Does the fund accept private equities? **Yes**

Outcomes

Success measures for each grant: Each recipient is rated by Portfolio Grant Committee members based on year-to-year progress on organizational capacity, program outcomes, leadership, and vision, and based on an interview with the executive director and lead partner.

Success measures for the fund: The fund will be evaluated based on the success of grants, the partners' experience as participants, and expansion of personal philanthropy in the Seattle area.

Lessons Learned and Observations

Top lessons learned:

1. Venture philanthropy is hard and takes many years. Organizations that are not 100% committed shouldn't make the attempt. (It does have significant value when the right investments are made and the fit with the recipient is good).
2. Venture funds must be very self-analytical and in constant learning mode; they must also be open to outside criticism, other perspectives, and collaboration.
3. Venture funds must truly understand the business they are in and build people and infrastructure to support that business. Compared to a traditional foundation, grant-making is a much smaller proportion of the fund's work and added-value.

Biggest impediments to success: Managing growth of partnership (or more long-term, avoid creating structure and impediments that get in the way of or limit the partners) is a challenge to this model of venture fund.

Thoughts on changes to the field of venture philanthropy: The definition of venture philanthropy has blurred and diversified. A question to answer is whether it is a "fad, just cool for now" or whether it has serious, quality staying power.

Social Venture Partners of Greater Kansas City

c/o Greater Kansas City Community Foundation
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Secondary contact: Melanie Strobel

Fund Description and Structure

Date of fund incorporation: 2000

Fund mission: SVP-GKC is dedicated to building philanthropy and strengthening the nonprofit sector in Greater Kansas City.

Fund legal structure: Donor Advised Fund with the Greater Kansas City Foundation

Fund Management and Staffing

Affiliations or partnerships with other organizations: SVP-GKC has been launched with support from the Kauffman Foundation, Greater Kansas City Community Foundation, and Bank of America—Mason L. Dean Charitable Trust.

Lead executive: Jerry Kitzi, President

Full-time equivalent staff: 1.5

Staff organization: The executive director is on loan from the Kauffman Foundation and the secretary is on loan from the Community Foundation.

Staff function: The staff provides support to the investing partners, who provide the grantees with their time and talent along the model of VC investing.

Grant Selection, Assistance and Engagement

Subject focus for grants: The board has not yet selected focus areas (to be completed by December 15, 2000).

Geographical focus: SVP-GKC will focus on the Greater Kansas City metropolitan area.

Process for identifying grant recipients: Once focus areas have been identified, an RFP will be announced.

Funding decision process: Partners will review requests from organizations that are focused on the same areas the partners have selected. Organizations must have proposed a plan or an idea for

growth and must be willing to work with SVP in the venture philanthropy model.

Anticipated length of relationship: **SVP-GKC anticipates a 2-5 year relationship with annually renewable awards.**

Ongoing plan for grant recipient sustainability: **The relationship is designed to position the organization for sustainable growth. SVP-GKC will work to strengthen the management of the organization and help the organization gain competitive position within their market for greater chances for sustained growth.**

Grant size range: **SVP-GKC anticipates awarding grants from \$25,000-50,000 each year. The second fund, the Social Venture Capital Fund (to be launched later in 2001), will provide debt or equity for organizations that have presented business plans for social enterprises. No determination of investment size has been made to date.**

Organizations that have been funded: **No grants have been provided to date.**

Seat on Board of Directors: **No**

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	–	\$50,000	\$250,000
Total capital pledged in fund:	–	\$125,000	\$75,000
Annual operating budget:	–	\$238,000	\$490,000
Total amount granted:	–	–	\$125,000
Number of grants made:	–	4	8

Funding Sources

Total number of investors: **17 to date, 33 proposed**

Distribution of funding sources: **Partners make a commitment to contribute \$5,000 (minimum) per year for two years. Foundation grants range from \$25,000-\$50,000.**

Level of investor contribution: **Donors are required to contribute \$5,000 minimum, but there is no maximum.**

Investor involvement with recipients: **Investors in SVP-GKC are requested to provide time and talent as part of the commitment, in accordance with the VC model.**

Services provided to investors: **SVP exists, in part, to grow philanthropy. Therefore, partner education is provided to help each partner explore his/her own individual philanthropy.**

Does the fund accept private equities? **Yes**

Non-cash (in-kind) contributions: **SVP-GKC accepts transfers of stock.**

Outcomes

Success measures for each grant: **The partners will negotiate with each grantee as to measurable milestones of tasks that should lead to organizational growth. Each grant will be measured by progress toward each milestone. The second fund will provide debt or equity rather than grants. The success of each investment will be measured in milestones accomplished and ultimately by whether the debt has been repaid.**

Success measures for the fund: **The growth of the fund will indicate whether or not it is meeting the needs of emerging philanthropists. Secondly, the response to periodic evaluation as to the value of the fund will determine whether or not it is meeting the needs of nonprofits.**

Lessons Learned and Observations

Biggest impediments to success: **The biggest challenge is attracting investors, especially the younger emerging entrepreneurs who have the time to commit along with their financial resources.**

Thoughts on changes to the field of venture philanthropy: **Venture philanthropy has created space for the entrepreneur who wants to be more engaged with nonprofits and/or give back in a more substantial way than writing a check.**

Social Venture Partners, Arizona

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Secondary contact: Tom Fraker

Fund Description and Structure

Date of fund incorporation: 1999

Fund mission: SVPaz pools the collective financial, professional and human resources of its members to invest in innovative nonprofits by using a venture capital/entrepreneurial model to address difficult social challenges in selected focus areas in the Phoenix metropolitan area.

Fund legal structure: Donor Advised Fund

Fund Management and Staffing

Affiliations or partnerships with other organizations: Lodestar Foundation is underwriting startup costs. The Arizona Community Foundation has made a three-year grant (commencing January 2001) to underwrite a portion of SVPaz operating costs. SVPaz is an Arizona nonprofit corporation; funds are deposited in an SVPaz donor-advised fund at the Arizona Community Foundation to maintain tax-exempt status for contributions.

Lead executive: Tom Fraker, Executive Director

Full-time equivalent staff: 2

Staff organization: Executive Director and Assistant Director allocate tasks based on relative strengths. The Executive Director has overall responsibility for running SVPaz.

Staff function: SVPaz plays this role only in the sense that the staff disseminates information. The organization is more like a nonprofit executive director reporting to a board and coordinating activities. The staff does play the "General Partner" role in that it spearheads recruitment of new partners.

Grant Selection, Assistance and Engagement

Subject focus for grants: Education and child-related issues.

Geographical focus: The Phoenix metropolitan area.

<i>Process for identifying grant recipients:</i>	The investment committee performs due diligence in the focus area by web research, phone interviews and panel discussions. A grant brochure, with guidelines, is sent to approximately 1,000 schools and organizations. The mailing list is constantly expanding.
<i>Funding decision process:</i>	The investment committee establishes criteria based on its due diligence. Each applicant submits a two-page letter of inquiry to the committee; members rank responses, select finalists on submittal of more detailed proposals, conduct site visits and reports, and then select recipients.
<i>Anticipated length of relationship:</i>	SVPAZ commits to an initial one-year relationship, at the end of which each investee is evaluated for a longer-term (3-5 year) relationship.
<i>Ongoing plan for grant recipient sustainability:</i>	SVPAZ is just finishing its first year with recipients. The multi-year business plan with its long-term investees will contain an exit strategy. The fund anticipates likely exit strategies to include either long-term stable funding, merger, strategic partnerships, or revenue streams generated by the investee.
<i>Grant size range:</i>	Grants range from \$24,000-\$70,000 per year.
<i>Organizations that have been funded:</i>	Past recipients include eight children’s and educational agencies: Omega Academy Peer Solutions, The Wheel Council, I.C.A.N., Teen Lifeline, Angel Society, Family Habitat Garden, and Arizona Neighborhood Network Project.
<i>Relationship with grant recipients:</i>	Investors work with recipients. Outside consultants provide support to recipients.
<i>Amount of staff-time per grant recipient per year:</i>	Minimal
<i>Seat on Board of Directors:</i>	No

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	\$340,000	\$500,000	\$700,000
Total capital pledged in fund:	\$0	\$0	\$0
Annual operating budget:	\$100,000	\$100,000	\$212,000
Total amount granted:	\$200,000	\$300,000	\$500,000
Number of grants made:	6	6	6

Funding Sources

<i>Total number of investors:</i>	83
<i>Distribution of funding sources:</i>	All funds are generated from individuals except for Lodestar Foundation seed money and Arizona Community Foundation operating funds grant.

<i>Level of investor contribution:</i>	SVPAZ minimum is \$5,000, average is greater than \$5,000, and maximum is \$10,000, except for the founder who granted \$80,000.
<i>Investor involvement with recipients:</i>	Investors are encouraged to contribute intellectual capital—time and skills.
<i>Services provided to investors:</i>	SVPAZ provides education in the issues and philanthropy, an outlet for working in the community, and group participation in philanthropic activities.
<i>Does the fund accept private equities?</i>	No
<i>Non-cash (in-kind) contributions:</i>	Some non-partners are donating time, and some partners are supporting our marketing and web efforts. SVPAZ does not trade partnership status for in-kind contributions.

Outcomes

<i>Success measures for each grant:</i>	Success is determined by meeting established benchmarks and through anecdotal evidence of good relationships.
<i>Success measures for the fund:</i>	SVPAZ judges success by retention of partners, addition of new partners, and satisfaction of current partners as determined by survey responses.

Lessons Learned and Observations

<i>Top lessons learned:</i>	<p>SVPAZ has learned:</p> <ol style="list-style-type: none"> 1. There are many investors looking for a way to become “engaged.” They want to “follow the money.” 2. There is much to be gained from creating opportunities for recipients to get together for training and networking. 3. Organizing volunteers around skills—creating consulting teams to work with multiple recipients—is more productive than assigning individuals to work with only one recipient, especially with respect to capacity building.
<i>Biggest impediments to success:</i>	<p>SVPAZ has encountered three challenges:</p> <ol style="list-style-type: none"> 1. Identifying appropriate staff—those who have a business background, an understanding of nonprofits, the courage to try something new, and the patience to see it through; 2. Organizing the volunteer component of SVPAZ; 3. Spreading the word about the SVP concept.
<i>Thoughts on changes to the field of venture philanthropy:</i>	Venture philanthropy has become more high profile on a national level. The “lingo” is being integrated into traditional grant-making, and grant-makers are paying more attention to capacity building in general.

Social Venture Partners, Bay

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Fund Description and Structure

Date of fund incorporation: 2000

Fund mission: SVP Bay Partners seeks to develop philanthropy and volunteerism to achieve positive social change in the Greater San Francisco Bay area. Using the venture capital approach as a model, SVP is committed to giving time, money and expertise to create partnerships with not-for-profit institutions.

Fund legal structure: Donor Advised Fund and Private Operating Foundation

Fund Management and Staffing

Affiliations or partnerships with other organizations: SVPBay is affiliated with the San Francisco Foundation and the Sarosi-Kanter Foundation.

Lead executive: Lily Kanter, Founder

Full-time equivalent staff: None at this time, 1.5 planned by the end of 2001

Staff organization: Not applicable

Staff function: Not applicable

Grant Selection, Assistance and Engagement

Subject focus for grants: Youth and Education

Geographical focus: The greater San Francisco Bay area

Funding decision process: Grant recipients are identified by a grant committee of partners.

Anticipated length of relationship: 2-3 years

Ongoing plan for grant recipient sustainability: This plan is unknown at this point.

<i>Grant size range:</i>	Grants average \$100,000 annually.
<i>Organizations that have been funded:</i>	SVPBay has not made any grants at this point. The granting process will begin in January 2001.
<i>Relationship with grant recipients:</i>	To be determined
<i>Amount of staff-time per grant recipient per year:</i>	To be determined
<i>Seat on Board of Directors:</i>	No

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	\$0	\$0	\$500,000
Total capital pledged in fund:	\$0	\$0	\$0
Annual operating budget:	\$0	\$0	\$50,000
Total amount granted:	\$0	\$0	\$450,000
Number of grants made:	0	0	3-4

Funding Sources

<i>Total number of investors:</i>	100 (in 2001)
<i>Level of investor contribution:</i>	Each investor contributes \$5,000 per year for two years, and provides \$400 in operating expenses.
<i>Investor involvement with recipients:</i>	Investors are requested to serve on committees.
<i>Services provided to investors:</i>	SVPBay provides philanthropy education and networking opportunities.
<i>Does the fund accept private equities?</i>	Yes
<i>Non-cash (in-kind) contributions:</i>	Stock donations have been converted to cash.

Outcomes

<i>Success measures for each grant:</i>	Success for each grant will depend on the grantee.
<i>Success measures for the fund:</i>	The success will be based in measurable impact to the San Francisco Bay community.

Lessons Learned and Observations

Top lessons learned:

SVPBay has learned:

- 1. People want to give a lot of time, but when the time comes to participate, scheduling can be very difficult with busy executives.**
- 2. The nonprofit sector should be involved in all meetings.**
- 3. Outcomes beyond number metrics are important to include.**

Biggest impediments to success:

The largest impediment is the perception in the nonprofit sector of the venture philanthropy process.

Thoughts on changes to the field of venture philanthropy:

Venture philanthropy has become a hot, trendy field, and it will improve as knowledge about the practice increases.

Social Venture Partners, Boulder County

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Fund Description and Structure

Date of fund incorporation: 2000

Fund mission:

Social Venture Partners Boulder County seeks to develop philanthropy and volunteerism to achieve positive social change in Boulder County. Using the venture capital model, SVPBC is committed to giving time, money and expertise to create partnerships with nonprofit organizations.

The organization's goals are:

- To create a lasting culture of giving in Boulder County.
- To provide business expertise to the nonprofit community through partnerships.
- To track social return on investment using methods like outcomes measurement to ensure that our investments are creating positive social change.
- To promote cooperation and collaboration among nonprofits and avoid duplication.

Fund legal structure: Donor Advised Fund

Fund Management and Staffing

Affiliations or partnerships with other organizations: SVPBC is affiliated with the Community Foundation serving Boulder County.

Lead executive: Andrew Currie, Entrepreneur at Large, Co-Chair SVPBC; Amy Field, Co-Chair, SVPBC

Full-time equivalent staff: 0

Staff organization: Staff is provided by the Community Foundation, which works closely with SVPBC's co-chairs.

Grant Selection, Assistance and Engagement

Subject focus for grants: Pre-school education and youth development

Geographical focus: Boulder County, CO

- Process for identifying grant recipients:* **SVPBC is just starting its first grants process and is planning to accept applications for grants.**
- Funding decision process:* **The decision process is set by the Investment Committees, a self-directed subset of Partners of SVPBC.**
- Anticipated length of relationship:* **The length is to be determined, but estimated at 3-5 years.**
- Seat on Board of Directors:* **No**

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	\$0	\$130,000	–
Total capital pledged in fund:	–	–	–
Annual operating budget:	\$0	\$25,000	–
Total amount granted:	\$0	\$0	–
Number of grants made:	0	0	–

Funding Sources

- Total number of investors:* **26**
- Distribution of funding sources:* **22 individuals, two corporate foundation partner representatives, and two family foundation partner representatives.**
- Level of investor contribution:* **\$5,000 minimum**
- Investor involvement with recipients:* **Investors serve on organizational committees and work with nonprofit investors.**
- Services provided to investors:* **Staff provides education on local issues, the nonprofit sector, and philanthropy.**
- Does the fund accept private equities?* **No**
- Non-cash (in-kind) contributions:* **SVPBC has received computer hardware contributions and web design and hosting services for operations.**

Lessons Learned and Observations

- Top lessons learned:*
 - 1. Engagement with nonprofit investors seems to be the most attractive component to SVPBC partners;**
 - 2. The education provided to partners is valuable; and**
 - 3. Partners enjoy the social interaction with peers that the fund provides.**

Social Venture Partners, Calgary

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Fund Description and Structure

Date of fund incorporation: 2000

Fund mission: Social Venture Partners seeks to develop philanthropy and volunteerism to achieve positive social change in Calgary. Using the venture capital approach as a model, SVPC commits to giving time, money and expertise to create partnerships with not-for-profit organizations

Fund legal structure: Donor Advised Fund

Fund Management and Staffing

Affiliations or partnerships with other organizations: SVPC is affiliated with Social Venture Partners Seattle, Calgary Foundation, Calgary United Way, and Calgary Urban Project Society.

Lead executive: Brad Zumwalt, Founder

Full-time equivalent staff: 1.5

Staff organization: Staff organization is simple and flat.

Staff function: SVPC staff serve the traditional associate role.

Grant Selection, Assistance and Engagement

Subject focus for grants: Children and education K-12

Geographical focus: Calgary area

Process for identifying grant recipients: SVPC searches for applicants, and the fund accepts unsolicited requests. In addition, SVPC piggybacks on the grant-making process of others.

Funding decision process: SVPC forms a grant committee from investors, solicits grant applications, breaks down applicants onto a short list, and solicits detailed grant applications from the short list of candidates. From that group, the committees create another short list and conduct site visits. After those visits, the grant committee votes, and the board approves their recommendations.

Anticipated length of relationship: Anticipated length of grants is 3-5 years.

Ongoing plan for grant recipient sustainability: **The ongoing financing plan is for the recipient to graduate to larger permanent funders such as private foundations or the United Way, in addition to building its internal fundraising capacity.**

Grant size range: **The average grant size is approximately \$120,000 over 3-5 years.**

Organizations that have been funded: **SVPC has made no grants at this point.**

Relationship with grant recipients: **Partners work through a lead partner who establishes a work plan with the executive director.**

Amount of staff-time per grant recipient per year: **Approximately 240 hours per month.**

Seat on Board of Directors: **No**

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	\$0	\$300,000	\$600,000
Total capital pledged in fund:	\$0	\$500,000	\$500,000
Annual operating budget:	\$0	\$50,000	\$100,000
Total amount granted:	\$0	\$100,000	\$200,000
Number of grants made:	0	2	5

Funding Sources

Total number of investors: **60**

Distribution of funding sources: **Investments have been 100% from individuals.**

Level of investor contribution: **Investors contribute \$5,000 each per year.**

Investor involvement with recipients: **Investors are involved in grant-making committees, volunteer teams working with recipients, or SVPC infrastructure teams.**

Services provided to investors: **SVPC provides partner education events, seminars, and tours for investors.**

Does the fund accept private equities? **Yes**

Non-cash (in-kind) contributions: **SVPC does not plan to accept this kind of support.**

Outcomes

Success measures for each grant: **Each grant is evaluated by achieving measurable milestones as established by the executive director and SVPC work-plan agreement.**

Success measures for the fund: **The fund is evaluated by achieving measurable milestones as established by the executive director and SVPC work-plan agreements, as well as by the quality of partner education.**

Social Venture Partners, Denver

c/o The Denver Foundation
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 Denver, CO 80246

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Primary contact: Marlene Casini
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Phone: 303-300-1790, Ext.122

Fund Description and Structure

Date of fund incorporation: 2000

Fund mission: Using the venture capital model, partners of SVP Denver provide time, money and expertise to create partnerships with nonprofit organizations to achieve positive social change. Partners seek to assist nonprofits in eliminating the business challenges that the agencies face. This assistance comes in the form of a grant and a volunteer team, made up of partners who apply their business expertise to the needs of the nonprofits.

Fund legal structure: Donor Advised Fund

Fund Management and Staffing

Affiliations or partnerships with other organizations: Administrative and program support for SVPD is provided by The Denver Foundation.

Lead executive: Marlene Casini, Coordinator of SVP Denver

Full-time equivalent staff: 1

Staff organization: The staff member works with a Steering Committee of partners on strategic goals.

Staff function: The staff works to convene experts in the areas of funding priority and coordinate the grant-making process. Once SVP Denver selects its first grantees, the staff will evaluate partners' skills and abilities, matching them with the most appropriate agency.

Grant Selection, Assistance and Engagement

Subject focus for grants: Elementary Education and Youth Development (ages 12-18).

Geographical focus: The six-county metro Denver area

Process for identifying grant recipients: SVPD created a list of 400 Elementary Education and Youth Development agencies with the assistance of The Denver Foundation and the Colorado Association of Non-profit Agencies. The fund accepts letters of inquiry (LOIs) describing the agency and

how each fits SVP Denver's specific priorities. Select LOIs are asked to submit a full proposal and partners conduct site visits. The entire partnership votes on the top two agencies in each area. Volunteer teams then begin their work.

Funding decision process:

In the area of youth development, successful applicants will have three or more of the following characteristics:

1. Promote quality time with caring adults;
2. Provide a safe place for young people to learn or socialize;
3. Create activities that teach life skills;
4. Encourage youth to contribute back to the community; and
5. Involve youth in the design, implementation, and evaluation of the program.

In the area of elementary education, successful applicants will focus in one of the following areas:

1. Under-funded programs in Art and Music;
2. Parental Involvement;
3. Technology in Education;
4. Conflict Resolution; and
5. Teacher Training.

Anticipated length of relationship:

SVPD provides single-year grants with the intent to fund for three years.

Ongoing plan for grant recipient sustainability:

SVPD is currently evaluating its exit strategy.

Grant size range:

Grants are approximately \$60,000.

Organizations that have been funded:

The Spot, The Center for Visual Arts, Earth Force and Denver Scores

Relationship with grant recipients:

SVPD anticipates that volunteer teams will do hands-on work with the executive director and board of the grantee.

Seat on Board of Directors:

No

Funding Sources

Total number of investors:

63

Distribution of funding sources:

Funding comes 60% from partners and 40% from foundations (Piton, Coors, Denver foundations).

Level of investor contribution:

Investors contribute \$1,000 a year for three years.

Investor involvement with recipients:

Investors contribute to grant-making teams, building SVP Denver web site, and volunteer teams.

Services provided to investors: **All administrative costs are underwritten by The Denver Foundation.**

Does the fund accept private equities? **Yes**

Non-cash (in-kind) contributions: **Other than The Denver Foundation's underwriting, SVPD does not anticipate in-kind contributions.**

Outcomes

Success measures for each grant: **Grant success is determined by:**

- **Mutually established goals between grantee and SVP Denver are met.**
- **Positive feedback/experience from grantee.**
- **Positive feedback/experience from volunteer teams.**
- **Objective/subjective evaluations provided by grantees.**

Success measures for the fund: **Fund success is determined by**

- **Partner satisfaction.**
- **Grantee evaluations.**
- **Objective and subjective evaluations provided by grantees.**

Lessons Learned and Observations

Top lessons learned:

- 1. The nonprofit sector should not be compared on exact terms with the private sector.**
- 2. Human behavior takes time to change. Do not expect overnight success.**
- 3. Despite the lackadaisical stereotype that exists, most nonprofits know their field and are doing amazing work.**

Biggest impediments to success: **Getting partners to contribute more than just their money.**

Thoughts on changes to the field of venture philanthropy:

- **The definition of venture philanthropy has broadened. There are many projects and programs that call themselves venture philanthropy that would not qualify as such under a tighter definition.**
- **Instead of reinventing philanthropy, private sector participants in venture philanthropy projects will realize that the road of communication and value-add is two-way. The nonprofit sector can learn as much from the private sector as the private sector can learn from nonprofits.**

Social Venture Partners, Pittsburgh

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Fund Description and Structure

Date of fund incorporation: 2000

Fund mission: The Pittsburgh Social Venture Partners (PSVP) strives to make the following contributions to the region:

- Strengthen the connection between individuals in business and social responsibility opportunities, and link them to building entrepreneurial capacity within nonprofit organizations.
- Support nonprofits interested in exploring entrepreneurial principles and approaches in order to create new revenue streams that ensure long-term organizational health.
- Increase nonprofit organizations' ability to pursue strategic solutions to community challenges such as workforce development, the working poor, the digital divide, youth development, and homelessness.
- Contribute to the branding of the Pittsburgh region as a progressive community and active participant in the growing national dialogue on social venture philanthropy.

Fund legal structure: Donor Advised Fund

Fund Management and Staffing

Staff organization: A leadership team has been assembled to assist with event planning, member recruitment, issues leadership and support-generation for the initiative. That team consists of the following individuals: Chip Burke, Babs Carryer, Sanjay Chopra, John Denny, Bill Guttman, Rob Lang, Karen Lightman, Steve Robinson and Sandra Solomon

Grant Selection, Assistance and Engagement

Geographical focus: Pittsburgh region

Process for identifying grant recipients: PSVP plans to actively search out deserving grant recipients as well as accept unsolicited applications for funding.

Seat on Board of Directors: No

Funding Sources

Total number of investors: **0**

Level of investor contribution: **To be determined**

Services provided to investors: **PSVP will offer members a variety of ways to assist nonprofits, such as:**

- **Critiquing business plans and/or feasibility of a venture;**
- **Formulating strategies;**
- **Guiding a start-up venture;**
- **Providing direct professional services such as human resource planning, physical plant evaluation and legal counsel;**
- **E-mentoring or ongoing, in-person, leadership development counsel to a nonprofit executive;**
- **Providing financial support for predevelopment; and**
- **Creating access to potential long-term investors.**

Does the fund accept private equities? **No**

Non-cash (in-kind) contributions: **No**

Southern California Social Enterprise Initiative

606 S. Olive Street, Suite 2450
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Secondary contact: Peter Manzo, Executive Director

Fund Description and Structure

Date of fund incorporation: 1999

Fund mission: The initiative supports businesses established by nonprofit and social purpose organizations to create jobs and job-training opportunities for low-income, disabled and disadvantaged individuals. The mission of the Center for Nonprofit Management is to foster healthy neighborhoods and communities by improving the performance of nonprofit organizations addressing critical issues and serving underserved populations.

Fund legal structure: Public Charity

Fund Management and Staffing

Affiliations or partnerships with other organizations: The initiative has received funding support from a number of foundations including the Roberts Foundation, Rockefeller Foundation, Durfee Foundation, Weingart Foundation, ARCO Foundation and Penney Family Foundation.

Lead executive: Bruce Rosen, Project Director

Full-time equivalent staff: 1

Staff organization: Project Director reports to Executive Director.

Staff function: The initiative expects to begin providing multi-year financing to support nonprofit business development beginning in 2001. Thus far, support has been limited to providing technical assistance, training and business support services with only modest financing available to subsidize these activities. The staff also provides:

- Enhanced access to the business community.
- Assistance identifying new business opportunities and contracts.
- Expertise in areas such as accounting, marketing and strategic planning.
- Promotional and public relations support.
- Networking and collaborating opportunities.

Grant Selection, Assistance and Engagement

<i>Subject focus for grants:</i>	The Initiative supports nonprofit and social purpose businesses that create jobs and job-training opportunities for low-income, disabled and disadvantaged individuals.
<i>Geographical focus:</i>	Southern California
<i>Process for identifying grant recipients:</i>	To date, organizations have been identified based on their need and the opportunity for the services to make a significant impact. Thus far, financial assistance has been limited to subsidizing technical assistance and training costs. The initiative expects to begin offering grants and other forms of financial support beginning in 2001.
<i>Funding decision process:</i>	An application process is being developed.
<i>Anticipated length of relationship:</i>	The length of relationship is expected to be 2-5 years, depending on the specific capacity building objectives that are being pursued.
<i>Ongoing plan for grant recipient sustainability:</i>	Organizations will receive financial support from the initiative based on their ability to develop a business start-up or expansion strategy that can achieve self-sufficiency within five years. The enterprise activities must be able to demonstrate realistic potential to achieve at least a break-even result within this time frame or they will not be eligible for financial support. The initiative will provide non-financial support services and technical assistance to businesses that are surviving based on some philanthropic subsidy.
<i>Grant size range:</i>	The multi-year grant size for recipient organizations is expected to be in the range of \$100,000 to \$300,000, but this will largely depend on the pool of available funds, which has not yet been identified.
<i>Relationship with grant recipients:</i>	Supported organizations receive considerable direct assistance from initiative staff. When necessary, outside consultants are retained.
<i>Amount of staff-time per grant recipient per year:</i>	To be determined
<i>Seat on Board of Directors:</i>	No

Funding Sources

<i>Total number of investors:</i>	0
<i>Distribution of funding sources:</i>	To be determined
<i>Level of investor contribution:</i>	To be determined
<i>Investor involvement with recipients:</i>	To be determined
<i>Services provided to investors:</i>	To be determined

Does the fund accept private equities? **No**

Non-cash (in-kind) contributions: **None at present.**

Outcomes

Success measures for each grant: **Success will be based partially on financial results in response to the following questions: Did the enterprise make a profit? Did the enterprise achieve or exceed expectations?**

In addition, the initiative continues to work on developing a methodology to measure what has become generally known as social return on investment. Grants are measured against their answers to the following questions: What are the quantifiable social benefits that were realized through the operation of this business? Is there any cost or subsidy associated with operating the business? Does the business provide services or benefits to clients that are greater than the services or benefits that could have been provided to that same population through a different type of program with that same amount of money?

The initiative is working with a number of organizations to develop and implement more sophisticated and comprehensive tracking systems to quantify social benefits.

Success measures for the fund: **Success for the initiative will be based on the ‘double bottom line’ operating performance of the enterprises receiving financial and non-financial support: Did the supported enterprises achieve or exceed expectations? What are the cumulative financial results of the enterprises receiving support? What is the total ‘social return on investment’ for the enterprises receiving support?**

Lessons Learned and Observations

Top lessons learned:

- 1. Listen carefully! Venture philanthropists don’t always know what’s best.**
- 2. Sustainability comes from an organization’s predictable ability to fund its activities through a combination of earned revenues and more traditional philanthropic sources: foundations, government, corporations and individuals. The more diverse the funding base, the better.**
- 3. Venture philanthropy is not the solution to all of society’s problems.**

Biggest impediments to success: **The biggest impediment to success that the initiative has encountered is the need to raise sufficient funds to establish the financing component of efforts to support and promote nonprofit enterprise activity in Southern California.**

Thoughts on changes to the field of venture philanthropy: **Venture philanthropy appears to include any wealthy business person who wants to fund new or start-up nonprofit organizations instead of larger more established organizations. The venture philanthropy that refers to a style of supporting or partnering with organizations based on a long-term, hands-on, outcome-oriented approach will likely continue to attract engaged philanthropists looking to enhance their impact.**

Tiger Foundation

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Fund Description and Structure

Date of fund incorporation: 1989

Fund mission: Since its inception, the Tiger Foundation has focused on disadvantaged children and their families. Over time, our mission has evolved to focus increasingly on preventive programs. Thus, the foundation supports only those organizations working to break the cycle of poverty in New York City.

Fund legal structure: Private Independent Foundation

Fund Management and Staffing

Lead executive: Phoebe Boyer, Executive Director

Full-time equivalent staff: 3

Staff organization: The Executive Director and Program Officer are responsible for grant review. The grant administrator is responsible for monitoring specific grant requirements.

Staff function: The Tiger Foundation works closely with grantees on management, program design, and collaborations where appropriate and make recommendations. The foundation will hire consultants to provide technical assistance if needed in various areas, including board development, outcomes and financial management.

Grant Selection, Assistance and Engagement

Subject focus for grants: Tiger has three principal funding areas:

1. **Education:** focus on systemic reform of the New York City public school system.
2. **Job training:** help low-income and welfare-dependent individuals attain and maintain economic self-sufficiency.
3. **Social Services/Youth development:** early childhood intervention, family support and teen pregnancy prevention.

Geographical focus: New York City

<i>Process for identifying grant recipients:</i>	The Tiger Foundation accepts unsolicited applications and seeks out viable candidates.
<i>Funding decision process:</i>	A letter of inquiry leads to a full proposal. Organizations submit a detailed analysis of organization or program including management, program design, objective and measurable outcomes, and cost per client. The process includes site visits and a presentation to the foundation board. Funding criteria include: fit with funding priorities, outcomes, cost-effectiveness, replicability, and opportunity to leverage the investment of government or other private funders.
<i>Anticipated length of relationship:</i>	Each grant is a one-year commitment, however grantees are eligible to reapply for two consecutive years (total three years) and then must take a mandatory year off before they are eligible to reapply.
<i>Ongoing plan for grant recipient sustainability:</i>	If Tiger is one of the initial funders of a program, it is expected that other funders have been identified and secured by the time the grantee goes on hiatus from Tiger Foundation funding. The foundation always looks for leverage opportunities.
<i>Grant size range:</i>	Grant size is dependent on the need of grantee. The average grant size is \$80,000 per year. The foundation almost always provides general operating support.
<i>Organizations that have been funded:</i>	Twenty-seven grants have been given in the year 2000 alone.
<i>Relationship with grant recipients:</i>	The Tiger Foundation is involved with grantees intensely during the review and when managers believe they need additional assistance by means of an outside consultant. In addition, the Foundation has provided seminars for its grantees to help them strengthen management and their internal infrastructure.
<i>Seat on Board of Directors:</i>	No

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	—	—	—
Total capital pledged in fund:	—	—	—
Annual operating budget:	\$3,900,000	\$4,400,000	—
Total amount granted:	\$3,400,000	\$4,000,000	—
Number of grants made:	43	33 as of 11/00, 50 expected	—

Funding Sources

Total number of investors: **35**

<i>Distribution of funding sources:</i>	Funds come exclusively from individuals.
<i>Level of investor contribution:</i>	Contribution levels vary depending on the individual.
<i>Investor involvement with recipients:</i>	All trustees are active in the grant-making process, acting as a liaison to at least one grantee. Trustees review proposals and make site visits.
<i>Services provided to investors:</i>	Tiger Foundation trustees are advised on issues pertaining to the Foundation's grant making, as well as volunteer opportunities. In addition, at their request, the foundation makes referrals and recommendations regarding other organizations with which they may be involved.
<i>Does the fund accept private equities?</i>	Yes
<i>Non-cash (in-kind) contributions:</i>	We have received office supplies and equipment, clothing, etc. Everything is passed directly on to grantees.

Outcomes

<i>Success measures for each grant:</i>	The foundation assesses success according to the measurable outcomes of the grantees, the ability to replicate model programs internally and externally, and the ability to leverage additional support. (For example, if a proven home visiting program that reduces incidents of child abuse is originally privately funded and then picked up and supported by the local, state or federal government, the foundation considers that program a success.)
<i>Success measures for the fund:</i>	The foundation is successful if the majority of our grants improve the lives of their clients as stated above.

Lessons Learned and Observations

<i>Top lessons learned:</i>	<ol style="list-style-type: none"> 1. Successful management techniques do not belong to an individual sector, be it private, public or nonprofit. Effective, efficient management needs to be applied to nonprofits at all times. 2. Outcomes should not be measured because a grant-maker requires measurement, but rather they should be incorporated into the management of the organization so that services are constantly improved to meet the needs of clients. 3. Pay attention to the cost of programs.
<i>Biggest impediments to success:</i>	Poor management and a lack of trust between grantees and foundations.

Venture Philanthropy Partners

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Fund Description and Structure

Date of fund incorporation: 2000

Fund mission: Venture Philanthropy Partners is committed to helping develop and define the process of venture philanthropy to increase the level and effectiveness of giving in the National Capital region. Its mission is to apply strategic investment management practices to build stronger, more effective, sustainable organizations serving children. Investments will be made with two purposes in mind: first and foremost, to have a significant impact on the organizations in which it invests; and second, to learn how the venture philanthropy process can work most effectively so it can be shared with others nationally.

Fund legal structure: Public Charity as a support organization of the Community Foundation of the National Capital region.

Fund Management and Staffing

Affiliations or partnerships with other organizations: Working relationships established with the Morino Institute (which raised the capital and formed VPP), Community Foundation for the National Capital Region, Community Wealth Ventures, and McKinsey & Company. Have formed close working relationship with Edna McConnell Clark Foundation and New Profit, Inc.

Lead executive: Gary F. Jonas, Managing Partner

Full-time equivalent staff: Three currently, planning to be 6 in January 2001 (The partnership has had the equivalent of 3-4 FTE senior executives from the Morino Institute for much of 2000 during formation).

Staff organization: An investment team of partners oversees grant selection, due diligence, and managing the relationship. A Director of Assessments works with the investment team and focuses on coordinating outcomes for each investment.

Staff function: The managing partner oversees all fund activities, with each partner taking the lead in managing a portfolio of investments. As in a VC firm, they are accountable for the success of their portfolio. All partners will be available to provide support to all investments.

Grant Selection, Assistance and Engagement

<i>Subject focus for grants:</i>	Grants focus on building stronger organizations serving children to improve their lives through education, development and learning.
<i>Geographical focus:</i>	National capital region, which is defined as the counties of Northern Virginia, the District of Columbia, and the adjacent Maryland counties (Montgomery and Prince George's).
<i>Process for identifying grant recipients:</i>	Venture Philanthropy Partners will reach out broadly to the community to identify organizations that would qualify for investment and partnership with Venture Philanthropy Partners. Like high-end strategic investment management firms, it will not accept unsolicited applications for investment. Instead, it will use an extensive landscaping process to identify possible investment candidates.
<i>Funding decision process:</i>	<p>Investments for the first fund will be made to maximize the social rate of return by partnering with organizations that:</p> <ul style="list-style-type: none"> • Serve children in the areas of development, learning and education in the National Capital region; • Have a clear and focused mission, strong community support and outstanding leadership potential evident at the time of partnering; • Have the potential to significantly increase their impact on children through an enhanced strategy to build the capacity of their organization; • Represent the greatest potential to increase their impact on children's lives through the partnership and support of Venture Philanthropy Partners; • Have leadership/management that is committed to making the strategic changes necessary for the investment and partnership to be successful; • Provide integrated services to the extent needed to adapt to the various and changing needs of children and their families that they serve; • Are willing and able to invest the time in the due diligence phase to develop a strategic plan that highlights the key goals; and • Are willing to share what has been learned with other organizations across the country. <p>An extensive landscaping process has identified key organizations. Due diligence will focus on an organization's vision, leadership, capacity, product, and ability to work with VPP to grow to scale.</p>
<i>Anticipated length of relationship:</i>	Grants and investments are expected to last 4-6 years.
<i>Ongoing plan for grant recipient sustainability:</i>	Sustainability will be one of the key objectives, right from the outset with any investment partner. As part of the overall strategic plan to help develop the organization, a plan to develop the organization's financial sustainability will be implemented based on the organization's unique needs and assets. Options that will be considered may include developing a professional funds development capacity, confirming existing and securing new government and philanthropic funding, exploring expanded use of public/private partnerships, and, if applicable, creating revenue-generating opportunities from service and product revenue to cause-related marketing programs.

<i>Grant size range:</i>	VPP estimates that the average investment may be several million over a multi-year period, but recognize some may be smaller at under \$1 million and a few may be larger and as much as \$5 million.
<i>Organizations that have been funded:</i>	None. First funding will occur in the first quarter of 2001.
<i>Relationship with grant recipients:</i>	<p>Venture Philanthropy Partners will systematically assemble a mosaic of complementary skills within the organizations it funds. Its management staff, advisors and partners will include former operating executives, consultants, leaders in community and youth programs, as well as advisors and associates focused on children's issues. Venture Philanthropy Partners will also have in-house experts assisting its investment partners in financial matters, marketing and communications and outcome determination and metrics.</p> <p>It is important to emphasize that while Venture Philanthropy Partners will be actively involved with its investment partners, it will not be an intrusive or directive group. Instead, Venture Philanthropy Partners will work to assist management in implementing its agenda and view itself as a resource to the entire senior management team of an organization.</p> <p>Drawing on the experience and expertise of the partners and management team, Venture Philanthropy Partners will provide assistance to its investment partners on an ongoing basis in the following areas:</p> <ul style="list-style-type: none"> • Addressing organizational issues; • Helping to attract and retain key management and board members; • Assisting in the development of distribution and strategic alliances; • Developing and executing a development/expansion strategy; • Developing financial plans, improving funds development and helping to develop new revenue sources; • Developing the use and application of the Internet and information technology to strengthen the organization and magnify its reach and effectiveness; and • Providing access to industry experts and knowledgeable advisors.
<i>Amount of staff-time per grant recipient per year:</i>	For its first investments, VPP expects to devote 2-3 staff days per week of an investment partner (senior staff of VPP). Overall, a partner (and a supporting junior partner/associate) will spend up to 40% of their time in finding and assessing new investment opportunities, 50% of their time working with their existing portfolio of investments, and 10% of their time on organizational/management. The assumption is that a partner could effectively manage a portfolio of 3-5 active investments, built up over time.
<i>Seat on Board of Directors:</i>	Yes

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior year</u>	<u>Current year</u>	<u>Forecast next year</u>
Total capital in the fund:	\$0	\$0	\$35,000,000
Total capital pledged in fund:	\$0	\$31,000,000	–
Annual operating budget:	\$0	\$1,900,000	\$2,000,000
Total amount granted:	\$0	\$0	\$2,000,000-3,000,000
Number of grants made:	0	0	3

Funding Sources

Total number of investors: **29 as of 11/1/00 and projected 50-60.**

Distribution of funding sources: **Funds come 100% from individuals, private foundations or donor-advised funds.**

Level of investor contribution: **\$500,000 minimum to \$1 million average, \$4 million maximum. An important aspect of VPP’s funding is that the capital contributions of its investors is expected to be 100% available for investment funding. The Morino Institute, in addition to a \$4 million contribution coming from Mario Morino as part of the capital base, has funded the formation of VPP and operation through March 31, 2001, which approximates \$2 million and is committed to funding up to \$2 million per year for each of the subsequent two fiscal years. Based on the timing of the capital raised, the income yield on the financial investments of the undeployed capital will provide funding for the third and fourth fiscal years.**

Investor involvement with recipients: **Investors may provide expertise in capacity building, management assistance or systems development. It is likely that some investors will become members of the due diligence teams and may be on the boards. VPP will engage investors in analyzing alternative investments. In all cases where investors participate it would be under the direction of the lead VPP partner on that investment.**

Services provided to investors: **Educational seminars planned; monthly updates of activities; investor dinners and meetings in which investors are exposed to the grant recipients’ work and the process of venture philanthropy.**

Does the fund accept private equities? **No**

Non-cash (in-kind) contributions: **The Morino Institute, in addition to their funding of the VPP operational cost for formation and through its first two fiscal years of operation, has also contributed significant in-kind support in a range of areas to help form, incubate and operate VPP. This is already over \$1 million in contribution.**

McKinsey & Company is projecting to donate over \$1 million of in-kind services in the first year.

Outcomes

Success measures for each grant: **VPP and its investment partners will define outcomes and metrics prior to the beginning of each relationship. Along with the investment partner, VPP will define various milestones and measures of building capacity of the organization to help it grow to scale. Success will be defined by meeting goals and metrics agreed prior to and revised during the investment process.**

Success measures for the fund:

- **Venture Philanthropy Partners will have created highly effective, built-to-last, financially sustainable organizations that much more substantially achieve their missions.**
- **Venture Philanthropy Partners will be a preeminent, highly sought-after partner as a strategic investor in organizations serving children and as a co-investor and collaborator with the foundations, corporations and nonprofits supporting these organizations.**
- **Investors in Venture Philanthropy Partners will maintain and increase their support of Venture Philanthropy Partners, while advocating and adopting the concept as their preferred method for strategic philanthropy, therefore increasing and making more effective their overall charitable giving.**

Lessons Learned and Observations

Top lessons learned:

1. **In thinking about a long-term relationship with investment partners, the VP fund must share the burden of determining how the organization will maintain its new capacity after the end of funding.**
2. **For VP to make a major contribution, it must figure out how to also build the capacity of organizations that are run not by social entrepreneurs but by competent managers.**
3. **Investment to build the strength of an entire sector can be an excellent way to have significant impact.**
4. **Leadership is enormously important in the success of our investments – whether in the form of innovative social entrepreneurs or competent and aspiring leaders within established organizations.**
5. **Gaining the respect of the players within the community will be critical and can have a great impact on the ultimate success or failure of our investment.**
6. **VPP will have to educate both the nonprofit community and the investors in the fund. VPP will have to prepare those in the nonprofit world to accept more business-like practices. VPP will also have to tell its investors that change in the social sector occurs slowly and that business practices do not apply as fully to the nonprofit sector as business people assume.**

Biggest impediments to success: **Staff development. Finding great people to work at VPP as partners is challenging because the range of skills is broad.**

The biggest challenge for VPP will be finding appropriate investments that can be made in long-standing community-based organizations (as opposed to new organizations started by social entrepreneurs.)

Thoughts on changes to the field of venture philanthropy:

It appears that many people are referring to any contribution by new economy entrepreneurs or new economy-style contributions as venture philanthropy. In reality, VP is an expensive and time-consuming process and very few organizations have the staff or the external resources to support investments in true VP style.

Organizations Related to Venture Philanthropy

In the process of researching venture philanthropy organizations for *Venture Philanthropy 2001: The Changing Landscape*, we identified a number of funds and organizations that use similar techniques to support social change, but do not quite fit the definition of a venture philanthropy organization used in this report. In some cases they principally invest in individuals; in other cases their goal is a financial return on investment as well as a social return. However, by virtue of the outcomes they seek, the methods they use, and the lessons they have to teach, these organizations represent important players in the field of engaged investing for social change. Contact information and brief organization descriptions are below.

Ashoka

1700 North Moore Street
Arlington, VA 22209

Web site address: www.ashoka.org
1st contact: Bill Drayton
Email: info@ashoka.org
Phone: 703-527-8300

Ashoka's mission is to develop the profession of social entrepreneurship around the world. Ashoka searches the world for the best new ideas, championed by the most capable, innovative social entrepreneurs. These individuals are selected as Ashoka Fellows through a rigorous process. Ashoka invests in them financially and professionally, providing a living stipend for three years and a range of services, contracts and programs through its Global Fellowship.

Calvert Social Venture Partners

402 Maple Avenue West, Suite C
Vienna, VA 22180

Web site address: www.greenmoney.com/calvertventures
1st contact: John May
Email: calven2000@aol.com
Phone: 703-255-4930
2nd contact: Sinclair Dunlaw

Calvert Social Venture Partners believes that by providing financial and managerial support to young, socially responsible companies it can help create a new generation of American businesses—ones that realize the vision of simultaneously creating economic and social gains. The mission is to be a model institutional investor and innovator in the financial services field, and as such the organization will only invest in companies which demonstrate clear market and financial potential in areas that make positive contributions to the public good.

Community Development Venture Capital Alliance

9 East 47th Street, 5th Floor
New York, NY 10017

Web site address: www.cdvca.org
1st contact: Kerwin Tesdell
Email: ktesdell@cdvca.org
Phone: 212-980-6790

The Community Development Venture Capital Alliance (CDVCA) promotes the use of the tools of venture capital to create jobs, entrepreneurial capacity and wealth to advance the livelihoods of low-income people and the economies of distressed communities. The alliance is made up of 80 members, including approximately 40 community development venture capital funds. CDVCA's membership is made up of organizations from throughout the United States and the world.

The alliance believes that the combination of equity capital and related entrepreneurial and managerial assistance that community development venture capital funds can provide is a critical part of promoting the growth of local businesses and good jobs in distressed communities.

Creative Capital, Inc.

65 Bleecker Street, Seventh Floor
New York, NY 10012

Web site address: www.creative-capital.org
1st contact: Ruby Lerner
Email: ruby@creative-capital.org
Phone: 212-598-9900, Ext. 225
2nd contact: Leslie Singer, Ext. 226

Creative Capital is a national nonprofit organization that supports artists pursuing innovative approaches to form and content in the performing, visual, literary and media arts, and in emerging fields. The organization is committed to working in partnership with artists, providing them with advisory services and professional development assistance along with financial support. In return for Creative Capital's financial and managerial support, artists will share a portion of any proceeds generated by their projects. This will help in replenishing the fund and will enable Creative Capital to support more artists in the future. Creative Capital is committed to diversity in all its forms.

Denali Initiative

Manchester Craftsmen Building
1815 Metropolitan Street, Suite 250
Pittsburgh, PA 15233

Web site address: www.denaliinitiative.org
1st contact: Donnie Pomeroy
Email: dpomeroy@mcg-btc.org
Phone: 412-322-1773, Ext. 204

The Denali Initiative's mission is to improve the quality of life in communities and promote a standard of excellence in the social sector by:

- **Identifying leaders with demonstrated entrepreneurial potential and high ethical standards; and**
- **Accelerating and maximizing the effectiveness of these leaders through a rigorous social enterprise development program.**

The Denali Initiative is an opportunity for leaders in the nonprofit sector to become more entrepreneurial in their efforts to meet community needs. The program provides participants with the skills, tools and capital they need to implement outstanding social enterprise projects.

echoing green

198 Madison Avenue, 8th Floor
New York, NY 10016

Web site address: www.echoinggreen.org
1st contact: Holly Hendrix
Email: holly@echoinggreen.org
Phone: 212-792-8560

The Echoing Green Foundation is a private philanthropy whose mission is to first find, attract and invest in a diverse group of emerging public service leaders who plan to start and lead innovative, replicable and sustainable projects and organizations that will effect positive social change.

Second, the foundation's mission is to add value to the work of those leaders by providing or making available support and resources and by building a community of public service leaders committed to sharing their experience, knowledge and energy with each other.

The Echoing Green network currently includes over 300 fellows working domestically and internationally on a wide range of social issues.

Education Entrepreneurs Fund—New American Schools

1560 Wilson Boulevard, Suite 901
Arlington, VA 22209

Web site address: www.educationentrepreneursfund.com
1st contact: Keith J. Collar, Director
Email: KJCollar@aol.com
Phone: 703-908-0617
2nd contact: Dean Millot, Vice President

The mission of the Education Entrepreneurs Fund is to help comprehensive school reform providers build capacity by providing below-market rate financing on terms tailored to their particular needs. It provides credit products and services that may not be available to these providers through traditional channels. The Fund is also committed to providing financing for school districts and charter schools seeking to finance comprehensive school reform initiatives.

Jewish Venture Philanthropy Fund

c/o The Jewish Federation of Greater Washington
6101 Montrose Road
Rockville, MD 20852-4816

Web site address: www.jvpf.org
1st contact: Josh Bernstein
Email: jvpf@jewishfedwash.org
Phone: 301-230-7200
2nd contact: Mark Levitt

The mission of the Jewish Venture Philanthropy Fund (JVPF) is to identify and support initiatives which will have a significant impact on the quality of Jewish life, reinvigorate Jewish institutions, ensure a bright Jewish future, and leverage personal philanthropy through collaborative giving.

Rockefeller Foundation

420 Fifth Avenue
New York, NY 10018-2729

Web site address: www.rockfound.org
1st contact: Jacqueline Novogratz
Email: jnovogratz@rockfound.org
Phone: 212-852-8496

The Rockefeller Foundation is a knowledge-based, global foundation with a commitment to enrich and sustain the lives and livelihoods of poor and excluded people throughout the world.

The foundation has four goals:

- 1. Focus primarily on poor and excluded people.**
- 2. Take a global approach to grant-making.**
- 3. Aim to improve people's lives and livelihoods.**
- 4. Harness the best talent and the most appropriate knowledge.**

The Rockefeller Foundation is in the formative stages of a new, more hands-on philanthropic organization called GivingWell which will harness private initiative and resources to solve critical problems of the world.

Social Entrepreneurs Alliance for Change (SEA Change)

1816 Green Street
San Francisco, CA 94123

Web site address: www.sea-change.org
1st contact: Jim Pitofsky
Email: jim@sea-change.org
Phone: 415-359-1640

SEA Change was founded as a learning community and marketplace for social entrepreneurs that provides access to colleagues, collaboration and capital. SEA Change was deliberately targeted at bridging existing networks and supporting newly created networks of social entrepreneurs. Moreover, the founders intend SEA Change to be a magnet for those individual social entrepreneurs who are working alone and are not formally associated with any particular network.

Steven and Michele Kirsch Foundation

60 South Market Street, Suite 1000
San Jose, CA 95113-2336

Web site address: www.kirschfoundation.org
1st contact: Steve Kirsch
Email: questions@kirschfoundation.org
Phone: 408-278-2278
2nd contact: Michele Kirsch

The foundation invests in causes in which high-impact, leverageable activities can result in a safer and healthier world. Using whatever means are most effective, it works to solve significant problems and issues that place individuals, the world community, and the world itself at risk.

The foundation provides grants to worthwhile causes in which the Foundation's support can have a significant impact. It primarily makes grants that address causes, not symptoms, and finds solutions and cures.

The foundation engages in lobbying, advocacy and educational efforts to further Steve and Michele Kirsch's interests in medical developments, environmental progress, nuclear disarmament, political reform, and other areas.

The foundation is also committed to the vitality and well-being of its local community, Silicon Valley, and provides substantial financial support to the ongoing efforts of its nonprofit organizations.

Three Guineas Fund

1207 Indiana Street, Suite #1
San Francisco, CA 94107

Web site address: www.3gf.org
1st contact: Cate Muther
Email: info@3gf.org

The Three Guineas Fund promotes social justice by expanding access to opportunity in education and the economy for women and girls. It focuses on access for women to income and wealth-creating opportunities and empowering girls on the threshold of adulthood. The fund will support work with girls and women that provides resources and opportunities to help them make informed choices about their lives. The Three Guineas Fund values partnership and alliances between nonprofit organizations, the private sector, and government. All fund activities embody a theory of change and explore new approaches to social dilemmas. Projects with the potential for leverage—in partnership, replication or expansion—are the best match for investment.

The Three Guineas Fund's theory of change treats women's education and economic independence as the foundation of social equity and justice. The Fund sees investments in women and girls resulting in broad and deep impact on the civil sector, powerfully reinventing the economy, government, the labor market, and global health.

Urban Enterprise Fund

1111 N. Wells, Suite 502
Chicago, IL 60610

Web site address: www.urbanenterprise.org
1st contact: Doug Kenshol
Email: dkenshol@midamericaleaders.org
Phone: 312-573-8908

The Urban Enterprise Fund is a cutting-edge nonprofit organization with a mission to create jobs for the hard-to-employ: individuals with disabilities, ex-offenders, recovering substance abusers, people transitioning from welfare to work, and disadvantaged youth. The goal of the Urban Enterprise Fund is to support long-term integration into the workforce not by providing handouts, but by creating and expanding viable revenue-generating enterprises.

The fund achieves this goal by serving as a catalyst to start and expand companies (nonprofit and for-profit) that create supported-work opportunities. It provides loans, equity investments, management assistance, and access to corporate networks to enable its portfolio companies to succeed.

The goal of the Urban Enterprise Fund is to establish a model community development finance institution that can be replicated nationwide to generate opportunities for thousands of jobless and underemployed individuals.

W.K. Kellogg Foundation

1 Michigan Avenue East
Battle Creek, MI 49017

Web site address: www.wkkf.org
1st contact: Tom Reis
Email: tkr@wkkf.org
Phone: 616-969-2104

The W.K. Kellogg Foundation is a nonprofit organization whose mission is to apply knowledge to solve the problems of people. Since its beginning, the foundation has continuously focused on building the capacity of individuals, communities, and institutions to solve their own problems. Kellogg provides hands-on, capacity-building assistance to grantees.

Programming activities center around the common vision of a world in which each person has a sense of worth; accepts responsibility for self, family, community, and societal well-being; and has the capacity to be productive and to help create nurturing families, responsible institutions, and healthy communities. The foundation's philanthropy and volunteerism grant-making is aimed at increasing the ranks of new givers and nurturing emerging forms of philanthropy.

Appendix A: Fund Survey

Venture Philanthropy 2001: The Changing Landscape

Fund Contact Information

Organization Name

Address 1

Address 2

City, State Zip

Web site address

Contact 1

E-mail address 1

Phone 1

Contact 2

Fund Description and Structure

What year was fund incorporated?

Please provide a description of the fund's mission.

What is the legal structure of the fund? Is it:

- *Private Operating Foundation*
- *Public Charity*
- *Donor-Advised Fund*
- *Donor-Directed Fund*
- *Other* _____

Fund Management and Staffing

What affiliations or partnerships with other organizations does the fund have (i.e., with foundations, corporations, etc.)?

Who is the lead executive of the fund? (please provide name and title)

How many full-time equivalent staff members are employed by the fund?

How is the staff organized?

In what ways does your staff serve in the traditional venture capital role of a "General Partner" or "Associate"?

Grant Selection, Assistance and Engagement

Is there a subject focus for grants (i.e., K-12 education, environment, etc.)? If so, what is it?

Do you focus your grants geographically? If so, where?

What is the process for identifying grant recipients? Do you take applications for grants or do you find the appropriate organizations?

How do you decide which organizations to fund (process and criteria)?

What is the anticipated length of relationship with grant recipients?

After your intended funding period ends with a recipient, is there a plan for the grant recipient to sustain itself or continue with the capacity that has been built? If so, what is it?

What is the grant size range for each recipient over the full term of the grant? (i.e., if multi-year, what is the grant size over those years?)

Which organizations have been funded?

Please describe your working relationship with grant recipients, specifically the level of support you provide (For example, does your staff provide direct assistance? Do investors work with the recipients? Do you engage outside consultants to provide assistance?)

What amount of staff-time do you typically provide a grant recipient annually?

Do you typically take a seat on grant recipients' Board of Directors?

Fund Capitalization and Financial Information

Provided per fiscal year

	<u>Prior Year</u>	<u>Current Year</u>	<u>Forecast Next Year</u>
Total capital in the fund:			
Total capital pledged in fund:			
Annual operating budget:			
Total amount granted			
Number of grants made:			

Funding Sources

What is the total number of investors (donors) providing funding to your fund?

What is the distribution among individuals and/or private foundations, institutional funding from established foundations, corporations or others as a source of funding?

What is the level of contribution of the investors—minimum, average, maximum?

Besides funding, how else are investors involved, if at all?

What services, if any, are provided by your organization to investors?

Does the fund accept private equities?

What non-cash (in-kind) contributions have you received or do you plan to receive, and how do you envision using these contributions?

Outcomes

How will you assess success for each grant?

How will you assess success for the fund?

Lessons Learned and Observations

What are the top lessons that you've learned that would be of value for other venture philanthropists?

What have been the biggest impediments to success that you've encountered?

How do you think the field of venture philanthropy has changed over the past year? How do you think it will change over the coming year?

Is there anything else you would like to share with us that we have not addressed directly?

Venture Philanthropy Partners, Inc.

The mission of Venture Philanthropy Partners is to apply strategic investment management practices to build stronger, more effective, sustainable organizations serving children in the National Capital Region. Venture Philanthropy Partners will make its investments with two purposes in mind: first and foremost, to have a significant impact on the organizations in which it invests; and second, to learn how the venture philanthropy process can work most effectively so that knowledge can be shared with others nationally.

Venture Philanthropy Partners was created by the Morino Institute, in partnership with Community Wealth Ventures, The Community Foundation for the National Capital Region, and in conjunction with a group of New Economy business leaders led by Raul Fernandez, Mario Morino and Mark Warner.

The Morino Institute

The Morino Institute, a nonprofit organization, was created in 1994 to explore both the opportunities and risks to our society of the Internet and the New Economy it has fueled. The Institute works to understand how the Internet can be used to benefit society, empower organizations and individuals, and create opportunity. Specifically, the Institute is focused on:

- Closing social divides;
- Stimulating entrepreneurship;
- Advancing a more effective philanthropy; and
- Understanding the Internet and society.

Community Wealth Ventures, Inc.

Community Wealth Ventures is a consulting firm that assists in all aspects of entrepreneurial wealth creation for the social sector. Community Wealth Ventures provides consulting services for a broad range of clients in the nonprofit, corporate, and foundation arenas.

A Glimmer of Hope Foundation • Austin Entrepreneurs Foundation • Austin Social Venture Partners
The Broad Foundation • The Center for Venture Philanthropy of the Peninsula Community
Foundation • Dallas Social Venture Partners • The Edna McConnell Clark Foundation
• Entrepreneurs' Foundation • Entrepreneurs Foundation of North Texas • Entrepreneurs Philanthropic
Venture Fund • Entrepreneurs' Foundation of the Southeast Inc. • Flatiron Foundation • Full Circle
Fund • Global Partnerships • Great Bay Foundation for Social Entrepreneurship • James Irvine
Foundation Innovation Fund • Japonica Intersectoral Investment Bank • Kirlin Foundation/e-Fund
LLC • Milwaukee Foundation • New Profit, Inc. • New Schools Venture Fund • The Ovation Fund
• Rinconada Ventures Foundation • Robin Hood Foundation • Silicon Valley Social Venture
Fund • Social Venture Partners • Social Venture Partners of Greater Kansas City • Social Venture
Partners, Arizona • Social Venture Partners, Boulder County • Social Venture Partners,
Calgary • Social Venture Partners, Denver • Social Venture Partners, Pittsburgh • Southern
California Social Enterprise Initiative • The Roberts Enterprise Development Fund • Tiger
Foundation • Venture Philanthropy Partners • Social Venture Partners, Bay • A Glimmer of Hope
Foundation • Austin Entrepreneurs Foundation • Austin Social Venture Partners The Broad
Foundation • The Center for Venture Philanthropy of the Peninsula Community Foundation • Dallas
Social Venture Partners • The Edna McConnell Clark Foundation • Entrepreneurs' Foundation
• Entrepreneurs Foundation of North Texas • Entrepreneurs Philanthropic Venture Fund •

Morino Institute

11600 Sunrise Valley Drive
Suite 300
Reston, VA 20191
www.morino.org

Venture Philanthropy Partners, Inc.

11600 Sunrise Valley Drive
Suite 300
Reston, VA 20191
www.venturephilanthropypartners.org

Community Wealth Ventures, Inc.

733 15th Street, NW
Suite 600
Washington, DC 20005
www.communitywealth.com

Entrepreneurs' Foundation of the Southeast Inc. • Flatiron Foundation • Full Circle Fund • Global
Partnerships • Great Bay Foundation for Social Entrepreneurship • James Irvine Foundation Innovation
Fund • Japonica Intersectoral Investment Bank • Kirlin Foundation/e-Fund LLC • Milwaukee
Foundation • New Profit, Inc. • New Schools Venture Fund • The Ovation Fund • Rinconada Ventures
Foundation • Robin Hood Foundation • Silicon Valley Social Venture Fund • Social Venture
Partners • Social Venture Partners of Greater Kansas City • Social Venture Partners, Arizona
• Social Venture Partners, Boulder County • Social Venture Partners, Calgary • Social Venture
Partners, Denver • Social Venture Partners, Pittsburgh • Southern California Social Enterprise
Initiative • The Roberts Enterprise Development Fund • Tiger Foundation • Venture Philanthropy
Partners • Social Venture Partners, Bay • A Glimmer of Hope Foundation • Austin Entrepreneurs
Foundation • Austin Social Venture Partners The Broad Foundation • The Center for Venture
Philanthropy of the Peninsula Community Foundation • Dallas Social Venture Partners • The Edna
McConnell Clark Foundation • Entrepreneurs' Foundation • Entrepreneurs
Foundation of North Texas • Entrepreneurs Philanthropic Venture Fund • Entrepreneurs' Foundation of
the Southeast Inc. • Flatiron Foundation • Full Circle Fund • Global Partnerships • Great Bay
Foundation for Social Entrepreneurship • James Irvine Foundation Innovation Fund • Japonica
Intersectoral Investment Bank • Kirlin Foundation/e-Fund LLC • Milwaukee Foundation • New
Profit, Inc. • New Schools Venture Fund • The Ovation Fund • Rinconada Ventures
Foundation • Robin Hood Foundation • Silicon Valley Social Venture Fund • Social Venture
Partners • Social Venture Partners of Greater Kansas City • Social Venture Partners,
Arizona • Social Venture Partners, Boulder County • Social Venture Partners, Calgary • Social