

# Philanthropy News

THE MAGAZINE OF PHILANTHROPY NEW ZEALAND

ISSUE 74, AUGUST 2018

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## The road to impact

Stories and insights on funder strategy

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### Centre for Social Impact

The journey to  
effective philanthropy

### Michael and Suzanne Borrin Foundation

Making a difference  
through law

### Todd Foundation

Taking a new  
direction



Philanthropy  
New Zealand

*Tōpūtanga Tuku Aroha o Aotearoa*

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## From the Chief Executive

Kia ora koutou

While I've always liked Southwest Airline's founder Herb Kelleher's very pragmatic reminder: "We've got a strategic plan, it's called doing things", there's no doubt that exhortations to 'be more strategic' are as relevant to philanthropy and grantmaking as they are to any enterprise. If we don't know where we are going, how will we get there?

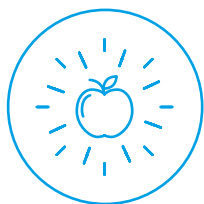
In this issue we explore strategy and offer some examples of the processes grantmaking organisations have used to develop their plans as well as the resulting strategies. I hope you enjoy reading about how philanthropist Barbara Blake approaches her giving, Hutt City Council's new strategy, the Michael and Suzanne Borrin Foundation's thinking on what a newly launched funder could achieve, Todd Foundation's new funding model and the way the MediaWorks Foundation strategy focusses on using the power of their unique talent and expertise to support community. The Centre for Social Impact—who have helped several PNZ members with strategy—also offer their reflections on what grantmakers need to consider when approaching strategic planning.

CSI will be bringing that experience to their grantmaking governance day in our upcoming Governance and Investment training for sector board members and trustees (16 and 17 October). The unique challenges of developing strategy to guide grantmaking make philanthropic governance quite different from corporate, government or even other not-for-profit governance. That's why we continue to work with CSI and other organisations like fi360, AMP Capital and Russell Investments to ensure that the professional development we offer trustees is focussed on the philanthropic world. Questions about our power, relationships, scope, and impact can only be answered in the context of giving money to others.

I hope the exploration of strategy you find in the magazine helps your thinking as we continue to improve our work and contribution to our communities.

**Tony Paine**

## Events



### Let's take a fresh approach

#### Governance & Investment training 16-17 OCTOBER AUCKLAND

At the request of our members, Philanthropy New Zealand, in partnership with the Centre for Social Impact are offering a new approach to governance and investment training for trustees on philanthropic and grantmaking boards that invest and distribute funds.

This training has been developed with a focus on the unique challenges of the sector and will support you in your mission to make a difference through grantmaking and investing.

Whether you're experienced or new to the sector, the new programme ensures fresh content that will challenge and extend your thinking about what it means to make a meaningful contribution to the governance sector.

For more info and to register go to [philanthropy.org.nz/events](http://philanthropy.org.nz/events)



### Philanthropy Summit 2019: The Future of Trust

15-17 MAY, 2019 TE PAPA, WELLINGTON

New Zealand's largest gathering of leaders in the philanthropic and grantmaking sector.

Please see [philanthropy.org.nz/events](http://philanthropy.org.nz/events) for more information and registration

## Sector News

### Reporting on collaboration

In 2014 at a Philanthropy New Zealand Youth Funders' Network meeting, funders were discussing opportunities for collaboration around foster care. It resulted in an incredible collaboration between Foundation North, The Tindall Foundation, Todd Foundation, and Vodafone NZ Foundation and led to the establishment of VOYCE—Whakarongo Mai.

In June, they shared the story, read it here [bit.ly/VoyceReport](http://bit.ly/VoyceReport)



### Celebrating three decades of making a difference

Happy Birthday to the TSB Community Trust, which celebrated 30 years of funding this May.

In 1990, the Trust's first year of grantmaking, \$161,000 was granted and today the Trust has contributed over \$127 million to Taranaki not-for-profit groups and individuals.



### Connect, collaborate, research and read

To help grow knowledge, build connections and encourage wider conversations among our sector, we have developed the digital PNZ Member Hub. This is a space for funding members to engage online, ask questions, share information and explore a library of local and international reading and resources.

We have introduced the Hub to our Family Philanthropy Network and are excited to now be extending the invitation to all our Networks. This is a free resource for our grantmaking and individual members.

Go to [PNZmemberhub.org.nz](http://PNZmemberhub.org.nz) to sign up!

If you've any questions, please contact Olivia Lacey at [Olivia@philanthropy.org.nz](mailto:Olivia@philanthropy.org.nz)



## Welcome to our new members

Auckland Airport Community Trust  
Barnardos  
Christchurch Foundation  
Palmerston North City Council  
Te Whānau o Waipareira  
Waikato Tainui



## Sector appointments

**Kate Thomas** is moving from Spark New Zealand to take the lead at **Spark Foundation**.

**Kelvyn Eglinton** was welcomed as the new CEO of **Momentum Waikato** in February. He was previously with the Hamilton City Council as General Manager City Growth.

**Lori Luke**, who has extensive experience in the commercial sector and working with charitable organisations, has recently joined the **Acorn Foundation** as General Manager.

**Wei Siew Leong** made the move from Kensington Swan Wellington to join **Nelson Bays Community Foundation** in February as Executive Officer.



## Government sector meetings

Philanthropy New Zealand continues to convene quarterly Government meetings. This is where invited sector leaders meet Government officials. These meetings are useful and constructive, resulting in invitations to our sector to engage with various Government departments and to gain a better understanding of each other's role. If you are a funder and would like to know more about the opportunities that arise from these meetings, please contact [tony@philanthropy.org.nz](mailto:tony@philanthropy.org.nz)



National Advisory Board launch. Tony Paine with Hon Peeni Henare, Minister Community and Voluntary Sector

## Strategy whakataukī and quotes



Ki te kāhore he  
whakakitenga ka ngaro te iwi  
Without foresight or vision  
the people will be lost

*Kīngi Tāwhiao Pōtatau Te Wherowhero*

However beautiful  
the strategy,  
you should occasionally  
look at the results

*Winston Churchill*

Knowing what must be done  
does away with fear

*Rosa Parks*

What's the use of  
running if you are not  
on the right road?

*German proverb*

Strategy 101 is about choices:  
You can't be all things  
to all people

*Michael Porter*

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# A generous strategy



*Top: Christina Barton, Director Adam Art Gallery and Barbara Blake*

*Left: Water confidence skills with Te Ara Moana Trust*

## Individual giving makes a difference for many

Wellington-based philanthropist Barbara Blake grew up in a family that believed giving enriches your life, it doesn't make you poorer. She recalls her father seeking opportunities where he could make a positive contribution to their community, such as the time he converted the abandoned school in their hometown into the much-loved Levin Adventure Park—an act of philanthropy Barbara says inspired and shaped her giving.

As an individual donor, Barbara isn't beholden to a committee nor has she been required to formalise a funding strategy, however that doesn't mean her giving isn't strategic or without structure.

Barbara says her funding's key objective is a simple one, to 'make a difference'—something she says you don't have to 'write big cheques' to achieve, but she says you do need to have a focus.

"There are so many great causes out there, I felt it was really important to identify focus areas to guide my decision making," says Barbara. These areas are health and well-being of youth, visual arts and the environment, which she says were selected based on her experience, interests and understanding of where there is a clear need for support.

Barbara has aligned these focus areas with the 'give where you live' mantra to shape her funding direction.

Examples of these include the Adam Art Gallery internship, which launched this year. It provides capacity building for the contemporary art space and helps launch a young career in the field. Others include the local DINE Academy which provides hands-on hospitality training for youth and the Te Ara Moana Trust which provides water safety and outdoor activities for youth in Porirua.

When it comes to giving, Barbara has two funding strands. One is an endowment fund with the Nikau Foundation, which she says provides great structure and support.

"They take applications from Wellington-based not-for-profits and create a shortlist based on my three focus areas. We go over these together and make a decision. I really trust their process." The other funding strand is personal giving. Barbara says that sometimes the funding opportunities flow on from Nikau Foundation granting or come about through her own research, both online and 'getting out there' in the community. She doesn't have a specific timeframe or amount, nor seeks applications. What she does look for are opportunities where she knows the funds will make a difference.

"I look to where I believe I can make a noticeable difference, make impact," says Barbara. "I'm looking to smaller organisations that are doing stuff well, but just need some backing in terms of resources or capability," she says. "They've got themselves together and they know what their purpose is, but with some extra funding they could do better."

Having a connection with the organisations is also key. It's this connection that enables Barbara to gauge whether the funding was successful.

"I'm not looking for praise, I don't expect funding recipients to report back, and I don't want to see their financials, but having the organisation invite me to connect with them and witness that the funds are being used maintains my confidence in what they are doing, and in my decision making."

Along with seeing that the funds have made a positive difference, Barbara is also quick to point out another outcome, invaluable to her, is that she has gained much satisfaction through giving.

"I've got much more back than I've given out. I've given out cold cash, but I've got back such a lot of different experiences, meeting different people, being involved in different things that I didn't even know about. So it's been hugely rewarding for my life in general."

# Legally philanthropic

## Making a difference through law

What is 'strategy' anyway? Strategy has become one of the most overused words in professional life. Everyone wants to be seen as 'strategic', and every organisation seems to have a 'strategy' or 'strategic plan' these days. At the Michael and Suzanne Borrin Foundation, we do not have a document titled 'Strategy'. This article shares the work that led to the launch of the Borrin Foundation. It is an attempt to share some 'working assumptions' about our approach and hopefully spark conversation and feedback.

### Start with the 'why'

'We believe law is essential to a flourishing society—one that is just, inclusive, tolerant and free. Our vision is of an Aotearoa New Zealand where everyone understands the role and value of the law, and everyone enjoys the protection and opportunity that it provides.'

That is our 'vision' statement. It was the result of insightful and thoughtful discussion by the Foundation's Grants and Scholarships Committee—who are leading members of New Zealand's legal profession. The vision looks back as well as forward, and speaks to why the Foundation exists.

It looks back to the Borrin Foundation's roots and 'origin story'. This story begins with Michael and Suzanne Borrin, a young Jewish, Polish couple who came to New Zealand in the 1930s. The tragedy of losing their Jewish family and friends in the death camps and persecution of Jews in World War II left Michael and Suzanne with deep gratitude to New Zealand for providing them with safe refuge. It also left Ian, Michael and Suzanne's only son, with a sense of the importance of the rule of law for a flourishing society.



*Grants and Scholarships Committee and Philanthropic Advisor.  
(from left) Michelle Wanwimolruk, Sir Terence Arnold, Richard Caughley, Mark Hickford, David Goddard, Kathryn Beck.*

Our vision also looks forward. Ian wanted to give a gift to all of New Zealand—for our future. This gift reflects Ian's belief that the law should be a force for good. As a lawyer, a Family Court judge, and the head of the Police Complaints Authority, he cared deeply about people and how law affected real people's lives. The Borrin Foundation exists to make positive change in New Zealand, specifically through the law and the legal system.

Our vision lies at the heart of our grantmaking. The spirit and intent behind Ian's generous act serves as a touchstone for our work. Wise advice received was to 'start with the why'—know your story and roots as they contain the 'spirit' of your work.

### Study and learn from others – the 'how'

The Borrin Foundation is here to make a difference to the lives of New Zealanders, through the law. We do this by supporting legal research, education and scholarship through effective philanthropy. But what does 'effective philanthropy' mean?

And how do we go about doing this? We are clearly the 'new kids on the philanthropic block' and have had a lot to learn.

We set about learning from thought leaders and studying leading practices in philanthropy in both New Zealand and overseas. A big thank you to all the people who generously shared their time, advice, and resources with us. A shout out to colleagues at J R McKenzie Trust, Next Foundation, The Tindall Foundation, Todd Foundation, Wayne Francis Charitable Trust, Vodafone NZ Foundation and Foundation North, among numerous others (word limit means I can't mention you all!).

We have also been influenced by the approach of overseas philanthropic foundations, including: MacArthur Foundation, Open Society Foundations, Laura and John Arnold Foundation, Mulago Foundation and the Edge Funders Alliance. While they fund in different areas and on a different scale, all these grantmakers are ambitious in their vision for social change.

There was also a lot of reading and research: countless hours on the internet, reading the myriad of research reports, working papers, *Stanford Social Innovation Review* articles, resources from GEO (Grantmakers for Effective Organizations), the Foundation Centre, Ford Foundation, Hewlett Foundation etc. (Big thanks also to PNZ for pointing out great resources, people, or providing access to subscription-based articles! If you're not a member of PNZ, do join!) I highly recommend two books: *Do More Than Give* and *How Change Happens*. There is a wealth of literature and knowledge about modern philanthropy and social change—including 'systems grantmaking', 'participatory philanthropy', 'catalytic philanthropy', strategic philanthropy, venture philanthropy and ecosystem grantmaking.

However, intellectual learning gives us only intellectual knowledge. Having an intellectual knowledge of philanthropy is akin to memorising and studying books on parenting. Even if we've studied parenting deeply, we won't know how to raise a child until we've done it ourselves.

## The importance of people and getting out there in the 'field'

Another essential part of the process of setting up the Foundation was broad stakeholder engagement. We talked with many people with an interest in, or expertise about, how New Zealand's legal system affects the lives of real people. Our stakeholder engagement work encompassed NGOs, academics, public sector agencies, members/former members of the judiciary, lawyers, and people in communities. 'Key experts' were also invited to meet with the Grants and Scholarships Committee. Memorably, an 'educational roundtable' about the criminal justice system and Māori included guests Moana Jackson, Kim Workman, JustSpeak, and people with lived experience of prison and the criminal justice system.

Through the stakeholder engagement and reaching out to wider networks, we found ourselves doing 'proactive grantmaking' (possibly before we even knew what the term meant!).

We found great projects, great people, and great ideas that needed financial resources to make great impact. This happened iteratively and sometimes somewhat serendipitously. When the Grants and Scholarships Committee indicated an interest in certain projects or areas, I worked collaboratively with the potential grantees on proposals for funding.

We believe that a grantmaker is only as good as its grantees. We also use the word 'do-ers' instead of 'grantees'. We may be the grantor, but they are the do-ers. And a dynamic relationship results when we both understand the value each of us bring to our joint endeavour. The do-ers are the people who contribute to our shared vision. He aha te mea nui o te ao. He tāngata, he tāngata, he tāngata! What is the most important thing in the world? It is people, it is people, it is people!

## 'Reflective practice' – a fancy term for making it up as you go along!

The Borrin Foundation was launched in February 2018 at the Supreme Court. At the launch we announced the two areas that our grantmaking will focus on: the criminal justice system, and family law. These are areas where the law is not serving New Zealanders well. We will approach our funding of these areas with both a proactive and reactive approach to our grantmaking. At the event we also announced \$1.7 million worth of grants across five inaugural grant projects (see our website for more information).

This event was also an example of the 'do more than give' approach. Our launch was attended by the Chief Justice, the Governor-General, various Government Ministers, Supreme Court Justices, and many other 'distinguished guests'. We brought people together and shone light and attention on an important issue in New Zealand that goes to the heart of our values for social harmony, equality and justice. Among Western developed nations, New Zealand's incarceration rate is second only to the United States, and Māori are disproportionately represented in our prisons.

It turns out that our 'make it up as we go along' strategy is actually a strategy known as 'reflective practice'. Duncan Green, the author of *How Change Happens*, says that when you work in complex systems you need to learn as you go through trial and error. Rather than thinking of strategy as a single plan built on predictions of the future, we should think of strategy as a portfolio of experiments that compete and evolve over time.

The Borrin Foundation is in its infancy. Being new, we have fresh eyes and are willing to experiment and learn as we go. Some might say that things will soon settle down into 'business as usual'. I certainly hope not. Being strategic entails being flexible and alert to changing contexts and opportunities. Anyone or any organisation that seeks to be strategic needs to continuously evolve and push boundaries, and go to the new frontiers. Not just in the early stages, but always.

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Article by

Michelle Wanwimolruk,  
Philanthropic Advisor,  
Michael and Suzanne  
Borrin Foundation

[borrinfoundation.nz](http://borrinfoundation.nz)



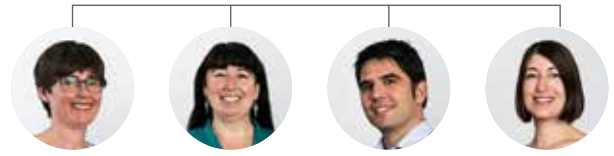
**NIKAU FOUNDATION**

*The Borrin Foundation's trustee is the Nikau Foundation—a community foundation inspiring generosity. The Nikau Foundation is responsible for the administration of the Borrin Foundation, including oversight of its investments and ensuring its long term financial security.*

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# A new way of working

TODD FOUNDATION STAFF



Valerie Williams Christina Howard Seumas Fantham Susie Schwartz

## Todd Foundation changes funding strategy

After 45 years of running open grant application rounds the Todd Foundation is now pro-actively seeking funding partners to create sustainable, long-term social change.

When the Todd Foundation staff and board got together for their regular three-yearly strategic review in 2016, they had little idea that they were about to embark on a process that would fundamentally change the way they worked.

Executive Director Christina Howard says the board had already agreed the review should focus on the way the Foundation funded. “We were happy with our vision and focus on children and young people. So I expected the review would identify some improvements to make our existing funding programmes work better for applicants.”

Instead they ended up developing a completely new funding strategy which does away with competitive application rounds in favour of pro-actively seeking out communities, organisations and collectives to partner with.

Christina says the key to the new strategy was clarifying the Foundation’s purpose, then figuring out how to use its resources to best achieve that purpose.

“We thought really hard about our unique strengths as a family philanthropic, based in Wellington but funding throughout New Zealand. We also wanted to help make a difference at a systemic level, to help deal with the causes of problems rather than the symptoms.”

Coming out of the review, the Foundation has a clear purpose—to resource communities to create sustainable, long-term change for children, young people and families. It will do this through three main funding streams:

1. **Change:** the largest funding stream which supports co-ordinated, community-led action for change in selected focus areas.
2. **Collaboration:** provides funding for collaborative alliances with other funders.
3. **Capability:** provides funding for key organisations to provide capability support to the community sector.

The Foundation started working under the new model in January. But to help with the transition they deliberately pre-committed a large proportion of their 2018 funds.

“We wanted to give ourselves time to bed in the new strategy, which requires much more upfront work to understand our focus areas and build relationships. We also needed to honour the commitments we had made to organisations under our old strategy.”

## A new way of working

It’s been a leap into the unknown as staff and board adjust to the fact that their work is no longer driven by funding-round closing dates.

While the lack of this familiar structure can be a bit daunting, staff are enjoying having more time to engage with communities, develop deeper knowledge of issues and provide support to funding partners. The board also has more time to engage in strategic discussions.

“We’re able to look up and out at what’s happening here and overseas. We’re also really aware that we have to drive our own activity, step up our outreach and keep doing the work required to get funding out into the community.”

What partly drove the change was a statistical analysis which found that over the previous decade the number of applications the Foundation received had increased tenfold—but the chances of success had dropped from over 50% to under 15%.

The figures struck a chord with the board. They were concerned about the amount of time organisations were spending on unsuccessful applications—and how much time staff were spending assessing them.

“They were really aware that with so many applications coming in it had become very transactional. They could see we had a highly skilled team with great relationships and lots of knowledge. But they spent most of their time processing forms. Was that really the best expression of how the Foundation could be supporting communities?”

The board could also see that running open application rounds encouraged competition rather than encouraging organisations to work collaboratively or strategically together.

“We knew that many organisations in the community sector were also frustrated by competitive funding models and were interested in finding new ways of doing things.”





# How it works

“The new strategy was clarifying the Foundation’s purpose, then figuring out how to use its resources to best achieve that purpose.”

Christina Howard

## Figure out what you’re looking for

For Christina, an SSIR article by US philanthropist Kevin Starr, director of the Mulago Foundation, was fundamental in shaping the change. *The Lazy Funders Guide to High-yield Philanthropy* suggested six ways to do ‘more with less’. Number one was ‘Figure out what you’re looking for—then act’.

Starr also advised against taking proposals—‘Proposals are a hassle to write, an ordeal to read, and still don’t give us what we need.’—and advocated for giving unrestricted funding.

It was a lightbulb moment for Christina, who sent the article to the board before their 2016 strategy session. And it eventually saw her visiting Kevin Starr at the Mulago Foundation in San Francisco, as well as two other Californian foundations, the Peery Foundation and the Whitman Institute.

“I was really struck by their focus on sustainable change, long-term funding and trust-based relationships. They all looked for ways they could support their funding partners beyond just giving money.”

To help develop the new strategy the Foundation also ran two one-day hui with funding recipients to get some blue-sky thinking about how to make the change.

“Most people at the hui could see why we wanted to make the change, and they challenged us to think about our ‘higher purpose’ and how we could do funding differently.”

Not surprisingly, some organisations were concerned that moving away from open applications would close off a potential source of funding. However, as Christina points out, the Foundation will continue to provide the same amount of funding, it will just be doing it in a different way.

## Pilot initiative provides lessons

While the strategy is new, Christina says that in hindsight they had started working towards it in 2014, when they began their youth employment initiative. Programme leader Seumas Fantham spent about a year researching youth employment issues and solutions in New Zealand and overseas. He travelled the country to identify regions with both high youth unemployment and an appetite and ability to work in different ways.

“It was basically a pilot for the new strategy,” says Christina.

Ultimately the Foundation ended up supporting youth employment strategies and initiatives in Eastern Bay of Plenty, Tairāwhiti, and Lower Hutt.

Youth employment is now officially the first change project being funded under the new strategy and work has started on a second change project, focussing on fairer futures for children and whānau. It’s being developed through a five-step process (see panel) and the first significant funding will be allocated next year. Programme leader Susie Schwartz is currently in the exploration stage of the process.

Christina says they’re still finding their way with the new strategy, and while they’re relishing the challenge she realises it’s not the right approach for everyone.

“For some funders open application rounds will still make sense, and there’s room for a whole spectrum of funding. But as a sector I think we need to be creative and find more effective ways to support our communities. I’m looking forward to working with other funders to do that, and sharing the learnings as we go.”

The Todd Foundation pro-actively seeks out communities, groups and collectives to partner with under three main funding streams—Change, Collaboration and Capability.

The largest of these is the Change funding stream. It supports co-ordinated, community-led action for change in selected focus areas. Funding for these focus areas is allocated using a five-step process:

### 1 FOCUS

Determine the change issue.

### 2 EXPLORE

Carry out deep research into the issue using data and conversations with thought leaders and local leaders. Identify community readiness, energy and opportunity.

### 3 ENGAGE

Work with communities to understand their key issues and desired outcomes. Develop a long-term strategy and funding model for transformative change.

### 4 PARTNER

Provide long-term, flexible funding to support change.

### 5 REVIEW

Assess whether to continue funding, celebrate achievements and acknowledge and share what’s been learned.

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# Preparing for impact

The Centre for Social Impact helps grantmakers and funders invest for impact, and enables their community partners to turn that investment into inspiring and sustainable change.

## The journey to effective philanthropy

The Centre was established as a social business in 2014 by Foundation North to support the development and impact of its own high-engagement philanthropy, alongside supporting the work of other foundations, individuals and organisations investing for social impact. Four years on, the Centre is delivering on its mission, working with philanthropic organisations across New Zealand and Australia.

Having a 'helicopter view' of the philanthropic sector allows us to understand the common challenges that trusts and foundations often encounter whilst trying to serve their communities. It also enables us to capture learning and good practice, which we use to co-design strategies, tools and approaches that can support philanthropic organisations to more effectively articulate and deliver on their intentions for impact.

In this article, we map a typical development journey for a philanthropic organisation that wants to explore the role(s) that it could play and the investment approaches that it can take to best serve its communities and deliver on its vision for impact.

## Preparing for the journey

Most philanthropic organisations in New Zealand exist to benefit communities and achieve some type of intergenerational impact. However, no two philanthropic organisations are the same—and so how, where and why they achieve impact must be shaped by the organisation's unique vision, attributes and positioning. We encourage organisations to engage in a process of thinking deeply about the values, principles and attributes that underpin their organisation. We think about this as unpacking or mapping organisational DNA.



Kat Dawnier,  
CSI Associate

This process helps organisations to make the invisible, visible—to be clearer about the type of impact an organisation might want to achieve, the scope and focus of their potential role in achieving this impact, and the values that should steer the way they work in fulfilling this role.

Our experience shows that trustee engagement with this process is critical. Where board and staff are clear and aligned in understanding the organisation's identity, attributes and overall direction, there is a strong basis for effective strategy design and funding practice—and strengthened organisational culture.

## Key questions that support readiness for impact philanthropy:

- What defines our identity or style of giving?
- What organisational values do we have, and how should these influence the way we work?
- Are there aspects of our organisation that we want to adapt? What is our appetite for change?

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“Something we did, probably about three years ago, was develop organisational values. Some core values around how we will be, how we will behave. That has been really important, because there have been different times where the Trust could have made a grant or could have acted in a certain way but you can come back and say ‘If we do that, what does that mean to our core values? How are we adhering to our core values if we do that?’ It grounds you. So I think core values are really important, and we worked to develop those with the trustees.”

Maria Ramsay  
Chief Executive, TSB Community Trust—a Centre for Social Impact partner organisation

## Setting a course

For philanthropic organisations that have started thinking about their role and their aspirations for impact, designing a fit-for-purpose strategy is a key next step. While there is no set definition of what a 'fit-for-purpose' strategy might look like, our experience highlights these three key ingredients for effective strategy design:

“Over the years, we have developed a very strong practice centred around high engagement and the principle that we don't know best; the people working with young people know best, and the young people themselves. So we said to ourselves, if we were reframing our Foundation's strategy, that principle means we should go out and talk to those constituents. So that is what we did.”

**Antony Welton**

*Chair, Vodafone NZ Foundation—a Centre for Social Impact partner organisation*

1

### **Strategy should be evidence-informed.**

This means understanding the issue or community that an organisation is seeking to impact well enough to design strategy that is more likely to deliver positive results.

The strategy evidence base may include, for example, an analysis of population data that pinpoints where the greatest community needs exist, or a review of national/international publications to provide insights into the characteristics of good practice.

#### **Key questions that support the development of evidence-informed strategy:**

- What can we find out about the needs of the communities that we are trying to serve?
- Does evidence show us that there are particular issues within our community that we should prioritise?
- If there is a specific issue that emerges, how have other organisations addressed this issue effectively? If so, what were the characteristics of their approach that made it effective – and how might we learn from this?

2

### **Strategy should be relevant and responsive to an organisation's stakeholder communities.**

This means designing strategies that aren't just needed by the community, but are wanted by the community and reflect their aspirations well.

Philanthropic organisations can use various tools to help them better understand their communities. These include co-designed community engagement hui, hosting local or regional forums, and targeted interviews with key community stakeholders. This activity not only strengthens an organisation's mandate, but can help it to identify and strengthen key relationships that can support the organisation in achieving its vision.

#### **Key questions that support the development of community-responsive funding strategy:**

- How can we ensure that we understand and better meet the aspirations of Māori and Pasifika communities?
- What are the key challenges that our communities are experiencing?
- What are the potential solutions that our communities would like to see developed or invested in?
- What role do communities see our organisation playing in addressing these challenges or enabling these solutions? What type of funding approaches might be needed?

3

### **Strategy should be relevant to an organisation's unique values, attributes and positioning.**

This means designing strategies and funding approaches that are appropriate to the trust or foundation's context i.e. strategies that consider values, and have potential to make the most of strengths, assets, resources, and relationships.

The Centre has supported organisations to finalise strategies and funding approaches that 'make sense' of evidence, of community feedback and of their unique opportunity to achieve impact.

#### **Key questions that support the development of vision and values-aligned funding strategy:**

- Of the funding approaches that are known to be effective in relation to the issue or community that we are trying to positively impact, which are we well-positioned to adopt or test?
- What does our ecosystem look like—i.e. who else is engaged in addressing this issue or working with this community? What might our unique role be alongside this?
- Which funding strategies or approaches are most aligned with our organisational values and strengths?
- How can we make the best use of our assets and resources?

## Learning to navigate

Designing effective strategy is just the start of a trust's or foundation's journey towards impact philanthropy. Across the sector, new funding approaches for investing in impact are emerging—from venture philanthropy models to innovation funding and impact investing. This is creating growing momentum towards multi-year and targeted grants, complementing the established grantmaking approaches.

Many of the funders that we have been working with over the past four years have adopted portfolio models of funding, maintaining a traditional grantmaking programme while they explore more flexible funding approaches that enable them to work alongside communities to address complex problems.

Making this flexibility work in practice requires good policies, tools and assessment processes that enable staff and trustees to:

- Recognise community organisations and funding opportunities with high alignment with their strategy, and with high potential for impact
- Determine the right kind of financial and non-financial supports to accelerate those opportunities.

In addition, the Centre has been working with philanthropic organisations to design fit-for-purpose monitoring, evaluation and learning strategies that enable funders to understand the specific impacts that are leveraged through the financial and non-financial supports that they have provided. The insights obtained through evaluation and learning activities help philanthropic organisations not only to demonstrate impact, but to explore the wider implications for ongoing strategy and preparing for the next stages of the impact journey.

### Key questions that provide insight to support ongoing strategy design:

- How well-aligned was our grantmaking to the intentions of our strategy?
- Are we reaching the communities we intended to engage with?
- What was the experience of our high engagement or innovation-type funding recipients?

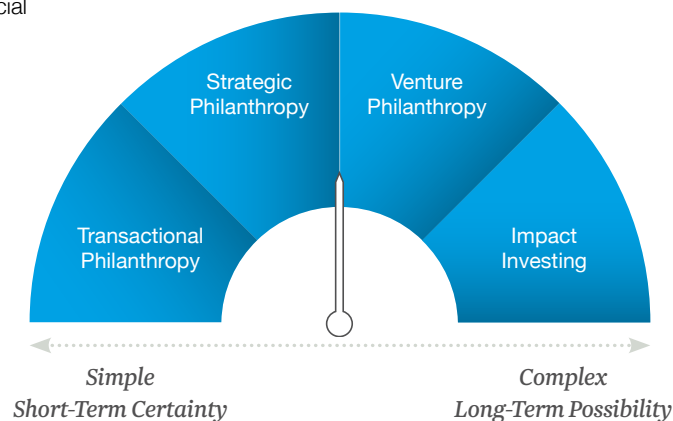
- What impacts were achieved as a result of our funding approach and other non-financial supports?
- What are we learning about the issues that we are trying to address or communities we are trying to support? What does this mean for our ongoing strategy?

## The journey continues

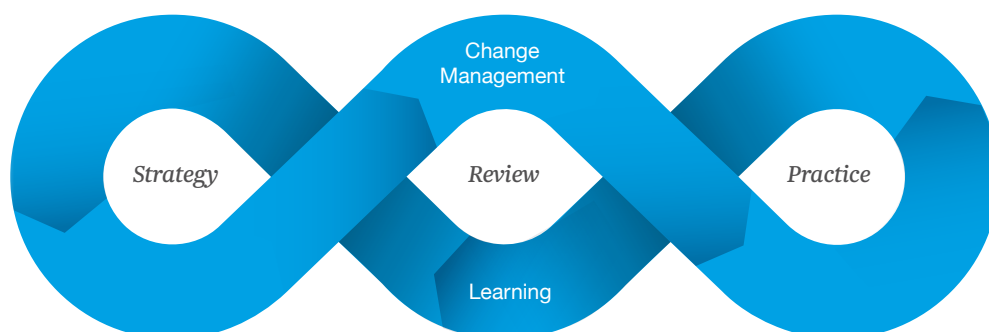
In a world in which change is constant and rapid, the challenge for philanthropic funders is to see the philanthropic journey as one of constant learning and adaptation. The insights captured along the way both enable incremental improvements in funding approaches, and programme design and delivery, and provide fuel for innovative thinking about how social investment can create inspiring and sustainable social change.

### Article by

Kat Dawnier,  
CSI Associate



*The grantmaking dial was developed by the Centre to help funders consider the difference in complexity of various types of funding, as well as the different time horizons required and potential levels of risk involved.*



*The journey to effective philanthropy is a continuing process of strategy setting, new practice development and evaluation and reflection as learning occurs. This learning informs ongoing adaptation and innovation to deliver increased impact.*

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# Going where the need is greatest

## The redevelopment of a community funding strategy that supports Council vision and targets where the need is greatest has been a big focus for Hutt City Council.

*Philanthropy News* spoke to Melanie Laban, Divisional Manager Community Projects and Relationships about the revised strategy and what was involved to get it underway and ready for its first funding round in July.

In 2017 Hutt City Council put the new five-year, \$3.7 million community funding strategy in place. The goal was to help ensure their overarching vision of 'Lower Hutt being a great place to live, work and play' is true for all residents.

Key drivers for the new approach came from a shared understanding that the previous strategy could better align with the Council's objectives. It had been in place for over 15 years and needed attention to meet the changing social environment.

"The previous model was very broad, making it difficult to maintain direction and measure impact. We knew we could do more for the community if we took a more targeted approach," says Melanie.

The strategy redevelopment began 18 months ago, following a unanimous decision across the Council to focus investment on improving equity across the city where it was needed most.

"First there were a lot of conversations with our Councillors around what a new funding model would look like, the consequences and the impact that it might have. It was through their input and leadership that we've got this far," says Melanie, who attributes keeping communication channels open at all times as key. "It's important to bring the decision-makers in the waka from very early on in the journey."

When they were given the 'green light' the strategy work got underway. The Community Services team gathered the evidence and support they needed to shape the strategy direction engaging in research, community consultation and seeking expert guidance.

Through the community consultation and research, they identified three key areas where the need is greatest:

1. All tamariki in persistent poverty and/or who are vulnerable. Especially, very young children; Māori and Pasifika children; and/or children in sole-parent families
2. All rangatahi not currently in education, training or employment
3. All kaumātua who are experiencing loneliness and social isolation

Community consultation indicated there was desire for a more strategic approach, measurable impact, sustainable practices, accountability, and fair distribution of funding according to need; and key research came from trusted sources such as the Office of the Children's Commissioner's *Where is help needed most?* guide; the Sustainable Business Council's report *All In: A New Zealand Inc. approach to solve youth unemployment*; and Age Concern New Zealand's loneliness and social isolation research.

They referred to models of established philanthropic organisations which considered these areas like the Vodafone NZ Foundation, Todd Foundation and J R McKenzie to help guide their strategy and Melanie says that the support of philanthropic adviser Kate Frykberg was invaluable throughout the process.

Another key message that came through from the community consultation was that the application and funding process needed to be clearer and simpler. This helped inform their three-stream funding model which aims to encourage innovation, improve relationships and foster longer-term partnerships.

1. **Kākano Fund**  
– seed funding for new ideas
2. **Mahia Atū Community Fund**  
– for up and running projects
3. **Mahia Atū Partnership Fund**  
– for well-established and impactful community initiatives

The applications are processed through Council and the information on the funding decisions is made publicly available—making the process transparent to applicants. When it comes to assessment, Melanie says they'll be continuing roundtable reporting.

"Roundtable reporting provides us with some meaningful engagement with those who have received funding. This can lead to an enhancement of what they're achieving as groups and can provide opportunities for cross-pollination between organisations. While we'll be working to safeguard ratepayers' money, we'll also be working on a high trust model where we focus on building stronger relationships."

Melanie says it's been a big process and there's still more work to be done and tweaks to be made, but they're excited about the new, strong focus on improving equity across the three target population groups.

"With the new strategy we are basically directing our funds to those who need it most in a way that's going to create a better future," says Melanie. "Together we will empower our tamariki for brighter futures. We have been given a great opportunity to see the impact that a local authority can have when it's working genuinely alongside community and in partnership with others, whether it's community groups, corporates or central government. I think all councils could be moving this way. It just takes a bit of courage—mahia atu!"

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To find out more about the Community Fund see: [bit.ly/HuttCityCommunityFund](https://bit.ly/HuttCityCommunityFund)

# Media works for worthy causes



Sarah Cotter

## Q&A with Sarah Cotter, Head of MediaWorks Foundation, about developing their grantmaking strategy.

The MediaWorks Foundation was established in 2015 with the goal to utilise its channels to support and shed light on important issues and worthy causes. Since its inception, the Foundation has supported numerous not-for-profits, such as I Have a Dream Charitable Trust, Youthline and the Sir Peter Blake Trust with creative TV, radio and online campaigns and awareness raising through celebrity endorsements and events. Each year, the Foundation provides \$4.65 million of in-kind media support.

### 1. How did MediaWorks establish the giving direction for the Foundation? What is the difference the organisation wants to make?

We started the journey by asking our staff and our audiences what they thought we should address as a company. The answer was resounding, improve life for New Zealanders. As a large media company we're in a really unique position to engage with millions of people every day, so it was really important to get the mood of the nation and then respond to it. Our business is reliant on the relationships we have, so being a people-focussed charity was a no-brainer.

### 2. Who and what do you think is important to have when going into the strategy planning stage?

Being a charity that's attached to a corporate, it's really important to have separation between church and state.

We don't want to sit around navel-gazing, and we realise that we're not the experts on knowing what will and won't make real lasting change. For that reason, our governance structure was key, getting the balance right between internal and external opinions and input. We work with an external advisory group who help us to decide which charities we should support.

A clear purpose and work processes that are easy to communicate to all stakeholders are also key.

### 3. Was there a grantmaking model or an example that was applied when developing the strategy? Can you tell us about the strategy?

I wish there was! There aren't any models that are similar to our programme. We started from a very raw point of questioning our role, understanding the value that we provide, and how we could use that to help charities achieve their goals, just as we do for our paying customers.

We run two programmes, a National Charity Partnership Programme which focusses on working with charities that are creating transformational change for the next generation. We work hand in hand with these charity partners for a minimum of one year and develop unique communication strategies, and fundraising plans that will help each charity to achieve their objectives. We become their stealth marketing team, a resource that is a luxury for many organisations.

We give all that we have if it will help —there's a very genuine connection and that's why it works so well.

Our Community Support Programme runs through our radio network in the 23 regions we operate in. Our local radio presence is very powerful in communities across NZ, so we use some of that engagement to assist community-based organisations with their communication needs, whether that be fundraising or awareness.

### 4. The MediaWorks Foundation is unique in the sense that it provides value through in-kind media support. Where do you focus your support, how do you decide who to support and how does that process work?

For our National Partnership Programme, we run a robust selection process that ends with a pitch-style presentation to our managing committee. The first point is for charities to submit online applications which we review with our advisory panel and our managing committee. We question each application and ask if we can help to make a difference. Then we invite the finalists to pitch their cause to us in person. This is my favourite day of the year. We get to see the passion, hearts and minds that are behind some incredible causes. From here, it's usually very easy to select our partners.



*I Have a Dream. Duncan Garner reading to children at Tikipunga Primary School, Whangarei*

Our Community Support Programme is quite different. We allocate a media budget to each region for the year. We ask our staff across the country to nominate charities that they'd like to support—they're in a much better position to know what's important in their community. They submit an application which is checked for eligibility.

Once approved, the local staff can get on with managing the relationship just as they would for any paying customer. It's really simple and gives each region autonomy but within a framework. We've run 147 community-based campaigns since we launched, from public fundraising for a helipad at a hospital in Christchurch to a *Dancing with the Stars* event for a children's charity in Palmerston North.

### **5. Developing a strategy for a new foundation must come with its benefits and challenges?**

Starting with a blank piece of paper was both a benefit and a challenge. Initially, I reached out to peers at other corporate foundations like the Vodafone NZ Foundation and The Warehouse Group.

While their programmes are quite different, there's a lot of commonality in that we're very public organisations and staff and customer engagement are keys to success. It was great to learn from their experiences. This really helped the MediaWorks Foundation to take shape.

Another challenge was integrating the Foundation with our business and bringing everyone on board for the journey. As soon as we started to get great results for our charity partners, results that we could communicate to all stakeholders, the engagement came. After three years, the Foundation is now an integral part of our business.

A major benefit was, and still is, that we have something very unique and powerful to offer. We talk to most New Zealanders every day. That made it easy for us to attract charities.

### **6. What processes do you have in place to ensure the Foundation is on track and heading in the direction the strategy has outlined?**

With our National Partnership programme we set out clear objectives at the beginning of the relationship. These are unique to each charity.

This is our gauge of success—if we did what we said we'd do and got the results we aimed for, well that's a win.

With our Community Support programme, the measure is regional engagement. If all 23 regions are actively out there, looking to support charities, and using their budgets, we're happy. That means we're making a difference on a very local level.

We don't believe in creating admin-heavy accountability processes. We are more about genuinely connecting with the cause, and then connecting our audiences to that.

### **7. Any tips or advice for others developing a grantmaking strategy?**

It's really important to think about the value that you can add whether that's in-kind or financially—there has to be a genuine connection in the value chain.

Aside from that, make sure you bring your stakeholders along for the journey. Everyone loves a good news story and if the genuine connection is there, and makes sense to your wider communities, there will be many great stories to share and celebrate.



# Philanthropy New Zealand

*Tōpūtanga Tuku Aroha o Aotearoa*

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We provide thought leadership and practical help for everyone with an interest in giving to make the world a better place. Our members include private philanthropists; family, community and corporate foundations; and iwi and community trusts.

We also have a community membership category for not-for-profit organisations that deliver services into the community.

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