

Building

Community

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Foundations

Grantmaking Consulting Program

Sponsored by the Philanthropic Ventures Foundation

Bill Somerville, President

Funded by the David & Lucile Packard Foundation

Grantmaking Consulting

Phase II of the grantmaking consulting program is well on its way with on-site visits to Albany, New York; Saskatoon, Saskatchewan; Abilene and Lubbock, Texas; Nashville, Tennessee; DeKalb, Illinois; London, Ontario; Wenatchee, Washington; and second visits to Springfield, Massachusetts and Green Bay, Wisconsin. In addition, three two-day training seminars were conducted for the Southeast Council of Foundations in its effort to increase philanthropy in the South by encouraging the growth of community foundations. Fifty community foundation staff and board members attended the sessions for which a 350-page syllabus was prepared on grantmaking issues (not available for general distribution).

Consulting is available to community foundations in Canada and the United States. The cost to foundations with assets below \$8 million is the living expenses of the consultant for the three-day visit. Foundations with assets of \$8 million or more are required to pay the consultant's travel expenses in addition to living expenses. The consultant's time is paid by a grant from the David & Lucile Packard Foundation.

For information about grantmaking consulting, call (510) 645-1890.

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**How to Benefit from Technical Assistance
Using Consultants Effectively**

The author has either visited with or consulted to one hundred foundations. It is his perspective that consultants can be helpful but they need to be used properly. Their presence alone is not enough.

In considering having a consultant visit your foundation, it is first necessary to ask why. What is it you want the consultant to do for you? The more specific you are, the more useful the consultant will be to you. Unfortunately, many people just know they need to do things better and they want help. This is too vague. These people are asking to be rescued.

You need to be painfully honest with yourself and come forth with what is wrong. Granted, sometimes we don't know – but more often than not, you have an inkling and the more willing you are to share this with the consultant, the more useful that person will be to you.

This writer asks foundations to send considerable materials before his visit. This includes a statement of how the consultant can be helpful, copies of the Minutes of the last ten Board of Directors'

meetings (very useful), copies of the foundation's last three annual reports, recent publicity of the foundation, and information about the area to be visited. He arrives well informed.

The point to be made here is that you should not just give free rein to a consultant, i.e. "tell us what is wrong and please fix it." The consultant is there to serve you and your needs, not to tell you what your needs are.

Costs

"You get what you pay for" isn't always true in the foundation field because private foundations such as Mott in Michigan, Packard in California, Lillie in Indiana, put up considerable money to make consultants available. But if you are hiring a consultant, what do they cost? For background, the Council on Foundations pays on-site consultants \$350 a day.

If senior foundation personnel are available for the above rate, one can assume that up to \$500 a day is generous (plus travel and living expenses). Of course, some consultants are paid way beyond this, but is it necessary?

To understand the disparity in what some consultants charge, one needs to understand that there are two types of consultants: those who have a full-time job and who consult in addition to this, and those who consult as their job. (The exception is those in the former category who nevertheless charge whatever they can get.)

Finding a Consultant

Foundation News runs special supplement sections that list consultants in a variety of categories. Unfortunately, it doesn't vouch for these people, it merely lists them. One should ask prospective consultants for references.

Foundation personnel can ask for the names of past on-site consultants that the Council on Foundations has trained and used. Again, one should ask for references, i.e. the names of foundations that have received consulting because the talents and specialities of these people vary considerably.

Past foundation executive directors often represent an excellent pool from which to find a consultant. The Council on Foundations can be helpful in your search from this source.

You can use a colleague to help you out. In the past, the author and a colleague from a family foundation would each do an "audit" of the other's foundation by interviewing all staff members and reporting our findings to each other (with consideration for things said in confidence). The fact is, colleagues can be a valuable source of insight into your work.

The final way to find a consultant is to create one, i.e. find someone who is respected and outstanding in the work they do and inquire as to whether they would work with you on an issue or problem that you are having trouble with.

What Consultants Can Offer

Consultants bring a new perspective. Hopefully they see things differently from the way you see things. It matters not that you differ with a consultant. If the person is objective and talented, you have the opportunity of having another point of view.

A program audit was previously mentioned. This is a total look at your operation, your recordkeeping, materials you use with the public, the way you process requests, the way calls from the public are handled, the way you and the staff spend your time, etc. It is an unusual opportunity to have a non-threatening appraisal of your work.

Consultants can address themselves to grantmaking, building the endowment, getting established, computer software, public relations, investment policies.

Typical Visit

When this writer visits a community foundation, the following things take place:

- a series of discussions over the three-day visit with the Executive Director, raising issues and answering questions;
- meetings with the Board Chairperson and the Chairs of various committees (it is up to the Executive Director how many of these take place);
- an extended (two to four hours) meeting with the Board (facilitated by the consultant);
- meetings with the Grants Committee and any other committees the Executive Director chooses;
- meeting with local grantmakers (often this is the first time they have come together);
- meeting with local media person(s).

Optional:

- meeting with non-profit agency representatives;
- meeting with attorneys/bankers/estate planners;
- meeting with potential donors.

Meetings can start at 7:00 a.m. for breakfast and go to 10:00 p.m. for dinner. The Executive Director is required to draw up an agenda ahead of time and send it to the consultant before the visit.

What Not To Do With a Consultant

It is sometimes useful to have a consultant observe your operations but to have this person sit through a complete Board meeting or any other meeting as an observer is not a good use of his/her time. You have the person there as an advisor; use them.

The more ready you are with questions for the consultant, the more useful you will find the visit, but leave ample time for the consultant to be able to ask you questions as well. The ideal is when both you and committee members have given prior thought to the consultant's visit and the interaction is spirited.

Don't overschedule the consultant such that there is no time for thoughtful give and take between you and the consultant. It is very productive for there to be moments of repose when you can "debrief" the consultant about what has been seen so far.

One of the worst mistakes using a consultant is for things to go back to normal immediately after the visit. One can visualize a splash -- things return to normal very fast unless there are plans for follow-through such as a special meeting of the Board or special report from you to the Board, etc.

Other Thoughts In Using Consultants

The consultant brings a new point of view, new ideas, new ways of seeing things. The consultant also critiques your operations. You should be ready for this in that you don't feel the need to defend yourself. Be open to criticism or, better yet, don't conceptualize what the consultant has to say as negative as much as it is a possible way of doing things better.

Many good things happen because of a consultant's presence. This writer has seen a newspaper publisher offer free ad space to a foundation as a result of his attending a session discussing development ideas. The presence of an expert is newsworthy and often newspapers will give substantial coverage to the foundation as a consequence of the consultant's visit. Radio stations will do likewise. Both need to be contacted ahead of time.

As the Executive Director, consider scheduling private time between the consultant and your Board Chair. This allows for an openness which is usually to your benefit. It also demonstrates a willingness for you to be critiqued as well as your operation.

Comments About Grantmaking Consulting

"I will select a single work to accurately describe what I thought of the consulting we received: perfect. It was exactly what we needed." (This was a second visit)

Sandra Eagleton, President
Community Foundation of Western Massachusetts

"I came back from the workshop and simplified a number of things immediately! I also came away with a much broader perspective on the grantmaking process and I will be a more effective foundation director because of that."

Alan Ronk, Executive Director
The Foundation for Roanoke Valley

"The advice and recommendations we received were very highly received by our Board because they are immediately do-able."

Kathleen Stocco, Executive Director
Lubbock Area Foundation

Do you have ideas, insights, information to share with others?
FAX what you have and we'll include it in the *Bulletins* - (510) 645-1892.

Philanthropic Ventures Foundation
1212 Preservation Park Way
Oakland, CA 94612
TEL: (510) 645-1890
FAX: (510) 645-1892

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