

**“Creating Opportunities, Relationships, and Significant Support”:
A Nonprofit Report Card on SVP**

**2010 Report on
Capacity Building Outcomes**

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Introduction

“It's been an incredible experience and helpful to our organization beyond words. When we first applied, we had an operating budget of around \$140,000 and zero paid employees. In the next fiscal year, our operating budget will be over \$1,000,000, we will have 8 full time staff, and we will engage over 4,500 students on our programs. It is no coincidence and SVP has played a major role in making this possible.”

- 2010 Survey Participant

Social Venture Partners (SVP) is an international network of 2,000 dedicated individuals who contribute their money and skills to improve their communities. Since its formation in 1997, the SVP network has contributed more than \$36 million in grant investments to 400 nonprofit organizations and provided thousands of volunteer hours in service and counsel. Today, there are 26 Social Venture Partners organizations in the United States, Canada and Japan.

The shared mission of SVPs is two-fold:

- **Capacity Building:** Making strategic investments that build long-term capacity for nonprofits so they can better fulfill their missions. SVP Investees are nonprofit organizations that seek new resources and innovative approaches for addressing a variety of issues, including education, environmental protection, and youth development. Capacity building investments focus on increasing the ability of each Investee to fulfill their mission and include cash grants, skilled volunteers, professional consultants, leadership development and management training opportunities.
- **Philanthropy Development:** Creating communities of lifelong, informed and inspired philanthropists. SVP Partners are individuals who make meaningful contributions to nonprofit organizations by sharing their skills, time, and financial resources.

An area of capacity building on which SVP focuses is program evaluation. Nonprofits which conduct regular evaluations of their programs are able to document their impact and demonstrate how they are making a difference in their communities. They know which programs work, and which can be improved upon. Social Venture Partners is no exception. In order to assess SVP's effectiveness in its mission, in 2004-5 Social Venture Partners International convened a team of partners and staff, led by Blueprint Research and Design, to identify the key outcomes in both philanthropy development and capacity building. The project was funded by grants from the Hewlett Foundation, the Kellogg Foundation, the Lodestar Foundation and the Surdna Foundation.

This report shares the findings from the data collected in 2010 regarding the capacity outcomes. The quantitative survey used to capture the data focuses on two outcomes:

- Investee satisfaction with SVP
- Time, money and connections received by Investees through Partners

It also includes a sampling of the results of the “Most Significant Change” tool, which collects qualitative data on two additional outcomes:

- Strengthened Investee organizational capacity
- Improved Investee programmatic effectiveness

Between February and July of 2010, eighteen SVPs administered the tools: SVP Arizona, SVP Boston, SVP Boulder County, British Columbia SVP, SVP Calgary, SVP Cincinnati, Cleveland SVP, Dallas SVP, SVP Delaware, SVP Denver¹, SVP Greater Tucson, Los Angeles SVP, SVP Minnesota, SVP Portland, San Diego SVP, SVP Seattle, Silicon Valley Social Venture Fund (SV2), and SVP Toronto. 72 nonprofit organizations participated in the survey.

Limitations to the Data

The data that follows creates a meaningful and important picture of SVP's impact on nonprofit capacity. It is nonetheless important to acknowledge several aspects of the research methodology that may impact the data, particularly as it relates to the investee survey.

- Although the information provided by investees was confidential, there is an inherent bias in surveys administered to grantees by funders. To minimize this bias, SVP administered the survey after refunding decisions had been made and announced.
- The quantitative data related to calculating the value added by SVP Partners are in some cases estimates by investees. SVPI has reviewed the data, but there is a degree of judgment in these numbers and they should be viewed as estimates.
- The data related to increased capacity gain and/or stories of significant change is subjective and was provided by investees without independent review or verification.

Key Findings

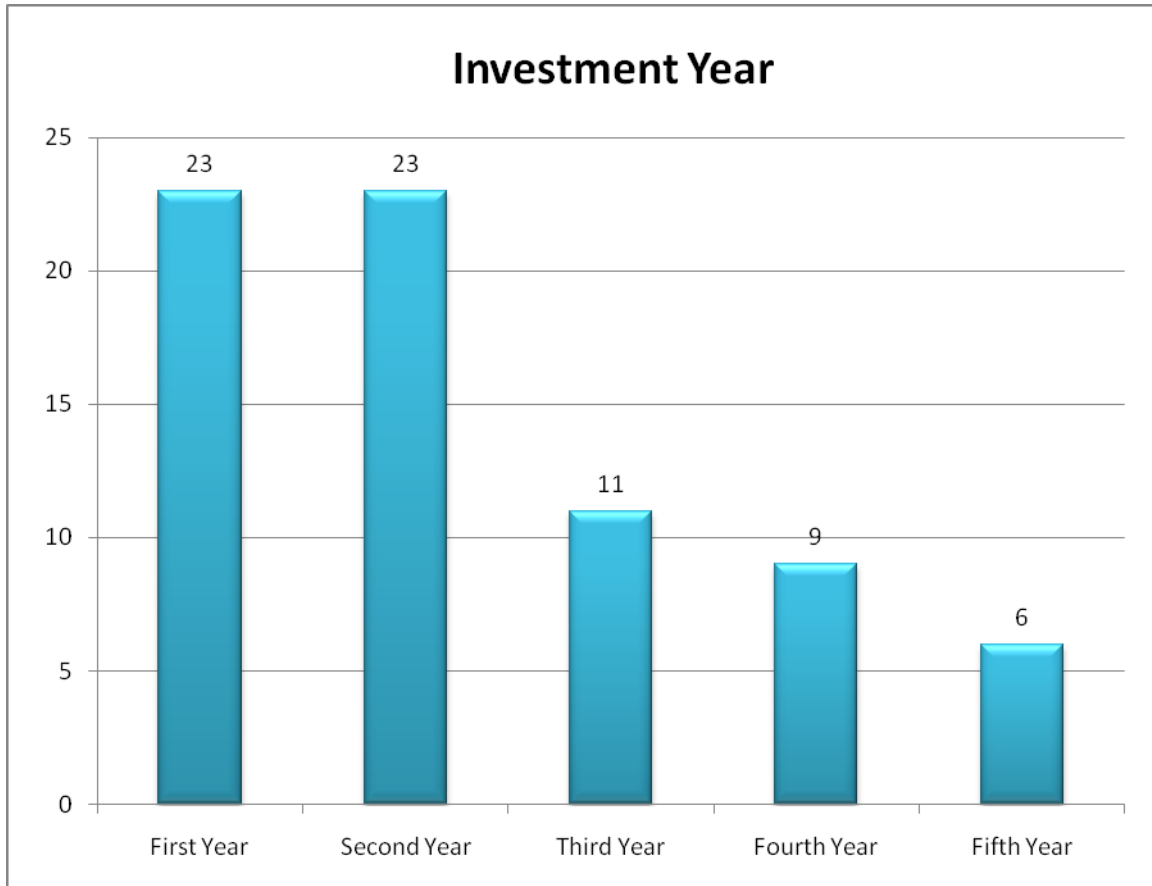
- 97% of Investees rated their overall relationship with SVP as “excellent” or “good.” No Investees characterized their relationship with SVP as “poor.”
- Investees were surveyed regarding the quality of their interactions with SVP representatives according to the specific criteria of Approachability, Responsiveness and Knowledge. All areas rated 4.4 or higher out of a possible 5.
- The value of the contribution of Partner time and talent to Investee received an average rating of 4.7 out of a possible 5.
- “Mission, vision, strategy and planning” and “CEO / Executive Director / Senior management leadership development” were the capacity areas rated most highly by Investees.
- During the timeframe covered by the survey, the non-grant contributions made by SVP Partners totaled \$2,605,825, increasing the value of the initial cash grants nearly one and a half times.

¹ SVP Denver administered the tools in December 2009.

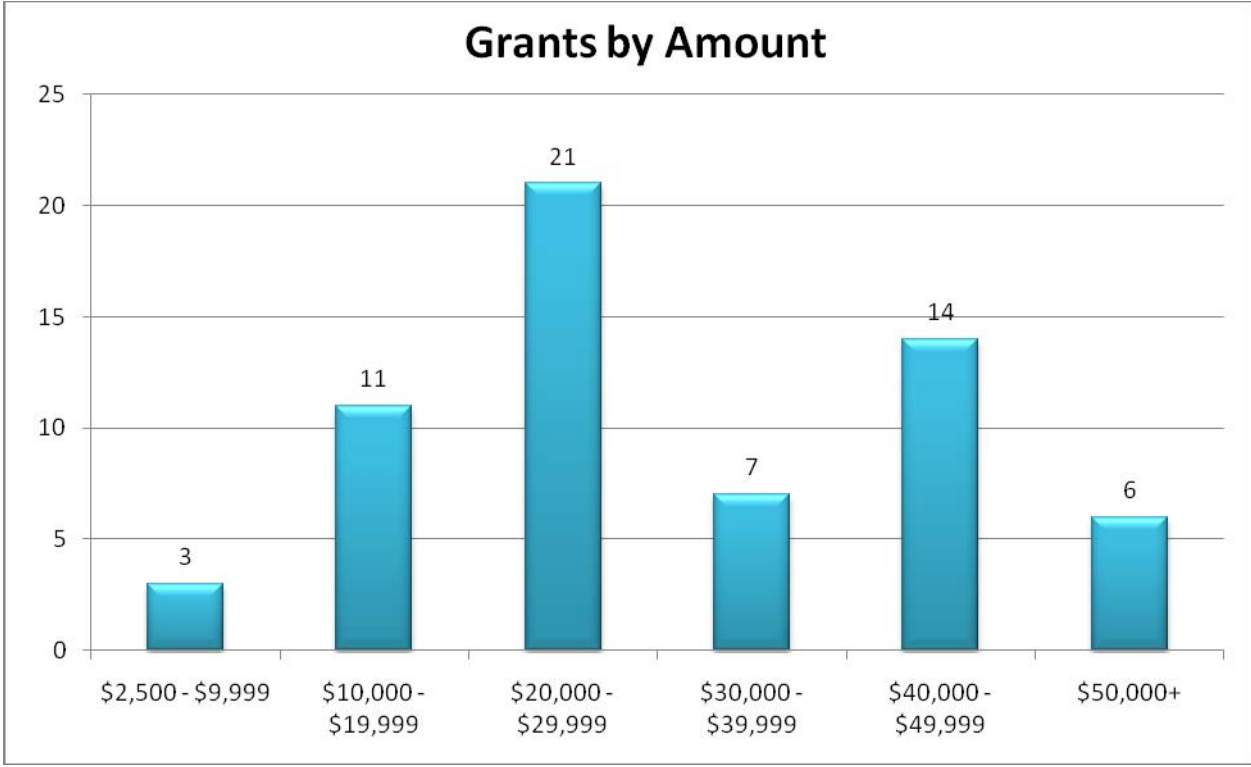
- The value of SVP Partners’ work was rated at least 3.6 out of a possible 5 in every capacity area.
- Indicators of SVP’s knowledge, practices and reputation were each rated 4.1 or higher out of a possible 5 with the exception of “Impact on public policy,” Since very few SVPs focus on public policy, such a rating is to be expected. 39 respondents answered “I don’t know” to this area.

Survey participants

Investees were in the following year of their SVP relationships:

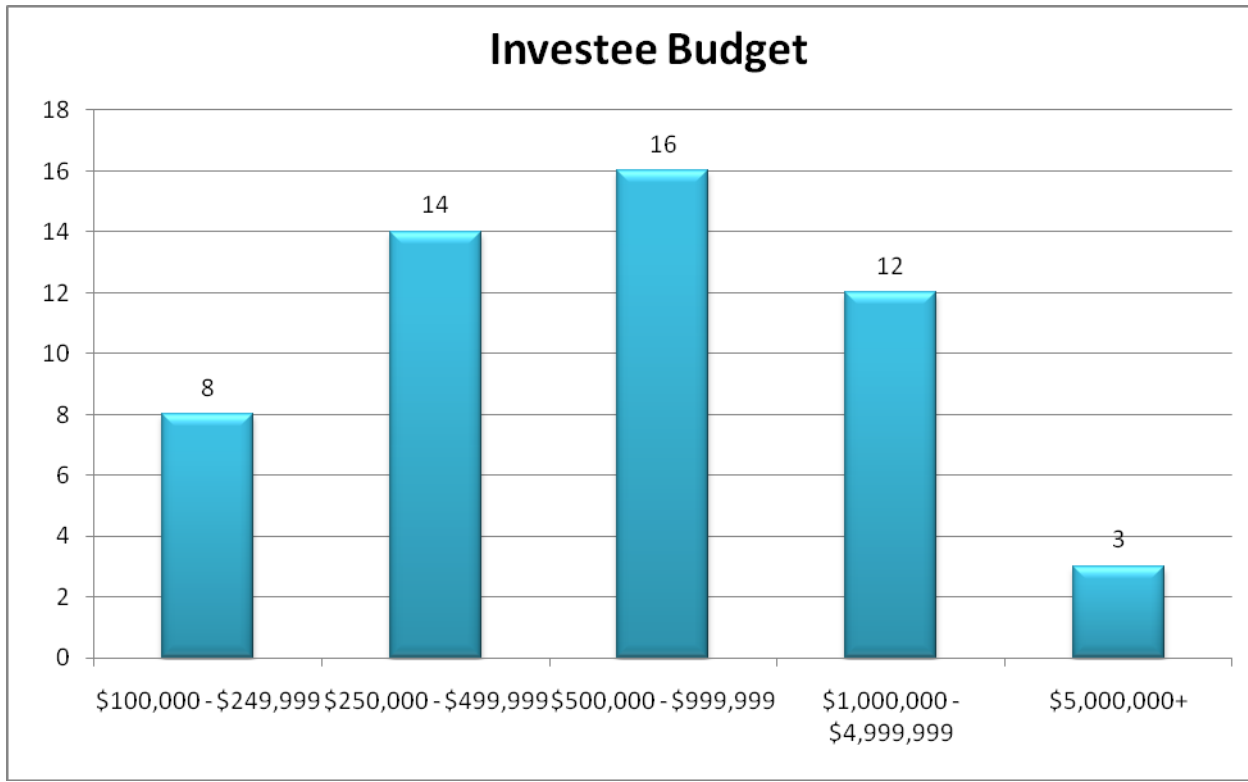


62 of the 72 Investees reported the amount of the most recent grant they'd received from SVP. Those amounts were as follows:



- The most recent grant averaged \$28,744. The median was \$25,000.
- The smallest grant was \$2,500; the largest was \$80,000.

53 of the 72 investees reported their annual operating budget. The budgets ranged as follows:



- The average budget was \$1,781,581. The median budget was \$577,738.
- The smallest budget was \$109,000; the largest was \$32,015,179. This large range accounts for the difference between the average and the median.
- 71% of investees reported a budget of less than \$1,000,000; 41% reported a budget of less than \$500,000.
- 6% of investees reported a budget in excess of \$5,000,000.

Investee Satisfaction with SVP

“Everyone has been fabulous. The breadth of knowledge, willingness to help [our organization] achieve its goals and seek out additional resources and genuine caring and commitment to our mission has been nothing short of amazing.”

- 2010 Survey Participant

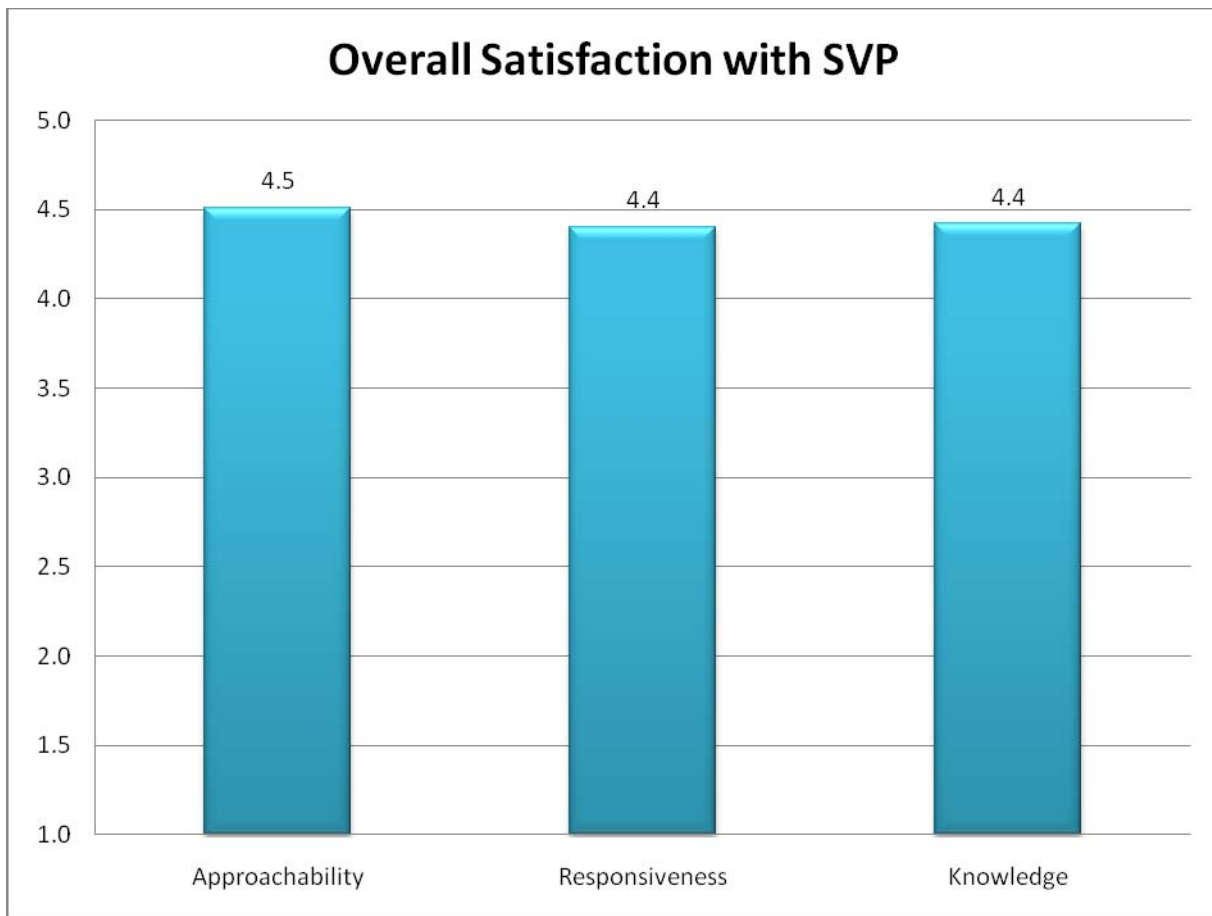
Key to the success of SVP’s high-engagement model is a strong relationship between SVP and each Investee, with a high level of trust. Therefore, Investees’ satisfaction with the relationship is an important indicator of the effectiveness of the capacity building work.

97% of Investees rated their overall relationship as “excellent” (82%) or “good” (15%). No Investee assigned a “poor” rating.

Investees were asked to rate the quality of their interaction with SVP according to the following criteria:

- *Approachability* – The Investee staff knows how to contact the SVP representative (Partner/staff/Lead Partner); s/he feels comfortable contacting the SVP representative; s/he feels receptive to questions or feedback from the SVP representative.
- *Responsiveness* – The Investee staff feels that the SVP representative replies in a timely fashion; s/he feels that the response is thoughtful and helpful; s/he feels that the SVP representative demonstrates openness to the Investee staff’s feedback.
- *Knowledge* – The investee staff feels that the SVP representative is able to offer resources or ideas in response to their questions or requests for information; s/he feels that the SVP representative demonstrates understanding of the organization’s mission and needs.

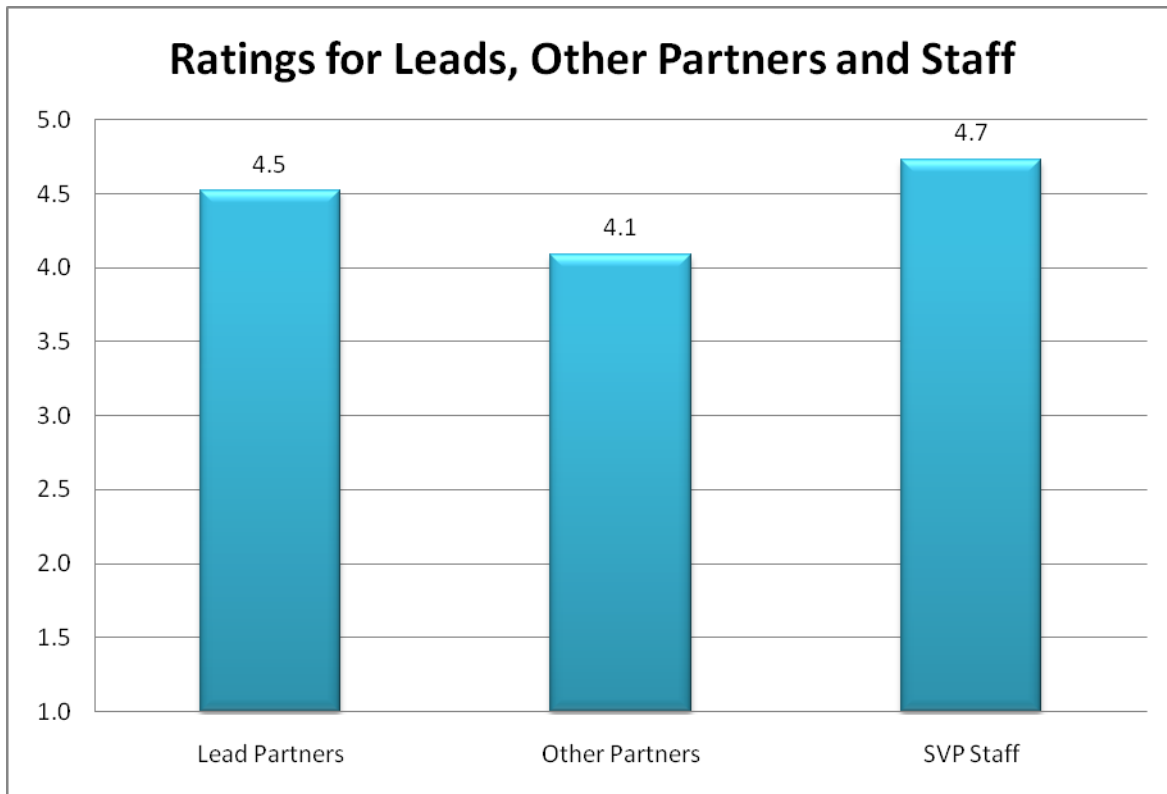
The results:



The three areas averaged 4.4 or higher. Twenty-five scores of “1” or “2” (out of 5) were reported in all answers: eight for Approachability, seven for Responsiveness and ten for Knowledge. Nine of the 25 “1s” or “2s” came from the same Investee. Ten Investees responded with a “1” or “2” over the three criteria and three groups of SVP representatives.

Investees rated the quality of their interactions with Lead Partners, Other Partners and SVP Staff separately.

The results:



All three groups scored a rating higher than 4 out of 5, with both Lead Partners and SVP Staff scoring 4.5 or more. It stands to reason that those SVP representatives who spend the most time with Investee staff (Lead Partners and SVP Staff) will have a deeper knowledge of the organization’s needs and therefore receive higher ratings.

Investees’ Perception of Value of SVP Assistance

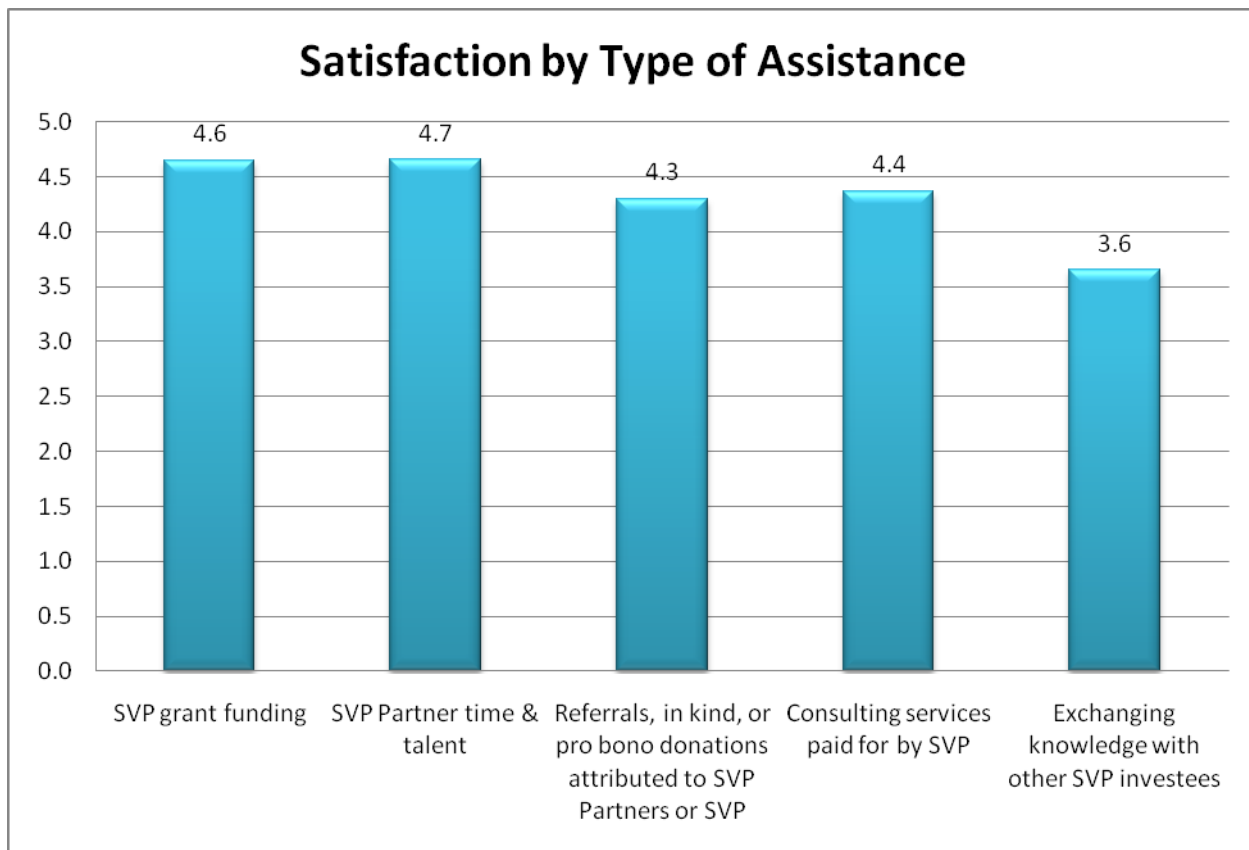
“While hard to quantify and indirect, SVP has provided significant credibility, awareness, and trust for our organization in the community. Our affiliation with SVP over the past three years has created countless opportunities, relationships, and significant support.”

- 2010 Survey Participant

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

- Grant funding;
- Contributions of Partners’ time and knowledge;
- Referrals or other in-kind donations attributed to SVP or its Partners;
- Consulting services underwritten by SVP;

- Sharing knowledge with other Investees.



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

- Partner time and talent (average rating of 4.7/5.0)
- Grant funding (average rating of 4.6/5.0)

The types that received a “not applicable” response most frequently were “Consulting services paid for by SVP” (32) and “Exchanging knowledge with other SVP Investees” (15).

Satisfaction with Partner Consulting

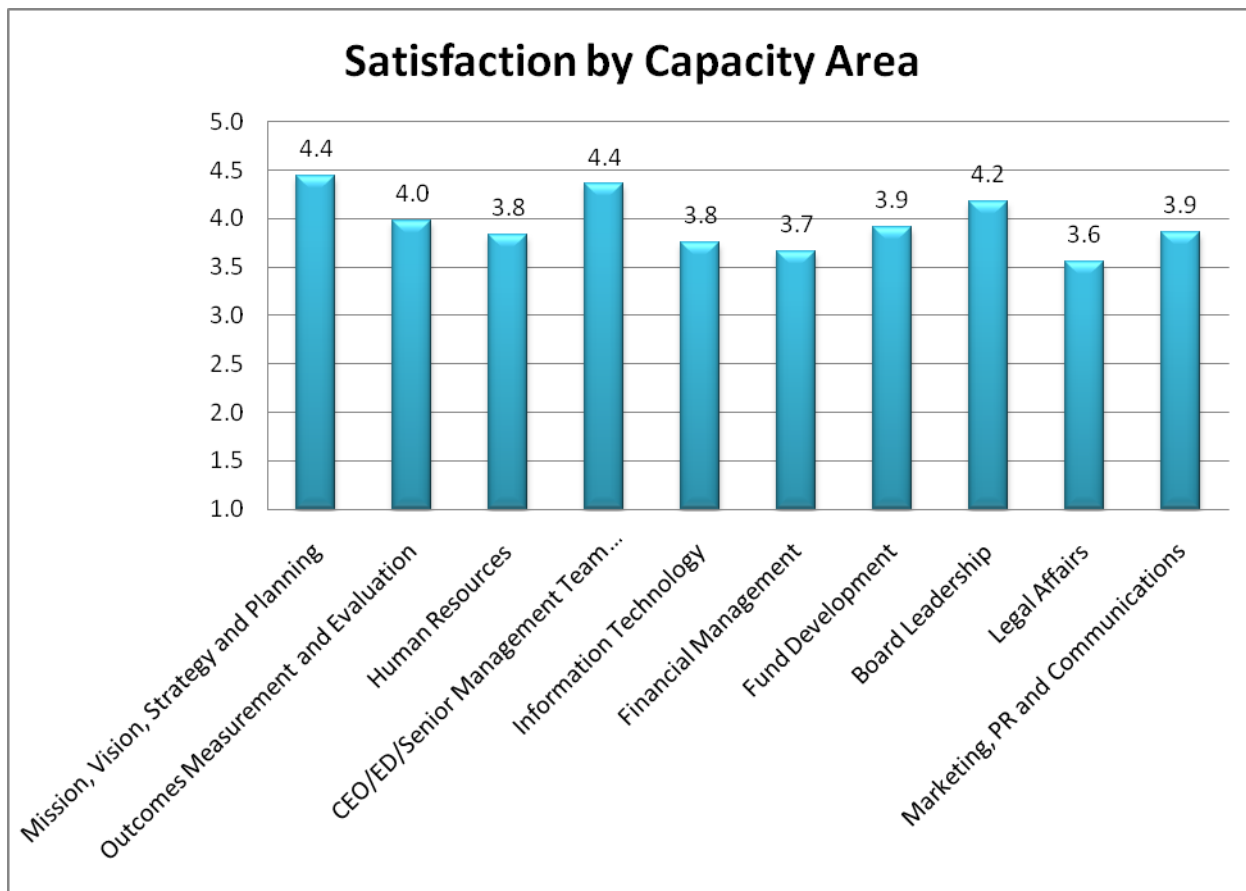
“We have greatly benefitted from volunteer time of SVP members in a variety of ways and have always felt we could count on partners to deliver what we needed when we needed it.”

- 2010 Survey Participant

At the onset of each grant relationship, SVP assists the Investees in identifying the areas of capacity on which they would like to focus their efforts. SVP then provides Partner expertise and other resources to develop the identified areas. The survey included a question asking Investees to rate the value of Partner volunteer time focused on the following areas:

- *Mission, vision, strategy and planning*
- *Program outcomes evaluation*

- Human resources
- CEO/Executive Director/Senior management leadership development
- Information technology
- Financial management
- Fund development
- Board leadership
- Legal affairs
- Marketing, PR and Communications



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

All ten areas were rated at 3.6 out of 5 or higher.

The most “1” ratings were received for Legal Affairs and Information Technology (2 each).

The areas receiving the most “Not applicable” ratings were Legal Affairs (46) and Financial Management (40). It cannot be determined from the data collected whether this is because fewer Investees require and request assistance in these areas, or whether SVPs are unable to provide assistance in these areas.

SVP's Knowledge, Practices and Reputation

“Using the SVP name and relationship we have been able to attract additional funders and community partners.”

- 2010 Survey Participant

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



“Overall reputation among other funders” (4.7 out of 5) and “Overall reputation among other nonprofits” (4.6) were most highly rated. All areas received a rating of 4.2 or higher except “Impact on public policy” (3.1). Since very few SVPs focus on public policy, such a rating is to be expected. 39 respondents answered “I don’t know” to this area.

Eighteen ratings of “1” or “2” were received on this question; eight of them for “Impact on public policy.”

Value Provided by SVP Partners

“The expertise we have gained and the relationships built have been more valuable than the dollars granted.”

- 2010 Survey Participant

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

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

- Partner volunteer time for strategic volunteer projects (this does not include Partner time for direct service volunteering such as tutoring or mentoring students);
- New cash contributions made by individual SVP Partners to Investees;
- New cash contributions received based on referrals or contacts provided by individual SVP Partners;
- In-kind benefits received based on referrals or contacts provided by individual SVP Partners.

Here is the summary of the collective value provided by SVP Partners:

Volunteer Time (13,293 hours at \$100 per hour*)	\$1,329,300
New cash contributions from individual Partners	\$ 575,360
New cash contributions from Partner referrals/contacts	\$ 192,230
In-kind contributions from Partner referrals	\$ 508,935
Total	\$2,605,825

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

During the same period, money granted to these Investees totaled \$1,789,600. SVP Partner’s contributions of their time, skills, money and connections increased the value of the initial cash grants by 146%.

Most Significant Changes

SVP believes that the effectiveness of a nonprofit organization’s programs is directly related to the strength of its internal capacity. The contributions made by SVP to strengthen the infrastructure of Investees leads to improvements in program effectiveness and, ultimately, greater impact in the community. Although quantifying the social gains is not feasible, SVP has collected stories of the “most significant change” Investees have experienced in their organizational capacity as a result of their partnership with SVP. The following stories illustrate the improvements that SVP is affecting:

Boston Debate League

www.bostondebate.org

We recently walked into the offices of one of the largest and most prominent foundations in Boston for a meeting with the foundation officer in charge of our area of concentration. They were one of the first foundations to fund us two years ago; funding us at a significant level for us, but small for them. We have large goals moving forward, and their continued and increased support would be crucial to any expansion. This was a big meeting.

About halfway through the meeting, the foundation officer turned to us and asked us if we were chronicling the past few years. We asked what she meant, and she simply stated that our story of where we are, considering where we were just two years ago, is just incredible. From the support we have received from Boston Public Schools (we are an education nonprofit working in BPS), the buzz in the city, stories in the press, our expanded and improved programming, and the growth in our infrastructure and capacity as an organization, new non-profits just simply don't experience the early success we have in almost every way.

We cannot stress how much we attribute that success to SVP. We were an organization with no business plan, marketing strategy, board development plan, outcomes measurement plan, or funding plan, being run by a sole full-time employee who was a former teacher without any nonprofit or executive background. In fact, at the first meeting with SVP he produced a budget he created using Microsoft Word, because he didn't know how to use Excel, a budget based on the incorrect fiscal year, and he was going to be in charge of all of the financial planning and documentation.

Yet SVP saw in our organization the potential to have a large impact on students in BPS, if only we could develop the organization capacity and expertise to expand and support our program. And they got started right away, beginning by helping us reform our board, and developing mission and vision statements [which were] understood and supported throughout the organization. In subsequent months they helped us create a fund development strategy and financial plan, and are in the process of helping us create a marketing plan. During this time, as a direct result of the consulting they have provided, we have doubled the number of students served and funding raised, and are on the verge of hiring at least two new full-time staff members.

In fact, BPS has just tripled our funding for next year, in large part because they now see us as a professional organization that has the ability to produce the outcomes that we are promising. Two years ago we were worried about whether or not we would make it, now our only question is will we be able to double or triple the amount of money we will raise next year and the number of students we will serve. Without SVP, none of this would be possible.

Students Today Leaders Forever

www.stlf.net

At the time of our initial application for SVP support in August 2007, STLF was less than four years old and recently incorporated as a nonprofit after its founding as a student group at the University of Minnesota. The organization had been led and built completely by student volunteers under the leadership of three volunteer Co-Executive Directors in their early 20s. It was our first ever major grant application as an organization and four months later in December, we were notified that we were chosen as the newest Investee of SVP Minnesota.

In the three years that have followed, SVP has made a world of difference in our organization and in our lives. The biggest impact SVP has made in STLF is through the advice, mentorship, coaching, and support of our young leadership team. Our service lead Marty Leestma, SVP MN Executive Director Brad Brown, and various other partners have been critical in the growth and success of STLF.

Results-based Impact - STLF Success Highly Correlated with SVP Support

Since we sent in that first grant application in August 2007, STLF has expanded from zero to eight full-time employees, implemented CRM and donor database technology, launched a new website, developed and is carrying out a strategic plan and national expansion strategy, created three-year financial models and budgets, and implemented diversified fundraising efforts to ensure for long-term sustainability. We have built a scalability model and refined a self-created leadership structure model that led to the awarding of the Social Entrepreneur's Cup in June 2008, recognizing Minnesota's most innovative solution for social change less than five years old.

While the organizational infrastructure and capacity has been greatly enhanced, the most meaningful results have been in programming growth. During the first four years of STLF prior to SVP support, we carried out 37 Pay It Forward Tours – our core program consisting of a cross-country service and leadership experience – and involved approximately 1,300 student participants. Now, just three years later, we have carried out 225 Pay It Forward Tours and have had over 8,500 student participants. These results are not a coincidence, but much more a result of the support of SVP during this period.

Support of Leadership Team Critical Component of Success

While SVP's support has spanned so many areas including technology, strategy, fund development and more, it is easy for us to pinpoint that the root SVP's contribution to STLF has been through the personal and professional development of our leadership team. We are an organization that was founded by students 17-19 years old. Now, nearly seven years later, we are led by three Co-Executive Directors – all of whom are those same founders and 25 years or younger. SVP's support was critical where we lacked in knowledge and professional experience in building and scaling an organization. Marty Leestma took us under his wing to share his wisdom, teach us how to lead, and

guide us on how to grow. Brad Brown gave us the community credibility and confidence through the public awareness, opportunities to present, and countless connections.

The simple fact is that everyone we have met from SVP has cared first about helping us as individuals and growing young leaders, and second about the organization. This people-first approach has resulted from a genuine relationship and care for each other's success, and is at the heart of the organization's success as a result.

SVP's Support of STLF has been Perfect Example of Venture Philanthropy in Action. The selection of STLF as the Investee has been a perfect example of venture philanthropy in action. SVP took a risk to support a young organization with a big dream that young people can change the world. SVP was the first major funder to take this chance, and they have provided the capacity funding, expertise, and credibility we needed to expand our mission and become a growing national organization.

Mom's House Wilmington

www.momshouse.org/wilmington.html

Mom's House Wilmington was offered the opportunity to participate in a strategic planning session. As a nonprofit our talks have centered on expanding our program, but found we often stalled our expansion because of feeling overwhelmed with the plans and tools necessary to increase our clientele. Thankfully we were introduced to SVP DE and accepted as one of their center investments. After SVP DE learned of our dreams of expansion-the wheel was set in motion.

Eileen Dalton, and SVP partner, was instrumental in obtaining a consultant that would volunteer her time and lead a day long strategic planning session with Mom's House board members, staff, volunteers and former clients. David Woods, Shelly Meador, Lisa Poyta and 2 volunteer consultants began the process with a survey that was sent to former and current associates of Mom's House. The survey consisted of questions that determined the strengths and weaknesses of the Mom's House program. A phenomenal wealth of information was gained from the survey. As we move forward we are now better able to target our weaknesses and work to strengthen those areas that according to the survey were in need of improvement.

The day of the strategic planning brought many Mom's House friends and 3 SVP DE partners, who were willing to spend an entire Saturday helping define the future of Mom's House. It was truly an amazing day. A vision, new mission statement and objectives were discussed, dissected and finally agreed upon and instituted.

It was a great experience and made a significant difference as we move toward our goal of expanding our program. Our Board of Directors and staff are moving in the same direction to our ultimate goal of helping as many people as possible. SVP DE and our strategic planning session helped us to generate objectives and goals for our future. SVP DE continues to offer their expertise and support as we begin our journey of expansion.

SVP DE's greatest talent is listening to a centers dreams and ideas and offering their advice, knowledge and connections as everyone strives to create a great program.

New Global Citizens

www.newglobalcitizens.org

This year, New Global Citizens entered its fifth fiscal year. As an organization that has grown rapidly since inception, it became clear in the fall of 2009 that we could not continue to rely on start-up strategies to sustain our growth. Instead, we needed to transition to a sustainable and structured model for planning and execution. With the support of Social Venture Partners, we were able to hire a Chief Operating Officer who brought an incredibly unique skill set to the vision of New Global Citizens. She was instrumental in developing several internal planning, monitoring, and tracking tools to guide both the staff and the Board of Directors towards accurate execution.

Simultaneously, several Social Venture Partners members contributed to the evolution of our financial, strategic planning, and revenue generation strategies. On the financial end, during our fourth year with Social Venture Partners we were able to significantly improve our internal accounting systems, financial planning tools, and expense tracking metrics. As a result, we were able to manage through an extremely difficult financial downturn that many nonprofit organizations struggled with this year. Additionally, one member of SVPAZ connected us to another SVP affiliate in the Bay Area where we gleaned expertise in the form of a pro-bono strategic planning consultant. Our consultant worked closely with the Board of Directors to help New Global Citizens produce the first multi-year strategic plan. This plan enabled our Chief Operating Officer to develop an operational plan and monitoring system that now runs in tandem with the strategic plan so – at any time – we can monitor our progress towards strategic goals and see how each daily activity of staff aligns with an overarching organizational goal.

From a human resources standpoint, members of Social Venture Partners have supported our efforts to elevate our staff performance and evaluation system and improve policies and procedures to accommodate the growing needs of staff and the organization. Having this expertise at our fingertips has been invaluable. If we had to pay for HR and legal expertise at the level that Social Venture Partners provides, we would incur several thousand dollars in fees and become limited in our ability to enhance programmatic services due to budgetary constraints.

Overall, this year with Social Venture Partners has enabled us to move out of “start-up” mode and into a new level of maturation. We look forward to leveraging Social Venture Partners in the future and feel so fortunate to have such a wonderful network of people who value our work and contribute to our vision in such amazing ways.

Conclusion

"I would like to clone our relationship with SVP with our other funders: it's a real partnership from which the organization has received significant support as well as resources."

- 2010 Survey Participant

SVP's model of nonprofit capacity building has been successfully tested with more than 400 organizations to date. As the results of this most recent survey suggest, Investee staff are experiencing a high level of satisfaction with the partnership. The value of Partners' strategic volunteering, individual contributions and referrals to the nonprofits has more than doubled the value of the original cash grants. With the additional resources and stronger infrastructures, nonprofits are able to have a greater impact on their communities.