Strategy Implementation

Addressing the Disconnect between Decisions and Data

December 11-12, 2012
Ford Foundation
5 Canadian Foundations

- The Mastercard Foundation (Toronto)
- Ontario Trillium Foundation (Toronto)
- J.W. McConnell Family Foundation (Montreal)
- Fondation Lucie et Andre Chagnon (Montreal)
- International Development Research Centre (Ottawa)

Plus Israel!
Rothschild Caesarea Foundation
Acknowledgments
The North Star and the Swamp
Getting Better at Learning from Strategy

Patricia Patrizi
True North and the Swamp

“Why the true north is your noble aim. It is essential, but you also have to navigate the swamps, deserts and chasms along the way no matter how grubby the journey may be. If you can’t do that, what’s the good of knowing true north.”

(Abraham Lincoln in the film “Lincoln”)
“Learning to Love the Swamp”

- “The ‘swamp’ describes the important, complex, and messy problems that resist technical analysis.”
  Don Schon describing the swamp
  Educating the Reflective Practitioner
  1987

- “Many of the tough problems that lure us...and test our leadership... are swamp problems: achieving justice or economic or social equity or even health care reform; undoing the effects of racism; ensuring that all children are raised and educated so that they are whole and capable and hope for the future.”

- “Effective leadership of and in the swamp cannot be based on application of clear rules... There are no rules for this, no set techniques that guarantee the right answer.”
  Ellen Schall,
  Association of Public Policy Analysis and Management (APPAM)
  Presidential Address, 1994
Foundation Relationship to the Swamp

Will this affect our metrics?

We might need to change the timeline...
Guidance to Hikers in the Swamp

1. Know your swamp
2. You can drown in a swamp
3. Know the beasts that might lurk
4. Dress for swamp walk
5. Do your research (ask locals!)
6. Make use of boardwalks
7. Go with a buddy
8. Check depth (and know how to)
9. Read the terrain around the swamp
10. Watch the weather
11. Use the right walking technique
12. Use natural markers
13. Know what to do if you start sinking
14. Know how to remove leeches and other waterborne beasties

(Adapted from Wikihow.com)
Typical Strategy Process

(Adapted from Gene Bellinger, Kill Devil Hills, NC, www.systemswiki.org)
Questions Driving Dashboards

➤ Changes in states
  - What difference did we make?
  - Did our indicators move?
  - Did we move the needle?

➤ Problems
  - Focuses mind on end states; overlooks the Swamp
  - Pivots on “difference” from one point in time to another, regardless of what happened in between

➤ Compliance
  - Were objectives achieved?

➤ Theory
  - Is awareness growing?
  - Do we have more partners?

  - Assumes objectives are right
  - Assumes that your theory is right
The No.10 Dashboard: Measurement is Not Management

- It gives “the prime minister, other ministers, and senior Whitehall officials an at-a-glance overview of everything that’s happening in government and elsewhere…”
  
  (www.number10.gov.uk)

- The dashboard “can display information; it cannot consult and control. Less of a driver’s dashboard, more of a window out of which a passenger can observe the national scenery speeding past… Government might be given the illusion of handheld, one stop manageability, but no actual managing is going on.”

Measurement Is Not Learning

➢ “We have lot’s of good information on outputs and outcomes, but we still haven’t figured out how to inform our strategy.”

➢ “We have lots of data but [it is challenging to get it] into the work of the strategy team.”

➢ “One of the difficulties is finding the right questions to ask or the right indicators to use.”

➢ “We are a learning organization, but we don’t know how to ask learning questions.”

Comments from Foundation staff in interviews and Roundtable workshops
The Swamp System Revealed

Adapted from (Gene Bellinger, Kill Devil Hills, NC, www.systemswiki.org)
Examples of Boundary and Interactions

The Boundary

What is it?

- A concept—arbitrary and arguable
- How drawn allows you to change interactions of interest
- Traps/implications
  - Too narrow—limited sustainability
  - Undifferentiated (too much)
- Learning question: (Sweet spot)
  - Are the right stakeholders in to grapple with your purpose?

Interactions

What are they?

- The mutual interaction of the parts of the system
- Mutual interaction governs how parts relate to each other
- Traps/implications
  - Not just the interactions of interest
  - Interactions are not your actions
- Learning question: (Hot spot)
  - What interaction, if changed, could change the system; what actually happens and why?
Leverage

What is it?

- Consideration of interactions in light of context; leverage has power to alter network of interactions to produce benefit

- Guestimate of what will change the system positively
  - Not likely the first thing you consider
  - Trial and error: changing one dynamic will make you reexamine the rest of the strategy

- Traps/implications
  - Institutional blinders: we only do...
  - Insufficient knowledge of system dynamics
  - Fit between interactions and context

- Learning question: (Sweet spot)
  - What happens and why?
Illustrative Questions

- What system is the focus of change and why? *(Boundary)*
- What remains outside the system and how does it relate to/affect interactions within it? *(Environment and tests Boundary)*
- What interactions seem to govern the system and what would it take to change them (e.g. professional governance over who gets what, or regulatory control of supply of services)? *(Interactions)*
- How aligned or divergent are stakeholders in goals, beliefs and intent? What are the implications for having these stakeholders involved? *(Stakeholder, Interactions, Boundary)*
- Who benefits from the system as it is? Who loses? And conversely who loses and wins with change (as it evolves)? *(Boundary)*
- What is going on related to your interventions and why? Who reacts, how and why? *(Leverage, Emergence)*
- What are the important behaviors exhibited by actors--what motivates them or constrains their behavior? How can it be interpreted? *(Boundary)*
- Who gets to answer any of these questions? *(Interactions)*
Program and Evaluation Staff in the Swamp!

“I required three things from my staff. That they:

1. Respect honesty, because we don’t get much of that
2. Understand their power... for good and bad but certainly, to misdirect
3. Come home from site visits with grit under their nails.”

Michael Di Berardinis, Former Foundation Executive Director; Commissioner of Parks, Recreation and Libraries (Phila.) Former Secretary Pa. Dept Conservation, Natural Resources
Acknowledgements

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We alone take responsibility for any bad ideas!
Tackling the Familiar
Organizational Roadblocks to Learning From Strategies

Tanya Beer
Center for Evaluation Innovation
Benchmarking Research Overview

- **Purpose:** benchmark foundation evaluation responsibilities, resources, and perceptions of use

- **Focus on** “evaluative information”

- 31 foundations completed a web-based survey

- 38 participated in phone interviews

- Survey respondents and interviewees were primarily evaluation leaders
## Surveyed Foundations by Grantmaking Size and Reporting Structure

<table>
<thead>
<tr>
<th>Evaluation Reports to</th>
<th>Foundations Under $50 Million (13)</th>
<th>Foundations Between $50 to $200 Million (12)</th>
<th>Foundations Above $200 Million (6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO (15)</td>
<td>Arcus Foundation</td>
<td>The California Endowment</td>
<td>MacArthur Foundation</td>
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<tr>
<td></td>
<td>Barr Foundation</td>
<td>Knight Foundation</td>
<td>Robert Wood Johnson Foundation</td>
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<td></td>
<td>The Colorado Trust</td>
<td>Margaret A. Cargill Philanthropies</td>
<td>William and Flora Hewlett Foundation</td>
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<td></td>
<td>New York State Health Foundation</td>
<td>Mastercard Foundation</td>
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<td></td>
<td>Otto Bremer Foundation</td>
<td>Ontario Trillium Foundation</td>
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<tr>
<td></td>
<td>Sierra Health Foundation</td>
<td>The Wallace Foundation</td>
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</tbody>
</table>

| Administrator (8)       | Skoll Foundation                    | The Colorado Health Foundation             | Bill and Melinda Gates Foundation |
|                         | Lumina Foundation                   | Foundation Lucie et Andre Chagnon          | The Pew Charitable Trusts        |
|                         | The Skillman Foundation              | Rockefeller Foundation                     |                                 |

| Program (8)             | California Health Care Foundation   | Annie E. Casey Foundation                  | David and Lucile Packard Foundation |
|                         | Edna McConnell Clark Foundation     | The Duke Endowment                         |                                 |
|                         | J.W. McConnell Family Foundation    | The James Irvine Foundation                |                                 |
|                         | The Rothchild Caesarea Foundation   |                                            |                                 |
The familiar list of barriers....

What are the biggest challenges program staff face in effectively using evaluation to inform their work throughout the life of a strategy?

- 67% Staff time & workload
- 47% Matching data to the timing of decisions
- 31% Culture/Attitude at all levels about evaluation
- 22% Payout pressure
- 19% Capacity/skill for understanding and using evaluation and data
- 17% Lack of clarity & agreement on strategy, outcomes, and indicators
- 17% Cost

Other issues mentioned: •Variability of program officer skill and orientation with regard to evaluation •Complexity of strategies •Quality of evaluations & data •Unwieldy internal systems •Programmatic silos •Difficulty accepting failure •Foundation turnover •Lack of leadership direction •Challenges collecting and managing data
Looking at our organizations as a system instead might help us jump off the treadmill.
Half of respondents perceived an increase in evaluation investment relative to grantmaking.

Over the last two years, what is your perception of how funding levels for evaluation and evaluation-related activities changed relative to the size of the overall grants budget?

- Increased dramatically: 10%
- Increased somewhat: 40%
- Stayed about the same: 30%
- Decreased somewhat: 14%
- Decreased dramatically: 3%
- Don't know: 3%
But sufficiency of investment in evaluative work is weighted toward smaller-scale evaluation and strategy development.

How would you assess the amount your foundation invests (both in terms of staff and funding) in each of the following areas?

<table>
<thead>
<tr>
<th>Area</th>
<th>Far too little/Too little</th>
<th>Too little</th>
<th>Appropriate amount</th>
<th>Too much/Far too much</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grantee/stakeholder assessments</td>
<td>14%</td>
<td>76%</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Individual grant evaluations</td>
<td>21%</td>
<td>55%</td>
<td>10%</td>
<td>14%</td>
<td>0%</td>
</tr>
<tr>
<td>Foundation strategy development</td>
<td>36%</td>
<td>57%</td>
<td>7%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Program strategy development</td>
<td>36%</td>
<td>61%</td>
<td>4%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Initiative evaluations</td>
<td>38%</td>
<td>59%</td>
<td>3%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Evaluation and information sharing with the field</td>
<td>45%</td>
<td>52%</td>
<td>3%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Performance metrics/indicators</td>
<td>45%</td>
<td>38%</td>
<td>7%</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Foundation-wide assessment</td>
<td>46%</td>
<td>36%</td>
<td>18%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Formal learning functions within the foundation</td>
<td>59%</td>
<td>38%</td>
<td>3%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Entire program area assessments</td>
<td>59%</td>
<td>38%</td>
<td>3%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Formal learning functions with grantees</td>
<td>62%</td>
<td>21%</td>
<td>17%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>
What does the distribution of evaluation resources in your foundation signal about what “unit of analysis” and purpose for evaluation are most important?
Management communicates the value of evaluation, but does not often use it.

How would you assess managerial support of evaluation and evaluation-related activities in the following dimensions?

- **Management communicates to staff that it values the use of evaluation and evaluative information**
  - Frequently: 50%
  - Often: 36%
  - From time to time: 14%

- **Management addresses foundational problems identified in evaluations**
  - Frequently: 12%
  - Often: 38%
  - From time to time: 42%
  - Rarely or Never: 8%

- **Management models the use of evaluation and evaluative information in decision making**
  - Frequently: 11%
  - Often: 25%
  - From time to time: 57%
  - Rarely or Never: 7%
Most perceive that the use of evaluation to inform all stages of the strategy lifecycle is at least acceptable.

How would you assess program staff’s use of *evaluation* to inform:

- **Program development**
  - Good: 21%
  - Acceptable: 59%
  - Poor: 17%

- **Mid-course decision during implementation**
  - Good: 28%
  - Acceptable: 38%
  - Poor: 28%

- **Summative judgement about program or initiative performance**
  - Good: 38%
  - Acceptable: 41%
  - Poor: 14%
What does the degree and quality of evaluation use at your foundation signal about what drives decisions at different levels of the organization?
We are churning through names, structures, and strategies.

<table>
<thead>
<tr>
<th>#</th>
<th>Unit Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Evaluation</td>
</tr>
<tr>
<td>4</td>
<td>Research and Evaluation</td>
</tr>
<tr>
<td>3</td>
<td>Evaluation and Learning (or Learning and Evaluation)</td>
</tr>
<tr>
<td>1 each</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Effective Philanthropy</td>
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<tr>
<td></td>
<td>Governance, Risk and Performance</td>
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<td></td>
<td>Knowledge Management</td>
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<td>Knowledge Support</td>
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<td></td>
<td>Measurement and Evaluation</td>
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<td></td>
<td>Organizational Learning &amp; Grants Management</td>
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<td></td>
<td>Organizational Performance and Evaluation</td>
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<td></td>
<td>Planning and Evaluation</td>
</tr>
<tr>
<td></td>
<td>Policy, Research and Evaluation</td>
</tr>
<tr>
<td></td>
<td>Research, Evaluation &amp; Strategic Learning</td>
</tr>
<tr>
<td></td>
<td>Strategy &amp; Assessment</td>
</tr>
<tr>
<td></td>
<td>Strategy Measurement Evaluation</td>
</tr>
<tr>
<td></td>
<td>No unit name</td>
</tr>
</tbody>
</table>

Over 1/3 of respondents’ units have had a name change in the past 2 years (37%)
The responsibilities of evaluation staff have multiplied.

Most time, on average:
1. Initiative evaluations
2. Individual grant evaluations
3. Entire program area assessment
4. Foundation and/or program-level performance metrics
5. Designing and facilitating learning processes or events
6. Research or information to develop/refine program strategy
7. Overall foundation assessment
8. Satisfaction/perception surveys (grantees or other stakeholders)

On average, evaluation staff divide their time among 6 ½ different evaluative responsibilities.

Least time:
How does the scope of evaluation activities at your foundation reflect the foundation’s learning and evaluation priorities, and shape interactions between program and evaluation?
We suffer from imaginative gridlock.

Do we suffer from imaginative gridlock?
More time, faster data, and better attitudes about evaluation don’t necessarily get us to strategy.

- Do we prioritize and focus our resources and time on evaluative work at the right level and the right unit of analysis? What of our evaluation work focuses on realized strategy instead of only intended strategy?

- Who makes strategy implementation decisions, do we have clarity about what those decisions are, and how does evaluation interact with these decisionmakers?

- Are implementation decisions driven by the right factors and does our evaluation work set up to deliver information on those factors?

- We are making organizational decisions about the role and function of both evaluation and program that keep us focused at the micro-level?
How Shortcuts Cut Us Short
Cognitive Traps in Learning and Decision Making

Julia Coffman
Center for Evaluation Innovation
A bat and ball cost a dollar and ten cents.

The bat costs a dollar more than the ball.

How much does the ball cost?

Source: Shane Frederick
Ball = 10 cents

Bat = + 5 cents

One dollar

Ball = 5 cents

Bat = + 5 cents

One dollar
Why are we talking about this?
You deal with complexity and uncertainty.

How can we help metropolitan regions shape the opportunities available to low-income families for access to good quality jobs and services, and for development of their assets, particularly quality housing?

How can we reverse the childhood obesity epidemic by 2015?

How can we achieve high-quality preschool for all 3- and 4-year-olds in California?
And you try to reduce or manage it (I said try).
Strategies and theories of change help to manage complexity and uncertainty, but they tend to be more descriptive than prescriptive.
So evaluation is enlisted to help.

How can we take advantage of the evolving political climate?

How should assumptions about the true cost of implementation be adjusted?

What is motivating the actors and how do we reinforce desired behaviors?
But unfortunately, we are not rational.

We are hardwired to use heuristics and biases—cognitive traps—when processing information.

They affect:

- How we access information
- What we pay attention to
- What we learn
- How we apply it
We need to finish the equation.

1. Ask the right questions and get the right data
2. Structure the work to enable regular use of data
3. Effectively process and use the data
What are cognitive traps?
Our minds have two processing systems.

**System 1**: Rapid intuitive decisions based on associative memory, images, and emotional reactions

**System 2**: Monitors the output of System 1 and overrides it when the result conflicts with logic, probability, or some other decision-making rule.
The two systems act differently.

System 2 is lazy and trips us up, especially when we are busy.
There are all sorts of cognitive traps.

<table>
<thead>
<tr>
<th>Decision Making</th>
<th>Social</th>
<th>Memory</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Anchoring/adjustment</td>
<td>• Actor-observer bias</td>
<td>• Primacy effect</td>
</tr>
<tr>
<td>• Conjunction fallacy</td>
<td>• False consensus effect</td>
<td>• Recency effect</td>
</tr>
<tr>
<td>• Focusing effect</td>
<td>• Fundamental attribution error</td>
<td>• Serial position effect</td>
</tr>
<tr>
<td>• Overconfidence effect</td>
<td>• Halo effect</td>
<td>• Google effect</td>
</tr>
<tr>
<td>• Curse of knowledge</td>
<td>• In-group bias</td>
<td>• Hindsight bias</td>
</tr>
<tr>
<td>• Ease of recall</td>
<td>• Projection bias</td>
<td>• Illusory correlation</td>
</tr>
<tr>
<td>• Planning fallacy</td>
<td>• Self-serving bias</td>
<td>• Egocentric bias</td>
</tr>
</tbody>
</table>

We are focusing on a few relevant to philanthropy and evaluation.
The availability heuristic makes us overestimate what comes to mind the quickest.

Probability of a real threat?
Confirmation bias makes us favor information that confirms our pre-existing beliefs.

State polls showing consistent leads in key battleground states

Late-October national polls showing gains

Nate Silver’s “Model” of all presidential polling

Hurricane Sandy performance

More engaged and motivated voters

Large and enthusiastic crowds in swing states

Beliefs that national polls were skewed.

Internal polls showing leads in key states.
Escalation of commitment makes it difficult to revisit previous choices.
Working in groups can make it worse.

Particularly susceptible are groups with:

- Strong directive leadership
- Time pressure
- Important and complex decisions

We do this.

Right on.
Yes!
Yup!

Not this.

Hmm... Nope.
Sure.
Word.
Let’s go.

Yes!
Right on.
And being smart can make us even stupider.

In a lake, there is a patch of lily pads. Every day, the patch doubles in size.

If it takes 48 days for the patch to cover the entire lake, how long would it take for the patch to cover half of the lake?

47 days
What can we do to avoid the traps?
Just being aware is not enough.
Ask for the bad news (and mean it).

Bad emotions, bad parents, and bad feedback have more impact than good ones.

Bad information is processed more thoroughly than good.
Look for disconfirming evidence.

**CHANGE STRATEGIES**

Leadership & Engagement
To build key constituency support and promote quality preschool policy

Research & Policy Development
To make the case for quality preschool expansion

Target Communities & System Building
To support model preschool programs in geopolitically important communities

**OUTCOMES**

Problem Identified
Increased preschool awareness and attention

Politics Favorable
Increased policymaker support for preschool

Policies Proposed
Preschool policies and demonstrations that are seen as technically and fiscally viable

Typically we look for evidence that it’s working. Try looking for evidence that it’s not.
Use devil’s advocacy.

All your ideas are great!

Yes Man

Devil’s Advocate

Here are 10 reasons you shouldn’t do that.

Which consulting firm is better?
Remind yourself what you *don’t* know.

1. Tell me what you know.

2. Tell me what you don’t know.

3. Only then can you tell me what you think.

--Colin Powell
Reason analogically.

Compare and contrast across silos.

Health  Education  Environment
Get an outsider’s view.

The outsider is more capable of generalizing across situations, and makes better estimates and decisions than the insider.