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FROM LEAP OF REASON

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MANAGING TO OUTCOMES IN AN ERA OF SCARCITY

Foreword

by Carol Thompson Cole

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The full book is available at leapofreason.org

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A VENTURE PHILANTHROPY PARTNERS PUBLICATION

Foreword

by Carol Thompson Cole

Mario Morino, co-founder of Venture Philanthropy Partners, is many things to many people. Visionary entrepreneur. All-hours emailer. Demanding manager. Passionate advocate. Caring friend.

I see him, first and foremost, as a voracious learner.

Here's a classic example: When Mario retired from the software industry in 1992, he embarked on an eighteen-month listening and learning journey. He crisscrossed the country to visit with nearly seven hundred people in all walks of life—from nuns and schoolteachers to CEOs and senators. He had no set agenda for these meetings. His only goal was to glean insights on how he could most usefully and effectively apply his resources to helping children and families living in low-income communities like the one in southeast Cleveland where he grew up.

We at [Venture Philanthropy Partners \(VPP\)](#) are proud to publish this monograph with our longstanding strategic partner McKinsey & Company because it represents not only the learning Mario has done since that journey but also a host of highly relevant insights from his decades of work helping Global 500 companies manage their information technology resources for improved outcomes.

I encouraged Mario to write this monograph when I saw what a chord he struck in a series of four columns he wrote last year for [VPPNews](#) on the somewhat dry topic of assessment of social outcomes. I knew that his perspectives would have value for our

investors and the nonprofit leaders we are privileged to support. But I had no idea that Mario's blunt, unminced words would tap into a deep well of frustration throughout the nonprofit sector with just about every aspect of the dialogue on social outcomes. His clarion call resonated with nonprofit leaders who haven't been able to find a shred of support from funders for collecting and using information to manage to outcomes. It resonated equally with funders who have had it with nonprofits that have no means whatsoever for determining whether they're doing what they say they do.

It should come as no surprise that VPP's investment partnerships and expertise in this field have provided a rich vein of insights for this monograph. It should also come as no surprise that we invited leaders directly and indirectly connected to VPP—Isaac Castillo from the [Latin American Youth Center](#), Tynesia Boyea Robinson from [Year Up](#), Pat Brantley from [Friendship Public Charter School](#), Kris Moore and colleagues from [Child Trends](#), David Hunter from [Hunter Consulting](#), and Ethan Schafer from the [Lawrence School](#)—to enrich this monograph with lessons they learned on the front lines.

VPP has always made it a point to support those leaders who are both brave, committed visionaries and also introspective learners. Over time, through missteps and victories (big and small in both cases), we at VPP have gotten better at understanding how we can do more to help these leaders make the difficult cultural transition from simply having a genuine interest in improvement to truly infusing outcomes thinking into the way they manage their organizations.

Because if we've learned anything, it's that it does take *more* to support this difficult change. In our first portfolio of investments (2001 to 2009), we devoted a full 10 percent of our direct investments and countless hours of our senior leadership's time to helping our investment partners alter their culture and develop the human and IT systems necessary for managing to outcomes. And yet that big commitment was neither big enough nor early enough in our relationships.

With the help of a comprehensive outside analysis of our first-portfolio investments, we saw that five out of our twelve investment partners achieved the kind of transformative, systemic culture change we were hoping to spark. In our current fund, we aspire to produce an even higher ratio.

We're putting increasing emphasis on investing in leaders who already embrace the value of great information, even if they haven't yet had the external support to build systems for collecting and using information. In fact, in our new [youthCONNECT](#) initiative, we've asked all applicants to demonstrate a predisposition for using information to guide their operations. We're also providing longer-term funding, with a clear expectation that it will take at least two to three years of intensive work to create a true outcomes-focused culture. And we're learning to be more flexible in how we support this work. We've learned that we cannot impose our support for this type of change process, that we have to give our partners the time and space to do it their way, not our way. It's not going to stick if they don't own the process and the resulting systems.

And when it does stick—as it has for investment partners like the [See Forever Foundation](#), [Latin American Youth Center](#), [Friendship Public Charter School](#), [College Summit](#), [Year Up](#), [KIPP DC](#), and others—it truly helps nonprofits do a better job of meeting their missions. We consistently hear how much our investment partners value the strategic assistance we provide to help them become more focused and disciplined in managing their organizations, in a way that enables them to get started on the path toward managing to outcomes. In fact, the investment partners who experienced systemic culture change perceived that this support was one of the biggest external drivers of their results. “We have far better infrastructure [now],” one anonymous investment partner told our external reviewers. “Now we can look at how our programs can be strengthened for outcomes. . . . This has become part of our culture.”

These investment partners report that during this time of very tight budgets, the time-consuming, expensive work of clarifying

and assessing outcomes becomes more—not less—valuable to them. When resources are scarce, funders are more likely to ask for measurable results. But far more important, the nonprofit leaders themselves are eager for clarity on where to place their bets and how they can create the biggest impact for children and families.

We at VPP and McKinsey hope that after reading these essays you will come to share the view that managing to outcomes is far from a luxury. As Mario and our expert contributors make clear, we believe managing to outcomes is a necessity for any mission-focused organization that wants to create meaningful, measurable, sustainable change for those it serves.

If you're ready for this type of learning and cultural journey, we hope you'll use this book as a travel guide. In this slim volume we haven't been able to cover everything you need to know, but we think we can give you a reasonable lay of the land, help you get a good start on your itinerary, and spark good conversations for you and your travel companions—your staff, your board, and other key stakeholders.

And to help us on *our* learning journey, we of course welcome your feedback.

Bon voyage.