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**Guiding principles for partnerships in philanthropy: insights from the WISE Grant Round**

WISE GRANT ROUND EVALUATION

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Content

[Background 3](#_Toc170402758)

[Learning from the pilot WISE Grant Round 3](#_Toc170402759)

[Our principles 4](#_Toc170402760)

[Implications 7](#_Toc170402761)

Background

*“The growing magnitude and complexity of socioeconomic problems facing societies throughout the world transcend the capacities of individual organizations and sectors to deal with them adequately.” – Austin and Seitanidi, 2012.[[1]](#footnote-1)*

The rationale for working together – across organisations, across sectors, and across jurisdictions – is by now, well made, particularly in the context of complex problems that go beyond what any single entity can tackle by themselves. Yet working together is far from simple. Diversity in perspectives, needs, resources, skills and contexts can make it challenging for potential partners to find common ground, or a shared direction, and to identify meaningful steps they can take toward shared goals. Equally challenging is ensuring that both shared ambitions, and individual needs can be met through collaborative efforts.

For philanthropic organisations, collaborative initiatives have been on the rise in recent years. Work by the Bridgespan Group highlights the diversity of the form and function of these collaborative approaches, such as ‘platforms’ of funders, pooled funding mechanisms across organisations, or co-funded initiatives in priority domains (among many others). [[2]](#footnote-2)[[3]](#footnote-3)[[4]](#footnote-4) While the precise nature of these collaborative efforts vary, at their core is an interest among philanthropic organisations in the benefits that can come from collaborative ways of working: for themselves, those they provide funding to, and the issues that are of shared importance to all.

Yet what does it take to work effectively together in the context of philanthropy? What challenges are unique to collaborative philanthropic efforts, and how might these challenges be addressed? What do philanthropic entities need to consider when exploring or working in collaborative ways with others in philanthropy? What principles might be important for guiding collaborative, philanthropic efforts? This document seeks to distil insights into these questions through examining the design and implementation of a recent collaborative open grant round for Work Integration Social Enterprises (WISE).

Learning from a pilot WISE Grant Round

WISE play an important role in helping people find and secure meaningful and decent employment. WISE often work with people from marginalised communities, for whom it can be particularly challenging to secure work, such as refugees and migrants, people with disabilities, or those experiencing other forms of disadvantage. As such, WISE incur significant costs, such as related to training, or improving employment access. Philanthropy can fill an important funding gap for these organisations, and help to cover some of the additional costs that these entities incur.

Yet the landscape of philanthropy in Australia – and elsewhere – is challenging to navigate for many, including WISE. There are multiple funding organisations, working in different places, with different aims, ambitions and communities of focus. Moreover, these funding organisations may work in different ways, and seek to support different elements of an organisation and its work. Navigating this terrain is complex, and time and resource intensive for WISE.

As a step toward tackling this challenge, seven of Australia’s leading philanthropic organisations formed a collaborative initiative in 2022 with the aim of streamlining access to funding for WISE, as well as improving the networks and connections among Australian philanthropic organisations. As part of its work, the collaborative co-designed a collaborative open grant round for WISE, and mobilised $4.7M AUD to support early and mid-stage WISE. With the support of pro-bono legal support, the collaborative built a guiding Memorandum of Understanding, implemented a Steering Group and Social Enterprise Advisory Group (SEAG), and developed all the necessary materials and resources for running an open grant competition. With the Lord Mayor’s Charitable Foundation (LMCF) selected as the Host Organisation, this process received more than 180 Expressions of Interest, with 14 WISE ultimately selected (through a collaborative process) for funding. These organisations are diverse, distributed across Australia, and have a shared goal to improve access to employment for some of the most disadvantaged groups in Australia.

Emerging principles

The WISE Grant Round Steering Group commissioned an external partner (Day Four Projects), to design and implement an evaluation of their collaborative efforts in 2023. Through interviews and workshops with all Partner Organisations, a focus group with the SEAG, and a survey with successful and unsuccessful WISE applicants, the evaluation explored the processes of designing and implementing the grant round, as well as the perceptions and experiences of those it engaged. Qualitative analyses of these data helped to reveal key patterns and trends within and across perspectives, leading to a set **of five principles** for consideration when working in similar configurations (see Figure 1). Each of these principles is described below, with illustrative insights into how the principles have been expressed in the WISE Grant context.

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**Figure 1: Our principles**

1. Transparency of process

Clear and transparent processes are known to be important for all effective collaborations. When partners have a good and shared understanding of how a collaborative activity operates, and are able to see when, how and why decisions are made, it is more likely that trust-based relationships will follow. The opposite is also true: when processes are hidden, when partner objectives are withheld, or when decision-making processes are opaque to partners, it is difficult and perhaps impossible for trust-based relationships to form.

The experiences of partners within the WISE Grant Round suggest that the processes for working together were highly transparent to all. This included how partners were being brought together, how they were connecting and communicating with each other, as well as how their collective voice was being communicated to WISE and the sector more broadly. Partners were clear on how they could be involved in the collaborative, and the processes by which these contributions could be made.

For those working in the collaboration, this focus on transparent processes was woven through all stages of collaborative work: from initial conversations between convening partners, in drafting documentation and seeking/negotiating document feedback, in communications within and external to the collaborative (including emails, documentation, and in sharing summaries of meeting minutes and project updates), and in the processes employed by the Steering Committee.

In many ways, this is a highly practical principle that relates to functional ways that partners seek to communicate and work with each other. As one Partner Organisation noted:

*“Someone was prepared to draft docs and have them open for discussion- that worked well.” Partner Organisation*

1. Mutual respect, understanding and openness

Partnerships that bring together those with diverse perspectives are built on the premise that doing so leads to better outcomes – be they about effectiveness, efficiency, reach, or another shared goal. The challenge with diversity is twofold: firstly, it requires being able to see and respect the ways in which partners are diverse; and secondly, it requires being able to see and respect those areas that are shared.

Mutual respect, a willingness to understand each other, and an openness to different ways of thinking and doing, are hallmarks of partnerships built on diversity. For partners working in the WISE Grant Round, there was a shared recognition of the challenge being addressed, and the vision for what a collaborative funding program could deliver – for WISE and for each other. Early upfront work in co-developing a Theory of Change and a Memorandum of Understanding, helped to clarify what the shared goals and objectives were for the initiative, as well as what the individual goals and needs were for partners. Exchanges between collaborators were in a spirit of a shared change they were all seeking, and an openness to new ideas and the experiences of others.

It is this openness that helped partners more fully understand and appreciate each other, and the ways that partners were different and similar. Such knowledge proved highly valuable when encountering differences of opinion, or navigating points of tension: partners were better able to appreciate each other’s perspective and identify ways forward. This was particularly relevant when determining which WISE would move through to the shortlisting phase, as well as those who would ultimately be successful. Moreover, it was enabled through consensus-based decision-making processes, that while time intensive, ensured that all voices were heard and contributed. As noted by two Partner Organisations:

*“There was a lot of respect at the table. There’s a lot of big-name philanthropy sitting around the table, and there were very few circumstances where there were points of disagreement.” – Partner Organisation*

*“We wanted everyone to have an equal voice and share, no matter what funds they were contributing.” – Partner Organisation*

1. Clarity of roles, responsibilities and risk

In bringing together a new set of partner organisations, including those working in philanthropy, the ‘rules’ of how to work together are not always clear or agreed. In the early stages of partnering, and then if not resolved, this can lead to confusion about who is doing what, inefficiencies, duplication of effort, and a sense of dissatisfaction among partners about the work of the partnership. Moreover, without a clear understanding of who is assuming which risks, it can be challenging to engage and maintain participation, engagement and commitment to the work of a collaborative endeavour.

The WISE Grant Round involved multiple roles (and levels of engagement) for Partner Organisations. Originally led by the Westpac Foundation, the Partnership transitioned to LMCF taking on the role of Host Organisation. Other Partners played critical roles in the Steering Group, the Evaluation Group and a dedicated Communications Group, as well as took up roles as reviewers, connectors and providers of feedback. A number of Partners supported through the role of key anchor funder and established the foundational budget that enabled the subsequent development of the program and the collaboration. While Partners could in many ways choose the level and depth of their engagement, the expectations of what each opportunity involved were made clear to all.

These structures and processes assisted to set partner expectations – each was clear on the role and work of the Host Organisation, of the sub-groups that were created, and of the external legal advice brought in to support effective partner engagement. This resulted in efficient flows of information, acceptance of decisions made, and relatively smooth functioning of the partnership from its inception to establishing agreements with successful WISE.

*“Westpac very helpful in taking a lead – LMCF would later step in and take that lead.” Partner Organisation*

*“LMCF put their hand up and were motivated to participate - as soon as that option was on the table, people were comfortable. There was a sense that there was trust and comfort in having our inner circle to deliver and play that role - that was a key decision making moment, and it was well researched and understood.” Partner Organisation*

1. Having the hard conversations

Diversity is a common theme across these principles, which brings a set challenges when working with partners who have different orientations and perspectives. While there are great benefits that come from pooling diverse talents, skills and resources, there can also be great challenges in navigating points of difference, and disagreement.

For some, avoiding points of tension (or even potential points of tension) is seen as a way to foster harmonious working relationships. The challenge is that left unacknowledged and unaddressed, points of tension tend to become increasingly problematic as a partnership progresses, and ultimately undermine the work of partners.

Having difficult conversations is therefore a key feature of successful funder-funder partnerships, and requires all sorts of other supporting features: courage, curiosity, openness and vulnerability. For partners in the WISE Grant Round there was a comfort in knowing that having challenging conversations and points of difference did not mean the partnership was failing; but rather that partners were open and willing to explore how to get the most out of their work together. These conversations took place in 1:1 conversations (often between the Host organisation and other partners), as well as in broader group discussions. These provided mechanisms for surfacing a shared understanding of perspectives and needs, that were in service of both individual partners and the partnership as whole. The result was an ability for the partnership to move forwards, rather than continually circling around points of divergence. Partners experienced this in the context of complex selection processes, where individual needs and collective needs required navigation, and in the broader context of a non-finalised budget.

*“Knowing you can have robust conversations and there will be disagreements but you can get over it.”*

*“It was broadly consistent - the rankings – there was in some instances disparity in terms of what [Partner Organisation] rated compared to others, for example. There was probably some unconscious bias at play. That was handled well- [LMCF] chaired the meetings, and it was a really tough job, [they] did well.” – Partner Organisation*

*“Where there was disparity, [LMCF] moderated that offline before the meeting. [They] called me, and said there are differences in ratings. Why did you do that? What’s your rationale? That was also around the Tier 1 and Tier 2 process- [they] did that for that process as well.” Partner Organisation*

1. Visionary and process-based leadership

A key finding from the evaluation of the early experiences of the WISE Grant Round was the important role played by effective leadership. From its early stages as an idea from the Westpac Foundation, through to its formalised hosting at the LMCF, the WISE Grant Round was given life and momentum by passionate and committed individuals and organisations. There was deep respect for the key individuals involved in the process, and a desire among those involved to see the initiative succeed. Through clear, engaging and participatory processes, these leaders were able to help Partner Organisations arrive at a shared ‘north star’ for the initiative, and to foster creativity, innovation and problem solving among those involved to make good progress toward this goal.

Setting a shared direction (which included formative work in building the overall Theory of Change), was complemented by strong process-based leadership. This form of leadership brings high attention to the details of how collaborators might achieve their goals – focusing on processes and systems that benefit partners’ specific needs and interests.

For the WISE Grant Round, the interplay between host, steward and leader between the Westpac Foundation and LMCF helped to embody both visionary and process-focussed leadership styles, which has been a key feature of the overall progress of the initiative.

*“It kind of kicked off at PA conference in September 2022. [We] were thinking of floating this idea at the conference. [We] got a critical mass of people interested and then set up a series of brainstorm discussions.” - Partner Organisation*

*“I think [LMCF] is a fantastic chair. It was down to [LMCF’s] chairing. If people did need longer, I honestly think it was down to [LMCF’s] chairing to keep us going. And I think [LMCF] was pragmatic, and transparent. Most of the resolutions came from their handling of those situations.” Partner Organisation*

Implications

Many successful partnerships spend time early in their formation discussing, exploring and agreeing to a set of foundational principles for guiding their work. These processes are only as good as the commitments made by partners to try and live these principles in all the work they do. This means, principles have to be authentic to all partners, and meaningful in the context of the relationships and the ambitions they have for their work together.

The above principles, while hopefully of value to partners working in (or seeking to work in) funder-funder collaborations, require interrogation and adaptation to any new context or setting. For partner organisations participating in the WISE grant round, these principles have emerged over time, and reflect activities and behaviours within the collaboration that have fostered goodwill and progress towards shared and individual outcomes. Intentional efforts to interrogate, revisit and revise these principles will assist partners in ensuring they remain current and relevant to the work of the partnership. This might be achieved through ensuring they are standing items in collaborative meetings, holding partner ‘check-ins’ to explore their relevance to partners’ work, or seeking to celebrate their presence through sharing examples of their use in practice.

The principles identified here will form an important foundation for ongoing exploration of the WISE Grant Round and the partnership among funders that has enabled it to take place. Through future learning and evaluation activities, the principles will be examined further, including how, when, where and why they are brought to life by different partners within the collaboration. And over time, it is expected that this work will contribute to a more refined understanding of what it takes for funding organisations to work effectively in partnership.

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