

Improving Our Work with Grantees: A Progress Report

The Bill & Melinda Gates Foundation is committed to creating strong, effective partnerships with our grantees to achieve the greatest possible impact in our work together. A critical part of this involves understanding how our grantees perceive their relationship with us and how we can improve in response to their feedback. Through ongoing surveys, interviews, and focus groups, we are collecting information that helps us improve our processes, communications, and interactions with grantees. This report details our recent findings and the resulting initiatives we have implemented.

September 2012

The logo for the Bill & Melinda Gates Foundation, featuring the text "BILL & MELINDA GATES foundation" in a serif font, with "GATES foundation" in a smaller, italicized font. The logo is set against a dark red square background.

BILL & MELINDA
GATES *foundation*

Introduction

Three years ago, we commissioned an independent survey of our grantees to better understand their opinions about the foundation and about working with us. We sought this information because the quality of our relationships with grantees helps determine the effectiveness of our work together and, ultimately, our ability to deliver on our mission to help all people lead healthy, productive lives.

The Center for Effective Philanthropy surveyed all of our active grantees at the time—more than 1,500—and two-thirds of them responded. In the resulting [Grantee Perception Report](#), the foundation received favorable ratings compared to other philanthropic funders for our work in grantees' fields. In particular, the respondents said we had a positive impact on knowledge, policy, and practice in the strategy areas in which we are engaged. But grantees also had concerns. Many said we were not clear enough about our goals and strategies and that we did not always understand theirs. They also said our decision making and grantmaking processes could be more transparent, and that we should be more consistent and responsive in our communications.

We used the feedback to make a number of near-term improvements such as explaining our grantmaking process more clearly, providing an orientation call after awarding a grant, communicating who the grantee's contact is at the foundation, and giving timely feedback on grantee reports submitted to us. We also established ways for grantees to offer attributed or confidential feedback directly to the foundation, as well as anonymous feedback through an independent reporting service called [EthicsPoint](#).

In November 2011, we published a [Commitment to Grantees](#) that sets out three important elements of our relationship with grantees:

- **Quality interactions.** You will be treated with respect and candor.
- **Clear and consistent communications.** You will know who will make the decision on your grant and when, and you will be provided clear communications on the foundation's strategy, our grantmaking and grant management processes, and the amount of time and assistance you should expect to receive from us once your grant is awarded.
- **Feedback.** You will have opportunities to provide feedback—and we will use that feedback to make continuous improvements.

Every program team at the foundation, as well as internal business partners in finance, human resources, communications, operations, and other groups, has embraced this commitment.

In 2013, the Center for Effective Philanthropy will conduct a second grantee perception survey. In the meantime, we have continued to survey and interview grantees so we can further identify the root causes of challenges, address systemic issues, and put current, actionable feedback into the hands of every program director.

So far, more than two-thirds of the foundation's approximately 2,400 grantees have participated in these periodic surveys, interviews, or focus groups. Additional responses are expected over the next few months, but we already have enough information to identify some trends and key themes. This report summarizes the latest feedback. We want grantees to know that we have heard them and are actively responding to their feedback. We also want to explain some recent initiatives we have put in place to strengthen our relationship with grantees and increase the impact of our work together.

Recent Findings

Over the past nine months, we have surveyed grantees about two attributes that predict the overall state of our relationship with them: the quality of interactions and the clarity and consistency of our communications. We have also asked grantees about their overall level of satisfaction with us.

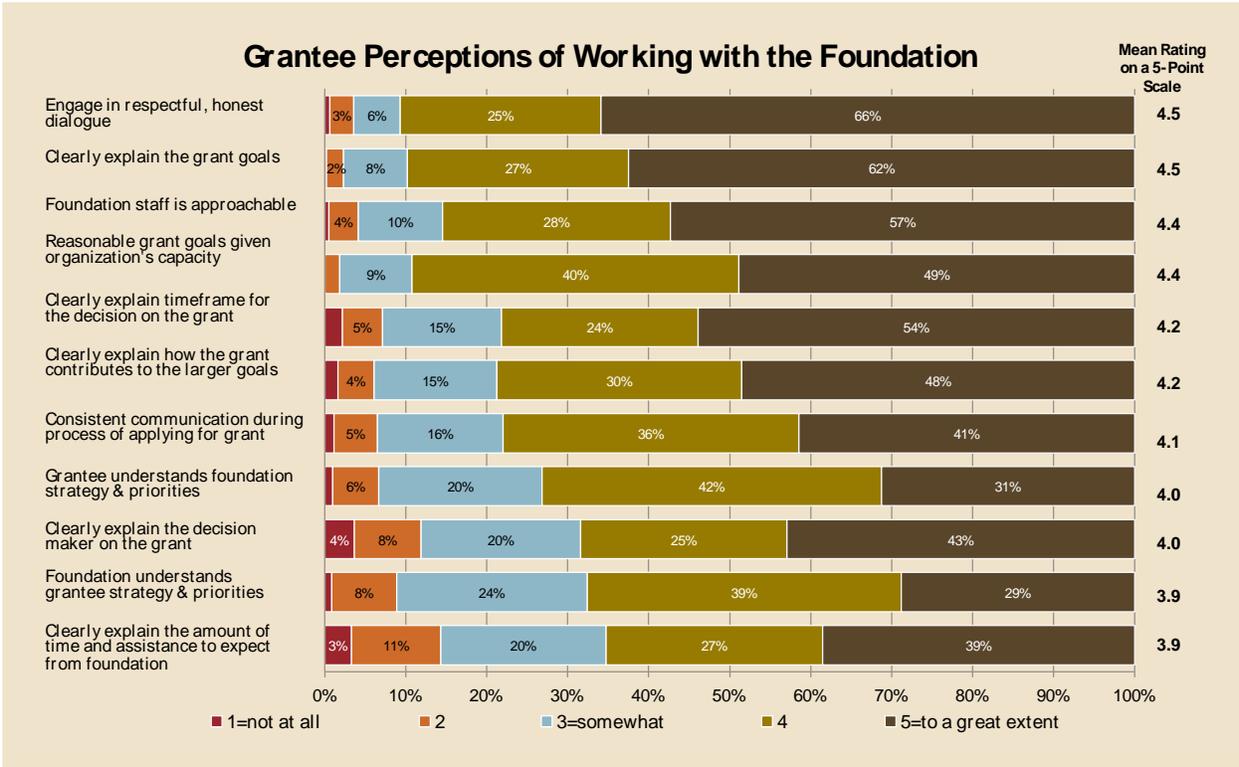
Overall Satisfaction

Only 1 percent of grantees said they could not identify their primary contact at the foundation—a significant reduction from the 23 percent in the Grantee Perception Report survey who said they could not identify their primary contact. More than 70 percent of respondents reported being very satisfied overall with their work with the foundation (6 or 7 on a 7-point scale).

Quality of Interaction

Foundation staff received high marks for being approachable and for consistently engaging in respectful, honest dialogue, as shown in the following chart. A majority of grantees also said the foundation clearly explains the timeframe for grantmaking decisions

Most grantees said their program officers are helpful and responsive to questions, issues, and challenges. When asked for an example of what the foundation should continue doing, one grantee said: “Continue to be open, responsive, and helpful when asked questions about the foundation and its strategies and priorities. Also continue to give quick feedback when grant timing changes, and be available to explore mutual interests.”



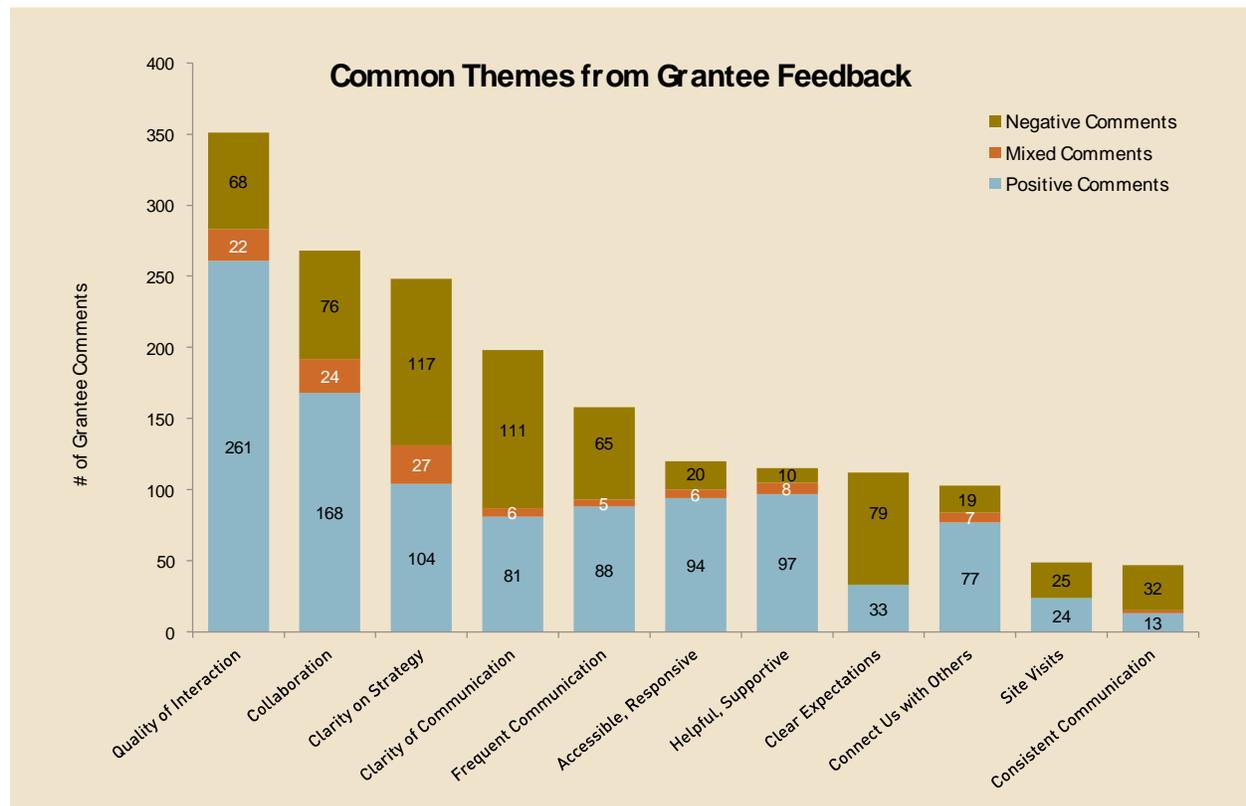
Clarity and Consistency of Communications

As shown in the chart on the previous page, nearly 90 percent of respondents said that the foundation staff is effective in explaining the goals of the grant. But some respondents reported a lack of clarity in communications about who the decision maker is on grants and how the grant contributes to the larger goals of the foundation’s programs. As one grantee put it: “I can’t figure out the organization—it’s a puzzle. They’re a matrixed organization, and it’s unclear who reports to whom.” Another grantee said it would be helpful if the foundation would “make more transparent the different pieces of their strategy, how the pieces fit together, and which grantees are working on what.”

Most grantees said it would be OK not to know who actually makes the grant decision if they could better understand the steps and where they were in the process. A number of grantees reported a lack of consistent communication during the grant application and approval process. Some pointed to turnover in program officers as a factor. Said one grantee: “In the middle of our grant development, our primary contact changed. With this, also the focus and goals of our discussions changed.”

A number of grantees said they were uncertain what level of engagement to expect from foundation staff after the awarding of the grant. Others said the foundation was quite clear in this regard. This variation may be due to the different ways program officers communicate. In interviews, this lack of clarity was often mentioned as a central challenge in working with the foundation. This is an important area of follow-up for us, as described in the next section of this report.

Grantees also had different views regarding post-grant engagement. Some reported receiving too much attention—to the point of micromanagement—while others said the level was more ad hoc and informal. In the open-ended feedback section of the recent survey, grantees were asked what the foundation should continue doing and what it should do differently. They were also asked to provide examples of when the foundation was most and least helpful. The following figure shows the number of times a particular term or theme surfaced in grantees’ open-ended responses.



Improvements in Response to Grantee Feedback

We are working on a number of initiatives to ensure greater consistency and responsiveness in our communications with grantees and be more transparent about our strategies, decision making, and grantmaking. This effort starts with foundation leaders providing evidence—such as the information in this report—to program teams and their business partners; supporting the program teams and their partners in setting goals, priorities, and plans for improvement; and strengthening foundation leadership, capacity, and infrastructure to support and sustain optimal working relationships with grantees.

Operational Improvements

This year, we redesigned the foundation’s organizational structure to better integrate our programs in global health and development and to improve the way we work with grantees. As our CEO, Jeff Raikes, indicated in an [email](#) to grantees in April, our priorities remain the same. The goal of the redesign is to move toward a more collaborative model of working—internally and with grantees and partners—to increase the impact of our work together.

We are also making operational changes to streamline and better coordinate our internal processes and make them more predictable and transparent across all of our strategies.

Improvements to the Grantmaking Process

We are exploring new approaches to grantmaking to better serve an important goal we share with grantees: to create more opportunities to try bold, innovative ideas that can achieve greater impact. For example, our Water, Sanitation & Hygiene program is trying an approach that we call Outcome Investing. At the start of a project, the foundation and the grantee collaborate to determine what success will look like at the end.

Rather than tracking predefined task-related milestones, grantees commit to a few measurable, long-term outcomes, and some portion of the grant funding is tied to achieving those outcomes. Initial results show that Outcome Investing can be effective.

Grantees involved in our Water, Sanitation & Hygiene program scored their work with the foundation higher than grantees in our other programs on nearly every measure related to quality interactions and clear and consistent communications. Grantees indicated in interviews that engaging in honest and direct negotiations over outcomes for their grants led them to find the program officers more approachable and resulted in greater respect for them. Foundation staff and grantees both said



they were optimistic that the grant would be completed as planned and that the process—though difficult at times—laid the foundation for navigating through unforeseen challenges.

The foundation is also working to improve processes for making and managing grants. Since the start of 2012, we've held working sessions and interviews with grantees, other foundations, program officers, and other foundation staff to simplify and streamline our grantmaking and contracting practices and develop key principles for our work with grantees. These are described in the figure on the previous page.

These principles are meant to address recurring challenges we've heard about from the field and from our own teams, including the need to clarify our decision-making process, avoid unnecessary and duplicative work, and better calibrate the time and effort we spend with prospective grantees in developing a project in relation to the risks of the proposed project. Later this year and in 2013, we will test and then roll out new processes that will make collaboration easier, enable more effective relationships, and lead to greater impact.

Implementing Promising Practices

We are working on a number of best practices—what we call Promising Practices—to address concerns expressed by grantees in the Grantee Perception Report and more recent surveys and discussions.

"We notify grantees before we make any changes in program strategy or priorities, and we let them know that results from the field will help inform the changes. We have also learned that grantees and partners like to have the changes explained to them both in writing and orally."

—Postsecondary Team, United States Program

"We are exploring an approach called Outcome Investing, which involves setting a clear vision of success, negotiating measurable outcomes, and allowing the grantee to determine the steps to achieve those outcomes."

—Water, Sanitation & Hygiene Team, Global Development Program

"We are enlisting the expertise of our grantees in an advisory capacity. For example, we have used this approach in working with a grantee to obtain research that supports the foundation's tobacco control efforts."

—Tobacco Team, Global Policy & Advocacy Program

We understand that building high-quality relationships with grantees requires that our program officers be equipped to handle each relationship well and to communicate effectively and with clarity and consistency. We also understand that it is up to foundation leaders to set that expectation and provide the training, processes, and other resources to help program officers succeed.

Conclusion

This report and the associated surveys and interviews reflect one step in our ongoing commitment to strengthening our relationship with grantees so we can achieve greater impact together. We are committed to continuing to measure our progress and being accountable for improvement, and we welcome grantee feedback at any time.

We receive feedback daily through interactions between our program staff and grantees, and we will continue to seek feedback through surveys, interviews, and focus groups. Grantees can also send us feedback by emailing our grantee partner engagement team at granteesurvey@gatesfoundation.org or sharing their views via Twitter using #gateschat. Confidential feedback regarding specific allegations can be reported using [EthicsPoint](#), a third-party service.

Above all, the relationship we strive for with grantees is one of partnership because we can achieve greater impact working together to tackle big challenges. This begins with clear communications and quality interactions, as well as setting realistic and clear expectations about the nature of our relationship with grantees and the level of our engagement. In addition, our ability to be an effective partner is influenced by how well we collaborate within the foundation and support our own people.

Guided by the belief that every life has equal value, the Bill & Melinda Gates Foundation works to help all people lead healthy, productive lives. In developing countries, it focuses on improving people's health and giving them the chance to lift themselves out of hunger and extreme poverty. In the United States, it seeks to ensure that all people—especially those with the fewest resources—have access to the opportunities they need to succeed in school and life. Based in Seattle, Washington, the foundation is led by CEO Jeff Raikes and Co-chair William H. Gates Sr., under the direction of Bill and Melinda Gates and Warren Buffett.

For additional information on the Bill & Melinda Gates Foundation, please visit our website: www.gatesfoundation.org.

© 2012 Bill & Melinda Gates Foundation. All Rights Reserved. Bill & Melinda Gates Foundation is a registered trademark in the United States and other countries.
