

Are You Ready for Venture Philanthropy?

Jennifer Parker
jparker@seattleyymca.org

What if a funder cared as much about making your organization strong as they did about the outcomes of your programs? What if the funder gave you not just money, but access to talented consultants to help you with board development, outcome measures, marketing plans, and technology assessment?

That's what happened when Social Venture Partners Seattle (SVP) chose to invest in the YMCA of Greater Seattle Metrocenter branch and the *Street Soldiers* program.

Street Soldiers is an innovative sixteen-week violence prevention, academic preparation and peer education program that defines violence as a community health issue and offers tools to combat the "disease of violence." Teens study root causes of violence and expand their abilities to think critically about

themselves, their environment and the culture in which they live. Teens conduct violence prevention workshops for other youth, help one another set positive goals and create a network of peer support. The program is highly successful in helping teens make long term positive life changes.

Metrocenter YMCA had offered the *Street Soldiers* program for four years as part of the Y's alternative high school when SVP stepped in with 3-5 years of funding to expand the program to serve middle school students who are at risk for academic failure, joining gangs and becoming involved with the justice system. But as a leader in venture philanthropy – SVP is not only interested in the program they chose to fund, they also want to invest in building the organization.

In more than 25 years with the YMCA, I've worked with funders on more than 180 grants. In all of these relationships, I have never experienced the kind of transformational support that SVP is providing Metrocenter YMCA.

When SVP selected Metrocenter as an "investee" we had only the vaguest sense of what capacity building could mean for our YMCA. Over the past two years our eyes have been opened. Where we had a hazy sense that we could be more effective, SVP provided tools and technical assistance to sharpen our focus. When Metrocenter staff and board felt we needed to clarify and measure the outcomes we seek in our

work with young people, SVP helped us:

- Develop outcome indicators and evaluation tools for each of our programs that our staff and board use to make strategic decisions for the branch.
- Over the past two and a half years, SVP has also provided volunteer and

paid consultants to help with marketing and communications, copyright issues, board and executive development, expanding an endowment program and assessing our technology needs.

- With each consultant/volunteer, we have received a gift of great skills, new perspectives and innovative ways to improve our organization.

There have been times when we are almost overwhelmed with the effort of developing our organizational capacity – after all, we still have all of our regular work to do. But we've seen immediate results from these our investments, and that energizes us to keep going.

SVP's investment is unlike anything our organization has experienced. We would not be able to tackle this important work at this pace and depth without SVP's support. During the coming year, another 100 students will learn to be *Street Soldiers* and will learn to live out the program motto, "the more you know, the more you owe" by teaching their peers how to stay "alive and free." And Metrocenter YMCA will have more internal strength to develop, support and disseminate innovative programs that transform the lives of young people who need our care.

"We would not be able to tackle this important work at this pace and depth without SVP's support."



Jennifer Parker
Executive Director
Metrocenter YMCA
YMCA of Greater Seattle



Social Venture Partners



The Social Venture Partners model was created in 1997 in Seattle. The founders' vision was a philanthropic community that borrowed from venture capital practices and made highly engaged investments of money, resources and business expertise in local nonprofit organizations, with the aim of developing their capacity and sustainability. (Partners are individuals who invest at least \$5,000 a year in SVP and are active in grant making and organizational capacity building support for grantees.)

At its core, venture philanthropy is aimed at strengthening and supporting the long-term capacity of a nonprofit to fulfill its mission, rather than funding short-term projects or programs.

Venture – or engaged philanthropy – focuses on building stronger management teams and boards, investing in outcome assessment, improving product and service quality and delivery, and other strategic ways to improve effectiveness and increase scale. It requires a high level of involvement from both parties – the philanthropist and the nonprofit. It's a multi-year financial and human resource commitment and assumes there will be structural and attitudinal change within the nonprofit as a result of the relationship.

But Social Venture Partners has added an extra dimension. Just as important is the goal of educating and mobilizing Partners as a community of lifelong, informed, and inspired philanthropists.

As interest in this new approach to philanthropy grew, Social Venture Partners organizations modeled on SVP Seattle began developing throughout North America. As of mid 2007, there are 24 Social Venture Partner organizations and more than 1700 Partners in the

USA, Canada and Japan, who have contributed \$23 million in grants to more than 250 nonprofit organizations and countless hours of strategic volunteering contributed to nonprofits.

www.socialventurepartners.org

Are You Prepared to Take On Venture Philanthropy?

- Be careful that you have a good mission match with the funder, and be firm about the things you aren't willing to compromise – otherwise you could end up in a tug of war.
- Be ready to bare all – to get the most benefit, you have to share the good AND the bad – so you can get help to improve your weak areas.
- Be open to accepting help, criticism, and new ideas – yes, this means you actually have to make changes!
- Be prepared to keep the funder, volunteers and consultants effectively involved. This is like managing additional staff – so make time to take this on.