

BRIEFING PAPER

TOPIC

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## How Do Networks Support Scale?

REFRAMING THE CONVERSATION:

A GEO BRIEFING PAPER SERIES ON GROWING SOCIAL IMPACT

Despite significant philanthropic and public sector investments to address disparities in human and environmental health, education and economic opportunity over decades, core social problems have not gone away and in some cases have increased. Often the approaches to addressing these problems are fragmented, and funding processes are overly complex or create unnecessary restrictions, leaving nonprofits as well as philanthropic and government funders ill equipped to successfully increase social impact.

**In the midst of a mounting imperative to achieve better and more results, grantmakers of all kinds are shifting the way they think about scale, emphasizing not size or reach but impact.** Growing impact does not necessarily require organizational growth or the wholesale replication of programs — it may instead require expanding an idea, technology or skill, advocacy or policy change. With impact as its central focus, the philanthropic sector is forging some promising new pathways for innovation, seeking to work beyond the traditional constraints of individual grants, initiatives or organizations to engage stakeholders, test multiple approaches and aggregate and coordinate resources from many sources.

**Accompanying this shift is a renewed interest in the role that networks can play in a scaling process** — and how, in combination with emerging technology and social media tools, networks can support the efforts of grantmakers to build relationships, harness complementary resources and work through entire systems for social change. Paul Bloom and Gregory Dees of Duke University describe the system a grantmaker seeks to influence as an “ecosystem” of key external resources, beneficiaries and environmental conditions.<sup>1</sup> Understanding the ecosystem you’re working in is crucial, especially as boundaries between the nonprofit, public and private sectors blur.

Networks are not new to philanthropy, and the world’s most important social movements — such as for human rights and environmental protection — have long used the power of networks as one of many approaches to change. Today, as new technologies increase the awareness, reach and potential of networks, grantmakers are adopting a new network mindset, trying on some new practices to more effectively support and participate in networks and learning with and through networks to grow impact.

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<sup>1</sup> Paul Bloom and Gregory Dees, “Cultivate Your Ecosystem,” *Stanford Social Innovation Review*, 6 (Winter 2008): 47-53; John Elkington et al. “From Enterprise to Ecosystem: Rebooting the Scale Debate,” in *Scaling Social Impact*, ed. Paul N. Bloom and Edward Skloot (New York: Palgrave Macmillan, 2010), 83-102. For an example of systems thinking in the context of scale, see Carol Wilkins, et al., “Laying a New Foundation Changing the Systems that Create and Sustain Supportive Housing” (report for Corporation for Supportive Housing, New York, 2003).

## ADOPTING A NETWORK

## MINDSET TO GROW IMPACT

A network is any set of connected nodes or points. In social networks, as analysts Bruce Hoppe and Claire Reinelt have described, “nodes’ of the network are people and ‘links’ are the relationships between people. Sometimes nodes are also used to represent events, ideas, objects or other things.” These nodes and links can be collected, analyzed and mapped to show the patterns and closeness of connections across the network — and “reveal characteristics of the network that help guide participants as they evaluate their network and plan ways to improve their collective ability to identify and achieve shared goals.”<sup>2</sup>

Networks can be large or small, long-standing or temporary. In *Net Gains: A Handbook for Network Builders Seeking Social Change*, Peter Plastrik and Madeleine Taylor describe three general types of networks that typically evolve from one type to another, each with different characteristics. These networks:

- ▷ **Connect** people to allow easy flow of and access to information;
- ▷ **Align** people to develop and spread an identity and collective value proposition; and
- ▷ **Foster joint action** for specific outcomes.<sup>3</sup>

In the context of scale, grantmakers might catalyze a new network to connect people and organizations to one another — or engage an existing network to take action for a specific purpose. For instance, one of the 11 organizations awarded a Social Innovation Fund grant last year by the Corporation for National and Community Service is AIDS United, which seeks to increase access to care and improve health outcomes for at least 3,500 low-income individuals living with HIV/AIDS. Social networking is a core strategy by which it will recruit and train people in treatment for HIV/AIDS to reach out through their social networks to connect others to HIV care services.<sup>4</sup>

Strong, healthy networks engage members, empowering them to take action and to listen for and act on feedback; they actively seek ways to fill gaps in current knowledge or resources. Leadership in networks is developed in multiple ways, including through coordination, weaving

### About This Paper Series

This briefing paper is the second topic in a series from GEO’s *Scaling What Works* initiative, which will be released throughout 2011. Authored by Dara Major, the collection pulls together the best thinking, research and actionable approaches to scaling impact, as well as provides additional resources for grantmakers that would like to delve deeper into paper concepts and questions. Individual papers focus on topics such as understanding approaches to scale, networks, impact and evaluation, nonprofit

financial sustainability, assessing readiness for growth, strategies for structuring and providing growth capital, talent development in growing nonprofits, building grantee evaluative capacity and cross-sector partnerships.

To access the latest topic and learn more about *Scaling What Works* and how you can get involved, please visit: [geofunders.org/scalingwhatworks.aspx](http://geofunders.org/scalingwhatworks.aspx).

<sup>2</sup> Bruce Hoppe and Claire Reinelt, “Social Network Analysis and the Evaluation of Leadership Networks,” *The Leadership Quarterly* 21, no. 4 (2010): 600-619.

<sup>3</sup> Peter Plastrik and Madeleine Taylor, *Net Gains: A Handbook for Network Builders Seeking Social Change*. (Washington, D.C.: Innovation Network, 2006).

<sup>4</sup> For additional information, see <http://www.aidsunited.org/community-impact/access-to-care-a2c>.

and building connections and action. There is an entrepreneurial quality to effective networks, online and offline, where innovation happens as multiple individuals and organizations freely share and pool diverse resources — and then recombine and put them to use in new ways.

Networks achieve unique effects over time, which are unlike those of organizations or coalitions. Plastrik and Taylor describe these effects as:

- ▷ **Growth:** The network expands rapidly and widely, because its members benefit from adding new links and therefore seek to make new linkages (also known as increasing returns to scale).
- ▷ **Resilience:** The network withstands stresses, such as the dissolution of one or more links, because it can quickly reorganize around disruptions.
- ▷ **Reach:** The network brings people together in novel combinations, because it provides short pathways between individuals separated by geographic or social distance.<sup>5</sup>

For example, in 2004 the Garfield Foundation launched a project involving seven foundations and 12 nonprofits that mapped the Midwest electricity system, its potential to replace pollution-emitting energy with renewable sources and the barriers to its realization. By systems mapping, the group was able to gain a new understanding of the ecosystem within which they all worked and better see the levers that could shift business as usual, foster deeper alignment and craft a strategy that included building a network to move toward an agreed goal to reduce regional

global warming emissions 80 percent (from 2005 levels) by 2050. Today, the RE-AMP Network has grown to 125 member organizations, including 14 foundations and representatives from environmental, labor, faith, youth and conservation groups, who have achieved an impressive series of accomplishments. For instance, members have organized successful campaigns, resulting in energy efficiency and renewable energy standards in multiple states, and have stopped the building of coal power plants.<sup>6</sup>

Where collaborative behaviors and collaborative technologies meet is what Diana Searce, Gabriel Kasper and Heather McLeod Grant of Monitor Institute call *working wikily*, “a new networked mindset that is characterized by principles of openness, transparency, decentralized decision making, and distributed action.”<sup>7</sup>

GEO’s CEO Kathleen Enright points out that “[f]oundations have a unique opportunity to engage the knowledge and passion of those they support. When done well, this engagement leads to shared responsibility for achieving results.”<sup>8</sup> Adopting a network mindset can mean a dramatic shift in orientation to a problem, as well as to “ownership” of a solution. In healthy networks, more effective strategies can emerge when no one individual is expected to know or do it all — and everyone must share some responsibility. (See graphic below.)

As Tom Kelly, associate director of evaluation at the Annie E. Casey Foundation, has observed, “This is the way the world is working. Grantmakers are no longer on a mountaintop. If you don’t adopt a network mindset as a grantmaker, you are not going to have the impact you intend.”

## Scaling Social Impact: Traditional vs. Networked Mindset



<sup>5</sup> Peter Plastrik and Madeleine Taylor, “Network Power for Philanthropy and Nonprofits” (report for the Barr Foundation, Boston, 2004, 10).

<sup>6</sup> Heather McLeod Grant, *Transformer: How to Build a Network to Change a System, Case Study of the RE-AMP Energy Network*, (San Francisco: Monitor Institute, Fall 2010).

<sup>7</sup> Monitor Institute, “Working Wikily 2.0: Social Change with a Networked Mindset,” 4, available at <http://www.monitorinstitute.com/documents/WorkingWikily2.0hires.pdf>.

<sup>8</sup> Kathleen P. Enright and Courtney Bourns, “The Case for Stakeholder Engagement,” *Stanford Social Innovation Review* 8 (Spring 2010): 45.

## FROM A MINDSET TO A SHIFT

## IN PRACTICE: SUPPORTING AND

## ENGAGING IN NETWORKS

Understanding the ecosystem or context within which a scaling process will happen — the implementation, dynamics of need, institutions and resources — enables grantmakers to better navigate within it, by coordinating action, identifying gaps and directing resources where they are most needed.<sup>9</sup> Seeing oneself as part of a system also facilitates a sense of shared work that fosters cross-pollination and creates more fertile ground for different, more effective research and action agendas.

As Monitor Institute has noted, “Funders are well positioned to support connectivity and to coordinate and knit together the pieces of a network of activity that can have impacts far beyond the success of any one grant, grantee or donor. This has long been the basis for initiative grantmaking, but advances in network theory and practice now allow funders to be much more deliberate about supporting and participating in networks, and in thinking about how the collective impact of a coordinated portfolio of grants can produce more significant change.”<sup>10</sup>

By embracing a new way of thinking and working that is rooted in shared understanding and an impact orientation to engagement, grantmakers can effectively use the power of networks to grow their own impact as well as that of their grantees — for instance, by participating in and supporting the nodes of a network (people, ideas, organizations), by mapping the network (through social network analysis or data visualization technologies) or by enhancing the connective infrastructure of a network (such as through technology tools, formal and informal introductions and the power of convening).

To promote grantee flexibility, a recent study for The California Endowment by Manuel Pastor and Rhonda Ortiz listed supporting grantee-driven network building and expansion as one of the top three things that grantmakers could do to grow social impact — in addition to providing general operating support to nonprofits and helping to build the evidence base along each stage of a scaling process. “The geography of change is important and will be especially so in place-based approaches. Supporting efforts to scale up is important, and this will involve both building networks of like organizations and networking networks of seemingly disparate forces.”<sup>11</sup>

“We take a hands-on approach to networks. Because the work is so different from what most foundations expect of their program officers, we have developed a new ‘network officer’ position for program staff who not only make grants but also analyze, weave or broker connections and advise networks on strategy.”

Gayle Williams  
Mary Reynolds Babcock Foundation

The David and Lucile Packard Foundation has embraced an approach to supporting networks that is grounded in “awareness that the foundation itself is a network and it is embedded in a range of networks — through networks the foundation supports, collaboration with other funders, etc. As such, the foundation’s actions have implications for the ecosystems in which it is connected.”<sup>12</sup> The foundation estimates that more than 200 of its current grantees are formally structured as or work through networks and seeks to support their effectiveness through a combination of awareness, application and action.

<sup>9</sup> See Paul Bloom and Gregory Dees “Cultivate Your Ecosystem.” *Stanford Social Innovation Review*, 6 (Winter 2008): 47-53.

<sup>10</sup> Katherine Fulton, Gabriel Kasper and Barbara Kibbe, *What’s Next For Philanthropy: Acting Bigger and Adapting Better in a Networked World* (San Francisco: Monitor Institute, July 2010), 16.

<sup>11</sup> Manuel Pastor and Rhonda Ortiz, *Making Change: How Social Movements Work and How to Support Them* (Los Angeles: University of Southern California, 2009), 6.

<sup>12</sup> The David and Lucile Packard Foundation, “Network Effectiveness Theory of Change,” 2010, <http://packard-foundation-oe.wikispaces.com/Our+Internal+Work>.

The Mary Reynolds Babcock Foundation has integrated its support for networks into its overall approach to achieve its mission to help move people and places out of poverty and achieve greater social and economic justice, making fundamental changes to its operations, developing new grantmaking guidelines, redefining its approach to working with grantees and reframing the roles and responsibilities of its program officers. The foundation now provides grants, brokers connections and actively advises networks at the local, state and regional levels — for example, to raise the minimum wage or to change tax policy for fairer distribution of funding for public schools. The foundation’s executive director, Gayle Williams, states, “We take a hands-on approach to networks. Because the work is so different from what most foundations expect of their program officers, we have developed a new ‘network officer’ position for program staff who not only makes

grants but also analyzes, weaves or brokers connections and advises networks on strategy.”<sup>13</sup>

To help grow the infrastructure that enables grantees to be more effective, grantmakers may explore weaving a network. The Robert Wood Johnson Foundation launched PreventObesity.net, an online advocacy network designed to harness the power of online networks to reverse the childhood obesity epidemic. PreventObesity.net takes a disciplined network-centric approach in order to build the base of grassroots advocates who engage in efforts to change policies and places in ways that will help to prevent childhood obesity. The site offers tools and services to help people organize more easily, more powerfully and with greater reach and awareness. Users of the services establish public profiles, which are shared to accelerate connections, collaboration and collective actions.

## Opportunities to Increase Grantees’ Network Effectiveness

### AWARENESS

- Grantees can benefit from **greater awareness of the strategic value of networks** and networked approaches.
- Building upon that awareness, they can benefit from becoming **more literate in what network tools and approaches are and have to offer**.
  - This will enable grantees to see the connection with their own work, generate excitement and build demand for the knowhow necessary to make these possibilities a reality.
- In particular, there is an opportunity to increase grantees’ **literacy around Web 2.0** tools and their strategic application toward social change goals.

### APPLICATION

- Grantees can benefit from practical knowledge and guidance on how to apply network approaches and tools, particularly in the following areas:
  - **Network Leadership** (e.g., How do I balance day-to-day operations with strategic-level thinking?)
  - **Network Strategy** (e.g., How do I expand and diversify without spreading too thin?)
  - **Membership** (e.g., How do I better engage and mobilize members?)
  - **Technology** (e.g., How do I use technology to keep ties strong between in-person meetings?)

### ACTION

- Grantees need **funding for the activities and infrastructure that enable a network to be more effective**, including:
  - Network staff (e.g., weavers, leaders, coordinators)
  - Face-to-face meetings
  - Technological infrastructure for ongoing communications
  - Building grassroots networks, including training and supporting local network leaders

Source: The David and Lucile Packard Foundation, “Network Effectiveness Theory of Change,” 2010. Available at: <http://packard-foundation-oe.wikispaces.com/Our+Internal+Work>.

<sup>13</sup> Doug Easterling, “A Hands-On Approach to Supporting Networks” (report for Mary Reynolds Babcock Foundation, Winston-Salem, N.C., 2011), [http://www.mrbf.org/resource\\_serive.aspx?resId=43&fileId=1](http://www.mrbf.org/resource_serive.aspx?resId=43&fileId=1).

## LEARNING WITH AND

## THROUGH NETWORKS FOR

## GREATER IMPACT

To support leaders' efforts to connect, learn together, share information and develop shared strategies, organizing a network is key. CFLeads created Community Leadership Networks to bring community foundation leaders together "to create results-oriented networks that will build individual community foundation capacity and the field's knowledge base on community leadership." A recent evaluation found that members of the network reported "broad, deep and identifiable changes," including significant progress on addressing equity, diversity and inclusion issues and incorporating community leadership into strategic plans.<sup>14</sup>

Similarly, to promote green and healthy buildings in Boston, the Barr Foundation recognized the potential for organizations working in different silos of public health and green buildings to work together and advance shared goals. Green buildings are healthy buildings after all. Yet rather than simply making a grant that required collaboration, Barr provided funding for a network coordinator. This coordinator played a facilitative, not directive role. The coordinator helped to make connections and manage meetings, but remained hands-off in terms of how the network developed.<sup>15</sup>

In each of these examples, the role of grantmaker is pushed beyond its traditional boundaries, which has real implications for how the foundation is staffed and approaches its work. For this reason, investing in networks may not be for every grantmaker — but for those seeking to grow their impact in new ways, adopting a network mindset is an important initial step.

In addition to supporting networks, grantmakers have long participated in networks to address knowledge and skills gaps. For instance, the Network of Network Funders, a community of practice for grantmakers who are intentionally investing in and working through networks, was launched in 2009 by the Hawai'i Community Foundation and Monitor Institute. Network members work together to aggregate best practices for working with networks, identify and fill knowledge gaps and act on their growing knowledge of networks.

This group of grantmakers has found that within some of their own foundations and across the field, "the common impulse is to apply what is known about organizational effectiveness to the network context, resulting, potentially, in more harm than good. Therefore, in addition to supporting the work of individual networks, there is also a need for investment in field building — spreading knowledge of what networks are and their social impact potential, and building the capacity of technical assistance providers who serve and hope to serve networks."<sup>16</sup>

Understanding the influence of networks can be a challenge. Like social change itself, networks are emergent and nonlinear. Yet as in most other areas of grantmaking, there is a growing interest in evaluation as it relates to networks. A recent study by Innovations for Scaling Impact and Keystone Accountability found that, "While important steps have been taken, the field of network monitoring and evaluation is still, in theory and even more so in practice, in its infancy."<sup>17</sup> The study also identified the following related categories that underpin network effectiveness:

<sup>14</sup> Marisa Bueno, "Community Leadership Network Evaluation: Key Findings from a Survey of Participants," (report for CFLeads, Kansas City, Mo., 2010), i-iii, available at [http://www.cfleads.org/resources/commleadership\\_pubs/docs/2.CLNEvaluationReport\\_3\\_1\\_2010%20FINAL.pdf](http://www.cfleads.org/resources/commleadership_pubs/docs/2.CLNEvaluationReport_3_1_2010%20FINAL.pdf).

<sup>15</sup> Beth Tener, Al Nierenberg and Bruce Hoppe, "Boston Green & Healthy Building Network: A Case Study," report for the Barr Foundation, Boston, Mass., January 2008, 10, <http://www.barrfoundation.org/news/boston-green-and-healthy-building-network/>.

<sup>16</sup> For additional information, see: <http://networksguide.wikispaces.com/How+can+foundations+support+networks%3F>.

<sup>17</sup> Innovations for Scaling Impact and Keystone Accountability. *Next Generation Network Evaluation*, June 2010, 3-4, [http://www.scalingimpact.net/files/IDRC\\_Network\\_IPARL\\_Paper\\_Final\\_0.pdf](http://www.scalingimpact.net/files/IDRC_Network_IPARL_Paper_Final_0.pdf).

- ▷ **Network Vibrancy:** How healthy is the network along multiple dimensions (participation, network form, leadership, capacity, etc.)?
- ▷ **Network Connectivity:** What is the nature of relationships within the network? Is everyone connected who needs to be? What is the quality of these connections? Does the network effectively bridge differences? Is the network becoming more interconnected? What is the network's reach?
- ▷ **Network Effects:** What progress is the network making on identifying and achieving its outputs, outcomes and impact?<sup>18</sup>

Roberto Cremonini, former chief knowledge and learning officer at the Barr Foundation, has noted that patience is often a key element in understanding networks. “Grantmakers prefer to support projects with clear goals. But you just never know when the value of a network will become clear. This can be difficult for grantmakers that seek a linear return on investment. Yet as networks grow, they build upon many small acts of relationship-building, problem-solving and knowledge-sharing. Over time, these small acts build confidence within the network and position it for even greater potential. The key is patience: Networks may lie dormant for a while, but activate quickly when necessary.”

This is especially important when working with grantees. Few networks are built overnight; adding new voices, identifying new leaders in a community and developing the resiliency of a network takes time. Providing general operating support, making multiyear commitments and cultivating supportive, respectful relationships with grantees enables grantmaker and grantee alike to have the flexibility to learn and leverage resources across a shared ecosystem. Reducing cumbersome application and reporting practices that impact grantmakers and grantseekers alike can create more opportunities for open and more effective engagement.

While it takes time to cultivate your ecosystem, engaging in networks does not have to be complex. It begins by simply clarifying and focusing your energy on your relationships — what you have to contribute as a “node” in a network, so that you may also understand and leverage the resources

that others bring to the network. As Beth Kanter and Alison Fine suggest, “Simplicity powers more informal connections between people, blurs boundaries and enables insiders to get out and outsiders to get in. Finally, simplicity helps to scale efforts because together people can strengthen and improve communities better than a single organization ever could.”<sup>19</sup>

## WANT TO BE A GRANTMAKER

## THAT USES THE POWER OF

## NETWORKS TO GROW IMPACT?

To harness the power of networks and grow impact, grantmakers should consider the following approaches:

1. **Adopt a new “network mindset”** — Networks are characterized by principles of openness, transparency, decentralized decision making and distributed action. Look for opportunities where you can share what you know more widely and openly and for places where you are willing to give up a little control in order to reap the benefits of a networked approach.
2. **Try on some new practices to more effectively support and participate in networks** — Take the time to understand the ecosystem you are working within to better navigate through it and support grantee-driven networks by fostering relationships and providing flexibility through general operating support. Consider funding network coordinators or other supportive infrastructure that connects and enables grantees to collaborate in networks.
3. **Learn with and through networks** — To understand a network's vibrancy, connectivity and effects over time takes patience and time. Yet, engaging and learning in networks does not have to be complex: It begins by simply clarifying and focusing your energy on your shareable skills and resources so that you may also understand and leverage the skills and resources of others.

<sup>18</sup> *Next Generation Network Evaluation*, Report by Innovations for Scaling Impact and Keystone Accountability, June 2010, 3-4.

<sup>19</sup> Beth Kanter and Allison H. Fine, *The Networked Nonprofit: Connecting with Social Media to Drive Change*. (San Francisco: John Wiley & Sons, 2010), 90. As an example of this, the authors quote Margaret Wheatley on the increase in organizational complexity: “Things that were simple, like neighborly conversations, have become a technique, like intergenerational, cross-cultural dialogue. Once a simple process becomes a technique, it can only become more complex and difficult.”



## About *Scaling What Works*

Launched in 2010, *Scaling What Works* is a multiyear learning initiative of Grantmakers for Effective Organizations, a thought leader for promoting grantee-centric philanthropic practices that lead to more effective results. With the support of a coalition of 22 funders, GEO aims to expand the number of grantmakers and public sector funders that are working together to broaden the impact of high-performing nonprofits. Through *Scaling What Works*, GEO will offer training, networking opportunities and a host of tools and resources, such as this paper series, to better equip grantmakers to help the nonprofit organizations they support to plan, adapt and grow their impact in creating sustainable benefits for people, their communities and our planet.

For more about GEO and *Scaling What Works*, please visit our Web site at [www.geofunders.org](http://www.geofunders.org).

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## ADDITIONAL RESOURCES ON NETWORKS:

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