

The Evaluation Roundtable

## **The Shaping of Evaluation at the William and Flora Hewlett Foundation**

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### **1 Introduction**

2

3 When Paul Brest became president of the William and Flora Hewlett Foundation in 2000, he soon  
4 embarked on a process to bring a more strategic and outcome-oriented focus to the funder.

5

6 During those early years, whether and how to do evaluations were largely left up to individual program  
7 officers and directors. Much of the focus was on creating a new expectation among staff that they think  
8 deeply about how best to make the greatest impact. At the same time, Brest had a strong interest in  
9 evaluation and, along with key staff, was planting the seeds for a more formalized evaluation function  
10 that would come to fruition some 12 years later.

11

12 When a new president, Larry Kramer, came to Hewlett in 2012 his views would also have an impact on  
13 how Hewlett made use of evaluation. Fay Twersky's arrival first as a senior fellow and then director of a  
14 new hybrid group that included an in-house evaluation officer would influence the next stage of  
15 Hewlett's evolution on evaluation as well.

16

17 But while these leaders have had a critical impact on how Hewlett makes use of evaluation, all have had  
18 to keep in mind—and sometimes adapt—to the culture at Hewlett. It is a long-standing culture that  
19 prizes autonomy, values general operating support, builds in ongoing turnover for its program staff, and  
20 insists on a lean administrative structure. Without paying attention to that culture, none of these  
21 leaders or other key players would have made the impact that they did. It was also a time when  
22 philanthropy as a whole was beginning to change its thinking about strategy and the role of evaluation.

23

24 This teaching case study tells the story of the evolution of an evaluation function at the Hewlett  
25 Foundation from 2000 to 2015. It is as much the story of how one foundation's culture shaped that  
26 evolution as it is how key leaders influenced the use of evaluation. At times in the story, case  
27 participants use the word "evaluation" to mean crafting clear outcomes, or to represent activities that  
28 are typically viewed as monitoring. While external evaluation was also part of Hewlett's work from the  
29 start, the way that different people defined and envisioned evaluation and its role within the  
30 Foundation evolved over time.

## 1 **Background**

2  
3 When Bill Hewlett, the co-founder of Hewlett-Packard, founded his namesake foundation with his wife  
4 and son in 1966, he brought much of the same ethos to the Foundation that had made his company so  
5 wildly successful. The “HP Way” was to hire smart, talented engineers and give them freedom to find  
6 the best path to achieve the company’s objectives.

7  
8 Rather than some Silicon Valley companies’ approach to innovation, which encouraged and even  
9 demanded competition among their staff, Hewlett and his co-founder’s approach was to hire smart  
10 people and do their best to manage and support them to create an environment that was conducive to  
11 top-notch engineering and innovation.

12  
13 “The Foundation has a lot of the DNA of the original Hewlett-Packard founders,” noted Fay Twersky,  
14 director of the Foundation’s Effective Philanthropy Group. “A lot of the culture here has been about  
15 hiring really talented people and creating a healthy place where people want to cooperate and  
16 collaborate rather than compete. It’s very much a learning culture.”

17  
18 It is also a culture that prizes autonomy.

19  
20 The William and Flora Hewlett Foundation is an independent foundation with a board of trustees that  
21 includes both Hewlett family members and others. Early grantmaking reflected the interests of Bill  
22 Hewlett and his wife, Flora, and included education, the arts, population health, the environment, and  
23 services to the needy in the San Francisco Bay area. The Foundation’s approach to grantmaking bore  
24 similarities to Bill Hewlett’s philosophy in running his company.

25  
26 “Bill Hewlett’s philosophy was that you figure out the priorities of your foundation, you look at the  
27 world and the organizations that share that mission, you give them general operating support and you  
28 leave them alone,” said Sara Seims, former director of the Population Program at the William and Flora  
29 Hewlett Foundation. “That attitude permeated the first few decades of the Foundation.”

30  
31 In 2001, more than half of the Hewlett Foundation’s annual grants budget was allocated for general  
32 operating support.

## 33 **Early Years: Setting the Stage**

34  
35 While the “HP Way” would continue to permeate the Foundation’s culture, some of the approach began  
36 to change significantly after a new president was chosen in 2000.

37  
38  
39 In the late 1990s, Brest was looking for a new challenge. A scholar of American constitutional law, Brest  
40 had been the dean of Stanford Law School for 12 years. Brest told the president and provost of Stanford  
41 that he wanted to return to teaching. He knew little about philanthropy and nonprofits but while he was  
42 thinking about his next steps, Condoleezza Rice, who was provost of Stanford University as well as a  
43 member of the Hewlett Foundation’s board, asked him to meet with a group from the Hewlett  
44 Foundation. It was only later that Brest realized it was a job interview.

1 “What appealed to me was that it was an opportunity to use huge resources to solve social problems,”  
2 Brest said. “While at the law school I had recently developed a course on problem solving and decision  
3 making and [this position] seemed to be a way to get involved in problem solving. It was a blind leap of  
4 faith.”

### 5 6 **New Leadership and New Questions**

7 When Brest was hired as Hewlett’s president in 2000, he said he suspected one reason that the board  
8 brought him on was because he was a “reasonably good administrator.” At the time, Bill Hewlett was in  
9 poor health and, upon his death, the Foundation would receive a huge influx of money from his estate  
10 that would need to be managed. For decades, the Foundation had had the feel of a small family  
11 foundation. That was all about to change.

12  
13 In January 2001, Hewlett died and the Foundation’s assets increased 60 percent overnight from \$3.7  
14 billion to \$5.9 billion, making it suddenly one of the largest foundations in the US. At the time, there  
15 were about 63 employees (of whom 32 were program staff) and little of the infrastructure of most big  
16 foundations. There was no in-house legal counsel, communications office or information technology  
17 department, and just a one-person grants management office.

### 18 19 **A Catalytic Event**

20 Brest had a much larger foundation to manage, and he needed to put into place the underpinnings that  
21 were necessary for a multi-billion-dollar organization to function well. His work in the early years  
22 focused in part on creating a new professional organization with a larger administrative infrastructure.

23  
24 He was also learning about the culture of the Foundation.

25  
26 “What I noticed immediately was the Foundation was very collaborative,” Brest said. “People worked  
27 well together, they weren’t competitive, and they were very supportive of one another. On the negative  
28 side, which took me about a year and a half to figure out, was that it was not an outcome-driven culture.  
29 People were very comfortable with their grantees, and they were focusing much more on process and  
30 activities rather than what we wanted to achieve.”

31  
32 He described one particular event as catalytic in his thinking. The Foundation’s Environment Program  
33 did a lot of work in the American West, and a large chunk of its funding aimed to get people who were  
34 traditionally antagonistic such as environmentalists and ranchers to talk to one another. Brest said that  
35 he kept trying to understand what the Foundation hoped to achieve with this program. The  
36 Environment Program staff could not explain it in a way that made sense to him. Brest decided to  
37 convene a one-day meeting to figure the purpose of this work. The meeting brought together Hewlett  
38 staff, grantees, and external evaluators.

39  
40 “They kept talking about how many meetings they had and how good they were and I kept saying  
41 ‘interesting, but what were the outcomes?’” Brest remembered. “It was the evaluators I kept asking the  
42 question to, and they didn’t understand what I was talking about. I said: ‘You told me about process. I  
43 want to know what happened.’ I probably annoyed everyone including myself.”

44  
45 “It was transformative for me,” Brest continued. “I realized that we weren’t focused on outcomes.

1 **A Focus on Strategic Planning**

2 In order to focus on outcomes, the Foundation needed to first focus on strategic planning, Brest  
3 believed. That sort of planning, with an emphasis on theories of change and logic models, was still a  
4 relative rarity in the foundation world in the early 2000s. Hewlett and the Kellogg Foundation were two  
5 of the first foundations to begin to apply logic models to programs and grants.  
6

7 Susan Bell, former vice president at Hewlett who started in 2000, said that she and Brest felt that one of  
8 the first steps the Foundation needed to do was to ask both grantees and themselves to create  
9 strategies for their work. Once they did that, they could then evaluate against those strategies.  
10

11 “There was a strong culture and ethos of institution building and belief in leaders,” Bell said of when she  
12 started at the Foundation. “There is strong Bill Hewlett ethic that still existed. The Environment Program  
13 was sort of letting a thousand flowers bloom where there were strong leaders. But what we didn’t do  
14 was systematically ask our grantees for strategic plans—ask them: What you are trying to do, and how  
15 would you know if you’re successful? Before we could say, ‘Let’s focus on evaluation of our work,’ we  
16 had to ask ourselves what we set out to do and did we achieve it.”  
17

18 This rigorous inquiry was just the sort that Brest loved. He brought his love of intellectual debate from  
19 Stanford to Hewlett and was ushering in his own culture to the Foundation.  
20

21 “The culture at Hewlett was in some ways at an early stage of growth,” said Jean McCall, director of  
22 human resources at the Foundation. “It was a culture where Paul was like the dean of a university, the  
23 program directors were sort of all-knowing like a faculty and the program officers were more like grad  
24 students. You would sit in meetings and Paul and a couple of program directors would go back and forth  
25 in these debates and everyone else sat back. The program officers and others did not feel as invited to  
26 be engaged. The staff at large felt like there was a real hierarchy.”  
27

28 While Brest was always happy to engage in debate—and welcomed it—he also had a clear direction for  
29 the Foundation. A 2003 Stanford Business School case study noted that starting in 2001, the Foundation  
30 embarked on a comprehensive strategic planning process. Brest believed that a precondition to  
31 achieving impact was a sound causal theory—a theory of how a grantee’s and foundation’s resources  
32 could be deployed to attain shared objectives or outcomes. In its simplest form, the article noted, a  
33 causal theory took the following form—inputs lead to activities and outputs lead to outcomes.  
34

35 **Evaluation as a Subcomponent of Strategy**

36 From the start, Brest believed in the importance of evaluation. He also said he saw it as a subcomponent  
37 of strategy. As he put it, strategy was the dog and evaluation was the tail.  
38

39 “The whole process starts with what is the problem you are trying to solve?” he said. “Why is this the  
40 right time? What are your goals, and what are the most important evaluation questions? You need to  
41 build in evaluation at the beginning of the strategy. But evaluation only makes sense when you have the  
42 strategy.”  
43

44 During this time, individual program officers and program directors were commissioning evaluations,  
45 most of which were retrospective summative evaluations to determine program effectiveness or impact.

1 But, “there were fundamentally no expectations at all for program staff to evaluate,” Brest said. “It  
2 varied hugely from program to program. Evaluation was simply not part of the DNA of the Foundation.”  
3

#### 4 **Considering—and Rejecting—Hiring a Strategy and Evaluation Officer**

5 Early on, Brest considered the possibility of hiring strategy and evaluation staff. In his 2001 report on  
6 Hewlett’s work, Brest wrote: “I think that evaluation is best understood as part of knowledge building  
7 and closely linked with communications, since there’s little point in developing knowledge for the field  
8 without sharing it.”  
9

10 He wrote that the Foundation would spend the coming year exploring the approaches used by other  
11 foundations with the goal of building a small staff—probably two professionals—to manage these  
12 functions. However, when Brest spoke to other foundations about their experiences with evaluation  
13 officers, it gave him pause.  
14

15 “A number of foundations were hiring evaluation people at that point,” he said. “Here’s what I didn’t  
16 want. I didn’t want an evaluation person who was not also involved in strategy. Even then, I thought  
17 evaluation was part of strategy. I also didn’t want an evaluation person who would be an auditor rather  
18 than a collaborator. Other foundations had had bad experiences with people who came in as evaluation  
19 experts and saw themselves as auditors.”  
20

#### 21 **Fellows Provide Assistance in Evaluation**

22 From the start of his presidency, Brest began bringing in fellows to work with him in the president’s  
23 office for a period of one to three years. These fellows would help him think through ideas around  
24 strategies, take on special projects, and act as his intellectual foil in debates. Many of them provided  
25 assistance with questions around evaluation.  
26

27 For example, in 2001 Brest asked fellows Jed Emerson, Samantha Graff, and Ryan MacDonnell to form  
28 an evaluation team to help the Foundation refine its approach to evaluation. After holding four  
29 meetings with program officers, the fellows wrote a memo in December 2001 about their findings.  
30

31 The memo noted that in the Foundation’s view, evaluation had three major purposes: provide ongoing  
32 feedback, ensure accountability, and capture knowledge. It also described issues that the Foundation  
33 was grappling with around evaluation including its small program staff, a model which was intended to  
34 promote intimacy and focus but which also meant that program staff members were stretched too thin  
35 to spearhead extensive evaluation initiatives on their own. In addition, the memo found that, like Brest,  
36 many program officers felt that formal evaluations tended to assess process rather than outcomes.  
37

38 “Supplementary program staff could provide an internal, readily available source of evaluation  
39 assistance to the programs,” the memo noted. “A disadvantage of hiring additional program staff is that  
40 it would conflict with the Foundation’s values around staying small. ... If the Foundation is going to  
41 create an extra-program evaluator position, it would have to think seriously about what that position  
42 would entail.”  
43

44 Following that memo, Brest and the evaluation team held a meeting with program staff and outside  
45 experts, including Twersky, who was founding principal of the consulting firm Informing Change (then

1 called BTW Consultants), to get their perspectives on the issues raised in the memo. Ultimately, Brest  
2 and others decided against establishing a new internal position on strategy and evaluation.

#### 4 **The President as Strategy and Evaluation Officer**

5 Instead, Brest said for all practical purposes, he was the strategy and evaluation officer at Hewlett for  
6 the first several years.

7  
8 “I was involved in every strategic plan and evaluation plan,” he said. “I would consider myself an expert  
9 in strategy and a well-informed amateur in evaluation.”

10  
11 Bell described Hewlett’s approach at the time this way: “We looked at how lots of other foundations  
12 approached having evaluation officers. We watched how difficult it was for it to work. Oftentimes they  
13 were separate from the program staff and served as a disciplinarian rather than integrating into how the  
14 program officer thought about doing grants. We resisted setting up a dedicated evaluation capacity.”

15  
16 “Instead, we made the explicit decision that our program directors and program staff would be our  
17 evaluation officer,” Bell continued. “We would integrate evaluation into the programs. The people we  
18 hired had that disposition and we surrounded them with a team: Paul, me, the fellows and later  
19 members of the philanthropy program. It wasn’t obvious to me that if you bring in an evaluation officer  
20 they would marry well with programs and get us off and running.”

#### 22 **Hiring Staff with an Evaluative Mind-Set**

23 The Hewlett Foundation has term limits for its program staff, which are now eight years. Shortly after  
24 Brest became president, he had the opportunity to hire several program directors. It was another  
25 chance for him to imbue in the Foundation the mind-set he thought was important, namely finding  
26 people who believed it was necessary to be clear about the outcomes they wanted to achieve and were  
27 open to developing strategies and evaluating success.

28  
29 One of those he brought in was Smita Singh, a scholar at the Harvard Academy for International and  
30 Area Studies whom Brest hired as a senior fellow to explore creating an international development  
31 program. When she first came to the Foundation in 2001, it was around the time of the 9/11 terrorist  
32 attacks. The board wanted to explore if there was a larger role the Foundation could play on a global  
33 level, and the Foundation had the assets to potentially fund a large program.

34  
35 Singh, who eventually created the Global Development Program at Hewlett, believed in the power of  
36 evaluation and felt the global development field was seriously underdeveloped in that area.

37  
38 “One thing that became very clear to me was as a field we were woefully under-evaluated. Or over-  
39 evaluated in very unuseful ways,” Singh said. “For example, the World Bank would send out a few  
40 experts after a big loan program ended to talk to people in the field. A report would be written and a  
41 box would be checked and it goes on the shelf. In development, we fund what we think are good ideas  
42 but we never find out if they actually work because we under-invest in proper evaluation—for example,  
43 the collection of baseline data at the outset.”

1 Under Singh’s leadership, the Global Development Program—often in partnership with the Bill &  
2 Melinda Gates Foundation—became an early funder in supporting impact evaluation<sup>1</sup>, including MIT’s  
3 Abdul Latif Jameel Poverty Action Lab and the International Initiative for Impact Evaluation (3ie), which  
4 was established to provide pooled funding for impact evaluations, encourage use of evaluation findings,  
5 and promote standards for evaluation quality and transparency. These grants and others were aimed at  
6 changing the culture of evaluation in global development, Singh said.

## 7 8 **The Dreaded Appendix A**

9 Around 2004, one of the first attempts to try to standardize a method for reporting on progress toward  
10 goals became a document known as Appendix A. Hal Harvey, the program director of the Environment  
11 Program, initially mocked up in an Excel spreadsheet a chart that summarized the program’s strategy,  
12 progress achieved in the form of metrics or indicators on key outcomes, and plans for the coming year,  
13 which was attached to the board book. Brest liked it and then asked all of the other programs to do the  
14 same. The difficulty was that it was much easier for a program such as Environment, which can make  
15 tangible goals and chart their progress, such as protecting a certain number of acres in the American  
16 West, than a program such as Performing Arts, which has goals that are harder to reduce to quantifiable  
17 outcomes.

18  
19 “Paul was trying to encourage the programs to be more strategic and more thoughtful in what they  
20 were doing,” said Karen Lindblom, who joined the Foundation in 2003 as a program associate in Global  
21 Development. “Appendix A was a specific mechanism to try and articulate to the board the way that we  
22 were trying to be more strategic. It was also very burdensome for the staff.”

23  
24 Appendix A became a more streamlined strategy monitoring chart around 2006, which later included a  
25 one-page dashboard intended to serve as a cover page for the strategy chart. It had a similar purpose in  
26 asking program officers and directors to articulate their strategies for the board.

27  
28 “These were the strategies’ outcomes, what you planned to accomplish, what you actually did, and what  
29 you were planning to achieve next year,” said June Wang, current organizational learning officer at  
30 Hewlett. “My sense is that it was a management tool for Paul and he also hoped it would be useful for  
31 programs. I don’t think we talked about evaluation from an institutional perspective really. We didn’t  
32 have a perspective on how to think about evaluation—the purpose of evaluations, primary audiences,  
33 and how to plan, use, and share them. The focus then was on monitoring strategies.

34  
35 “I don’t think it was clear to all the programs how they were supposed to use strategy monitoring charts  
36 in their day-to-day work,” she added. “Whenever I talked to programs, they said ‘we can report on these  
37 indicators to Paul and the board but we’re not using them in everyday decision-making.’ Many of the  
38 outcomes were much too high level or long term—like U.S. teen pregnancy rates. That is not going to  
39 help you figure out how to make shorter-term decisions about your strategy.”

40  
41 Jacob Harold, who came to the Foundation in 2006 as a fellow to work with Brest, added: “For a while  
42 the message was ‘evaluation is important—you can figure out how to do it.’ Then ‘evaluation is  
43 important and there are some ways we can all do it.’ The fact that everyone had to report on goals and

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<sup>1</sup> Impact evaluation assesses whether changes in individuals, households, communities, or organizations can be attributed to a particular project, program, or policy. The central impact evaluation question is what would have happened to those receiving the intervention if they had not received the intervention.

1 results in Appendix A was a kind of a standard of evaluation. There was ongoing tension about how  
2 much is standardized and centralized and how much is unique and independent among the programs.”  
3

4 John McGuirk, who was a program officer in the Performing Arts Program from 2002 to 2006 and has  
5 served as program director since 2009, described the thinking about evaluation during that time period:  
6 “What evaluation meant then was much more organic. It was trying to understand among the strategy  
7 choices we had, how did we know we were making the greatest impact? How did we know if we  
8 invested in A, B, and C it produced X, Y, and Z? It was using logic models, identifying key milestones and  
9 decision points and asking how you measure it to recalibrate.  
10

11 “The monitoring and evaluation mechanisms were pretty informal in 2001,” McGuirk continued. “Over  
12 time those mechanisms became more formal. Monitoring by the program officers looked at aggregated  
13 metrics—what has been achieved against goals. Sometimes, we brought in outside evaluators.”  
14

15 For example, in 2007, Hewlett invested in an external retrospective review for the Neighborhood  
16 Improvement Initiative, a \$20 million program that the Foundation funded between 1996 and 2006 to  
17 help three neighborhoods in the Bay Area reduce poverty and develop new leaders, better services,  
18 more capable organizations, and stronger connections to resources.  
19

20 “The report revealed some hard lessons,” McGuirk said. “We made mistakes and we didn’t achieve the  
21 goals we intended. Hewlett published the report in 2007, which was a big shock to the philanthropic  
22 field that we made it publicly available. The initiative was discontinued and funding was redirected to  
23 community organizations.”  
24

### 25 **A Lean Staff**

26 While Hewlett program staff were expected to complete time-consuming templates detailing their  
27 strategy and outcome indicators, they had to do so under the constraints of Hewlett’s lean staffing  
28 model. For the fifth-largest foundation in the US, it has relatively few staff. Even after adding more  
29 employees to account for the suddenly much larger endowment, in 2005 with assets of \$7.3 billion the  
30 foundation still had just 83 employees, 42 of whom were program staff. This direction comes from the  
31 board, which has set a target of no more than 10 percent in administrative costs. By contrast, a 2012  
32 Foundation Center study found that for foundations with more than 50 staff, the median percentage of  
33 charitable administrative expenses as a share of qualifying distributions in 2009 was 17 percent.  
34

35 Such a model also had implications for bringing in an in-house evaluation function.  
36

37 “There is a real focus on keeping the administrative staff and costs low,” said Tom Steinbach, program  
38 director for the Environment Program. “There was always a lot of thinking of where did we need to grow  
39 and given the numbers of people who are here, where is this possible? At the time, we didn’t have a full-  
40 time general counsel. We had a volunteer. We had one person doing our grants management. It was  
41 very clear that the institution would have to grow in a number of dimensions. Which would be good to  
42 do first?”  
43

44 The fellows that Brest brought in helped address some of the constraints on Hewlett’s staffing model.  
45 When Harold joined the Foundation as a fellow in 2006, Brest asked him in to run the philanthropy  
46 program in the president’s office and to oversee regional grantmaking. Harold said that Brest also asked



1 him to manage an organizational effectiveness grantmaking program and to be an internal resource on  
2 strategy and evaluation.

3  
4 “I realized that I was being asked to take on five jobs but I took it anyway,” Harold said. “I spent the first  
5 year or two trying to pare down my job description to something manageable. I came into a Foundation  
6 that had the fundamental point of view of the importance of monitoring and evaluation, but there was  
7 for a time a hesitancy to invest resources into it and the political capital to make it work.”

8  
9 As a practical matter, Harold, who had never been an evaluator, said most of his work in this area was to  
10 support a culture of evaluation at the Foundation and to put in processes and systems to encourage that  
11 culture.

12  
13 Those processes and systems included providing a collection of resources for program staff to use,  
14 making changes in Appendix A, and restructuring staff meetings, Harold said.

15  
16 “Part of the hidden history is that a lot of the work done on evaluation over the course of Paul’s tenure  
17 was done by people in their 20s—fellows or interns or research associates who Paul brought in to help  
18 him think through those questions,” Harold said. “It was a unique pattern and in a lot of ways it worked.  
19 It gave Paul resources to get things done.”

20  
21 According to Harold, Brest could bring in someone to work on a specific question for a set period of  
22 time. The fellows provided resources for Brest, who had a lot of other work to do but was deeply  
23 interested in questions about evaluation.

#### 24 **Autonomy of the Program Directors**

25  
26 A common theme about Hewlett’s culture is the autonomy accorded to programs. While Brest was  
27 clearly the leader, particularly around ideas of strategy, program directors had great freedom in  
28 determining how best to meet their goals and objectives. As Brest and staff refined templates and  
29 thought about strategy, he continued to think about the role of evaluation. He occasionally floated the  
30 idea of bringing in an in-house strategy and evaluation officer.

31  
32 Sara Seims, the former director of Hewlett’s Population Program, recalled one such time around 2006.

33  
34 “Based on my experience at another foundation, I was not happy with the idea,” Seims said. “I was very  
35 much against it and so were some other program directors. We were all motivated to have the best  
36 programs possible. We did lots of evaluations in those years and the findings were applied to our  
37 grantmaking and on occasion led to us cancelling programs. I remember Paul saying, ‘I think we need to  
38 tighten up our evaluations.’ Many of us felt that we didn’t need Paul to bring in an outsider to tell us  
39 what we need to do about evaluations. The directors are pretty senior, experienced people who tend to  
40 have type-A personalities and are constructively critical about their work. We roundly said no.”

41  
42 “We know our field, we know our grantees, we know what evaluations are, we know the outcome  
43 measures, and we know what questions to ask,” Seims continued. “We knew the universe very well. We  
44 don’t need an external person who is an evaluation ‘specialist.’ Every foundation president wants to be  
45 a program officer and work directly with grantees. Since they often don’t have personal experience of  
46 grantmaking and evaluation, they assume that no one else knows anything about it either.”

## 1 **Middle Years: Outcome-Focused Grantmaking**

2  
3 By 2006, Brest and Hewlett staff had spent five years thinking about how the Foundation could become  
4 more strategic and outcome-driven in its work. Each program had developed strategies for its work, and  
5 Brest and others had experimented with a series of templates to capture that work.  
6

### 7 **Redstone Comes to the Foundation**

8 In September 2006, Brest asked Ivan Barkhorn, managing director of Redstone Strategy Group, to come  
9 to the Foundation to meet with him, Smita Singh, and Hal Harvey. Barkhorn and Redstone had worked  
10 for years helping Hewlett, the Gordon and Betty Moore Foundation, the David and Lucile Packard  
11 Foundation, the Wilburforce Foundation, the Tides Canada Foundation, and the Rockefeller Brothers  
12 Fund structure a funding package and add political impetus to help environmental nongovernmental  
13 organizations broker a complex land use planning deal with forest companies, First Nations and the  
14 British Columbia government in order to protect the Great Bear Rainforest and enable conservation-  
15 based economic development. Brest had met Barkhorn and was impressed with his capabilities. Before  
16 starting Redstone, Barkhorn had been a partner at McKinsey & Company. “I liked Ivan’s quantitative  
17 approach but more than that it was a thoughtful, rational, and analytical approach,” Brest said. “We are  
18 in a sector where people’s choice of objectives is inevitably emotional and value-laden. But once you  
19 want to achieve objectives, you have to have a rational side. Redstone is thoroughly rational and  
20 quantitative when you can be. Ivan also fit the model of the Foundation. He is a model of consensus.  
21 He’s modest and collaborative and never got ahead of the staff.”  
22

23 At that meeting, Barkhorn recalls that he was asked how he would go about helping the Foundation get  
24 better at reaching its goal of becoming more outcomes-focused and ultimately make a bigger impact.  
25 Barkhorn said that his approach is not to work in the abstract but to pick something that is happening in  
26 real life and try to fix it. Both program directors offered to be the pilots for an initial project.  
27

28 The Global Development Program was chosen to be the pilot, in part because what the program was  
29 trying to accomplish was “murkier” than the easier-to-quantify goals of the Environment Program,  
30 Barkhorn said. Brest said it was also important to find the right person to start this process.  
31

32 “Smita is a quantitative-oriented political scientist. She was very eager to do it,” Brest said. “You don’t  
33 want to start something like this with resistance. ...There was never a point in my presidency where I  
34 said, ‘This is what you will do.’ I’d rather have it happen incrementally and get people like Smita and  
35 Sara gradually to a collective learning process than having a vision and imposing it.”  
36

37 Barkhorn concurred. He said that this process was never mandated by Brest.  
38

39 “Paul is a genius as a leader,” Barkhorn said. “He knows how to work in an institutional environment. He  
40 did a marvelous job in making it a fun adventure as opposed to a mandatory forced march to a  
41 destination that no one believed in.”  
42

### 43 **The Emergence of Expected Return**

44 At the heart of Redstone’s approach is “expected return.” Expected return is essentially a cost-benefit  
45 approach that incorporates risk assessment and aims to help funders document their assumptions and  
46 process for choosing investments among a number of options, then plan long-term strategies. While

1 corporations, governments, and even people on the street routinely weigh the costs and benefits of  
2 their decisions, philanthropy routinely did not, wrote Brest, Harvey, and Kelvin Low in a 2009 *Stanford*  
3 *Social Innovation Review* article. It was an approach that resonated with Brest's thinking.

4  
5 "Paul seems to me to be more of an economist than a lawyer," said Ruth Levine, program director for  
6 the Global Development and Population Program. "He sees things much more through a cost-benefit  
7 lens."

8  
9 In using this concept for philanthropy, the expected return is the predicted benefit per dollar invested.  
10 The equation is: Expected Return = Benefit x Likelihood of Success ÷ Cost.

11  
12 "In the beginning, we started with the idea of let's push this until it squeaks," Barkhorn said. "We are in  
13 field where people have not tried to do this. Let's give a jolt to the system to get a whole new way of  
14 thinking, at least so people's frame of mind is that no longer is it acceptable to make an investment  
15 because in their judgment that seems to be a good investment and that's the total documentation of  
16 the thinking process."

17  
18 The idea was that program staff would use expected return to document the calculus implicit in their  
19 judgment, Barkhorn said. Those decisions would then become more explicit, and thus more open to  
20 discussion and review over time.

### 21 22 **Making Explicit One's Implicit Assumptions**

23 The Global Development Program had the goal of improving the wellbeing of people living on less than  
24 \$2 a day, Brest and his colleagues noted in the *Stanford* article. In Nigeria, despite its \$50 billion in  
25 annual oil revenues and \$1 billion in annual aid, 92 percent of its population lived in abject poverty, the  
26 article stated. Many experts believed that government corruption was a huge contributor to this  
27 situation. Hewlett wanted to know what approximately \$30 million in grants to decrease corruption,  
28 disbursed over eight years, could achieve toward improving the lives of those who are very poor.

29  
30 To help guide choices among investment options, Hewlett and Redstone created predictive quantitative  
31 scores that would allow them to compare the potential return on each strategy option with a field of  
32 practice as it related to the impact on health, income, and education. Using this approach, the  
33 Foundation compared investments in different strategies. Transparency and accountability strategies  
34 achieved high scores as well as impact evaluation, improving agricultural markets for the rural poor, and  
35 improving the quality of education. The Foundation decided to pursue all of the strategies with the high  
36 scores.

37  
38 After the work in Global Development, Redstone began working with the Population Program on a  
39 similar process.

40  
41 "When Ivan introduced us to the concept of expected return, I immediately thought it was a bunch of  
42 nonsense," Seims said. "But we went through the process with them, and we all modified our views."

43  
44 However, it was less the comparison of options through "expected return" calculations that Seims found  
45 rewarding. Rather, it was the thinking the team had to do to generate the numbers. Seims said, for  
46 example, that the expected-return calculation that attempted to put a score on which types of grants

1 were most impactful never really worked. She and the Population team knew that some groups of  
2 grants with higher scores had not been as effective as those with lower scores. While expected return  
3 attempts to help quantify options and potential impact, those who participated in the process said that  
4 the most valuable part was making explicit their implicit assumptions.

5  
6 The work in thinking through and talking about what they hoped to accomplish was enormously helpful,  
7 Seims said. When the Foundation's endowment decreased by 32 percent during the 2008 recession and  
8 programs had to make large cuts, both Seims and Singh said they used the process they learned from  
9 Redstone to make more thoughtful reductions than they would have done otherwise.

### 11 **The Arrival of Outcome-Focused Grantmaking**

12 Expected return was just one step in a multi-step process that eventually became known as outcome-  
13 focused grantmaking. The ultimate theory of outcome-focused grantmaking is that by systematically  
14 thinking through and consistently estimating the cost-effectiveness of each potential investment,  
15 programs are able to maximize the impact of their overall grantmaking portfolio.

16  
17 Over the next several years, the Redstone team worked with each of the Foundation's programs in  
18 developing strategies, including doing an expected return analysis. Through each iteration of the  
19 process, Redstone and Hewlett refined the approach, adding steps to the process as they learned more  
20 about inputs to consider, such as the capacity of grantee organizations. The team also worked with  
21 grantees in carrying out a similar process.

22  
23 "The way Redstone thinks about strategy is very metrics-oriented," former Hewlett vice president Susan  
24 Bell said. "It's essentially teeing everything up for evaluation. Both Paul and I felt very strongly that we  
25 were moving the whole process to get strategy in place to then evaluate against it."

26  
27 During this time, Redstone had a large ongoing contract with Hewlett through the president's office.  
28 While most of Redstone's time was spent on the expected return process, the team also worked with  
29 grantees to develop evaluations.

30  
31 "As things evolved, Redstone became kind of an in-house evaluation and strategic planning consultant,"  
32 Lindblom said.

### 34 **Internal Shifts**

35 One of the steps in the process of outcome-focused grantmaking was to develop a new grantee  
36 agreement in which grantees had to include measurable and explicit goals that linked back to a logic  
37 model or theory of change.

38  
39 Harold, who worked on developing the new grantee agreements, was busy with the philanthropy  
40 program so he helped bring in Jen Ratay in 2007 as a program officer. She had been working at Stanford  
41 Business School to help students who wanted to use their MBAs in the social sector. Ratay worked out  
42 of Brest's office as well and took the lead for the organizational effectiveness grantmaking program,  
43 which provided grantees with resources to improve organizational capacity and stability. She also was  
44 quickly put in charge of internal learning and given responsibilities in monitoring and evaluation,  
45 including translating some of Brest's latest thoughts on strategies into templates.

1 “I spent roughly 5 percent of my time on monitoring and evaluation,” Ratay said. “When I came on in  
2 2007, there was not a whole lot of focus across program areas on the difference between monitoring  
3 and evaluation.”  
4

#### 5 **Changing “High Stakes” In-Town Weeks**

6 One of the tasks that Ratay took on was to rethink Hewlett’s “in-town” weeks. In-town weeks were one  
7 of the Foundation’s primary mechanisms for cross-program discussion and learning. These weeks took  
8 place several times a year, a few weeks before board meetings, when all staff had to be in town and  
9 participate in Foundation-wide meetings, in part to review draft board book content. In the early years  
10 of Brest’s leadership, these weeks often were an opportunity for him to think through his ideas about  
11 strategy and engage in spirited, highly intellectual debates with other program directors. These were the  
12 meetings at which many program officers felt sidelined—or intimidated.  
13

14 “Those meetings were what people would call high stakes,” said Margot Fahnstock, program officer in  
15 the Global Development and Population Program. “There was pressure to say something really brilliant.  
16 If you raised your hand, you better have something really intelligent and crazy good to say.”  
17

18 While several people interviewed said that Brest has a genuine interest in fostering a culture of learning,  
19 they said at times he had a blind spot about his style, which was Socratic, encouraged strong opinions,  
20 and could inhibit staff from engaging.  
21

22 “We had some explicit conversations with him,” human resources director Jean McCall said. “I don’t  
23 think this was, in any way, intentional or that he saw [what was happening]. But we risked missing out  
24 on a lot of smart brains and ideas if staff didn’t feel comfortable contributing.”  
25

26 In 2007, Ratay and others introduced changes to in-town weeks that gave program officers more  
27 opportunities to contribute in a situation that was at least somewhat less pressure filled. They  
28 introduced opportunities for all staff to talk about such topics as outcome-focused grantmaking, and  
29 they encouraged program directors to take a step back so program officers could step up. Brest, Ratay,  
30 and Harold also introduced the worst-grant contest.  
31

32 Each program was required to nominate and talk about a grant that wasn’t successful. The first year, all  
33 of the failed grants that people nominated were the result of a problem with a grantee. The next year,  
34 program officers were told that they had to nominate a grant that failed because of a mistake made by  
35 Hewlett. That year, nearly every program shared grants that their predecessors had made. The following  
36 year, programs had to nominate not a failed grant but a failed strategy.  
37

38 “It was baby steps,” Ratay said. “We were looking to turn the mirror on ourselves. Paul was right there  
39 with nominating his grants. He’d say this was a misguided one for these reasons. After a while, it started  
40 to get people thinking on almost a daily basis—maybe this could be a candidate for the worst grant. It  
41 was helpful for the culture to have this evaluative mind-set.”  
42

#### 43 **FSG Commissioned to Examine Hewlett’s Approach to Evaluation**

44 In October 2007, while programs were piloting the outcomes focused grantmaking approach and Ratay  
45 was introducing new approaches to in-town week, Hewlett commissioned FSG Social Impact Advisors to

1 conduct an eight-week review of the evaluation processes at Hewlett and make preliminary  
2 recommendations for improvement.

3

4 “It was natural to say that we have brought in Redstone to help us develop program strategy, so now  
5 let’s hire a firm to look at pure evaluation to give us some sense of where we were and how to think  
6 about what next,” Bell said.

7

8 FSG’s December 2007 report concluded: “The decision of what data to collect for planning, grantmaking,  
9 and evaluation is made on an ad hoc basis by each program area and each program officer. The high  
10 degree of independence is deeply rooted in all aspects of the Foundation’s culture and organizational  
11 structure. ...Any approach to evaluation must respect this culture of autonomy if it is to take root in the  
12 organization.”

13

14 FSG’s report also noted that there was no one locus driving effective use of evaluation within the  
15 Foundation, nor was there an on-staff expert resource available. The report pointed out the positive  
16 aspects to this approach including setting an expectation for each program to engage in its own  
17 meaningful evaluation efforts. The drawback, however, is that program officers must figure out the right  
18 approach to evaluation for themselves.

19

20 “As a result, the data collected is not always useful, timely, easily accessible, or efficiently gathered,” the  
21 report stated. “The lack of clear accountability means that evaluative activities are largely optional and  
22 easily postponed in the face of more urgent grantmaking pressures.”

23

24 The report recommended implementing modest changes that would focus on efficient ways to collect  
25 and distill a narrower set of information that is important to the Foundation’s decision-making. Though  
26 few people interviewed for this case remembered specifics about the FSG report or whether its  
27 recommendations were implemented, they did recall that it marked a movement toward a more  
28 deliberate focus on the role of evaluation at Hewlett.

29

30 “The FSG report doesn’t ring a bell,” Lindblom said. “I think it speaks to one element of the structure of  
31 the Foundation at the time. Paul had an intellectual curiosity and inquiry around strategic philanthropy.  
32 He had people around him in the president’s office and Redstone devoted to thinking about it at a  
33 higher level. But there was sometimes a disconnect in how the work was relayed to program staff and  
34 also the practical implications of that work.”

35

36 The FSG report noted that the available sources of funds for evaluation were not widely understood by  
37 program staff. For example, many program staff were unaware that evaluation funding could be drawn  
38 from within program budgets or how to access administrative funds for evaluation. Despite that lack of  
39 clarity, staff reported that budget resources were not a significant constraint to doing evaluations—time  
40 was.

41

42 According to Brest, around this time, benchmarking reports about how much should be spent on  
43 evaluation were starting to come out and he thought Hewlett’s spending on evaluation was low.

44

45 “I was concerned that we were under-investing in evaluation,” Brest said. “Even at a really sophisticated  
46 foundation like Hewlett, program officers like to spend money on grants rather than evaluation.”

## 1 **Launching Bigger and More Ambitious Programs**

2 This was also a period in which Hewlett, after years of continuing to refine its strategic approach, began  
3 launching bigger and more ambitious strategies. Hewlett started the Quality Education in Developing  
4 Countries Initiative in 2006, a joint effort with the Gates Foundation that aimed to improve learning  
5 outcomes, rather than simply focusing on outputs such as increased enrollment rates; a 10-year  
6 initiative proposed in 2007 to reduce the need for abortions in the US; a \$500 million grant in 2008 to  
7 ClimateWorks to address climate change; and its Deeper Learning strategy in 2010, with the aim in part  
8 of helping students think critically and solve complex problems. All of these strategies eventually  
9 included external evaluations of the overarching strategy's outcomes; two of the strategies included  
10 grants for large-scale impact evaluations.

11  
12 For example, as part of the Quality Education in Developing Countries program, Hewlett and Gates  
13 supported 11 school-level approaches to improving learning outcomes, accompanied by rigorous  
14 evaluations that cost about 25 percent of the total grant dollars, according to Smita Singh, former  
15 program director of the Global Development Program. The domestically focused Deeper Learning  
16 strategy, meanwhile, funded an impact evaluation as one component of the strategy. The evaluation  
17 aimed to determine whether students in high schools with a mature or at least moderately well  
18 implemented approach to promoting deeper learning, experienced better outcomes than if they had not  
19 attended such schools.

## 20 21 **“We Have Not Done a Lot of Thinking About Monitoring and Evaluation”**

22 Brest and Hewlett staff continued to think about how to better formalize the role of monitoring and  
23 evaluation at the Foundation. In April 2010, Brest told programs that they needed to create monitoring  
24 and evaluation plans. Sometime in the fall of 2010, Brest sent an email to program directors requesting  
25 that they spend 2.5 percent of their budget on monitoring and evaluation. A 2011 follow-up memo  
26 recommended against tracking the 2.5 percent target and replacing it instead with meetings with staff  
27 to ask them how their dollar and time allocation to monitoring and evaluation maximizes benefit to the  
28 Foundation.

29  
30 “Paul basically said in 2010: We’ve been doing all this work on outcome-focused grantmaking and  
31 strategy, and we have not done a lot of thinking on monitoring and evaluation,” Global Development  
32 program associate Karen Lindblom said. “Let’s do that. There was a sense that we as a Foundation  
33 should start to codify our thinking around monitoring and evaluation.”

34  
35 Lindblom, who had moved from the Global Development to the president’s office as a fellow in 2010,  
36 said the requirement for program staff to fill out yet another template—this time on monitoring and  
37 evaluation—was an additional burden for many of them. In addition to their work in grantmaking, for  
38 the last several years program staff had had to devote hours filling in various templates that outlined  
39 their strategies, theories of change, and logic models as well as engage in the time-consuming process of  
40 working with Redstone on outcome-focused grantmaking.

41  
42 “There was a two-year period where there was this disconnect between all the work that was done at  
43 the president’s level and what that meant in terms of the day-to-day work of the program staff,”  
44 Lindblom said. “Appendix A was the start of it. And in 2011 we were starting to think about monitoring  
45 and evaluation and programs had to come up with plans. It was close to a staff revolt.”

1 Despite staff unhappiness, the monitoring and evaluation plans were required.

## 3 **Later Years: An Impending Retirement and an Opportunity**

5 To further his own and the Foundation's thinking, Brest asked Redstone to do a research project on  
6 monitoring and evaluation. In June 2011, Redstone completed a memo that outlined the purposes and  
7 uses of monitoring and evaluation and ways in which program staff might use evaluation depending on  
8 the type of strategy (e.g., field building, policy advocacy, research, etc.). The idea behind the document  
9 was to share it with staff and potentially have a discussion around it during in-town week, Lindblom  
10 said.

12 But not much happened with the memo in part because Brest had bigger plans for the Foundation's  
13 future work in evaluation. He was approaching the Foundation's mandatory retirement age of 72 and  
14 would leave in 2012. If he was going to have a hand in making a change to the Foundation's evaluation  
15 function, he had to do it soon.

### 17 **Brest Makes a Move**

18 Brest had long been a fan of Fay Twersky, following her work and engaging her in consulting and  
19 conversations since he became president. In 1997, Twersky had started a company that blended  
20 evaluation and strategy consulting and then in 2006 joined the Bill & Melinda Gates Foundation as the  
21 director of Impact Planning & Improvement where she created a team to help the Foundation become  
22 more systematic in measurement and strategy. During that time, she had invited Brest to some of the  
23 meetings she hosted at Gates and also to serve as part of a committee she was leading in Israel to  
24 review the field of evaluation and measurement in Israel's social sector. In 2010, Twersky left the Gates  
25 Foundation and spent a year as a Senior Advisor to the Director General of Yad Hanadiv (the Rothschild  
26 Foundation) in Israel.

28 Brest saw his chance.

30 "Fay left Gates and went to Israel. I followed her and we had dinner there," Brest said. "I courted her.  
31 The minute she left Gates, I knew she was the one that I wanted. In effect, I had been waiting for Fay to  
32 come along. I'm not joking when I said I was waiting for Fay. You need someone who understands that  
33 strategy and evaluation are linked. You need someone who understands that evaluation is not an  
34 auditing function. It is a way of assisting the programs in being effective. That's the mind-set that some  
35 evaluators don't have. I thought her qualifications were good, but her personal abilities were important,  
36 too. I wanted to learn from the mistakes of other foundations. Fay is totally collaborative. She fit  
37 Hewlett's model just perfectly."

### 39 **The Right Time for an In-House Strategy and Evaluation Unit**

40 Brest also felt that it was the right time for the Foundation to consider having an in-house strategy and  
41 evaluation unit.

43 "We needed to get to the point where the Foundation staff understood and internalized the importance  
44 of strategy and evaluation," Brest said. "That goes back to the Redstone process starting with Smita in  
45 Global Development. There may be institutions where the president can say, 'This is what we are going  
46 to do,' but that is not my style and by and large that's not Hewlett's style. I'm pretty sure for a place like



1 Hewlett, it works better when you get people to accept and own that this is important rather than tell  
2 them.”

3  
4 Lindblom, who worked closely with Brest, added, “I think Paul recognized that a lot of the outcome-  
5 focused grantmaking was due to his own interest in strategic philanthropy. I think he also realized that  
6 the structure he had for doing this work was not formalized at the Foundation. Paul had a habit of hiring  
7 fellows for one or two years [who were doing some of this work] along with Redstone. Bringing Fay on  
8 board would be great to inform his thinking about monitoring and evaluation, how to make sense of this  
9 entire body of work that he had been spearheading and how to ensure that the progress and thinking  
10 didn’t leave the foundation when he did.”

### 11 12 **Fay Twersky Comes to Hewlett as a Senior Fellow**

13 While Brest thought the Foundation was at a point that it was ready for an in-house evaluation and  
14 strategy function, he also didn’t feel he could set up a whole new function in his last year in office. Such  
15 a decision should be up to the next president. So Brest offered Twersky a one-year fellowship to come  
16 to Hewlett with no real job description. She could think and write about issues that interested her. Bell  
17 said that the timing was right to bring Twersky to the Foundation.

18  
19 “We’d been working on these issues at the Foundation for 11 years and just when we start to feel we  
20 are getting our arms around it and needed to hire in-house, our good colleague Fay was at that moment  
21 thinking about what to do next,” Bell said. “We just needed to get her in here. We are not sure we have  
22 a [permanent] job but you get her in at the Foundation and get her working with the staff. It’s a good  
23 way to test out the relationship and see if she could be a permanent member of the staff.”

24  
25 Twersky remembers thinking about the opportunity this way: “I didn’t have to worry what I’d be doing  
26 after my year in Israel, I always had a lot of respect and admiration and affection for Paul, and the  
27 opportunity to be a senior fellow was wide open. Paul said that if you do your own work and writing and  
28 make a contribution to the sector, that’s making a contribution to Hewlett. I believe he also thought and  
29 hoped I would help him consider ways to improve their work around measurement and evaluation.”

### 30 31 **A Pivotal Dinner Party**

32 Twersky accepted Brest’s offer and started as senior fellow in October 2011. The next month, Brest and  
33 Bell invited Twersky to a quarterly dinner at a quiet local restaurant with the program directors. They  
34 asked Twersky to lead a conversation about evaluation at the Foundation—where they were now and  
35 what their vision was for evaluation in five years.

36  
37 “It was a great conversation,” Twersky recalled. “It was impressive to me that all the program directors  
38 expressed a lot of enthusiasm for evaluation and acknowledged the way they weren’t doing as good a  
39 job as they wished they could. I thought the conversation was just leveraging my experience in  
40 evaluation. At the end of the meal, I realized I was being a little set up. Susan Bell said, ‘Will you lead us  
41 in this effort and help them realize their ambitions to be better at evaluation and have a common  
42 language and framework?’”

### 43 44 **Evaluation Working Group Is Launched**

45 Twersky said she wondered if it was the right time to start such an effort with Brest retiring.

1 “I was a little skeptical because Paul was leaving and they were involved in a presidential search,” she  
2 said. “They said that the board was not going to bring on a president who is not interested in  
3 evaluation.”

4  
5 Twersky agreed to take on the project with the proviso that the group gathered that night would co-lead  
6 the effort. She knew it would be important that this effort be fully owned by the programmatic leaders  
7 of the Foundation and not have it be a situation where she handed them a blueprint at the end of the  
8 year. Twersky would lead a working group in 2012 that would include all program directors, Brest, Bell,  
9 Harold, and Ratay to articulate the Foundation’s philosophy, principles, and approach along with  
10 recommendations for next steps.

11  
12 Twersky’s notes from that November dinner stated that “the group acknowledged that there have been  
13 important strides in increasing the Foundation’s evaluation capacity—at the level of both board and  
14 staff, but there is still more to do and also more capacity needed at the grantee level. This increased  
15 capacity is largely due to: 1) Paul’s championing and substantively leading the effort; 2) hiring staff who  
16 value evaluation so there is no willingness hurdle to overcome; and 3) Redstone’s efforts to build an  
17 evaluative mind-set into the strategy development process.”

18  
19 The notes also stated that there was a general agreement among participants that the primary purpose  
20 of evaluation is to inform decisions and practice at the Foundation and that Brest suggested that  
21 evaluation is not the engine for accountability. He said that measurement for accountability is  
22 accomplished through setting realistic and measureable objectives and then carrying out basic  
23 monitoring of progress toward the accomplishments of those objectives.

24  
25 Finally, Twersky’s notes provide a window into how far the Foundation had come in terms of considering  
26 some type of formal in-house evaluation function. The notes stated that program directors believed that  
27 programs were ready for and would benefit from a central evaluation capacity and possibly dedicated  
28 funding that could help their teams consistently do better evaluation work.

29  
30 After that November dinner, Twersky asked Lindblom to be her project manager. It was important to  
31 have an in-house person to help guide Twersky through some potentially tricky land mines, Lindblom  
32 said.

33  
34 “One thing I shared with Fay was there was a perception at the Foundation that fellows were  
35 parachuting in for a year or so, having conversations with the president about how things would change  
36 and then creating new templates for what program officers should do,” Lindblom said. “I shared with  
37 Fay the kind of template fatigue that staff felt. We talked about the best way to get buy in from the  
38 beginning.”

### 39 **Wrestling With Questions About the Purpose of Evaluation**

40 Twersky developed a scope of work with tasks and meetings starting in January 2012. One thing that the  
41 scope did not include was a focus on monitoring.

42  
43  
44 “Early on, when I was starting the work on evaluation I asked if they wanted to include monitoring and  
45 Paul said no,” Twersky said. “He said we already do monitoring. We are pretty good at it. We need  
46 attention on evaluation. The program directors agreed. I was initially skeptical about not including

1 monitoring because good monitoring data can be really important to feed into good evaluation. But it  
2 turned out to be the right decision because we were able to make tremendous progress on the  
3 evaluation front and trying to tackle monitoring at the same time would have distracted us and also  
4 slowed us down.”

5  
6 The evaluation working group was launched in 2012 and for the next several months, Twersky and  
7 Lindblom met with staff throughout the Foundation—both programmatic and administrative. They  
8 started by asking staff about their experiences in evaluation—what had worked and what hadn’t and  
9 where they would like information and support. They asked for help in such areas as evaluation design,  
10 finding good evaluators, managing evaluations, and using the data.

11  
12 Based on these conversations, Twersky and Lindblom drafted principles for evaluation, shared and  
13 revised them, first with the working group and then with other staff throughout the Foundation.  
14 Twersky also used those conversations to inform learning sessions that she led that year around  
15 particular aspects of evaluation such as evaluating intermediaries.

16  
17 “When Fay first came, people were not sure what her role was,” said June Wang, who was responsible  
18 for knowledge management at the time. “But once she started this working group I felt like there was  
19 this collective ‘yes, we have someone here who knows evaluation well and can help us figure it out’ and  
20 it wasn’t just evaluation. It was her approach as well. I think people really appreciated the way she went  
21 it about it. She said, ‘We are going to do it together over a period of time.’

22  
23 “Fay asked us questions about how we wanted to use evaluation,” Wang continued. “People had to  
24 wrestle with the purpose of evaluation. We landed on it being primarily to help inform the Foundation’s  
25 practices and decisions.”

26  
27 But, staff said they recognized that it was also important that evaluations sometimes inform grantee or  
28 field level practices. The first principle for evaluation called for staff to begin by clarifying the purpose of  
29 evaluation and anticipate information needs “with actions and decisions in mind.”

30  
31 In this time period, the Foundation was going through some big changes. The board was searching for a  
32 new president, and the organization was in the process of a major shift that would combine the Global  
33 Development and Population Programs. Ruth Levine, a development economist who had led the  
34 development of USAID’s evaluation policy, was hired in 2011 to direct the combined program.

35  
36 While Twersky and Lindblom met with staff across the Foundation, many were anxious about what a  
37 new president would mean for the Foundation, Levine said. Would the new president feel it was  
38 important to put his or her own stamp on the Foundation, as many do? What would that mean for long-  
39 established programs?

40  
41 “A new foundation president can be very disruptive to an institution and a sector,” Levine said. “There  
42 was a little bit of terror about that here.”

#### 43 44 **A New President Is Chosen**

45 In March 2012, after an international search, Hewlett’s board announced that it had selected Larry  
46 Kramer, the dean of Stanford Law School, to be its next president. Like Brest, Kramer had been in

1 academia all of his professional life and was looking for a new challenge. It was a surprise to many at  
2 first that the Board selected another Stanford Law School dean for its president. But after scores of  
3 candidates were interviewed, Kramer emerged as the best person to both maintain the Foundation's  
4 programmatic grantmaking and make sure that the Foundation continued to be nimble in a changing  
5 world, the head of the search committee said at the time. Kramer would start as president in September  
6 2012.

7  
8 Kramer was familiar with Hewlett in part because he was close to Brest and they spoke often. After  
9 serving as Stanford's Law School dean for eight years, he was ready to become president of a university  
10 or assume leadership of an organization like Hewlett, he said.

11  
12 "This job is really like a deanship," he said. "Your role is essentially helping to facilitate other people's  
13 work. And the Foundation offered the opportunity to do so in a much bigger way. You can work with  
14 more resources and tools, facilitating teaching and research but also much more and in more fields and  
15 on more important problems. That was pretty attractive."

16  
17 While the Foundation staff speculated about what changes Kramer would bring to Hewlett, Twersky and  
18 the working group were finalizing a document that summarized evaluation principles and practices that  
19 the Foundation would follow.

#### 20 21 **A New Vision for Evaluation at the Foundation**

22 At the September 2012 board retreat, Twersky presented a draft of that document. The purpose of the  
23 guide was to advance the Foundation's existing work so that its evaluation practices would become  
24 more consistent across the Foundation, the document noted. The document listed seven principles of  
25 evaluation (see Appendix 1), defined evaluation and monitoring (see Appendix 2), described  
26 organizational roles for evaluation, and included a practice guide for planning, implementing, and using  
27 results.

28  
29 For Lindblom, the process of creating the document was vital. She said that she and Twersky continually  
30 sought input from program staff on which principles to include and asked for case studies of evaluations.  
31 She and Twersky also talked to evaluation officers at other foundations to learn more about what  
32 worked and what didn't in their positions.

33  
34 "We didn't want to draft up a paper and hand it to the staff and say, 'These are our principles for  
35 evaluation, you should follow this,'" Lindblom said. "We wanted to avoid the perception that this is  
36 being imposed on them."

37  
38 It was also an opportunity to have evaluation be well understood and play a more central role at the  
39 Foundation.

40  
41 In 2011 and 2012, the outcome-focused grantmaking process was in the final stages of being codified  
42 after six years of development. All program staff were expected to follow the framework when doing  
43 their grantmaking. In the final version, the process had 10 elements or steps (see Appendix 3). The steps  
44 include establishing a goal, articulating outcomes and metrics, employing "expected return" to develop  
45 quantitative estimates for identifying the strategy with the greatest estimates, identifying the right

1 partners, and developing a monitoring and evaluation plan. The monitoring and evaluation plan was the  
2 ninth step.

3  
4 “Our observation was that because evaluation was towards the end of the 10 steps, teams got a little  
5 tired at that point with the strategy,” Twersky said. “They often didn’t develop an evaluation plan from  
6 the outset. What typically happened was they would go through some period of strategy  
7 implementation and then commission a retrospective evaluation later. Our principles were a bit of a  
8 course correction on that. If you’re not thinking about evaluation from the beginning, you lose the  
9 opportunity for baseline data for the next set of funding decisions.”

10  
11 One of the key decisions to come out of this process was that programs could not propose a strategy  
12 without having an evaluation plan, Kramer said.

13  
14 “There were some initial skepticism about the time and resources that it would take,” Kramer said. “I  
15 think that has dissipated as people came quickly to see the benefits. Along the way, there has also been  
16 a shift from doing only summative evaluations to including more developmental evaluations that use  
17 the data we collect to make strategic adjustments as we go along.”

### 18 19 **Creating a Hybrid Team**

20 All along, Twersky had asked Brest if the Foundation would support a new internal function around  
21 evaluation. By early summer of 2012, she said, it was clear that the Foundation would support such a  
22 function. Twersky talked to Kramer about the idea as well and got his buy in.

23  
24 Kramer said he started conversations with Brest and Bell about the possibility of a new team almost  
25 immediately after the announcement of his presidency. He said he thought it made sense to consolidate  
26 the set of functions entailed with strategy development, monitoring, and evaluation.

27  
28 Twersky spoke to Brest and Kramer about the functions of the team but also had a fair amount of  
29 leeway to construct it in the way she thought made most sense. Twersky agreed to extend her time as a  
30 senior fellow while establishing the team. But she didn’t initially agree to stay on permanently.  
31 Throughout this year, Twersky had been commuting from Seattle where her family still lived. Before  
32 uprooting her family, she wanted to make sure she and Kramer were a good fit, she said. That summer,  
33 she and Lindblom developed a draft team concept.

### 34 35 **Effective Philanthropy Group Inward and Outward Looking**

36 Twersky envisioned a group that had both internal and external functions. The internal functions would  
37 focus on strategy, evaluation, and organizational learning while the external functions would focus on  
38 strengthening the philanthropic sector and organizational effectiveness grantmaking. The internal  
39 functions would help inform the external and vice versa. She noted that while at Gates her role was only  
40 internally focused, over the years she had become increasingly interested in working with the broader  
41 philanthropic sector. If the team couldn’t have that external function, it would have been a deal breaker  
42 for her, she said.

43  
44 While evaluation was part of this group, it was part of a larger team. It took a while to determine exactly  
45 the makeup of the team but ultimately it looked like this, which Twersky described as five pillars:

1 *Internal Strategic Functions*

- 2 ● **Strategy Support.** Providing guidance to programs about how to develop, implement, refresh,  
3 and sometimes exit strategies.
- 4 ● **Evaluation.** Supporting programs to commission, use and learn from evaluation including  
5 advising on evaluation design, contracting, implementation, and use of results.
- 6 ● **Organizational Learning.** Supporting ongoing improvement at the Foundation, including  
7 learning across programs, using monitoring data to track progress, and providing training and  
8 orientation to staff.

9  
10 *External Grantmaking Functions*

- 11 ● **Organizational Effectiveness Grantmaking.** Providing grants for organizational effectiveness to  
12 grantees for areas such as strategic plans, fundraising campaigns, digital strategies, and staff  
13 recruitment, as well as supporting program officers to build their capacity to work with  
14 grantees.
- 15 ● **Philanthropy Grantmaking.** Making grants to support a philanthropic infrastructure through  
16 Knowledge for a Better Philanthropy, which supports the creation and dissemination of  
17 knowledge about how to practice philanthropy well, and the Fund for Shared Insight, a  
18 collaborative strategy that Hewlett is pursuing with six other funders with the goal of increasing  
19 openness in foundations about what they share and the lessons they are learning.

20  
21 Twersky also noted that the core values established at the outset of the formation of EPG were central  
22 to its work. Those values are to be practical, rigorous, and creative in all of the team’s work.

23  
24 With the exception of strategy and evaluation support, all of the functions already resided in the  
25 Foundation, mostly housed in the president’s office. The philanthropy program, for example, had been  
26 overseen by Jacob Harold who had become a program officer while organizational effectiveness  
27 grantmaking was spearheaded by Jen Ratay. The organizational learning function originally was part of  
28 Ratay’s work but had already moved to June Wang, who reported to the IT director.

29  
30 “These functions were in various parts of the Foundation,” Twersky said. “Jacob and Jen were reporting  
31 to Paul, but he had 19 direct reports,” Twersky said. “I thought, does it make sense to form a team?  
32 Let’s be creative. What does the organization need? What is it ready for? And what is the overlap  
33 between that need and my interest? If we create a hybrid team it can benefit the Foundation and the  
34 sector.”

35  
36 The Effective Philanthropy Group officially launched in August 2012.

37  
38 **“It Is Important to Respect the Past”**

39 While Twersky and Lindblom took pains to get as much buy in and support for the new group as they  
40 could, some at the Foundation thought the process could have been handled more sensitively. One issue  
41 was a sense that Twersky was not acknowledging the work and functions that had already existed at  
42 Hewlett and that the new group was building upon.

43  
44 “When the Effective Philanthropy Group was formed, it incorporated new elements as well as others  
45 that had existed in places within the Foundation such as Jen Ratay’s role that had been housed within

1 the president's office," said Jean McCall, director of human resources. "It was important to respect the  
2 past and the roles staff had played as she built a new team and functions within the Foundation.  
3 "Initially there was also some resistance by some program staff," she added. "This worry perhaps that  
4 their autonomy or authority would be subordinated to Fay. We needed to bring in the senior staff  
5 earlier and more thoughtfully so they would really understand what Fay's role was."  
6

7 Twersky said: "I always felt incredibly privileged to build upon the good work that came before and tried  
8 hard to communicate that. But, you cannot always know the internal dynamics or concerns going on in  
9 people's minds."  
10

11 McCall also said that the timing of starting a new group within the Foundation while adjusting to a new  
12 president added complexity as there was a lot of change at the same time.  
13

14 "Larry started in September and this new group started within a month of that," McCall said. "That was  
15 a pretty quick thing happening right when people were getting used to a new president."  
16

### 17 **The New President Starts and Staff Adjusts to a New Style**

18 While Twersky began to assemble the new team, Kramer began to learn about the Foundation and  
19 philanthropy in general. It became clear that while he was not going to suggest any major shifts for the  
20 Foundation's priorities, he was already forming some distinct viewpoints.  
21

22 "I noticed that the philanthropy sector is so faddish," he said. "What is this week's shiny new tool for  
23 how we're going to solve the world's problems? Like impact investing. You must do impact investing.  
24 Whatever that is."  
25

26 He was also less convinced than Brest of the ability to use measures like expected return to make  
27 strategic decisions. Kramer said his objection was not to the concept but to the false precision that often  
28 accompanied efforts to make it quantitative.  
29

30 "When I got here the whole development in philanthropy was still midstream from doing what feels  
31 good to a semi-science," he said. "And Hewlett was still midstream. I think people want to push  
32 philanthropy into a science. I brought more skepticism than Paul had that this could ever be a science.  
33

34 "Redstone had a standing contract," he added. "They were on retainer. Everyone was expected to  
35 consult with them whether they were appropriate or not."  
36

37 Over time, the Effective Philanthropy Group took on much of Redstone's functions and more.  
38

39 Levine said that the staff needed to adjust to Kramer's style, which in some ways was quite different  
40 from Brest's. Like Brest, he has an enormous intellect and loves debate. Unlike Brest, he tends to be  
41 unfiltered, she said.  
42

43 "When he says something, people react even if he's just thinking out loud," Levine said. "This is very  
44 different from Paul. [Paul] is very restrained and rarely makes declarative statements. He poses  
45 questions: 'Have you thought about this?'"

1 “Another difference is that Larry has a tremendous amount of confidence that his gut will tell him what’s  
2 right,” Levine continued. “And he doesn’t have to have the perfect, articulate reason and rationale for it.  
3 He’s much more comfortable saying, ‘I just have a feeling and that’s the reason.’ It’s been a little  
4 destabilizing for the staff [after working with Paul]. I also think a lot of us make decisions on gut and  
5 intuition and some of us are obsessed with dressing that up with logic. Larry isn’t. The best thing about  
6 working with him is that it’s liberating to admit when the grounds for a decision are hunch and  
7 intuition.”

8  
9 Margot Fahnstock, program officer in the Global Development and Population Program, said: “The  
10 culture that I described earlier of the high-stakes intellectual debates has definitely changed, though it  
11 has not gone away entirely. It’s been a looser process because of Larry’s style. We haven’t tried to fit  
12 [strategy] into a black and white ‘you have to do it this way’ model. With Larry, the message is we care  
13 about measurement and impact but there has to be some flexibility about how we evaluate. That can be  
14 a challenge too for people who are not comfortable with change and ambiguity. It feels like there isn’t a  
15 recipe to follow.”

### 16 17 **Questions About Spending on Evaluation**

18 In November 2012, Kramer presided over his first board meeting as president. November board  
19 meetings are focused on budgets and Kramer said he wanted to signal to the board—which is sensitive  
20 about spending on administrative areas—that he wanted the Foundation to start spending more on  
21 evaluation.

22  
23 “As Fay and I both started, we had the impression that probably too little was being spent on evaluation  
24 on average,” Kramer said. “We started a conversation with the board to set out benchmarks. What  
25 percent of our annual budget should we spend on evaluation?”

26  
27 Twersky, in the meantime, began researching Hewlett’s spending on evaluation and surveying other  
28 foundations to come up with a report that could help the Foundation decide how much to spend on  
29 evaluation.

### 30 31 **Staffing the Effective Philanthropy Group**

32 As Twersky looked to staff up this new group, some of those at Hewlett who would have naturally  
33 moved over to Effective Philanthropy Group left for other jobs. In July 2012, Jacob Harold, who was  
34 coming to the end of his term as program officer for the philanthropy program, was named the  
35 executive director of GuideStar. That December Twersky hired Lindsay Austin Louie to be the program  
36 officer for philanthropy grantmaking. Louie had previously been the executive director of the Silicon  
37 Valley Social Venture Fund.

38  
39 When Louie moved to Hewlett, Ratay, who was running the organizational effectiveness grants program  
40 and had become something of a right-hand person and guide to Hewlett culture for Twersky, applied for  
41 and got Louie’s previous job. Twersky said that she was initially devastated when Ratay told her she was  
42 leaving because she had come to depend on her for advice in navigating Foundation culture. Lindblom,  
43 meanwhile, also reached the end of her term and left Hewlett to become deputy director at the  
44 Stanford Center on Philanthropy and Civil Society.



1 Twersky had envisioned essentially running the group together with Ratay. But Ratay’s departure also  
2 turned out to have a few upsides. It gave Twersky an opportunity to rethink her staffing and create a  
3 combined position of strategy and organizational effectiveness officer so that she was not overwhelmed  
4 with strategy. Initially, Twersky was going to be primary advisor to teams on strategy—a role she said  
5 she enjoys—but would have taken a tremendous amount of her time to do well and would have limited  
6 her ability to play key contributing roles in shaping other parts of the new group, both internally and  
7 externally.

8  
9 The other upside, according to Twersky, is that Ratay’s departure made more room for Wang, who had  
10 been with the Foundation since 2008 and was also deeply knowledgeable about the Foundation’s  
11 culture, to play a more prominent leadership role in the group and the foundation.

12  
13 Wang had been on maternity leave in the summer of 2012 when much of the conversations were taking  
14 place on how to configure the Effective Philanthropy Group. At the time, Wang worked in a Knowledge  
15 Management Initiative, reporting to the IT director. Her work focused on organizing and managing the  
16 Foundation’s shared knowledge systems, such as the intranet, building tools that made grantmaking  
17 visual and useful, providing learning resources for program staff, and promoting data sharing and  
18 collaboration in the philanthropic sector. Kramer said he had the idea to move the organizational  
19 learning function from IT to the new group. Given the consolidation of the other four components into  
20 the new group, adding organizational learning to the mix seemed obvious, he said.

21  
22 Wang was thinking about what she wanted to do next professionally. When she began talking with  
23 Twersky about joining the Effective Philanthropy Group, she mentioned wanting to have responsibilities  
24 for performance measurement and monitoring based on her previous work with data systems and tools.  
25 Twersky, who had determined that Hewlett probably could use some assistance with monitoring, had  
26 been considering including that responsibility with an evaluation officer.

27  
28 “Fay said you can cut the pie in different ways,” Wang said. “Some foundations put strategy and  
29 evaluation together, others put evaluation and learning together. There’s no single right way to  
30 configure these functions.”

31  
32 Wang moved over to the Effective Philanthropy Group as organizational learning officer with three main  
33 areas of work supporting: (1) learning across the programs; (2) monitoring; and (3) grantmaking  
34 orientation and training.

### 35 36 **Completing the Effective Philanthropy Group**

37 By January 2013, Twersky felt comfortable that she and Kramer had a good working relationship and  
38 became director of the Effective Philanthropy Group (EPG). In April 2013, Amy Arbretton joined the  
39 group as evaluation officer. Arbretton, who has a doctorate in education and psychology, had worked at  
40 Public Private Ventures (PPV), the research and evaluation firm for 18 years including establishing its  
41 California office, before the organization shuttered in 2012. At PPV, Arbretton had overseen a number of  
42 longitudinal evaluations that used qualitative and quantitative data collection.

43  
44 Twersky rounded out the group’s staff in January 2014 when she brought on Lori Grange as program  
45 officer for strategy and organizational effectiveness. Grange had previously worked at Pew Charitable  
46 Trusts, where she led efforts to create new strategies and projects on a number of public policy issues.

1 Twersky said that it was crucial that the team was presented as a voluntary resource to programs.  
2 Members of the team could provide assistance in strategic planning, evaluation planning, and  
3 organizational learning akin to an in-house consulting team, but no one would be required to work with  
4 the new unit.

5

#### 6 **EPG Puts Its Mark on In-Town Weeks**

7 In-town weeks had evolved over the years but they still needed work, Wang said. One of EPG's first big  
8 projects was rethinking how these weeks could be more useful and engaging.

9

10 The worst-strategy contest had continued, but over time it had gotten more and more involved, with  
11 programs staging elaborate skits using costumes and other props.

12

13 "Programs felt like they needed to keep re-upping what they did but we never really had a discussion  
14 about the lessons and what we might do differently," Wang said. "People presented their skit, but there  
15 was no dialogue."

16

17 In addition, at every in-town week, program staff would review each other's board memos and provide  
18 comments. Some comments would be editorial—everything from unclear sentences to missing commas.  
19 Others would be about big-picture strategy. No one was clear about the purpose of these peer reviews  
20 and whether they were useful to those receiving the feedback.

21

22 Wang and the EPG team decided to re-imagine in-town week. They used a design-thinking process to do  
23 so and pulled together a cross-foundation working group. The working group interviewed a number of  
24 staff, including program associates and administrative staff, to learn what they liked and didn't about in-  
25 town week. Some practical things soon emerged, such as the weeks were always held in the middle of  
26 the crunch to prepare for board meetings, which was difficult timing for everyone. People also hated the  
27 way that the room was set up where everyone gathered. There was a large table in the center, where  
28 the program staff tended to sit and chairs around the periphery where administrative staff typically sat,  
29 which reinforced the hierarchy that people already felt at the foundation.

30

31 Based on feedback, the working group reconceptualized in-town to focus on learning and building  
32 connections across Hewlett staff. Their first one was in September 2013. EPG changed the dates based  
33 on what worked best for staff, reconfigured the room so there were just chairs—no table at the  
34 center— and got rid of peer reviews. Instead of skits on worst strategies, they had more small-group  
35 discussions.

36

37 Wang said that taking responsibility for in-town week was a good way to introduce Hewlett staff to EPG  
38 and how they could be helpful.

39

40 "We were really inclusive" in planning the week, Wang said. "We listened to people. There was a sense  
41 of buy in. I think people felt like, 'Oh they're here to help.'"

1 **Benchmarking Evaluation Spending**

2 In September 2013, Twersky presented her findings on how much Hewlett and other foundations were  
3 spending on evaluation at a board retreat.<sup>2</sup> Over the last three years, the Foundation had spent between  
4 0.7 and 1.2 percent of programmatic dollars on evaluation focused on foundation strategy, Twersky  
5 reported. She also said that conventional wisdom had long held that a serious commitment to  
6 evaluation required spending 5 to 10 percent of programmatic budgets.

7  
8 She recommended that over the next three years the Foundation aim to increase its spending on  
9 evaluation to approximately 2 percent of program spending. The focus of that increased spending  
10 should be on improving the quality and practicality of evaluations rather than simply funding more of  
11 them, Twersky added. Hewlett would continue to pay for evaluations with a mix of administrative and  
12 grant budget funding. The board adopted the recommendation.

13  
14 “We are still short of meeting that goal,” Kramer said in the summer of 2015. “We’re at about 1.4  
15 percent. We had been at 0.7 percent. Neither Fay nor I are upset that it’s below 2 percent. It’s a  
16 benchmark. It provides a basis for saying, ‘Why aren’t you doing more?’ Some years we will go above  
17 and some we will go below.”

18  
19 To help programs undertake evaluations, EPG started an evaluation matching fund from which each  
20 program can ask for up to \$75,000 a year. Programs have typically made use of the fund to add new  
21 elements to existing evaluations, such as adding an evaluation advisory committee, increasing the  
22 amount or quality of data collected, or engaging more with grantees.

23  
24 **Issues with ClimateWorks—and the Evaluation**

25 As Twersky staffed up EPG, she began introducing Arbretton and Grange to program directors and  
26 officers and describing what the team could offer. Soon, program staff began asking for assistance in  
27 areas like conceiving of evaluations or thinking about changes in strategy.

28  
29 About a year after she started at Hewlett, Arbretton would find her skills in demand to help on the single  
30 largest investment the Foundation had ever made. One of the first big issues that Kramer had to grapple  
31 with was a significant amount of disarray at ClimateWorks, Hewlett’s single largest grant, which it had  
32 funded for \$500 million over five years starting in 2008. The initiative emerged from a study  
33 commissioned by Hewlett and five other foundations. “Design to Win” concluded that philanthropic  
34 investment in five sectors—power, industry, buildings, transportation, and forestry—held the potential  
35 to forestall irreversible changes in the planet’s temperature.

36  
37 ClimateWorks Foundation served as a clearinghouse for this work by coordinating and supporting an  
38 international network of regional climate foundations in the world’s top carbon-dioxide-emitting  
39 regions. In addition to Hewlett’s support, the David and Lucile Packard Foundation and the McKnight  
40 Foundation also funded the effort.

41  
42 Tom Steinbach, head of the Environment Program, noted that Hewlett made a requirement that an  
43 ongoing evaluation would be done and would be paid for by ClimateWorks with money from its donors.

---

<sup>2</sup> The 2014 report *Benchmarks for Spending on Evaluation* is available on the Foundation’s website at:  
[www.hewlett.org/library/hewlett-foundation-publication/benchmarks-spending-evaluation](http://www.hewlett.org/library/hewlett-foundation-publication/benchmarks-spending-evaluation)

1 ClimateWorks hired evaluators who, with ClimateWorks staff, created a detailed plan of what they  
2 would evaluate. The evaluation was designed to track the network’s success in reducing carbon  
3 emissions.

4  
5 “The aim was to have real-time evaluation to help the institution assess its progress,” Steinbach said.  
6 “The goal and intent was just right.”

7 In the summer of 2012, as Kramer was starting to learn more about the Foundation, ClimateWorks was  
8 going through major changes. Its founding CEO had just left. A second one was hired, and then that CEO  
9 left along with a massive departure of senior staff. The network that Hewlett had invested so much in  
10 was “coming apart at the seams,” Kramer said. He looked to the evaluations for some answers to why  
11 this happened and guidance for next steps. Like Brest who had hoped evaluators could shed light on the  
12 Foundation’s program in the American West, Kramer was disappointed.

13  
14 “The strategy designers were proud to have a built in evaluation,” Kramer said. “But the actual  
15 evaluations were uninformative and of little use. They weren’t getting at the real questions we needed  
16 answered.”

17  
18 Steinbach said one of the key issues with the evaluation was how it was set up. Because ClimateWorks  
19 commissioned and oversaw the evaluation, it was “owned” by the grantee, rather than the Foundation.  
20 The two did not always have the same interests, he said.

21  
22 “ClimateWorks had the incentive not to share bumps and bruises in an unvarnished way,” he said. “They  
23 hired the evaluator, not us. Things were filtered by ClimateWorks. That got combined with the sense  
24 that the evaluation was not front and center for ClimateWorks. They didn’t use it to inform their own  
25 evolution. They saw it as something the Foundation required and felt like it needed to come off  
26 positively.”

27  
28 Tim Larson, one of the evaluators, added: “I think we were largely viewed by some in ClimateWorks as  
29 an exercise to satisfy funders rather than to authentically support learning and course adjustment. It  
30 was a relatively small amount of resources for a massive portfolio [about \$800,000 over three years for  
31 the evaluation] and we were kept at arm’s length. There was a lot that was going on at ClimateWorks  
32 that we didn’t know about.”

33  
34 A September 2013 memo from Twersky on benchmarks for spending on evaluation noted that the  
35 ClimateWork’s evaluation was “far too modest an investment for a project of this size.”

36  
37 “The resulting evaluation fell short of providing the kind of timely, critical information needed for  
38 ongoing learning and course correction,” Twersky’s memo stated. “For instance, the evaluations did not  
39 consider questions of organizational health and development—an almost certain stumbling block when  
40 launching a big intermediary start-up—and despite the regular evaluation reports, there was minimal  
41 application of analysis into action.”

#### 42 43 **Evaluation Officer Steps in to Help**

44 By late 2013, Hewlett had decided to continue to invest in a newly reconfigured ClimateWorks. This  
45 time, Hewlett and the other funders wanted to play a more active role in the evaluation from the start.  
46 After much discussion, Hewlett and the other funders decided, with ClimateWorks, that ClimateWorks

1 would still “own” the evaluation but that there would be much more focus on sharing the unvarnished  
2 findings, Arbreton said.

3

4 To help with this process from the start, Arbreton was asked to work with ClimateWorks one day a week  
5 for 12 months to help think through a new evaluation approach. She said she was tasked with helping  
6 come up with a plan for what to evaluate, when to evaluate, how do it in a way that does not  
7 overwhelm the grantees, and how best to get the capacity to launch these evaluations. It was a huge  
8 investment of time into one initiative for the Foundation’s new and only evaluation officer.

9

10 After several months of working closely with ClimateWorks and a Reporting, Monitoring and Evaluation  
11 Advisory group (comprised of evaluation and program staff from the cross-funder climate initiative),  
12 Arbreton made recommendations. These included piloting an initial evaluation with the energy  
13 efficiency team—one of six cross-foundation teams led by campaign directors at ClimateWorks—and  
14 then phasing in another. Arbreton also helped bring on an evaluation firm with capacity to help flesh out  
15 designs for the remaining campaign and cross-campaign evaluations and commission an evaluator to  
16 carry out the energy-efficiency evaluation. Another recommendation was for ClimateWorks to hire an  
17 evaluation and learning officer who can oversee this work and make sure that is used in learning.  
18 ClimateWorks agreed and was in the process of hiring such an officer in the summer of 2015.

19

20 “We still don’t know what will be of most value,” Arbreton said. “We’ve said about this first evaluation—  
21 you are our pilot—it has to be relevant and useful. We want to build in evaluation from the beginning and  
22 be clear and in agreement about ownership, audience and intended use.”

23

24 Larson, meanwhile, has been brought in by the current ClimateWorks CEO to help it build a culture of  
25 learning and plan and coordinate evaluations until an evaluation and learning officer is hired.

26

### 27 **“Having Me Here Hasn’t Magically Solved Everything”**

28 Arbreton has also provided consultation to a number of other programs at Hewlett on how to structure  
29 evaluations, hire firms, and grapple with other questions. Daniel Stid, director of the Madison Initiative,  
30 which is aimed at helping alleviate the problem of political polarization, with a special focus on  
31 Congress, said that Arbreton played a crucial role in helping him conceptualize its evaluation.

32

33 “I thought evaluation would be something we would do in the final year of the three-year initiative,”  
34 Stid said. “I talked to Amy, and as she learned more, she said what you are talking about is really  
35 developmental evaluation. Fay and Amy recognized that we were not being all that clear in how we  
36 were going to assess results and that we needed to think about it systematically.”

37

38 Arbreton, however, is quick to say that having an evaluation officer and the EPG team does not solve all  
39 evaluation issues at Hewlett. In another instance, Arbreton worked closely with Margot Fahnestock to  
40 design an evaluation and hire a firm to evaluate a new strategy to introduce human-centered design  
41 thinking in international reproductive health. Despite careful work in thinking through an evaluation  
42 plan, writing an RFP, and selecting a university-based team, Fahnestock and her colleagues found that  
43 initial work by the evaluator did not meet their needs.

1 “They hired an evaluator and they just weren’t happy with the work,” Arbretton said. “Now they are  
2 trying to get another evaluation off the ground. We started this work in 2013 and wanted to have  
3 findings by now. Having me here hasn’t magically solved everything.”

4  
5 Because EPG has the functions of evaluation, strategy, and monitoring and learning divided across three  
6 staff members, Arbretton and others said that it is not always clear who is best positioned to provide  
7 support on certain tasks. That is, the lines are not always neatly drawn among the different functions.  
8 For example, in April 2015, John McGuirk, program director for the Performing Arts Program, asked for  
9 assistance from EPG in doing a midpoint assessment of its strategy. Twersky left it up to Arbretton and  
10 Grange to decide who should take the lead because the request crossed into both of their areas of  
11 expertise—evaluation and strategy, respectively.

12  
13 The pair knew McGuirk’s team wanted to hire an evaluator, something Arbretton would normally help  
14 with. But because the midpoint assessment would focus on the program’s strategic direction moving  
15 forward, they agreed that Grange would take the lead in working with McGuirk. Arbretton would advise  
16 on the request for evaluation proposals and provide input as needed throughout.

17  
18 “At the time, the call could have gone either way—but in hindsight it might have been more helpful for  
19 John’s team to work with Amy, given the time spent on the evaluation,” Grange said. “My question is  
20 how might Amy and I have worked together more like two people who are collaborating in a consulting  
21 firm with more communication and collaboration between us on a project, rather than a bright line,  
22 necessarily. I’m a fan of messiness as long as we navigate it. I’ve been in conversations [with people  
23 seeking assistance] where the focus is more on evaluation and it’s clear that Amy is the right person. I’ve  
24 been in tons of situations where it’s absolutely not clear.”

### 25 26 **Outcome-Focused Philanthropy**

27 In May 2014, Kramer, who had never been a fan of the “expected return” approach of outcome-focused  
28 grantmaking, thought it made sense to revisit the approach and make adjustments. Twersky was  
29 interested in doing so, as well. Kramer endorsed an institution-wide review and EPG, with Twersky and  
30 Grange leading the process, took on the project. Kramer and the program directors were heavily  
31 engaged from the start, acting as a working group to provide leadership, oversight, and guidance. Like it  
32 has approached other projects, EPG spent considerable time consulting with Hewlett staff to learn what  
33 they found effective or ineffective about outcome-focused grantmaking (OFG).

34  
35 In their review, EPG found that the staff valued having a shared framework for how the Foundation  
36 approaches strategy. Staff also identified shortcomings in outcome-focused grantmaking.

37  
38 “There are two problems with OFG,” Levine said. “First, there is far more uncertainty than is assumed in  
39 expected return, and second, most things fail not because of strategy but because of implementation.  
40 By far, the majority of program officers’ time is spent on organizational problems, grantees not getting  
41 along with one another, other funders’ changing their strategy and we’re left holding the bag. OFG  
42 didn’t touch that dimension at all.”

43  
44 Outcome-focused grantmaking also implies a one-size-fits-all approach, yet Hewlett’s strategies are  
45 diverse and may require more flexible treatment, the memo noted. While evaluation is included in the  
46 10 steps, it has received short shrift in practice, the memo further stated.

1 To address these issues, Twersky and Grange and the working group proposed a framework that drew  
2 on the discipline that OFG brought and incorporated a “strategy lifecycle.” This lifecycle approach  
3 recognized that strategies evolve over time, they stated in a June 2015 memo.

4  
5 They also called it outcome-focused philanthropy to reflect the fact that making grants is only one part  
6 of how Hewlett practices philanthropy, Grange said. It includes work such as convening grantees to  
7 share information, partnering with other funders in the field to leverage resources, blogging to draw  
8 attention to important research and other such activities.

9  
10 The lifecycle has four stages:

- 11
- 12 ● **Originating:** When new strategies are created;
- 13 ● **Implementing:** The meat and potatoes of a strategy;
- 14 ● **Refreshing:** Taking stock of progress, usually after several years and making course corrections;  
15 or, in some cases
- 16 ● **Exiting:** Winding down a strategy in full or in part or leaving a field entirely.
- 17

18 The June memo outlining OFP to the board noted that the four stages of the lifecycle are neither linear  
19 nor fully independent but overlap (see Appendix 4).

20  
21 Expected return is no longer part of the framework. Instead, the new framework provides a series of  
22 questions aimed at helping program staff think deeply about their work at different stages of this  
23 lifecycle and make course corrections if necessary.

24  
25 In addition, while outcome-focused grantmaking concentrated on initial strategy development,  
26 outcome-focused philanthropy gives weight to all stages of a strategy, Grange said. Each stage involves a  
27 series of practical questions that are meant to help program staff in thinking through their strategies.

28  
29 For example, much of the work of Hewlett staff is on implementing or refreshing strategy. During the  
30 implementation stage, questions include: (1) What criteria are guiding your grantmaking choices?; (2)  
31 Have you further specified your outcomes, implementation markers, or triggers for possible course  
32 corrections since the strategy was launched or refreshed; (3) Are you making progress in answering the  
33 most important evaluation questions identified in the original or refreshed strategy? If yes, what are you  
34 learning and if not, why not?

35  
36 Kramer, Twersky, Grange, and the program directors presented the new approach to the board in July  
37 2015. It received an enthusiastic response, Grange said. EPG and Hewlett staff are continuing to refine  
38 the approach. Once it is finalized, the EPG will lead its implementation.

39  
40 “Early on in this process, it asks, ‘What are your most important evaluation questions? What’s your ideal  
41 sequencing for answering them in your strategy lifecycle’ There is this notion that evaluation is a  
42 fundamental part of strategy,” Grange said. “It’s not that you get to a certain point and look back. We’re  
43 trying to incorporate the growing institutional emphasis on evaluation.”

44  
45 Stid, who has been closely involved in the process of developing the new framework, said that he has  
46 appreciated the collaborative and inclusive approach EPG is taking with OFP.

1 That said, Stid observed that “even with the new framework, we will need to avoid the temptation of  
2 presuming that all programs here are working in ordered systems where all the relevant variables and  
3 the relationships between them are known or ultimately knowable. Rarely can we say, ‘If we invest this  
4 much, we can expect this outcome in this time frame. Very few of the systems we work in are ordered  
5 and stable such that they can support this kind of calculation. We must take care not to gloss over the  
6 complexity of the systems we are working in.”

7  
8 EPG staff said that OFP has yet to be fully tested and that it aims to build in flexibility around emergent  
9 strategy.

## 10 11 **Looking Ahead**

12 In the summer of 2015, the Effective Philanthropy Group had been in existence for three years. Several  
13 program directors said that it had become a crucial part of the Foundation and a group that they relied  
14 on for help in a number of areas—strategy, evaluation, and organizational learning. But both EPG  
15 members and program staff said that there were still challenges to navigate. Some of those challenges  
16 had to do with the culture at Hewlett and others with the evolution of the EPG.

### 17 18 **The Impact of Hewlett’s Culture on Evaluation**

19 For example, no matter what type of support Arbreton and EPG can provide programs with evaluation,  
20 the process of thinking about, commissioning, and overseeing evaluations still requires a major  
21 commitment from the programs, especially for a foundation that has such lean staffing, Levine said.

22  
23 “The difficulty that I am only now fully coming to terms with is how time-consuming evaluation is,”  
24 Levine said. “Although we are doing much more evaluation and the staff are enthusiastic about it, I  
25 don’t have more staff to do this. In fact, I have less staff than when I started. It’s not clear to me how to  
26 manage the tradeoff in terms of time. Program officers estimate that to do a significant evaluation it is  
27 the equivalent of managing four to five new grants.”

28  
29 Hewlett also continues to provide about 70 percent of its support as general operating grants. Those  
30 types of grants are particularly difficult to evaluate, Levine said.

31  
32 “We write a check to Planned Parenthood for \$3 million. It’s less than 1 percent of their budget,” Levine  
33 said. “They tell me that it’s hugely important. The board is happy, but how on earth would we ever  
34 evaluate that? I think that the general operating support grants are probably the most valuable things  
35 we do. They are really, really hard to evaluate.”

36  
37 Arbreton noted that with OFP, Hewlett expects to focus less on evaluating a single grant and more on  
38 evaluating a strategy or sub-strategy.

39  
40 Similarly, Hewlett’s culture of autonomy also has an impact on the way evaluation is used—or not,

41  
42 “Since we are internal consultants, we do not approach the work in the position of authority,” Arbreton  
43 said. “We don’t say, ‘You must do this.’ We are trying to create interest and positive experiences with  
44 evaluation so that people feel like evaluation benefits their work. It can be hard. I don’t necessarily even  
45 know all of the details of the evaluations that are happening. It’s not my role. Nobody has to tell me, ‘Oh



1 we're going to do this evaluation.' I'm available as a support, to help them commission, use and learn  
2 from evaluation. I don't know whether that's good or bad. It just is."

3  
4 Margot Fahnstock, a program officer in the Global Development and Population Program, meanwhile,  
5 wondered about the impact of term limits on making use of evaluation findings.

6 "I just passed five years here," she said. "That means the end of the evaluation process will come right  
7 up against the end of my term. Is that good or bad? I don't know. It must have some implications for the  
8 findings."

### 10 **Evolution of the Effective Philanthropy Group**

11 Members of EPG, meanwhile, said that they are grappling with some issues as their work matures. One  
12 issue is that they are in such demand that they are going to start to think about how to make choices  
13 and tradeoffs in response to that demand, Twersky said.

14  
15 "We are at the point where we need to refine our consulting model and make sure that we are  
16 supporting the right kind of engagement and that we're not burning out," she said. "We need to make  
17 more explicit tradeoffs."

18  
19 Wang said that the in-house consulting model comes with many of the benefits and challenges of any  
20 type of consulting. The benefits are that Wang, Arbretton and Grange know the programs well and are  
21 on-site to provide assistance. The challenges are that in any type of consulting engagement, the fit  
22 between a consultant and a client is really important, Wang said.

23  
24 "When you interview [an outside consultant] for a project, you can say, I'm not sure I'd work well with  
25 that person," Wang said. "Here you don't have that option. We may work better with some people than  
26 others."

27  
28 Another issue is that each program team has its own dynamics, and it is not always clear who is driving  
29 the engagement, Wang said. She noted that in a typical external consulting project, a client does a  
30 request for a proposal, a consultant provides a scope of work, and all of the agreements for work are  
31 clearly laid out from the beginning. With the EPG model, the team has to figure out what their clients  
32 want and sometimes wrestle with how much to be responsive to their needs versus taking more of a  
33 lead in the work, she said.

34  
35 "There is always a question of how much to push," Wang said. "It is clear in our minds that we are a  
36 support function, not an accountability function. At the same time, we probably have opinions about  
37 whether a strategy has articulated outcomes well or thought enough about evaluations. But we are not  
38 the ultimate decisionmaker of whether a strategy is good enough. How much should we let go or how  
39 much should we be proactive?"

40  
41 The ultimate arbiters instead are the program directors and Kramer.

42  
43 As the Effective Philanthropy Group is configured, it presents a way for people with evaluation, strategy,  
44 monitoring, and organizational learning skills to work together and add more value to Hewlett staff.  
45 Wang and others said how to actually do that routinely is something that the team is figuring out.

1 Grange said: “My biggest question is how we get cross-pillar interaction. Given that EPG is leanly staffed,  
2 how do I work with June or Amy effectively without being constantly joined at the hip but also without  
3 necessarily using a handoff model. Increasingly I want opportunities for us to work together more while  
4 making the best judgments possible about who does what and when, and ensuring our internal clients  
5 get what they need. This is the big frontier of opportunity.”  
6

## 7 **Conclusion**

8

9 The way that Hewlett approached evaluation over 15 years was strongly influenced by its leadership and  
10 culture. It was also closely linked to the Foundation’s approach to strategy. While Hewlett’s approach is  
11 in many ways specific to its institution, it raises a number of questions for other foundations. When  
12 thinking about establishing or changing an evaluation function, what should be the main drivers of  
13 decisions about its purpose, scope, structure, and resourcing?  
14

15 How should considerations about a foundation’s culture influence those decisions? What role should  
16 senior leadership’s view play? What about senior leadership’s interest and involvement in evaluation?  
17 What are the pitfalls in this approach for foundations? Will the culture and leadership of a foundation  
18 always have a defining impact on its approach to the evaluation function? How much weight should  
19 other foundation’s experiences in evaluation be given when making decisions about evaluation at a  
20 foundation?  
21

22 The way in which Hewlett eventually structured its formal evaluation function was also shaped by the  
23 availability and, to some extent, the interests of the person who was hired to oversee the work. To what  
24 extent should a foundation’s assessments about how to structure an evaluation be based on particular  
25 people who might be the right fit for the organization?  
26

27 The story of the Hewlett Foundation’s approach to evaluation is not only one of evolution but of a way  
28 of thinking about how this role fits into a particular culture and leadership. It can raise questions and  
29 discussion for other foundations when they think through how best to incorporate an evaluation  
30 function into their organization.

## Appendix 1

### The Hewlett Foundation's Seven Principles of Evaluation Practice<sup>3</sup>

We aspire to have the following principles guide our evaluation practice:

- 1. We lead with purpose. We design evaluation with actions and decisions in mind. We ask, “How and when will use the information that comes from this evaluation.”** By anticipating our information needs, we are more likely to design and commission evaluations that will be useful and used. It is all too common in the sector for evaluations to be commissioned without a clear purpose, and then to be shelved without generating actual insights. We do not want to fall into that trap.
- 2. Evaluation is fundamentally a learning process. As we engage in evaluation planning, implementation, and use of results, we actively learn and adapt.** Evaluative thinking and planning inform strategy development and target setting. They help clarify evidence and assumptions that undergird our approach. As we implement our strategies, we use evaluation as a key vehicle for learning, bringing new insights to our work and the work of others.
- 3. We treat evaluation as an explicit and key part of strategy development.** Building evaluative thinking into our strategy development process does two things: (1) it helps articulate the key assumptions and logical (or illogical) connections in a theory of change; and (2) it establishes a starting point for evaluation questions and a proposal for answering them in a practical, meaningful sequence, with actions and decisions in mind.
- 4. We cannot evaluate everything, so we choose strategically.** Several criteria guide decisions about where to put our evaluation dollars, including the opportunity for learning; any urgency to make course corrections or future funding decisions; the potential for strategic or reputational risk; size of investment as a proxy for importance; and the expectation of a positive expected return from the dollars invested in an evaluation.
- 5. We choose methods of measurement that allow us to maximize rigor without compromising relevance.** We seek to match methods to questions and do not routinely choose one approach or privilege one method over others. We seek to use multiple methods and data sources when possible in order to strengthen our evaluation design and reduce bias. All evaluations clearly articulate methods used and their limitations.
- 6. We share our intentions to evaluate, and our findings, with appropriate audiences.** As we plan evaluations, we consider and identify audiences for the findings. We communicate early with our grantees and co-funders about our intention to evaluate and involve them as appropriate in

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<sup>3</sup> *Evaluation Principles and Practices: An Internal Working Paper*. Menlo Park, CA: The William and Flora Hewlett Foundation, 2012. This paper is available on the Foundation's website at [www.hewlett.org/library/hewlett-foundation-publication/evaluation-principles-and-practices](http://www.hewlett.org/library/hewlett-foundation-publication/evaluation-principles-and-practices)

issues of design and interpretation. We presumptively share the results of our evaluations so that others may learn from our successes and failures. We will make principled exceptions on a case-by-case basis, with care given to issues of confidentiality and support for an organization's improvement.

- 7. We use the data!** We take time to reflect on the results, generate implications for policy and practice, and adapt as appropriate. We recognize the value in combining the insights from evaluation results with the wisdom from our own experiences. We support our grantees to do the same.

## **Appendix 2**

### **How the Hewlett Foundation Defines Evaluation and Monitoring<sup>4</sup>**

#### **What Is Evaluation?**

Evaluation is an independent, systematic investigation into how, why, and to what extent objectives and goals are achieved. It can help the Foundation answer key questions about grants, components, initiatives, or strategy.

#### **What Is Monitoring?**

Grant or portfolio monitoring is a process of tracking milestones and progress against expectations, for purposes of compliance and adjustment. Evaluation will often draw on grant-monitoring data but will typically include other methods and data sources to answer more strategic questions.

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<sup>4</sup> *Evaluation Principles and Practices: An Internal Working Paper*. Menlo Park, CA: The William and Flora Hewlett Foundation, 2012.

## Appendix 3

### Elements of Outcome-Focused Grantmaking<sup>5</sup>

#### *Strategic Plan*

##### **Element 1: Goals**

Goals set clearly defined, achievable and measurable program outcomes that are broad enough to capture the initiative's long-term aspirations, and tailored to be achievable with the program's resources.

##### **Element 2: Logic model and theory of change**

A logic model and theory of change identify what must be done to achieve the program's goals, including the causal connection between grantmaking activities and achieving goals.

##### **Element 3: Capacity scan**

A capacity scan integrates field and grantee capacity into a program's strategy from the beginning. This element is designed to ensure adequate field and organizational capacity to achieve a program's goals.

##### **Element 4: Metrics and targets**

Metrics and targets track progress toward a program's objectives. Metrics capture outcome objectives in a short list of practical measures.

##### **Element 5: Expected return estimates**

Expected return estimates help identify high-impact grants. Expected return estimates are at the heart of outcome-focused grantmaking because they help grantmakers to choose the highest-return activities within the highest-return approach.

#### *Implementation Plan*

##### **Element 6: Financial and personnel budget**

The financial and personnel budget shows how resources will be used over time. Unlike most typical budgets, it describes how particular expenditures are connected to outcomes in the logic model. It also tracks the time program staff will be required to devote to a strategy.

##### **Element 7: Funding and partner plan**

The funding and partner plan recognizes that funding from other foundations, governments, and the private sector may help achieve a program's goals. It also makes any need to attract additional resources explicit by indicating whether external funding and other types of capacity are needed to succeed, and by identifying potential partners.

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<sup>5</sup> *A Hard-Headed Approach to Soft-Hearted Goals*. Menlo Park, CA: The William and Flora Hewlett Foundation, 2012.

**Element 8: Capacity-building plan**

The capacity-building plan builds on the capacity scan (Element 3) to set priorities among potential activities to assist grantees. It also identifies those of highest value and most likely to succeed and shows which capacity-building approaches can best support grantees.

**Element 9: Monitoring and evaluation**

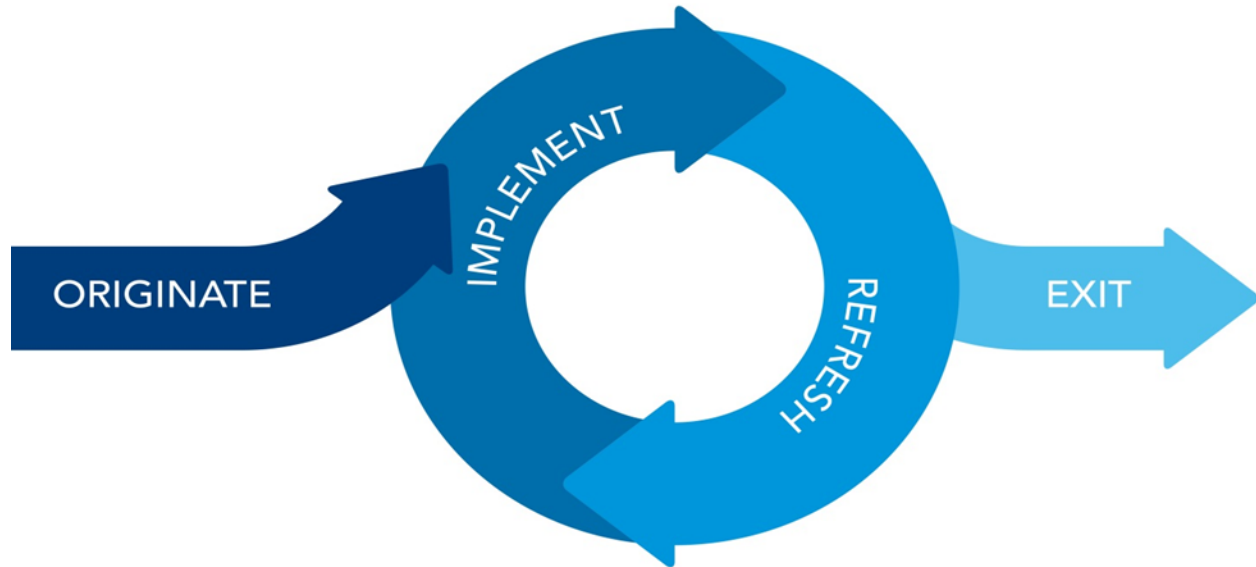
Monitoring and evaluation link directly to outcomes. Many foundations look to monitoring and evaluation to help ensure that activities take place as called for by the logic model, desired outcomes are achieved, and adjustments are made as necessary. Outcome-focused grantmaking takes the concept a step further by designing monitoring and evaluation during the initial planning process. This avoids the two most common pitfalls of attempts to track and assess progress toward strategic goals: starting monitoring midway through a strategy and excluding grantees from the development process.

**Element 10: Phasing and exiting plan**

The phasing and exiting plan creates a blueprint for when a strategy should shift or conclude. The plan acknowledges likely causes for future shifts in program strategy, establishes criteria for deciding when to shift the program's focus or exit the area, and estimates when the program might be expected to accomplish its current goals.

**Appendix 4**  
**Outcome-Focused Philanthropy<sup>6</sup>**

The Hewlett Foundation’s Strategy Lifecycle



ORIGINATE	IMPLEMENT	REFRESH	EXIT
<ul style="list-style-type: none"> <li>&gt; Define problem or opportunity</li> <li>&gt; Identify potential or proven solutions</li> <li>&gt; Establish goals, outcomes and most important evaluation questions</li> <li>&gt; Design strategic approach</li> <li>&gt; Identify philanthropy’s and Hewlett’s niche</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Select and support grantees</li> <li>&gt; Refine goals and outcomes, track progress, and evaluate discrete components</li> <li>&gt; Monitor developments internally and in the field</li> <li>&gt; Make course corrections</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Test assumptions and assess progress</li> <li>&gt; Revisit internal and external landscapes</li> <li>&gt; Make needed course corrections to expected results and/or grantmaking approach</li> <li>&gt; Lay groundwork for exit, if appropriate</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Identify timing and rationale</li> <li>&gt; Plan and manage exit with grantees and other stakeholders</li> <li>&gt; Summarize and share final results and lessons learned</li> <li>&gt; Encourage discussion in the field</li> </ul>

<sup>6</sup> June 30, 2015, memo to Effective Philanthropy Group Board Advisory Committee, Board of Directors