The 95-Year Old Startup

Messy mission-driven change

May 7, 2019
“I never made a dime talking”

- S.S. Kresge, Harvard dedication (complete text)
SHIFT: START WITH ONE TOOL

Facilities Capital:
Kresge Capital Challenge Grant Program
SHIFT: CONNECT IT TO STRATEGIES

Field-Specific Strategies

Environment
- Climate Change
- Mitigation and Adaptation

Health
- Social Determinants of Health Outcomes
- Community-based care

Arts & Culture
- Sustainable Organization
- Arts role in Community Development

Education
- Pre-secondary Access & Support
- Building equity of opportunity

Human Services
- Subsistence
- Building community resilience

Community Development
- Building between place-based and national strategy

Values

Stretch: Non-Profit Capitalization

Strengthening Organizational Capacity

Planning Capital

Working/Growth Capital

Operating Support

Facilities Capital

Program Support

Program-Related Investments

Mission-Related Investments
Yes and...
**MCKINSEY CHANGE MODEL**

**Why it works**
People mimic individuals and groups who surround them—sometimes consciously, and sometimes unconsciously.

**Role modeling**
“I see my leaders, colleagues, and staff behaving differently.”

**Fostering understanding and conviction**
“I understand what is being asked of me, and it makes sense.”

**“I will change my mind-set and behavior if ...”**

**Why it works**
You can teach an old dog new tricks—our brains remain plastic into adulthood.

**Developing talent and skills**
“I have the skills and opportunities to behave in the new way.”

**Reinforcing with formal mechanisms**
“[I] see that our structures, processes, and systems support the changes I am being asked to make.”

**Why it works**
People seek congruence between their beliefs and actions—believing in the “why” inspires them to behave in support of a change.
If you want to drive change, you’ve gotta...

1. Explain why
2. Role model it
3. Make it easy
4. Make it rewarding
**Tempo of strategic engagement**

**Cadence**
- **Semi-regular**
  - **Board work groups (by program)**
  - **Quarterly**
    - What are we up to?
    - What is clearer to staff since we last met?
  - **Annually**
    - What are we on our strategic trajectory?
    - What has changed in the world?
    - What, if anything, needs to change in our strategy?
  - **~2-3 years**
    - Board books
    - Program strategy review
  - **~3 years**
    - Year-end meeting
    - Where are we as a foundation?
    - Are we comfortable with we’re going?
  - **~5-6 years**
    - Program strategy refresh
    - Do our assumptions still hold?
    - Are we still on the right path, working on the biggest issue in the most effective way?
    - If not, what are we going to do about it?

**Questions**
- What is clearer to staff since we last met?
From 3% to 20%+ of Kresge’s grantmaking

- Incentive fund
- "Four fence-posts"
- "Good Pitch"
- Dedicated 0.5 FTE
- Launch 3 major cross-team initiatives

Graph shows the evolution of cross-team investment from 3% to 20%+ of Kresge's grantmaking.
Categories of cross-team work

**Grants/Projects**
- 56 grants totaling $27.4 million in 2016

**Places**
- Memphis
- New Orleans

**Topics**
- Housing
- Boys & Men of Color

**Initiatives**
- Center for Community Investment
- Kresge Community Finance
- FreshLo
Phase I: Normalizing—Jan 2017 to May 2017

Phase II: Organizing—May to Sept 2017

Phase III: Operationalizing—Sept 2017 – June 2018
Heart and Head
1. To more directly explore Kresge’s “opportunity” fencepost
2. To address impediments to opportunity that cut across programs
3. To craft a portfolio of responsive investments - that hold the potential for more enduring change
Opportunity Fund grantmaking

- Strengthening Democracy and Civic Agency
- Protecting Human Dignity
- Increasing Access to Justice
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