

# Adding Value to Grantmaking What, How, Why and When?

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## Research Aims

- To help BIG (and other grant makers) understand the nature, benefit, cost and outcome of adding value to grant programmes beyond good practice in grant making.
- Traditional means of adding value:
  - Restructuring allocation of financial resources; and
  - Capacity building.

# Adding Value to Grantmaking

## What, How, Why and When?

### Added Value

- Grantmaker's lexicon: 'strategic philanthropy', 'social investment', 'outcome funding', 'social entrepreneurship', 'venture capital philanthropy', 'social justice philanthropy', 'creative philanthropy', among others.
- Added value - any form of activity intended to add something over and above the transfer of financial resources from grantmaker to grantee.
- Takes different forms, occurs at different levels and at different times.

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## Reasons for Adding Value

- dissatisfaction with gift givers/cash machines;
- pressure for outcomes.

## Ways of Adding Value

- non-financial resources – independence, reputation and influence, networks, overview and specialist knowledge;
- most attention to purchasing something more or different; least attention to non-financial resources.

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## When Value is Added

- Most attention to 'pre-grant' and 'grant' phase.
- More recent interest in 'application' phase.
- More attention needed to 'post grant' phase in order to maximise impact beyond grantees and for sustainability.

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## Benefits and Costs

- More effective organisations, more effective grants.
- Longer term impact.
- Wider impact - beyond immediate grantees.
- Costs: money; time; quantity versus quality; and danger new capacities cannot be exercised.

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## Looking at BIG

Particular value added via acting as a:

- 'catalyst'
- 'convenor'
- 'broker', to encourage ...
  - partnerships and networks
  - increased learning
  - higher profile for grantees and issues
- Networking: most valued.

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## Maximising Value

Grantmakers need to:

- extend their tool box – building on financial and non-financial assets;
- broadcast successes and failures – to finish what they started.

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Using non-financial resources requires ...

- Time
- Reputation
- Profile

To synthesise and build bridges between ideas,  
needs and groups for:

- knowledge, learning and solutions;
- adding value over and above money.

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## Recognising Opportunities and Constraints

Need to:

- be opportunistic and flexible to respond to changing policy agendas;
- learn from literature on diffusion of innovations;
- accept that environments change;
- recognise that sustainability is not in the gift of any one organisation.

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## Recommendations

Big has been successful in adding value but could:

- recognise and exploit its non-financial resources;
- devote more resources to post-grant phase;
- respond in timely way;
- consider costs and benefits of contracting out;
- consider relationship of elements of added value;
- recognise the importance and make maximum use of accumulated knowledge;
- celebrate successes; and
- take responsibility for effective communication.