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The San Francisco Foundation Year 2003 Customer Service Project Summary of Findings

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Introduction

The following report summarizes key findings from The San Francisco Foundation's comprehensive customer service assessment project that was undertaken in 2003. The project had three phases, design, data gathering, and analysis. Before briefly describing each of these phases, it is important to provide a context for this type of assessment. The practice of seeking feedback from customers has long had primacy in the corporate sector, but has only just recently begun to establish a toehold in the philanthropic world. There are many reasons for this set of circumstances, among them are that the work of foundations eludes easy translation into metrics, the lack of a direct relationship between changes in assets and the quality of the product/service that is provided, and the assumption that it would be difficult, if not impossible, to elicit honest feedback from beneficiaries of philanthropic largesse. Despite these challenges, there is a clear trend that foundation trustees and their staffs are reaching out to gather feedback.

For nonprofit organizations and the philanthropic institutions on which they rely, these are especially tough times. The economic downturn hit the Bay Area particularly hard, with its effect still reverberating for nonprofit organizations. The grantee survey explicitly asked grantees about the ways in which the current environment was affecting their organization. It is not surprising that they cited elimination of staff positions, reductions in funding, and rising demands for emergency and other services. Such burdens could seemingly have cast a pall that might have affected the rates of response or even the respondents' content. Fortunately, the strong response rate and often expansive and nuanced comments indicate otherwise, with many participants volunteering that they appreciated the opportunity to provide feedback.

A Focus on Relationships

Community foundations occupy a special place within the philanthropic sector. One role of a community foundation is to attract and effectively manage the funds of its donors. But community foundations distinguish themselves from similar activities managed by a bank's trust department or a mutual fund for charitable giving by their community oriented mission. Their niche, or added value, is the knowledge of a locality's needs and the relationships that are developed to address them. Their customer base is more diverse

than private foundations and includes donors, grant recipients, and the greater community to which their mission is tied. The San Francisco Foundation (TSFF), like many of its counterparts across the nation, had sought feedback from one set of its customers, i.e. donors, but had never undertaken a comprehensive effort to hear from its spectrum of successful and unsuccessful applicants.

Thus, in February 2003, TSFF's leadership commissioned Teamworks to determine how the Foundation's stakeholders saw their relationship with the Foundation and also to explore their views of the Foundation's understanding of the community. Renee A. Berger, Teamworks's president was joined in this effort by Jim Thomas (Jim Thomas Consulting). The first phase of the process was devoted to sharpening the focus of the inquiry, defining the target populations, and developing the survey instruments. This front end investment, which involved considerable input from staff, ensured that staff played a lead role framing the scope and content of the inquiry. Unlike many "canned" customer surveys, this project was tailored for the unique institutional needs of TSFF. The next phase was data gathering, which took the form of mail surveys and interviews, and was carried out from June through September. Analysis started soon after and the sheer breadth of the information provided will make this phase a continuing task for TSFF.

The Methodology

The project consultants worked closely with a staff team composed of a cross-section of representatives from both program and administrative operations and from donor development as well. The team's hard work produced a draft survey instrument and defined the survey populations. Feedback from a focus group of grantees led to a second draft, which was the subject of another focus group of grantees.¹ The exceptional value of the combined input of the staff and the focus group participants can be measured by the strong overall response rate to the grantee survey. Worthy of special note, too, are the high internal response rates and frequently lengthy narrative responses to open-ended questions.²

The overall customer service project design included a grantee survey, applicant survey, community partner interviews, interviews with a set of organizations that had been declined awards, a survey of the FAITHS initiative, and interviews with donors. The focus of this report is on the feedback from the grantee and applicant surveys, community partner interviews, and the input from declined organizations. This set of stakeholders comprises a very large component of TSFF's grantmaking constituency.³

¹ The focus groups included representatives of seasoned and large and small and new organizations serving a wide range of issue areas from the arts to education and the environment. They included groups that had received grants, but also had occasions when they applied and were not awarded support.

² Internal response rates measure the number of respondents that answer each question as a percentage of the total respondent population. Survey respondents often skip questions, due to their lack of relevance, clarity or similar issues. Both the grantee and applicant surveys had numerous questions that exceeded 90 percent and even 95 percent response rates. It often required over 10 pages and sometimes more than 20 to record the narrative responses to individual questions.

³ A portion of the population in the FAITHS group also falls into the grantee and applicant pools. Information from the FAITHS and donor populations are subjects of separate review by TSFF.

Customer Service Mail Survey Population

| Target Population ⁴ | Description | Mailing Size | Response Rate ⁵ |
|--------------------------------|---|--------------|----------------------------|
| Grantee Survey | All applicants approved to receive grants during the time period 3/1/2001 - 5/6/2003 | 815 | 42.7 percent |
| Applicant Survey | All applicants (3/1/2001 - 5/6/2003) that submitted a Letter of Intent and that were discouraged from submitting a full proposal. | 1355 | 30.3 percent |

In addition to the mail surveys, 28 interviews were conducted. One set (20 interviews) was with the executives of organizations viewed to have especially high alignment with priorities of the Foundation, e.g. expanding philanthropy in diverse communities, building organizational capacity of nonprofit organizations, and promoting civil rights. For the purpose of this survey this group was referred to as the “community partners.” The other set of interviews was with organizations that had been encouraged after the submission of their Letter of Intent to prepare a full proposal, and were subsequently declined. Interviews were requested with 12 organizations that had been declined within the same two year study period used for the surveys. Eight interviews were completed.⁶ Both the surveys and requests for interviews were accompanied by a letter from TSFF’s chief executive officer explaining the purpose of the project and underscoring that all respondent input would be confidential, i.e. that there would be no attribution of a comment (positive or negative) to a particular organization or person.

Below we summarize the key findings. Respondents were extraordinarily generous with their input, often writing four or more sentences to questions that had an option for additional comments. Foundation staff will continue to review and analyze the wealth of data.⁷

⁴ Over half (51 percent) of the respondents to the grantee survey had previously had either a Letter of Intent discouraged or had been declined. Among the applicants, 46 percent had previously received a grant from TSFF. In essence, within both groups there was a roughly equal likelihood that they had previously been awarded (applicants) or not awarded (grantees) support. During the development of the criteria defining the survey populations, we identified a small percentage of organizations that had both been successful and denied within the past two years. To minimize burden and confusion this group received only the grantee survey.

⁵ There was a problem with the mailing that may well have affected the response rate. The surveys went by bulk mail instead of first class. This resulted in materials being received 2-3 weeks later than planned. Numerous recipients received a postcard reminder before the survey itself, which led to confusion as well as concern over submitting materials by the survey deadline (which in some cases passed prior to receiving a copy of the survey.) We are convinced that the response rate would have been even higher absent this problem.

⁶ There was a total of 77 organizations that were declined in the last two years. Fifteen percent of the groups representing different program areas were targeted for interviews. A minimum of two efforts were made to schedule calls. Difficulty with scheduling some of the completed interviews of the declined group suggests that those applicants had little to no staffing and were juggling with other responsibilities such as child care.

⁷ To protect the promised anonymity, all statistical files have been stripped of variables that could identify the respondent and all written responses have been vetted to remove names of organizations, individuals, or other information that might aid in identifying the respondent.

Findings

We start by addressing the question of who responded to the surveys, and to what extent the findings provide an accurate picture of the customers. The profile of the respondents is followed by data describing how the relationship with TSFF is viewed and the impact of the relationship with TSFF.

The surveys sought input from the entire grantee and applicant population during a two year period. This timeframe was chosen because the feedback would be fresh and it covered a time in which TSFF had introduced its most current grant guidelines. The survey sought feedback from the entire universe of grantees and applicants. Thus, it did not utilize a sampling methodology that is then subject to tests of confidence. The strong response rate provided assurance that the data reflects the overall universe of grantees. For further affirmation we compared the grantee respondent profile with data TSFF gathers for this population and concluded that it mirrored the universe of its grantees.

Profile of Responding Organizations

Size of Organization: The survey data shows that TSFF provides support to a broad range of organizations, measured by budget size. Notably 43 percent have budgets under \$500,000 and the overall median staff size of all grantee respondent organizations (FTE) is 7.5, strong evidence that many TSFF grantees are small organizations. Most of the respondents reported that they were founded fairly recently, with 24 percent founded in 1996 or later. The data from the applicant group indicates that these are generally smaller organizations, with 58 percent having budgets below \$500,000 (compared to the responding grantees, the applicant group had twice as many organizations with budgets below \$200,000) and an overall median staff of 4.⁸ As with the responding grantees, many of the applicant organizations are comparatively young, with 30 percent having been founded in 1996 or later.

Geographic Location: Roughly half of the respondent organizations (for the grantees, 50 percent, and for the applicants, 47 percent) have their principal office in San Francisco. Another 29 percent of the grantees respondents are in Alameda County, as are 27 percent of the responding applicants. The balance of groups was spread across Marin, San Mateo, and Contra Costa counties. The geographic distribution of the grantee respondents parallels TSFF's database of its grantees.

Program Area: Responses were received from grantees representing all of TSFF's program areas, for example, Neighborhood and Community Development (21 percent), Community Health (20 percent), Arts and Culture (14 percent), Education (14 percent), Social Justice (13 percent), and Environment (9 percent). The balance included Koshland and various initiatives.⁹

⁸ TSFF's data shows that 47 percent of the grantees have a budget under \$500,000 while for the survey population the figure was 43 percent. The survey did not always use precisely the same ranges as are used in TSFF's database, yet the response patterns were well aligned. For example, TSFF's data shows 30 percent having budgets below \$250,000 and the survey has 19 percent under \$200,000. This suggests that there is probably a larger group between \$200,000 and \$250,000, but the point remains that small organizations constitute a sizable and important proportion of the grantmaking.

⁹ The distribution by program area closely parallels TSFF's data, with a modestly higher response from people who identified themselves to be from the Neighborhood and Community Development program (TSFF 16 percent, survey 21 percent) and fewer respondents that identified themselves as a participant in an Initiative (TSFF 11 percent, survey 5 percent). This may be, in part, a result of respondents incorrectly

This data indicates a nurturing of the smaller groups that constitute the greatest majority of the Bay Area's nonprofits, and who often face high hurdles getting the attention of other foundations. Moreover, we learned through the interviews, the focus groups, and from comments provided in the grantee narratives that in many instances TSFF had been the initial funder of the organization, or was credited with being willing to support new programs. In essence, the data strongly suggest that the Foundation is willing to take risks promoting innovation and takes a layered approach to assisting the diverse organizations that reflect the area's nonprofit sector.

How the Relationship with TSFF is Viewed

The surveys asked a set of questions designed to shed light on how respondents perceived their relationship to TSFF. The questions inquired if the guidelines were clear, if people had sufficient information to apply, if questions were handled in a professional manner, if they could speak openly and honestly with TSFF staff, if staff brought valuable knowledge/expertise, if staff understood their work, what they valued the most, and what disappointed them.

Grant Guidelines and Assistance: One set of questions focused on TSFF's grant guidelines and informational supports such as the website and workshops. These tools are designed to convey to the public that the Foundation's process is transparent and that applicants can receive the necessary information to submit competitive applications. Grantees rated¹⁰ the guidelines and the workshops highly for clarity and the utility of the information provided (nearly 87 percent favorable rating for the guidelines, and 85 percent for the workshops, though just 27 percent reported attending one). Applicant responses were lower (74 percent agreed the guidelines were clear, 76 percent were favorable about the workshops). Among the applicants, 68 percent said that when they contacted the Foundation they had quickly reached someone who could help them, and 79 percent said they had been treated professionally. There were many positive comments about TSFF staff responsiveness, such as always friendly, efficient, and helpful, and being surprised at how available the program officer has been. Responses from applicants who were unsatisfied with their effort to contact someone who could help them stated, for example, it took several days before they received a call back or that calls were occasionally unreturned.

How to Improve Grantmaking: A two part question was asked about how grantmaking could be improved. The largest share of the criticism (260 comments) was directed to the amount of time it takes between first applying and receiving a grant (21 percent of comments). This was followed by 13 percent who felt that there should be more multi-year grants (or clarity about the possibility). Next were those who wanted more clarity (11 percent), e.g., simpler funding categories, more clarity about the basis for funding decisions and on the "team approach," and on the distinction between program areas. Some respondents said that program categories were too narrow and did not sufficiently

identifying their program area. (For example, participants in the West Oakland Initiative may have checked Neighborhood and Community Development.)

¹⁰ The survey used a classic 7-point scale (e.g., strongly disagree to strongly agree). Responses were grouped so that ratings of 5 or higher qualify as favorable comments. Questions frequently included two components, one to respond to the scale or a yes/no and another for comments.

accommodate for organizations whose work is multifaceted/innovative. There was also a desire expressed for more availability of operating support.

Quality of Interaction with TSFF Staff: Another set of questions examined how respondents viewed the quality of the interaction with the staff. The responses were largely positive, in some cases effusive, and in a few others, critical. Nearly 82 percent of the grantees said that they could talk honestly with staff. Among the remaining 18 percent were people who said that they were reluctant to be candid and/or that the fundamental inequity of the relationship made it difficult to be direct. Respondents found staff knowledge/expertise valuable (79 percent) and view staff as a “partner” that understood their work (82 percent). Asked about what they valued most in the relationship, the top three categories of the often lengthy responses were communications (e.g., words that were used included open, receptive, empathetic, informed, good listeners), values and character (respectful, compassionate, integrity), and relationship (work together for change, collegial).

Nearly 17 percent of the comments offered in response to the question about how TSFF grantmaking could be improved focused on staff-related issues. Respondents stated that the turnover of staff has been disruptive and lack of contact with staff that seem too busy/overburdened to provide desired service (e.g. site visits, assistance to make them more effective organizations). The interviews of the declined population brought to the surface their lack of understanding—beyond the generic “there wasn’t enough funding for all the proposals”—about why they had been denied support. Several reported repeated efforts to reach staff but telephone calls, letters, and e-mail were not answered. Finally, interviews with community partners, many of whom enjoy privileged access to staff, frequently contained observations about the administrative demands on TSFF staff time and the lack of their ability to give adequate focus to programs and grantees.

The Impact of the Relationship with TSFF

The grantee survey included two levels of questions about TSFF. One set probed what people thought of the overall organization and how it compares with other foundations. A second set of questions elicited feedback about whether the grantee organization had changed as a result of the relationship with TSFF (and if so, how); and if that relationship had helped with efforts to seek funding elsewhere. Information from the interviews with the community partners and the declined populations supplement the grantee data. The following discussion is divided into two parts. The first focuses on how TSFF is viewed and the second highlights the effects of the relationship on the grantees.

How TSFF is Viewed

Grantees were asked what three words or phrases best describe TSFF. The number of responses (there were nearly 800 responses from 284 respondents) and the length of the responses, along with the repetition of certain words, made this quite daunting to analyze. The five top words were community, supportive, responsive, helpful, and professional. The word community received 2.5 times more comments than the next most frequently mentioned description.

The grantees were asked how their experience with TSFF compares to other foundation experiences. Respondents (332 responses) said that, compared to other funders, TSFF was responsive/supportive, sensitive to the community, has knowledgeable/professional staff,

fosters relationships, and has a clear grants process. Together, these constitute 74 percent of all responses. Responses ranged from lengthy to pithy, for example, stating that TSFF was “great,” or “our rock.” There were many highly laudatory statements about individual staff. Another 10 percent described their experience as similar to other foundations.

The interviews with the community partner organizations drew a picture of a range of interactions with TSFF that go well beyond traditional notions circumscribing the grantor/grantee relationship. We have previously explained that these organizations are closely aligned to the Foundation’s priorities; for example, they operate at a policy level or occasionally play roles as intermediaries to build the capacity of other organizations. TSFF staff looks to the community partners for strategic input and to advance issues such as education reform, and policies affecting communities of color, gender, and those affected by AIDS/HIV.

Interviewees cited examples of being invited by TSFF to participate in its review of candidates for program officer positions and noted occasions when they gave presentations to TSFF’s trustees that led to rapid and productive follow-up. Several interviewees praised TSFF’s role in policy advocacy. For example, one interviewee associated with an environmental health organization said that she thought TSFF was instrumental in persuading the San Francisco Board of Supervisors to adopt a policy of precautionary principles. Several other interviewees expressed deep appreciation for access to TSFF’s leadership, especially for insights regarding how to effectively negotiate the political landscape at the local and state levels. TSFF’s policy role tends to be somewhat invisible, but interviewees explained that TSFF’s credibility and actions as a convener, advisor, networker, funder, and fundraiser, had catalyzed changes that they could not have accomplished on their own. Lastly, a number of the interviewees observed that TSFF had raised the bar for giving attention to diversity, especially communities of color and gender.

Both the grantees and interviewees had criticism of TSFF also. The grantees (about 15 percent of the comments) that compared their experience of TSFF with other foundations said that TSFF was more bureaucratic, the timeline was too long between application and award, or that they lacked a relationship with TSFF to able to provide comparison. Several community partners asserted that TSFF should have a narrower set of priorities and that its leadership was not sufficiently vocal/visible on issues they viewed as critical. Like grantees, the partners expressed concern about the level of turnover of staff, but they tended to focus on what might be the causes rather than the impact on their own communications with TSFF. Several observed that TSFF staff appear to have significant administrative burdens that run the risk of diminishing their ability to be effective.

Effects on the Grantee Organization

Just over 63 percent of the respondents (334 organizations) said that their organization has changed because of the relationship. Narrative comments that expanded on the impact fell into three categories that focused on helping to build greater capacity and stability, expanding programs and/or services, and helping to raise visibility and credibility.

When asked if TSFF has helped them in seeking funding, nearly 78 percent answered “yes.” There were 252 organizations that provided comments to this question, with the

most populous (over 52 percent) set of comments describing how TSFF had given them credibility (e.g. provides local credibility, being supported by a large foundation give credibility, it's a major credential in an organization's formative years). This was followed by grantees (18 percent) who said that TSFF's support had attracted other funding (e.g., funding was used for matching grants, helped with collaborations, helps when TSFF is the initial funder). The next two categories had an equal number of responses (10 percent each). Grantees stated that TSFF's support for building their organizational infrastructure (e.g. funding a development officer, strategic planning) helped leverage funding and that TSFF, and an equal number said that TSFF staff assisted organizations with raising support (e.g. providing contacts, assisting with networking).

Conclusions

We reflect back on the central purpose of this customer service project which was learning how TSFF's various stakeholders view their relationship with the Foundation. We also reflect upon TSFF's own statement of its core values, which are

- build respectful partnerships to foster common understanding, solve problems, and ensure a caring community;
- develop our resources to effectively listen, reflect, and share lessons;
- foster excellence and leadership in individuals and institutions;
- value diversity and equity in all of our actions; and
- demonstrate integrity through accessible, timely, and responsive actions.

The data shows that TSFF is favorably perceived across a set of variables that parallel its values and are keys to effective relationships, such as honesty, clarity, caring, respectfulness, and responsiveness. For TSFF, the customer service project provides an opportunity to strive for improvement. In essence, it is a baseline against which goals for change can be defined and measured. For the immediate future, TSFF will want to continue to do what it already does well while being mindful of those areas where respondents provided criticism. The value that TSFF places on respectful listening could readily be demonstrated by explaining how it plans to consider the participants' responses to the customer service project. High on the list of issue areas for TSFF's attention include

- 1) the long timeline between Letter of Intent and grant award,
- 2) greater clarity about multi-year funding opportunities,
- 3) granting more operating/general support,
- 4) ensuring more consistent communications when staff transitions occur,
- 5) making a concentrated effort to improve communication with applicants that have been declined, and
- 6) providing more useful information to grantees (e.g. on the website and in the annual report) about TSFF's distribution of grants by features such as program area, size of recipient organization, amounts of grants, and geography.

Finally, there were voices expressing a desire that TSFF further raise its profile in the community promoting philanthropy, educating the public (especially the media) about the role of the nonprofit sector, and by taking a greater leadership role in the policy arena.

We have stated that this short summary leaves much information yet to be mined. For example, the last questions of the grantee and applicant surveys offered respondents an

opportunity to provide any last thoughts they wanted to share with TSFF. Despite lengthy handwritten comments to earlier questions, respondents offered an array of “thank you,” stay the current course, appreciation for the opportunity for feedback, and numerous thoughtful recommendations. Examples of recommendations include 1) developing simpler application guidelines for smaller organizations with limited staff, 2) creating application guidelines for repeat grantees that would diminish the paper load, 3) providing guidance for organizations whose work does not easily fit any one program category but might cut across a few program areas, 4) encouraging TSFF staff to conduct more site visits, and 5) making sure that plans for developing an online system for applications account for differences in organizations’ technology and capacities, and for problems many identified as associated with these systems, such as the limited flexibility in formatting (there were requests not to make an online system mandatory for applicants).

Data gains its meaning from interpretation. For TSFF, this project’s data is best appreciated by a balanced analysis and an examination of expectations. For example, when 79 percent of the applicants say that their questions and requests were treated professionally, it means that 21 percent felt they were not. Whether TSFF concludes this is positive or not, or is satisfied or not, depends on its goal. Data can produce knowledge, but its power is in its potential for change. For TSFF the value of this rich data set will be measured by the actions taken to convert the areas of weakness into ones of strength.

TSFF Customer Service Project Team

This project relied on the input of TSFF staff who met a handful of times to work through the nitty gritty of the project’s design and its survey tools. All deserve mention. Of particular note, we acknowledge Diane Aranda and Derek Aspacher, who had the thankless tasks of coordinating schedules, ensuring that team members were kept informed, and responding to endless inquiries from the consultants ranging from definitions of terms to demystifying complex grant procedures and for providing data. They did all and more with competence and grace. The overall emphasis on transparency was set by TSFF’s chief executive officer, Dr. Sandra Hernández, and its chief operating officer, Anthony Tansimore, who supervised the project.

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