

## **Learning and Crafting Strategy**

### **at the Mary Reynolds Babcock Foundation**

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Thankfully, gone are the days of strategic planning as a once-every-five years, forced march into linear thinking with goals, flow charts and budgets in fancy (or not so fancy) documents that are soon forgotten. If not gone, this approach to focusing organizational resources in order to achieve impact is at least out of favor as best practice. Many of us in the social sector embrace more timely, organic and learning-based approaches to developing strategy. Our approach is more akin to a craftsman constantly shaping and reshaping an envisioned object based on what is emerging in real-time from the materials at hand. Many terms describe pieces of our newer approaches to strategy development: learning organizations, continuous improvement, adaptive leadership, emergent learning, reflective practice, outcomes-based planning...the list could go on.

I am a practical person in the chief executive role at a family foundation. One board member describes us as “radical incrementalists” and “visionary realists.” Our practical orientation and these descriptors shape our approach to crafting strategy.

For over 50 years, the Mary Reynolds Babcock Foundation has been committed to social and economic justice in the Southeastern United States. That’s the radical part: a vision of sustainable economic security and civic engagement for every person in a region with pockets of the worst poverty in our country. We approach our current mission of helping people and places move out of poverty by growing our understanding of the realities of incremental change toward our vision. Poverty is a persistent and complex problem. We are challenged to craft strategy that applies the Babcock Foundation’s modest resources in ways that make significant differences in as many people’s lives as possible. Our simple definition of strategy is the thoughtful, careful and systematic plan of action for deploying resources. Strategy is not synonymous with narrow focus; strategy may be narrowly or broadly focused, depending on the ends to be achieved. A few assumptions fundamental to our approach to developing strategy are:

- Strategy is grounded in our organizational values and developed to achieve mission-related outcomes. Defining our values, expected outcomes and underlying assumptions are essential to crafting strategy.
- We don’t know everything we need to know. We are comfortable acting without certainty when we have learned as much as we can at the time. Much of what we need to know is constantly changing and evolving.
- We learn best by engaging with grantees and others doing similar work. We learn by doing and reflecting on what we and our partners are doing. This takes time and clarity about learning questions.
- Data about social and economic conditions, about grantee and Foundation outcomes and about what works under which circumstances are important, and can take quantitative and qualitative forms. Systems for collecting, collating and interpreting the right data are necessary and time-consuming to

develop. Clarity of thinking about what is most important to know about our assumptions, outcomes and learning questions is essential. (The adage “garbage in, garbage out” really is true.)

- Data don’t make decisions. People--our staff and board--make meaning from data and then make strategy decisions using judgment and creativity. This too takes time and organizational structures for reflection and informed decision-making. Occasionally, wisdom emerges from collective experience and judgment.
- The purpose of learning is to improve our strategy so that we and our partners increase our contributions to social impact. Learning is worth the investment when we apply lessons to our own work and share it with our partners.

### ***What does learning and crafting strategy look like at the Babcock Foundation?***

For almost 20 years, we have set overall Foundation strategy in two decade-long cycles. In 1994, our board and staff engaged in a year-long learning process to examine our region and distill the Foundation’s core values and lessons from our and our grantees’ experience. Our resulting strategic direction from 1994-2004 focused on strengthening the capacity of low-wealth community leaders, nonprofit organizations and community collaboratives to work on the issues of poverty and racism. Over that decade, we engaged deeply with grantees to learn about these areas in order to develop the Foundation’s strategy, inform grantees’ practice and increase knowledge in these fields of practice. Midway through the decade, our Foundation board and staff conducted a formal review of our learning and changing conditions in the region and made modest midcourse adjustments. With grantees, we began learning how to define reasonable grant outcomes. (That’s another story.)

After ten years, in 2004 we again engaged in a year-long, structured process to reflect on the impact of our past decade of work, lessons learned, changing conditions in our region and the world, and developments in the philanthropic and nonprofit sectors. Building on our core values and organizational capacity built over the previous decade, we further focused our mission on helping people and places in our region move out of poverty. We clarified our beliefs about how people move out of poverty, developed a theory of change to guide the Foundation’s investments, and defined Foundation-level and grantee-level outcomes we expected to achieve between 2005 and 2014. We built an outcomes data management system. In 2010, we completed a midcourse review of progress toward the Foundation’s ten-year outcomes and what we and grantees are learning about moving people and places out of poverty. Again, we made modest midcourse corrections based on what we learned. A report on our midcourse review is available on our website, [www.mrbf.org](http://www.mrbf.org). As we move through the next few years, we will continue to engage deeply with grantees on defining, monitoring and learning from their outcomes and setbacks. Every board meeting features a learning session on a specific topic related to poverty, often engaging grantees. We constantly incorporate what we learn into what we do. In a few years, we expect to take another deep look at impact, lessons and changing conditions in our region in order to recalibrate the Foundation’s overall strategic direction.

Learning and crafting strategy towards outcomes is how we do business at the Babcock Foundation. It is a continuous activity operating simultaneously on shorter-time cycles of learning and adapting work with individual grantees and longer-time cycles necessary for evaluating, learning from and adapting overall foundation strategy. Our practices for learning and setting strategy draw from the rich body of extant thinking about organizational effectiveness. Being the practical people we are, we develop practices that work for us.